



Farmers prepare their fields to plant Aman season paddy in Kathaltala area of Khulna's Dumuria upazila. Aman, grown under monsoon rains, is the second largest harvest of rice in Bangladesh. An estimated 2,901,156 tonnes were produced in fiscal year 2022-23, down 3.32 percent year-on-year, according to the Bangladesh Bureau of Statistics. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

Power dominates Bangladesh's imports from India

Bangladesh imported electricity worth \$1b from Adani in FY24

STAR BUSINESS REPORT

Bangladesh imported electricity worth \$1 billion from Adani Power in fiscal year 2023-24, which was 9.3 percent of the country's \$11 billion-worth imports from India that year, according to a media report.

That means, Bangladesh's imports of electricity from India have practically doubled in recent years from \$498 million just two years back.

Citing data of the Kolkata-based Eastern Regional Power Committee, The Indian Express said Bangladesh imported at least 7,508 million units of power from Adani's Godda Thermal Power Station between April 2023 and March 2024.

This was 63 percent of the power plant's overall exports of about 11,934 million units of power that year.

Diesel accounted for the second

highest expense for imports from India. Bangladesh purchased \$829.59 million worth of the fuel, constituting 7.5 percent of the total imports.

Cotton took third place for imports of \$595.81 million, accounting for 5.38 percent of the total.

Power imports from India amounted to \$1.075 billion in fiscal 2022-23, or 8.8 percent of Bangladesh's total imports of \$12.21 billion from the neighbouring country that year.

The value of cotton imports that year was \$495.97 million, or 4 percent, while it was \$423.03 million, or 3.46 per cent, for diesel.

In the fiscal year before that, cotton was on top as \$1.58 billion worth of the most-exported item in terms of value was imported by Bangladesh.

It was followed by wheat with imports worth \$1.18 billion, or 7.36 percent of the

total, at the time while power stood at sixth position with \$498.25 million, or just 3 percent of the total.

After former Bangladesh prime minister Sheikh Hasina fled to India in the wake of spiralling protests, New Delhi amended its power export rules to de-risk

The country imported at least 7,508 million units of power from Adani's Godda Thermal Power Station between April 2023 and March 2024

the 1,600-megawatt Godda plant, which is currently contracted to export its entire output to Bangladesh.

The move to amend a 2018 Ministry of Power regulation for the "import/export (cross border) of electricity" made through a memorandum on August 12

came less than a week after Hasina fled to New Delhi.

It states that the "Government of India may permit connection of such generating station to the Indian grid to facilitate sale of power within India in case of sustained non-scheduling of full or part capacity".

In essence, this clause clears the decks for the plant to sell its power domestically in case of any delays in payments from Bangladesh.

However, Adani Power last Thursday said it was committed to supplying electricity to Bangladesh, and that the recent amendment to the power export rules does not affect its existing contract.

Except Adani, Bangladesh imports electricity from two other Indian power traders - NTPC Vidyut Vyapar Nigam Ltd and PTC India Ltd - and a unit of Sembcorp Energy India Ltd.

Average daily turnover in stocks rises 53%

STAR BUSINESS REPORT

Average daily turnover at the Dhaka Stock Exchange (DSE) was 53.57 percent higher last week compared to that in the preceding week as cautious investors opted to sell off their shares to make short-term profits.

The weekly data of the country's premier bourse showed that the participation of the investors was considerably higher as they were highly optimistic of the market in the days ahead.

Shares worth Tk 1,282.2 crore changed hands every day on an average last week whereas it was worth Tk 834.9 crore in the preceding week.

However, over the course of the past five trading days, the benchmark index of the DSE had lost 20.97 points, closing the week at 5,903.

Similarly, the DSES index for the Shariah-based companies also lost 10.19 points, ending at 1,264 points.

For the DS30 index comprising the blue-chip firms, it was a setback of 46.62 points to 2,179 points.

Sector-wise, telecommunication, life insurance, food and allied, non-banking financial institutions (NBFIs), banks and cement ended up in the positive.

Telecommunication experienced the highest gain of 15.91 percent, the only sector to secure a double-digit growth.

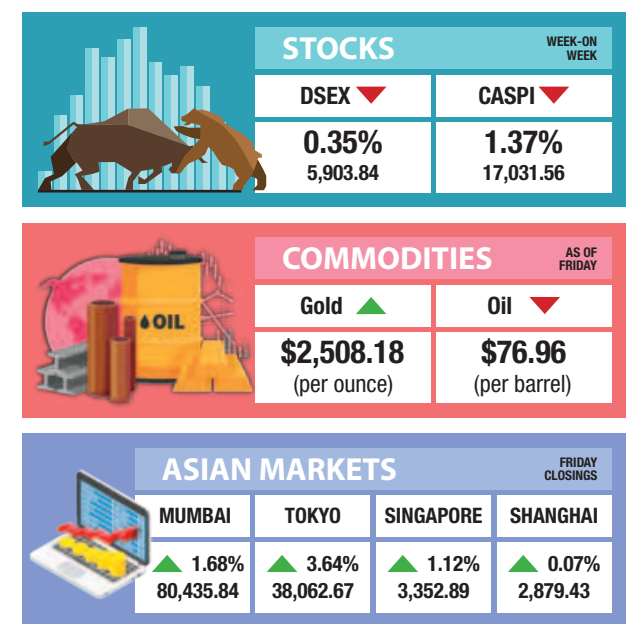
Life insurance posted a gain of 6.96 percent followed by food and allied (3.46 percent), non-banking financial institutions (2.73 percent), banks (0.98 percent) and cement (0.88 percent).

However, textile, travel and leisure, fuel and power, information technology (IT), engineering, services and real estate, ceramics, jute, and paper and printing ended up in the negative.

Of them, paper and printing saw the highest loss of 8.97 percent.

Jute logged a loss of 7.85 percent followed by ceramics (7.37 percent), services and real estate (5.36 percent), engineering (3.38 percent), IT (2.83 percent), and fuel and power (2.61 percent).

Grameenphone, the country's leading mobile operator in terms of the number of customers, was the most-traded stock last week with an average daily turnover of Tk 100.3 crore.



Soccer spending and discounts help boost British retail sales

REUTERS, London

British retail sales edged up in July, boosted in part by extra spending due to the men's Euros soccer championship, official figures showed on Friday, after an unusually cool and wet June had kept shoppers away and weighed on broader economic growth.

Retail sales volumes rose 0.5 percent in July after falling 0.9 percent in June and were 1.4 percent greater than a year earlier, the Office for National Statistics said.

Both rises were in line with forecasts from economists polled by Reuters and there was little market reaction.

"We expect further increases in disposable income to feed through to overall spending," said Rob Wood, chief UK economist at Pantheon Macroeconomics, pointing to a gradual upward trend in annual sales growth.

The squeeze on British consumers from high inflation in 2022 and 2023 is beginning to ease, though not enough to keep the Conservatives from a historic loss to the opposition Labour Party in last month's election.

Inflation was back at its 2 percent target in May and June, and only slightly above that in July, while wage growth exceeded inflation by the highest margin since mid-2021 in the second quarter of the year.

The Bank of England cut interest rates from a 16-year high this month and Britain's longest-running consumer confidence measure rose to its highest in nearly three years as shoppers became more willing to make big purchases.

Even so, sales volumes in July were still 0.8 percent lower than



PHOTO: REUTERS/FILE

People walk past food stands and market stalls in the Borough Market in London, Britain. Retail sales volumes rose 0.5 percent in July after falling 0.9 percent in June and were 1.4 percent greater than a year earlier.

in February 2020, the last month before COVID-19 lockdowns started, and recent reports from UK retailers have been mixed.

Clothing retailer Next reported better-than-expected second-quarter sales and raised its full-year profit outlook.

By contrast, luxury brand Burberry warned on profit and other UK retailers have highlighted continuing low consumer confidence around more discretionary purchases.

Sales volumes at clothing stores fell 0.6 percent in July and were 4 percent lower than a year earlier, the ONS said.

Department stores and sports equipment shops did better, boosted by the Euros and discounting, Liz McKeown, the ONS' director of economic statistics, said.

Prices in shops were 0.9 percent higher than a year earlier, the smallest increase since March 2021.

Hot weather in the second half

of July also helped offset cool and wet weather earlier in the British summer, which had led to weak July data from the British Retail Consortium and the Confederation of British Industry.

"Although retail sales haven't come roaring back as the industry hoped, retailers should be confident of a strong end to summer trading now that warmer weather has finally arrived," said Deann Evans, a managing director at online retail platform Shopify.

Masrur declines

FROM PAGE B1

"I feel that at this critical juncture of the nation, I will be best able to serve in my current role as an economist to promote necessary policy analysis and dialogue," he said.

"...putting forth actionable policy and reform ideas for the betterment of our economy, with particular focus on trade, investment, and financial development," he added.

"I would like to take the opportunity to express my gratitude to the interim government for appointing me as the chairman of the regulatory body," said Reaz.

Hours after the August 13 circular was issued, Bangladesh Securities and Exchange Commission Officers Welfare Association had sent a letter to the secretary to the Financial Institutions Division saying they were opposed to the appointment.

However, there were other officials who publicly stated that the letter was sent without their consent.

The association then sent another letter, signed by its president Md Saifur Rahman, saying they were ready to welcome Reaz.

BB may hike policy rate again

FROM PAGE B1

On May 8, the central bank loosened its rigid grip on the taka to shore up foreign currency reserves. It now follows a flexible exchange rate system.

Under this new system, the government adopted the crawling peg, which allows for limited fluctuations within a predefined range.

The central bank set Tk 117 per dollar as the midpoint, but economists suggested it should be hiked further to increase inward remittance.

Wage growth slows

FROM PAGE B1

Mujeri, a former chief economist of the Bangladesh Bank, said there is no alternative to ensuring sufficient production in order to stabilise the market.

Monzur Hossain, a research director at the Bangladesh Institute of Development Studies, said it is important for the interim government to restore the confidence of businesses, particularly those involved with the previous regime.

This is because a swift return to normal operations is key to curbing inflation.

The situation is yet to return to normalcy after Sheikh Hasina fled to India on August 5 as many pro-government businesses are fearing political violence.

"Therefore, it is important to take confidence-building measures among these businesses," Hossain said.

"It is also important for the government to help increase competition by identifying and curtailing the activities of syndicates in the market."

In addition, monetary policy measures need to be revisited, he added. "We need an immediate assessment of the rising policy rate and its impact on the market," he added.

The Bangladesh Bank has fixed the policy rate at 8.50 percent, keeping it unchanged from the last monetary policy statement for the July-December period.

"This policy rate should not increase anymore as it may affect businesses," Hossain said.

Rahman suggested that the interim government focus on market stabilisation through good governance and take short and mid-term initiatives to this end soon.

Rahman also underlined the need to ensure accuracy in BBS data so policymakers can take the right steps.