

Star BUSINESS



ADB approves \$600m to accelerate economic recovery

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The Asian Development Bank (ADB) has become the first among multilateral and bilateral lenders to respond to the interim government's call for budgetary support, approving \$600 million aimed at easing pressure on foreign exchange reserves and accelerating economic recovery.

"ADB's policy-based loan (PBL) promptly responds to Bangladesh's immediate development financing needs following the political transition. The reforms target improvements in economic management and governance as well as economic diversification and competitiveness," ADB Regional Lead Economist Aminur Rahman said after the loan was approved yesterday.

ADB's programme was developed in close collaboration with the International Monetary Fund, World Bank, and other development partners, he said in a statement.

The interim government, which inherited high inflation and dwindling foreign currency reserves, has sought budgetary support from various development partners to stabilise the economy and bolster dollar reserves.

A finance ministry official said the ADB may disburse the \$600 million by December.

Apart from this loan, the interim government sought an additional \$1 billion from the ADB for banking sector reforms, the official said, adding that the government may get \$500 million of that by June.

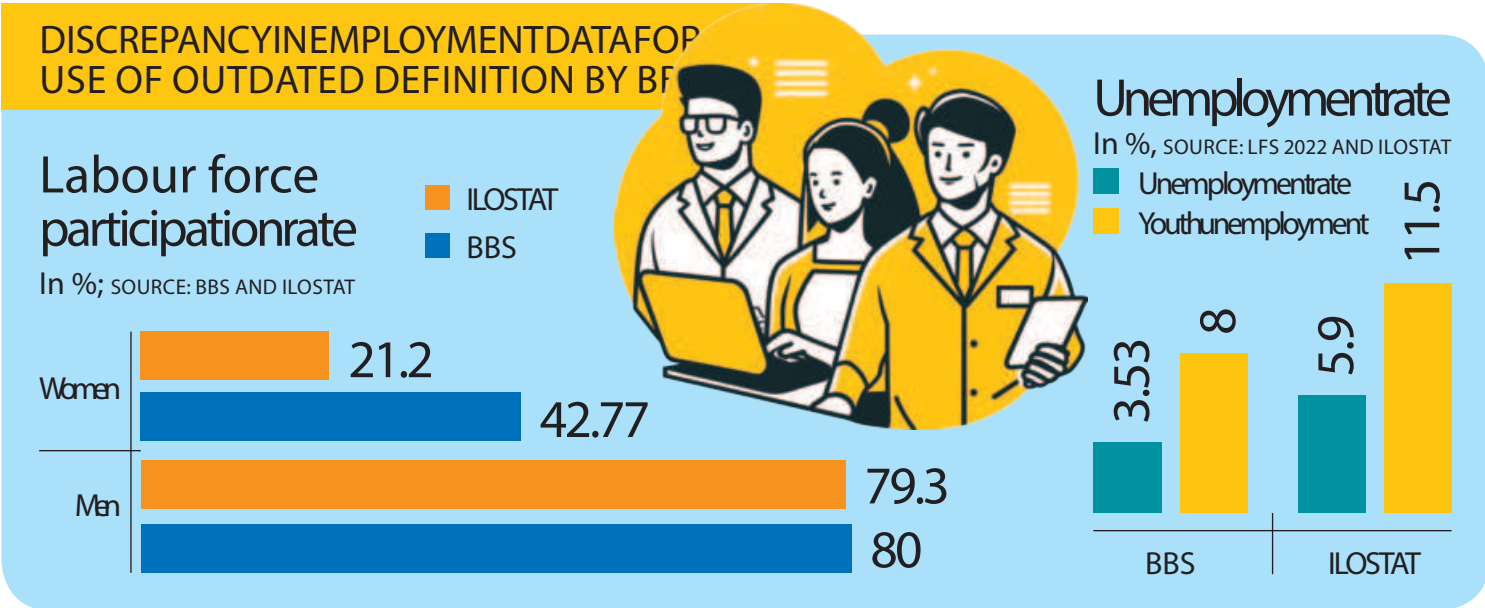
The loan will help Bangladesh introduce key policy actions with the aim of increasing domestic resource mobilisation while improving transparency and accountability, according to the ADB.

The PBL has a package of structural reforms supporting the mobilisation of domestic resources, efficiency of public investment projects, developing

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Bangladesh's unemployment picture is darker than it appears

Decades-old formula conceals true state of labour market



MD ASADUZ ZAMAN

The past government had been relying on international definitions and standards that are over four decades old to measure labour data, painting a rosy picture of low unemployment and an improved labour market.

While the numbers produced by the state-run statistics bureau data may have conferred a favourable global ranking, experts warn that it undermines Bangladesh's overall planning and job creation efforts.

Ignoring global standards, the Bangladesh Bureau of Statistics (BBS) is still using the 13th International Conference of Labour

Statisticians (ICLS) of 1982, rather than the latest 19th version from 2013.

The ICLS is a global standard-setting body for labour statistics, hosted by the International Labour Organization (ILO) every five years.

Most countries now use the 19th ICLS, which provides more accurate and up-to-date figures.

For instance, according to the final report of the Labour Force Survey 2022, unemployment in Bangladesh stood at 3.5 percent, or 25.8 million people, based on the 13th ICLS.

But using the 19th ICLS definition, the unemployment rate would rise to 5.9 percent.

Besides, the youth unemployment rate

would rise from 8 percent to 17.7 percent if the latest standards are adopted.

The BBS also uses a different age range for youth and the working-age population than international standards.

A BROADER DEFINITION TO DOWNPLAY UNEMPLOYMENT

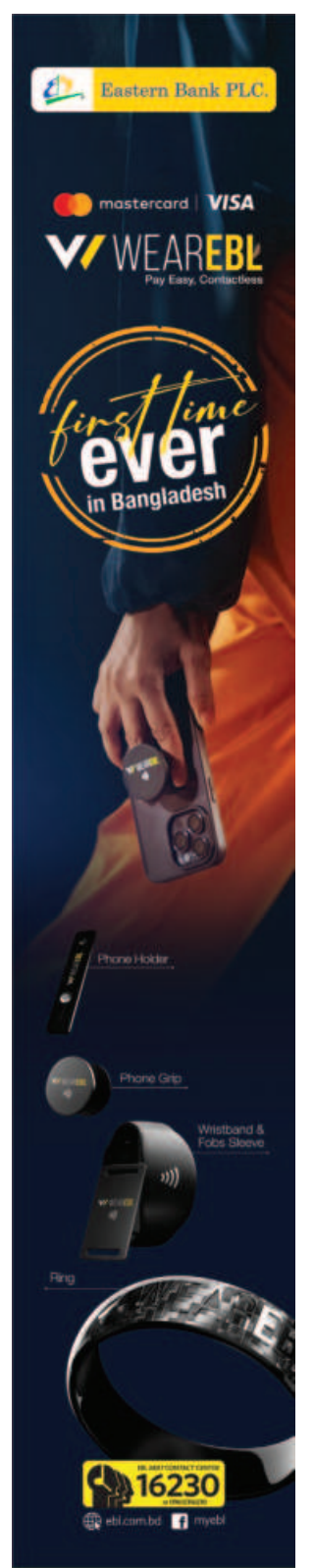
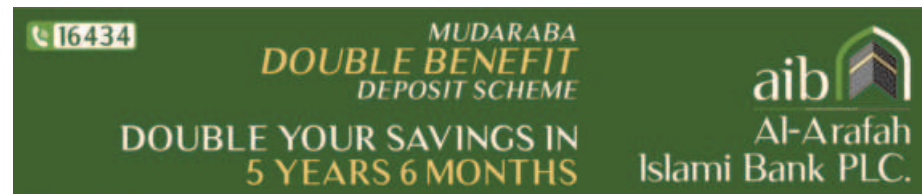
The definition used by the Bangladesh statistical agency produces a lower unemployment rate, according to a recently published white paper on the state of Bangladesh's economy.

This is because the 13th ICLS has a broader definition of employment.

For example, individuals engaged in the production of goods for their own final consumption are classified as employed under the 13th ICLS definition.

However, they are excluded from the employment definition in the 19th ICLS resolution and instead categorised as engaging in "own-use production work", separate from "employment work".

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Bottled soybean oil still scarce on grocery shelves



Wholesalers and retailers say the supply of bottled soybean oil is yet to pick up as per demand from customers, although the interim government met refiners' demand last Monday by raising the price by Tk 8 per litre. The photo was taken at Karwan Bazar in Dhaka yesterday.

PHOTO: RASHED SHUMON

SUKANTA HALDER

Many consumers said they are still not getting bottled soybean oil in kitchen markets in various parts of the country including Dhaka despite the government allowing refiners to hike prices of the essential cooking ingredient two days ago.

Retailers say they are not getting enough bottled oil to meet the demand, while superstores are also struggling to manage their edible oil stocks.

The scarcity even forced some online grocery platforms to modify their oil options. Sahana Parvin, a 32-year-old resident of Dhanmondi area in Dhaka, described her experience while shopping online.

"I found only one option for soybean oil - 1 litre bottles. There were no 2 or 5 litre ones," Parvin told The Daily Star yesterday.

She said that while other oils like sunflower and mustard were available, bottled soybean oil seemed to be the "missing product".

The shortage of bottled soybean

oil has been continuing for nearly a month. As it almost vanished from kitchen markets across the country owing to a limited supply by refiners, the government on Monday allowed them to raise the retail prices of soybean and palm oils by Tk 8 per litre.

Bottled soybean oil is now at Tk 175, while non-brand loose soybean oil and super palm oil are at Tk 157.

Meanwhile, retailers in Khulna, Chattogram and Dhaka said dealers have started supplying bottled soybean oil after the price hike, but the supply still falls short of the demand.

Refiners anticipated a supply normalisation at the retail level within the next few days.

Abdur Rab, a retailer from Khulna City, told The Daily Star that he was receiving only 25 to 30 percent of his required soybean oil supply. While Fresh brand is supplying regularly, other brands are not.

Sabbir Hasan Nasir, managing director at supershop chain

Shwapno, said amid the peak of the bottled oil crunch, they even asked the authorities to allow them to sell loose soybean oil.

"Before the latest price hike of bottled soybean oil, we used to get 30 to 40 percent of the demand. Now that rises slightly to 50 percent, but it is still low to smoothly manage the daily operation," he said.

Md Ismail Hossain, another retailer from Kazir Dewri in Chattogram, said that he was only receiving Rupchanda brand soybean oil, but not in sufficient quantities. "As per demand, we only got 30 percent of the oil from the company dealers."

Pana Saha, a grocery wholesaler in Barisal's Bazar Road area, reported a similar supply crunch.

He, however, said dealers have assured him that the supply will normalise by next Saturday.

A housewife from Barisal said she shifted to using mustard oil due to the soybean oil shortage, but mustard oil prices are also on the rise.

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