

Star BUSINESS

The local production of handsets increased significantly in the first half of the year, but manufacturers face challenges

Story on B4



Unemployed population up by 1.4 lakh

STAR BUSINESS REPORT

The number of unemployed people in Bangladesh rose 5.6 percent year-on-year to 26.4 lakh in the April-June quarter of this year, owing to an increase in the unemployment rate.

The Quarterly Labour Force Survey (QLFS), released by the Bangladesh Bureau of Statistics yesterday, also showed that the country had 25 lakh idle people in the second quarter of 2023.

The BBS said Bangladesh's unemployment rate increased to 3.65 percent in the second quarter of 2024 from 3.41 percent during the same period a year prior.

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It also said unemployment rose because of increased joblessness among men. However, the women's employment rate increased in the April-June period of 2024.

The BBS said Bangladesh's labour force — which comprises all individuals who are able to work — declined 1.3 percent year-on-year to 7.28 crore in the second quarter of the current year.

Of them, 6.96 crore were employed, down 1.55 percent from 7.07 crore in the same period a year ago, according to the QLFS.

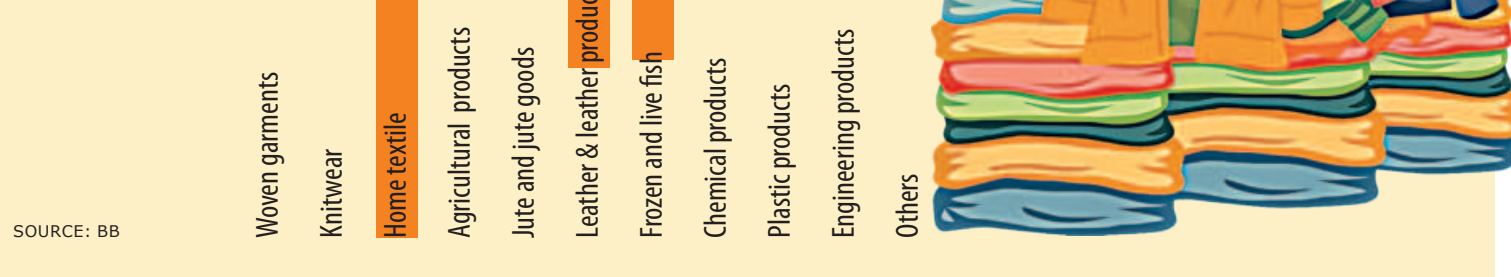
Of the total employed population in the second quarter of the year, 4.61 crore were male and 2.34 crore were female.

The BBS said the number of people outside the labour force grew to 4.95 crore in the April-June period of this year, up 4.6 percent year-on-year.

The latest QLFS showed that the labour force participation rate declined to 59.3 percent in the second quarter of this year from 60.7 percent a year ago.

Growth in exports of major items in FY24

Year-on-year; In %



SOURCE: BB

Exports fell in FY24 for lower woven, knitwear shipments

SOHEL PARVEZ

Bangladesh's overall exports fell 4.34 percent year-on-year in FY24 due to lower shipments of ready made garments (RMG), reflecting sluggishness in industrial activities and the economy.

The country's export receipts amounted to \$44.47 billion in the previous fiscal while it was \$46.49 billion in FY23, according to data released by the Bangladesh Bank on Tuesday.

The central bank said it compiled the export figures provided by the National Board of Revenue (NBR).

The Export Promotion Bureau (EPB) is yet to publish the export data for the entirety of FY24.

In July, the agency under the Ministry of Commerce

informed that it would refrain from updating statistics for three months to ensure accurate reporting.

It decided to do so after the central bank released data on the country's balance of payments (BoP), which showed a \$14 billion gap compared to the EPB's statistics.



the buyer.

The central bank added that the FoB has been adjusted with shipments from the Export Processing Zones (EPZ) in Bangladesh.

When comparing the FoB data to the export data, a gap of \$3.66 billion is seen.

A senior official of the Bangladesh Bank said this is because they don't use the FoB method when counting overall exports.

"That's why there has always been a gap between the export statistics used in BoP and overall exports," the official added.

Khandoker Rafiqul Islam, newly elected president of the Bangladesh Garment Manufacturers and Exporters

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BSEC resets stock circuit breaker's lower limit to 10%

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has decided to reset the lower limit of the circuit breaker mechanism to 10 percent from 3 percent for all publicly traded companies.

The country's stock market regulator took this decision at an emergency commission meeting at its office in Dhaka yesterday.

During the meeting, the BSEC also decided to lift the floor prices of four companies — BSRM Ltd, Khulna Power, Meghna Petroleum, and Shahjibazar Power.

However, the price cap mechanism remains active for Islami Bank and Beximco Ltd as the regulator aims to prevent Mohammed Saiful Alam and Salman Fazlur Rahman from selling their shares.

The BSEC has also decided to take legal action against companies that announced dividends but did not distribute them in a timely manner.

The BSEC had set floor prices, which is the lowest price at which a stock can be traded, in July 2022 to halt the freefall of market indices amid lingering uncertainties brought on by the fallout of Covid-19 and the Russia-Ukraine war.

The floor prices of 169 companies were lifted in December later that year.

However, the mechanism was brought back in March 2023 as the economy continued to be clobbered by a macroeconomic crisis amid depleting forex reserves, depreciation of the local currency and elevated inflation.

Owing to the floor prices, most stocks did not see much trading while price manipulation involving junk stocks and weak companies was rife.

But in the face of huge criticism from market analysts, the BSEC lifted the floor

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Govt forms panel for white paper on economy

STAR BUSINESS REPORT

The government yesterday formed a 12-member committee led by Dr Debapriya Bhattacharya, a distinguished fellow at the Centre for Policy Dialogue (CPD), to prepare a white paper on the state of Bangladesh's economy.

The panel will hold its first meeting at the Planning Commission in Dhaka today.

The committee members include Professor AK Enamul Haque, dean of the faculty of business and economics at East West University, Ferdous Ara Begum, CEO of Business Initiative Leading Development, Imran Matin, executive director of BRAC Institute of Governance and Development at BRAC University, Dr Kazi Iqbal, senior research fellow at the Bangladesh Institute of Development Studies, and Dr M Tamim, a professor at the Bangladesh University of Engineering and Technology.

The other members are Dr Mohammad Abu Eusuf, professor of the department of development studies at the University of Dhaka, Professor Mustafizur Rahman, distinguished fellow of CPD, Dr Selim Raihan, professor of the department of economics at the University of Dhaka, Dr Sharmind Neelormi, professor of the department of economics at Jahangirnagar University; Dr Tasneem Arefa Siddiqui, founding chair of Refugee and Migratory Movements Research Unit; and Dr Zahid Hussain, former lead economist of the World Bank.

The interim government last week announced its decision to prepare the white paper so that strategic steps can be

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BSEC scraps investor surveillance plan

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) yesterday scrapped its plan to bring voice calls and internet data of stock market investors under surveillance.

Prof Shibli Rubayat-Ul Islam, the immediate past chairman of the stock market regulator, had attempted to get government approval for the surveillance earlier this year.

He had sent a letter to Financial Institutions Division under the finance ministry seeking to sign a memorandum of understanding (MoU) with National Telecommunication Monitoring Centre (NTMC).

The NTMC is the state's communication interception and intelligence agency running under the Public Security Division of the Ministry of Home Affairs.

Prof Shibli had resigned from the top post on August 10, five days past the fall of the Awami League government following a students-led uprising.

In the letter, he had reasoned that the surveillance was to catch stock market manipulators and traders with insider information.

Investors were surprised to hear about the surveillance attempt, with many criticising it as a breach of privacy.

Against this backdrop, the stock market regulator held a meeting at its office in the capital yesterday where Khondoker Rashed Maqsood, who was appointed as the BSEC chief last week, decided to scrap the plan.

In a press release, the BSEC said the plan for signing an MoU with the NTMC has been scrapped, for which it would ask Financial Institutions Division to ignore Prof Shibli's letter.

Foreign loan disbursement falls

STAR BUSINESS REPORT

Foreign loan disbursements for development projects in Bangladesh fell nearly 12 percent year-on-year last July, doing little to ease pressure on foreign exchange reserves.

Agencies implementing the projects usually submit bills based on their progress every month or so. The government pays the bills and afterwards seeks disbursement of the amounts in loans from foreign entities and countries.

Therefore, one reason for the drop in loan disbursements could be inefficiencies of the implementing agencies.

Usually, the implementation of projects slows down at the beginning of a fiscal year, which results in lower disbursements, according to officials of Economic Relations Division (ERD).

Besides, the political unrest caused by student protests throughout July may have deferred the implementation of some projects, contributing to the drop in disbursements, officials said.

Bangladesh received \$358.3 million in foreign loans in the first month of the current fiscal year of 2024-25, according to the ERD.

Japan provided the highest amount

of \$105 million, followed by Asian Development Bank (\$81.56 million), European Union (\$64.57 million), the World Bank (\$38.39 million), Russia (\$29 million) and India (\$21.59 million).

The foreign currency reserves are quite low when considering the country's obligations, such as import payments.

There was \$20.48 billion in foreign currency reserves as of August 21, according to International Monetary Fund's (IMF) calculation methods which are used by Bangladesh Bank.

This is roughly enough to cover import bills of around three months, which is considered by the IMF as a minimum reserve for a low-income country.

However, loan repayments in July increased by 52.34 percent to \$4.5 billion. Of it, \$264.88 million was the principal amount, which was a rise of 80.76 percent.

It was \$146.53 million in the same period last year.

Meanwhile, the amount of interest was \$120.79 million last July whereas \$106.56 million in the same month last year.

Besides, foreign loan commitments in July amounted to \$16.40 million, up from \$6.92 million in the same period last year.

এখন প্রিয়জনের পাঠানো
রেমিট্যান্সে প্রাপ্তিটা হোক
আরও বেশি

ইবিএল পরিবার একাউন্টে প্রিয়জনের পাঠানো রেমিট্যান্সে
২.৫% প্রণোদনার সাথে বুকে নিন আরও ১,০০০ টাকা বোনাস

ইবিএল পরিবার একাউন্টে আরও থাকছে:

- > প্রথম বছরে একাউন্ট বন্ধনাবেক্ষণ চার্জ ফ্রী
- > প্রথম বছরে ফ্রী চেক বই
- > মাত্র ১০০ টাকায় একাউন্ট খোলার সুবিধা
- > একাউন্টে দৈনিক ব্যালেন্সের উপর ইন্টারেস্ট

১,০০০ টাকা বোনাস শুধুমাত্র নতুন ইবিএল পরিবার একাউন্টে ১০,০০০ টাকা বা তার অধিক প্রথম রেমিট্যান্সের জন্যে প্রযোজ্য

*শর্ত প্রযোজ্য