

Draw up country risk management guidelines

BB asks banks

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Bangladesh Bank yesterday asked banks to draw up country risk management guidelines focusing foreign nations, all aimed at absorbing unexpected economic shocks stemming from abroad.

Banks will have to define the risks from foreign countries, meaning those with which banks get involved through business with both public and private companies.

As a part of the move, the central bank issued guidelines on country risk management (GCRM) for banks.

Banks should institute appropriate

procedures for dealing with country risk problems, according to a central bank notice.

They should have in place contingency plans and clear exit strategies of their businesses, which would be activated at times of crisis.

Appropriate systems and procedures should be laid down with the approval of the boards of banks to handle situations involving significant changes in conditions in any country.

For the present, only in respect to the country, where a bank's net funded exposure is 2 per cent or more of its total assets (mainly loans and advances), the bank is required to implement the GCRM policy.

Bank will have to classify the ratings of the countries based on five categories – insignificant, low, marginal, moderate and high.

The mapping of the risk categories is being considered in tune with the sovereign rating provided by the global credit rating agencies like S&P, Fitch and Moody.

Bank will have to keep general provisions, with effect from the first quarter of 2022, against their net funded exposures in different countries on a graded scale ranging from 0.25 per cent to 20 per cent.

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VIRTUAL MEETING SERVICES

BB extends deadline for payments

STAR BUSINESS DESK

Bangladesh Bank yesterday extended the deadline for private and public entities to pay for virtual meeting services, according to a central bank circular.

Local firms will now be able to pay the fees for virtual meeting services such as Zoom until December 31.

The move comes following a recent surge in Covid-19 infections that has forced the country into another week-long lockdown.

Ever since the ongoing coronavirus

pandemic began last March, the demand for video conferencing platforms has risen steadily amid the people's desire to maintain social distancing.

"We extended the facility to facilitate virtual meetings," said a senior official of Bangladesh Bank.

Authorised dealer branches that handle foreign exchanges can make outward remittances for webinar payments by issuing a virtual card or one-time card in the name of the nominated official of applicant entities, he added.

Home stays turned into an advantage

Saudi returnee Saiful Islam of Tangail finds success in mushroom farming



Saiful Islam built a 40-foot structure next to his house for around Tk 1.5 lakh and started farming mushroom there on availing a seven-day practical experience in Savar.

PHOTO: MIRZA SHAKIL

DISTRICTS IN FOCUS

MIRZA SHAKIL, Tangail

Coming home on a leave from his Saudi Arabian workplace, Saiful Islam of Tangail could not return for lockdowns imposed for the coronavirus outbreak.

The young man, however, did not pass idle times or get frustrated and instead immediately took to within the confines of his home a new venture: mushroom farming.

Saiful, 30, son of Bacchu Miah of Rashara village under Sadar union in Basail upazila, went to the Middle Eastern country in 2018 to earn a

living. He left behind his wife and two children. After working for two years, he came back in February last year on a two-month leave. However, a lockdown was imposed in the country and his visa expired.

Uncertainties gripped Saiful over how he would bear family expenses and pay back debts he had taken to go abroad.

Failing to secure a job within the country, he decided to do something for himself. Soon he was in talks with the local agriculture officers who advised cultivating mushrooms, since it takes little money and effort but yields bigger profits.

Saiful took a 10-day online training from the National Mushroom Development & Extension Centre in Savar.

He built a 40-foot structure next to his house

for around Tk 1.5 lakh and started farming mushroom there on availing a seven-day practical experience in Savar and 350 mushroom seeds.

Harvests came about in just 30 days. His current daily yield is about several kilogrammes while he has 700 mushroom seeds.

Talking to The Daily Star, Saiful said mushroom farming showed him a way out of depressing times.

"After paying for all costs, now I can earn at least Tk 1,000 per day by selling mushrooms and snacks made out of it at an adjacent market," he said.

Saiful said mushroom sells for Tk 200 per kilogramme and there was a huge demand for it in the upazila and outside.

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GLOBAL BUSINESS

Big businesses seek market-based approaches ahead of climate summit

REUTERS

Corporate executives and investors say they want world leaders at next week's climate summit to embrace a unified and market-based approach to slashing their carbon emissions.

The request reflects the business world's growing acceptance that the world needs to sharply reduce global greenhouse gas emissions, as well as its fear that doing so too quickly could lead governments to set heavy-handed or fragmented rules that choke international trade and hurt profits.

The United States is hoping to reclaim its leadership in combating climate change when it hosts the April 22-23 Leaders Summit on Climate.

Key to that effort will be pledging to cut US emissions by at least half by 2030, as well as securing agreements from allies to do the same.

"Climate change is a global problem, and what companies are looking to avoid is a fragmented approach where the US, China and the E.U. each does its own thing, and you wind up with a myriad of different methodologies," said Tim Adams, chief executive of the Institute of



REUTERS/FILE

A farmer burns paddy waste stubble in a field on the outskirts of Ahmedabad.

International Finance, a Washington-based trade association.

He said he hopes US President Joe Biden and the 40 other world leaders invited to the virtual summit will move toward

adopting common, private-sector solutions to reaching their climate goals, such as setting up new carbon markets, or funding technologies like carbon-capture systems.

Private investors have increasingly been

supportive of ambitious climate action, pouring record amounts of cash into funds that pick investments using environmental and social criteria.

That in turn has helped shift the rhetoric of industries that once minimized the risks of climate change.

The American Petroleum Institute, which represents oil companies, for example, said last month it supported steps to reduce emissions such as putting a price on carbon and accelerating the development of carbon capture and other technologies.

API Senior Vice President Frank Macchiarola said that in developing a new US carbon cutting target, the United States should balance environmental goals with maintaining US competitiveness.

"Over the long-term, the world is going to demand more energy, not less, and any target should reflect that reality and account for the significant technological advancements that will be required to accelerate the pace of emissions reductions," Macchiarola said.

Labor groups like the AFL-CIO, the largest federation of US labor unions, meanwhile, back steps to protect US jobs like taxing goods made in countries that have less onerous emissions regulations.

NEWS In Brief

Chip shortage weighs on car sector recovery: Volkswagen CEO

REUTERS, Frankfurt

An ongoing shortage of crucial semiconductors is the only factor weighing on a global recovery of the car sector from the coronavirus crisis, Herbert Diess, chief executive of Volkswagen AG, said on Thursday.

Demand is picking up in the United States, Brazil and China, Diess said at the Hannover Messe trade fair, adding the world's second-largest carmaker was also working through high order intake in Europe.

"The only thing that is currently limiting and slowing down this recovery is the critical supply situation worldwide with regard to various semiconductor types," Diess said. Diess' remarks came a day after U.S. peer Ford Motor Co outlined another series of plant shutdowns due to the shortage, with five facilities in the United States and one in Turkey affected.



Volkswagen CEO Herbert Diess

Indonesia's exports, imports grow more than expected

REUTERS, Jakarta

Indonesia's exports surged in March due to higher commodity prices and rebounding global demand, while imports also grew by more than expected last month as domestic manufacturing activity improved, statistics bureau data showed on Thursday.

Merchandise exports beat forecast with an annual jump of 30.47 per cent to \$18.35 billion on rising shipments of oil, natural gas, palm oil, steel and coal.

Shipments were also supported by elevated commodity prices and improving demand from top trade partners like China and the United States, whose economies are recovering strongly from the COVID-19 pandemic.

Export growth in March was the highest since July 2017, according to Refinitiv Eikon data, and compared with a Reuters poll forecast of 11.74 per cent.

Meanwhile, imports were up 25.73 per cent to \$16.79 billion on higher purchases of raw materials and capital goods. This was the strongest growth since July 2018 and higher than a 6 per cent forecast. "The double digit increases, both in (imports of) raw materials and capital goods, show manufacturing activities and investment had recovered in the month and we hope it will continue in the second quarter," the statistics bureau chief Suharyanto said.

New zinc-fortified wheat set for global expansion

REUTERS, Mexico City

Scientists at a leading global grains research institute expect to sharply ramp up new wheat varieties enriched with zinc that can boost the essential mineral for millions of poor people with deficient diets, the institute's head told Reuters.

Martin Kropff, director general of the International Maize and Wheat Improvement Center (CIMMYT), said he expects the newly-developed high-zinc wheat to make up at least 80 per cent of varieties distributed worldwide over the next ten years, up from about 9 per cent currently.

The Mexico-based institute's research focuses on boosting yields, and livelihoods, of the world's poorest farmers while

also addressing specific challenges posed by climate change, including higher temperatures, less rainfall and constantly mutating plant diseases.

The improved varieties of so-called biofortified wheat are being rolled out with the help of seed company partners in countries including India, Pakistan, Bangladesh, Mexico and Bolivia.

Kropff said Asian giant China may also begin adopting the fortified wheat varieties this year.

Over the next decade, he said he expects nearly all newly deployed wheat varieties to be nutritionally improved, noting that the high-zinc varieties were developed by traditional breeding techniques instead of research based on genetically modified organisms (GMOs).



REUTERS/FILE

A scientist puts up a mark in a maize field at the International Maize and Wheat Improvement Center in El Batan on the outskirts of Mexico City.