

Star BUSINESS

Accommodation costs in Bangladesh have risen further amid persistently high inflation during the April-June period this year.



Story on B4

Govt scraps Prottoy pension scheme amid protests

STAR BUSINESS REPORT

The government yesterday scrapped the much-talked-about pension scheme, called Prottoy, for public universities and self-governed, autonomous and state entities amidst opposition from university teachers and spiralling unrest following the deaths of more than 204 people centring the job quota protests.

The scheme, which also included the employees of affiliated enterprises of state agencies, was introduced earlier this year under the Universal Pension Scheme (UPS) and said new employees of the organisations will come under the scheme beginning in July 2025.

The initiative faced massive opposition from university teachers and they went on an indefinite strike over pension benefits from the first day of July this year.

The government by the end of last month sat with



Although it was a weekend, there were barely any customers in New Market area yesterday. Customers have been shying away from shopping in recent weeks as they are not in a shopping mood due to the unrest and violence that have engulfed the country, according to retailers.

PHOTO: RASHED SHUMON

Deepening political crisis adds to RMG woes

REFAYET ULLAH MIRDHA

The deepening political crisis in the country has exacerbated the woes of apparel industry, with exporters facing difficulties in operating factories, shipping goods, and booking work orders.

Garment exporters fear that if their workers join the ongoing movement across the country, it will further dent the sector, which was hamstrung for four days when factories were completely shuttered due to violence in mid-July.

The sector also suffered serious repercussions two weeks ago because of a five-day internet blackout, which hindered communications between garment suppliers and international retailers and brands, meaning they could not make business deals or hold meetings.

Last week, international retailers and brands expressed concern at a meeting with the leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), flagging the difficulties in communication with their headquarters and local suppliers.

They also pointed out that thousands of consignments were stuck at the Chattogram port for around a week.

Additionally, factories have been experiencing difficulties in booking work orders.

July, August and September are the peak months for the shipment of goods to be sold during the Christmas season. It is also when exporters book work orders for the following summer and spring seasons.

But because of the unrest that has persisted over the past two weeks, buyers are following a go-slow policy, which may continue in the near future.

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The government first introduced the Universal Pension Scheme on August 17 last year

teachers as protests by students expanded among people of different spheres of life following deaths, injuries and crackdowns by law enforcers.

In a statement yesterday, the finance ministry said the decision regarding the participation of employees of universities and self-governed, autonomous and state-owned enterprises has been cancelled.

The government first introduced the UPS on August 17 last year, bringing citizens aged between 18 and 50 years under coverage with the aim of ensuring a safety net for them and providing a monthly stipend to support their daily expenses.

Four schemes – Progoti, Surokha, Somota and Probash – were initially launched.

Unrest hits retail sales hard

JAGARAN CHAKMA and SUKANTA HALDER

Malls and markets in Dhaka and other major cities have been hit hard by spiralling unrest across the country following the deaths of over 200 people, including students, during the quota reform movement in recent weeks.

Customers began to shy away from shopping as the overall environment worsened since violence flared in the middle of last month.

The situation led the authorities to impose a curfew and a three-day general holiday beginning on July 20.

“Our business has turned from bad to worse,” lamented Uzzal Das, owner of Lanthon Fashion House at Aziz Super Market in the capital’s Shahbagh.

He said sales started deteriorating from the beginning of July and customer turnout dipped since July 15.

“In the last two weeks, whenever I was able to open the shop, very few customers came.

Sales have dropped by 95 percent compared to normal times,” he said.

Businesses said customers were not in a buying mood after the situation deteriorated following the deaths of over 200 people, injuries to several thousand others and damage to public and private properties.

“Buyers don’t come to shop for products at all,” said Khalid Mahmood Khan, co-founder of Kay Kraft, a retailer of fashionwear, accessories and home textiles.

“Products are not being sold online either. There could be nothing worse than this. It is better to keep shops shut than to keep them open because opening a shop has some fixed costs. Those aren’t incurred if the shop is closed.”

Retailers were dealt the blow less than a year after they contended with losses for more than a month in the face of hartal and a countrywide blockade enforced by the BNP and its allies in the run-up to the parliamentary elections in January this

year. Khan added that the pandemic had caused long-term damage to their businesses prior to that.

An official of one of the top clothing retailers, wishing anonymity, said sales had fallen by 95 percent in the last 15 days.

A top official of a leading electronics and home appliance retailer, which has nearly 70 outlets, said, “Sales of electronic items have fallen significantly in Dhaka and outside the capital for over two weeks amid panic and unease among people.

“There have been almost no sales at any of our outlets.”

He added that they were keeping their outlets open for three to four hours depending on location.

“Although we do not have revenue, we have fixed expenditures such as rent, staff salaries and utility bills, which will have to be paid by the end of the month,” he said.

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STOCKS		WEEK-ON-WEEK
DSEX ▲	CASPI ▲	
1.47%	1.92%	
5,333.93	15,119.23	

COMMODITIES		AS OF FRIDAY
Gold ▼	Oil ▼	
\$2,441.95	\$74.13	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 1.08%	▼ 5.81%	▼ 1.12%	▼ 0.92%	
80,981.95	35,909.70	3,381.45	2,905.34	

Internet outage: What message did foreign investors get?

AHSAN HABIB

The recent internet blackout for a week has left a big dent on the image of the country among the international community, especially investors and buyers.

Moreover, two days after getting access to social media platforms such as Facebook, TikTok and YouTube on July 31, users again faced difficulties in accessing accounts as the authorities asked mobile phone operators to enforce a restriction, which undermined reliability.

Though mobile internet users were able to regain access to their Facebook and Messenger accounts nearly six hours later, the imposition of such restrictions is giving out a negative signal.

Businesses and analysts said no investor prefers pouring funds into a country where they may face a condition that leaves them unable to communicate with stakeholders.

Buyers of garment products also think in this way. If transportation in the country remains suspended for weeks and they cannot communicate with the factories, they will face difficulties in getting products on time.

Platforms providing services of

freelancers also think along the same lines.

When there are adequate options to invest in other countries or buy products from other countries, it is natural to refrain from taking the risk of pouring funds into Bangladesh or placing work orders with the factories in the South Asian country.



According to analysts, the internet shutdown was a clear suicidal decision considering the impact it has on the economy. With that, the government was trying to blind people so that they cannot see what was happening around the country.

However, these types of steps usually backfire and create a bad image among the people.

This tendency was also seen in the stock market when the floor price was used for a couple of years to halt the fall of the market index amidst economic pressure in the country.

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Tour operators suffer losses as foreigners cancel trips

SUKANTA HALDER

The tour operators in Bangladesh suffered financial losses due to cancellation of pre-scheduled tours by foreign tourists who sought to avoid travelling in fear of violence and unrest centring the quota reform movement.

Industry operators observed that inbound visitors started cancelling their tours from July 18. After that, all their trips till October this year were cancelled.

There is also uncertainty about the prescheduled tours of November and December.

If these tours are cancelled, big losses will be incurred after which it will be very difficult to survive in business, they said.

Operators also said the interest of foreign tourists in Bangladesh had increased due to political stability over the last couple of years but now an image crisis has become a big issue.

Over these circumstances, tour operators have urged the government to bring back stability in the country as soon as possible.

Otherwise, it will take many years to restore the country’s image, they said.

Taslim Amin Shovon, chief executive officer of Innoglobe Travel and Tours, said all his company’s prescheduled tours from July 18 to October have been cancelled by foreigners.

“I suffered a financial loss of about Tk



In this file photo, a foreign tourist is seen onboard a vessel bound for the Sundarbans, the world’s largest mangrove forest. More than 6.55 lakh foreigners, including holidaymakers, visited Bangladesh in 2023, according to data from Bangladesh Tourism Board.

PHOTO: STAR/FILE

8 crore due to this. This is a big loss for a businessman like me,” he said, adding that the pre-scheduled tours of November-December have now become uncertain.

Students launched the quota reform movement on July 1 citing that it discriminated against general students seeking to secure public jobs.

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