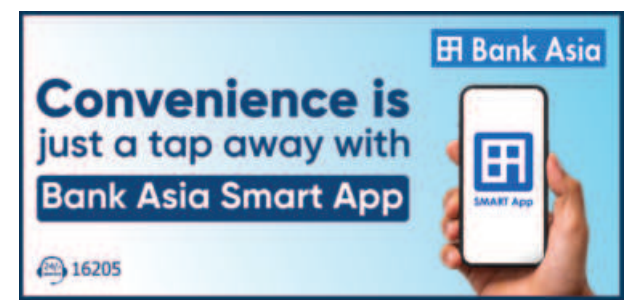


Star BUSINESS



100 DAYS OF INTERIM GOVERNMENT

Engage private sector more in reforms to energise economy

Business leaders urge govt at The Daily Star discussion

<p>“</p> <p>A tighter monetary policy taken by the Bangladesh Bank alone cannot contain inflation. The government should take steps to curb extortion and establish healthy management in the supply chain to control the rising prices.</p> <p>Mir Nasir Hossain Former president of FBCCI</p> 	<p>“</p> <p>Vietnam takes only 7 days to decide on an investment proposal, but red tape delays the process in Bangladesh to over 7 months. A law should be there to complete the process within 3 months.</p> <p>Mostafa Kamal Chairman of MGI</p> 	<p>“</p> <p>Allocating just 10 percent of the unused lands of tea gardens can help generate up to 6,000MW of clean energy. This can be delivered to industries hit by the energy crisis through corporate power purchase agreements.</p> <p>Kamran T Rahman President of MCCI</p> 	<p>“</p> <p>The government should go for thorough analysis of every sector and review the policies once every three months. Besides, inflation will not come down if reserves do not become stable.</p> <p>Monzur Hossain Research director of BIDS</p> 	<p>“</p> <p>The recent labour unrest has heavily damaged the country's image. I know a group, which lost a work order of 20 million pieces of garments to Vietnam just because of the unrest.</p> <p>Tanvir Ahmed MD of Envoy Textiles</p> 	<p>“</p> <p>Bangladesh can establish a national data platform and go for using big data analytics with the help of artificial intelligence to make informed decision for capacity expansion or investment in any sector.</p> <p>Abrar Hossain Sayem President of BAYLA</p> 
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STAR BUSINESS REPORT

The government should increase its engagement with the country's private sector in making policies and decisions amid ongoing reforms, according to prominent business leaders, who cited major challenges such as high inflation, rising interest rates and slowing demand and investment that are now plaguing private businesses.

Mentioning that the private sector is the key driver of Bangladesh's economy, they said increased engagement can better resolve their issues and remove investment bottlenecks, boosting employment and economic growth.

The businessmen were speaking at a discussion, styled "100 days of the Interim Government: Economic Review", organised by The Daily Star at its office in Dhaka.

Tanvir Ahmed, managing director of Envoy Textiles, said the local economy has stagnated and businesses have become dry. "The economy must be put in order fast. Otherwise, trouble in the financial sector will continue to rise."

He said people have a lot of expectations from this government, so it should sit with the stakeholders. But they have not seen any such interactions until now.

"We are exposed. We know our sufferings better than anyone else," Ahmed said.

Mir Nasir Hossain, a former president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said there was virtually no government in Bangladesh for three days between August 5 and August 8 following the ouster of the Sheikh Hasina-led government by a mass uprising.

"Miscreants took this advantage and continued unrest."

It was also due to some of the factory owners delaying regular salary payments, he said.

Moreover, instigation from outsiders was also a major cause for the labour unrest in the garment sector, he added.

Children of workers are being deprived of better education, while workers must now spend more for basic housing, he said, adding that the factory owners need to improve community engagement.

"The achievement of this government is good, though it may appear that a lot of expectations remain unfulfilled. But it is not possible to resolve all the issues in such a short time."

He said the energy supply to the production units has improved after liquefied natural gas (LNG) imports by the government. "This must continue."

However, factors including higher bank interest rates have turned into a major cause of concern. "The economy will not grow if investment suffers," he said.

He added that the law-and-order situation must be monitored and an environment of confidence must be created. Besides, political parties have responsibilities in curbing extortion, so they should address this, he said.

"Private sector engagement is necessary. Because only the wearer knows where the shoe

pinches."

Mostafa Kamal, chairman and managing director of Meghna Group of Industries (MGI), said the involvement of private sectors stakeholders in decision-making should be increased, he said.

He also said ensuring a consistent energy supply is crucial, saying the government should ensure energy supply through exploration as well as consistent imports.

Kamran T Rahman, president of the Metropolitan Chamber of Commerce and Industry (MCCI), said the banking sector is now in the doldrums.

Citing the high volume of non-performing loans (NPLs) and failed merger attempts for ailing banks, he said, "NPLs have gone through the roof."

He inquired about the progress of the proposed Banking Reforms Commission and urged the interim government to act swiftly. Strengthening money loan courts by increasing the number of judges, he said, could address some immediate issues.

He noted the absence of an exit policy for industries and added many firms cannot leave the business due to a lack of mechanisms.

He also advocated granting duty-free import benefits for raw materials of all export-oriented sectors.

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Apart from the weak law and order situation, Hossain added that there were also logical reasons for the unrest in the garment sector. He said workers were angry as they were not being given different service benefits.



Officials of the award-winning banks, companies and organisations pose for photographs during the Mastercard Excellence Awards 2024 at Radisson Blu Dhaka Water Garden in the capital yesterday.

PHOTO: COLLECTED

Bangladesh won't face situation like Sri Lanka: governor

STAR BUSINESS REPORT

It is unlikely that the economy of Bangladesh will face stress like that of Sri Lanka as the current situation is solvable, according to Bangladesh Bank Governor Ahsan H Mansur.

"We [Bangladesh] are not in any crisis as the ongoing financial situation is completely solvable. So, we will not turn out like Sri Lanka or any other country," he said.

Mansur made these comments while speaking at the 6th Mastercard Excellence Awards 2024 at the Radisson Blu Dhaka Water Garden in the capital city yesterday.

"Both our balance of payments and foreign exchange reserves have improved. Besides, the exchange rates are now stable," he added.

The country's forex reserves have been hovering around \$19 billion for the past three months thanks to higher remittances and exports coupled with lower imports. Meanwhile, the exchange rate between taka, the local currency, and the US dollar has stabilised at Tk 120 per greenback.

"As such, I don't see any possibility of risk from the external sector," Mansur said.

Mansur also informed that Bangladesh has sufficient forex reserves to import daily necessities as needed.

Furthermore, he said it is not possible to fix the country's financial sector without addressing lapses in its political system.

Citing how ensuring good governance in the financial sector will take time, he said the interim government may

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Provide liquidity to weak banks or shut them

Experts say

STAR BUSINESS REPORT

Depositors are now being affected as ailing banks are unable to return their money, experts said during a discussion, adding that the central bank should keep crisis-hit banks alive by providing liquidity support, opting to liquidate weak lenders or merging them with sound ones.

They made the suggestion during a discussion on the performance of the economy in the first 100 days under the interim government at The Daily Star Centre yesterday.

The participants in the discussion, organised by The Daily Star, included researchers and businesspeople.

Monzur Hossain, research director of the Bangladesh Institute of Development Studies (BIDS), said the central bank previously supported ailing banks by printing money to provide liquidity support.

He added that the problems arose after that support ceased suddenly.

General people are being affected by this, he said, adding that the central bank's decision to stop printing money was not helping to manage demand.

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