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A daylong logistics job fair in the port city opened the eyes of many young students by giving them a proper picture of the booming sector



Story on B4

Pandemic's new poor unable to recover: study

Their condition may worsen further for a lack of access to loans and safety net

STAR BUSINESS REPORT

People who fell into poverty due to the Covid-19 pandemic remain unable to recover to their previous economic status amid the financial crises induced by the Russia-Ukraine war and high inflation, according to a recent study.

Besides, these "new poor" are vulnerable to further deterioration of their financial health as they lack strong networks with employers, access to loans and social safety net programmes.

These findings were revealed in a paper titled "Being New Poor in Bangladesh: Coping Strategies, Constraints, and Trajectories".

The paper was presented during a session of the "First Development Studies International Conference-DSIC 2024", at the Pan Pacific Sonargaon Dhaka yesterday.

The study was conducted by a group of researchers comprising officials of the Institute of Development Studies and the BRAC Institute of Governance and Development (BIGD).



The study was carried out over 11 months on 39 "new poor" households in Khulna.

"The new poor have been facing a variety of constraints covering asset depletion and debt traps, health-related adversities, and distrust in and low expectations from the state," said Jahid Nur, a BIGD research associate.

"We primarily employed financial, livelihood, cost reduction and social safety strategies and found that intermediaries were key to accessing social safety nets," he added while presenting the paper.

Nur also said the paper describes and presents an analysis of the strategies used by respondents for coping with the pandemic-induced shocks, their attempts to come out of poverty and associated constraints.

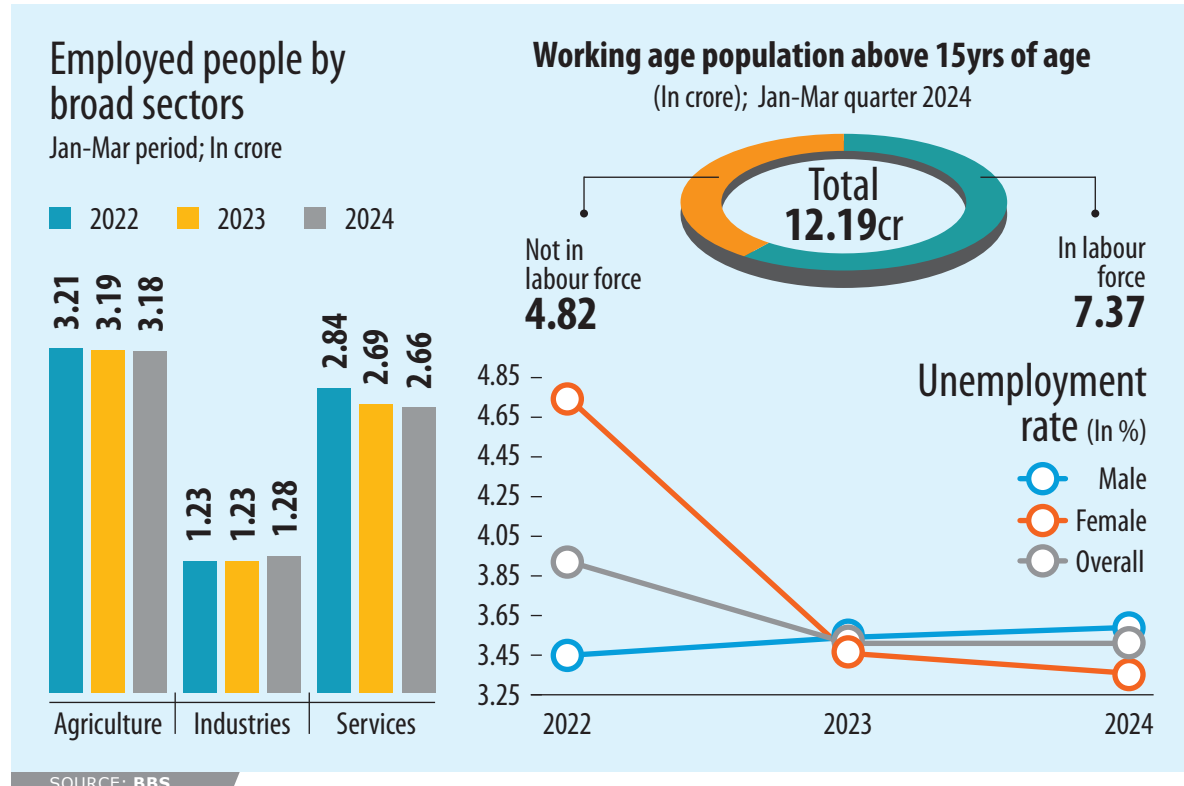
According to the findings, the new poor could not recover in the aftermath of the pandemic and Russia-Ukraine war. The study also found that inflation has become a big burden on their recovery efforts.

"But we haven't seen any systematic state support for them to recover from the financial difficulties," he added.

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Industries created more jobs amid slowdown. Economists find it puzzling



MD ASADUZ ZAMAN

Bangladesh's industrial sector witnessed growth in employment in the first quarter of 2024 while the farming and service sectors shed jobs during the period, according to the latest Quarterly Labour Force Survey (QLFS) data.

However, the findings raised questions among economists, who were puzzled by the growth at a time when the economy had been facing a slowdown due to high inflation, a downtrend in export growth, and falling imports.

During the January-March period of this year, the country had 1.27 crore employed people in the industrial sector, representing a 4 percent year-on-year increase.

On the other hand, employment in the agricultural sector, which accounts for the largest share of jobs, dropped 0.34 percent year-

on-year to 3.18 crore in the quarter.

The service sector, the second-highest employer, recorded a 1.22 percent year-on-year decline in employment in the quarter, illustrated data from the QLFS, published yesterday by the Bangladesh Bureau of Statistics (BBS).

"It is hard to explain. It raises many questions," said Zahid Hussain, former lead economist of the World Bank's Dhaka office, in his instant reaction.

"Amid the economic slowdown, how can employment in industries under the formal sector grow?"

The QLFS showed that overall employment increased marginally -- less than one percent year-on-year to 7.11 crore in the quarter.

An additional 60,000 people found jobs in the first quarter of this year compared to the same quarter of the previous year.

Hussain said in the last two

quarters, meaning July-September and October-December, the country's gross domestic product (GDP) growth had declined.

The BBS data on quarterly GDP growth showed that it had halved to 3.78 percent in the October-December period of FY24, which was the slowest in at least three quarters, as manufacturing output growth declined sharply.

He said the ready-made garments and textile industries are major sources of employment. In terms of US dollars, export earnings growth declined even during peak season.

"Due to automation, we have also seen that job opportunities in the apparel sector have reduced," he said.

So, he said, an increase in jobs in small factories that operate informally might explain the growing employment in the industrial sector.

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Reserve target for IMF loans may be revised down to \$18b

REJAUUL KARIM BYRON

Bangladesh has proposed that the International Monetary Fund (IMF) revise down the Net International Reserves (NIR) target for June to below \$18 billion since the existing target will be difficult to achieve due to the prevailing external sector situation.

At present, the NIR target set by the IMF for June stands at \$20.11 billion. Meeting the target is one of the conditions for Bangladesh to secure the fourth tranche of a loan under the global lender's \$4.7 billion loan programme.

The latest proposal was made to the IMF's visiting mission yesterday during a joint meeting with officials of the finance division and central bank at the finance ministry in Dhaka.

Tomorrow, the IMF mission will hold its closing meeting with Bangladesh Bank Governor Abdur Rouf Talukder, where they will finalise the revised figure, a central bank official said.

The mission will then meet with Waseqa Ayesha Khan, state minister for finance, and hold a press briefing afterwards.

Today, officials of the finance ministry and central bank will have a meeting with the IMF mission about the next course of action in the reform programme.

An eight-member IMF mission, led by Chris Papageorgiou, has been in Dhaka since April 24 for the second review of the loan programme, after which the third tranche of the loan, worth \$681 million, will be released.

The third tranche is expected to be released in June.

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STOCKS	
DSEX ▲	CASPI ▲
0.61%	0.79%
5,727.01	16,361.91

COMMODITIES	
Gold ▲	Oil ▲
\$2,313.5	\$78.44
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.04%	▼ 0.09%	▲ 0.31%	▲ 1.16%
73,908.43	38,236.07	3,303.19	3,140.72

Global companies upbeat about Bangladesh's denim

REFAYET ULLAH MIRDHA

International clothing retailers and brands are optimistic about denim products made in Bangladesh due to promising business prospects, according to experts.

These companies are either expanding their existing businesses or establishing new offices in Bangladesh as the response from local manufacturers is growing.

Another encouraging factor is that the global supply chain is rebounding from the severe impacts of Covid-19 and the Russia-Ukraine war.

Additionally, traders of chemical products are thriving in Bangladesh as local dyers and washers are importing a significant amount of chemicals.

These views were expressed at a two-day Bangladesh Denim Expo, which began at the International Convention City Bashundhara in Dhaka yesterday.

A European retailer asking not to be named said he has already increased the amount of clothes his company sources from Bangladesh as the country's increasing production capacity was helping to give them more confidence.

Bangladesh has also been receiving a lot of work orders because a portion of

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Visitors are seen at a stall at the two-day Bangladesh Denim Expo, which began at the International Convention City Bashundhara in Dhaka yesterday.

PHOTO: RASHED SHUMON

Stock market not lucrative in long run

Finds a research

STAR BUSINESS REPORT

Bangladesh's stock market is profitable in the short run, but not lucrative for the long term, according to research conducted by a professor of Dhaka University.

Abul Bashar Md Omor Faruque, assistant professor of the development studies department of Dhaka University, found out that investors in the country's stock market earned profits in the short-term and incurred losses in the long run.

"We observed an unusual pattern about the short-and-long-term performance of initial public offerings in the local stock market," he said.

Despite being a risky instrument, the stock market was not lucrative enough like the banking sector, Bashar added while presenting the paper during a session of the First Development Studies International Conference Dhaka.

The department of development studies of Dhaka University and Bangla daily Bonik Barta jointly organised the event at Pan Pacific Sonargaon yesterday.

The teacher said the yearly market return of holding a portfolio comprising the DS30 stocks was a modest 4.92 percent from February 3 of 2013 to May 30 of 2022, assuming annual compounding and excluding dividend payment.

READ MORE ON B2

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি) অনুমোদিত

বেঞ্জিমকো ফার্স্ট আনসিকিউরিটিজ জিরো কুপন বন্ড

১৬%

মুচাফায়

সর্বোচ্চ হারে, সবার উপরে

প্রতি মাসে ১২৫০ টাকা প্রতি লাখে

- ১ লাখ টাকা বিনিয়োগ করলে প্রতি মাসে পাবেন নিট ১,২৫০ টাকা এবং ৫ বছর শেষে ১ লাখ টাকা। এভাবে মেয়াদপূর্তিতে মূল টাকা-সহ ফেরত পাবেন সর্বমোট ১,৭৫,০০০ টাকা
- মাস শেষে টাকা সরাসরি একাউন্টে জমা হবে
- সর্বনিম্ন বিনিয়োগসীমা ৫০,০০০ টাকা এবং বিনিয়োগের কোনো ঊর্ধ্বসীমা নেই

▶ প্রবাসী বাংলাদেশীদের জন্য বিনিয়োগের অন্যতম শ্রেষ্ঠ উপায়

১৫০০ কোটি টাকার সম্পূর্ণ নির্ভরযোগ্য জিরো কুপন বন্ড

আগে এলে আগে পাবেন ভিত্তিতে কেনার সীমিত সুযোগ

বিস্তারিত জানতে কল করুন **১৬৯০০** অথবা কিউআর কোডটি স্ক্যান করুন