

Khairul Alam Chaklader, a director of National Credit and Commerce (NCC) Bank Ltd, inaugurates the bank's 124th branch at Chandina, Cumilla recently. Khondoker Nayeemul Kabir, managing director of the bank, Syed Tofail Ali, Mohammed Mizanur Rahman, and Md Mahbub Alam, senior executive vice-presidents, Muttakim Ashraf Titu, a former vice-president of the Federation of Bangladesh Chambers of Commerce and Industry, Tapan Bakshi, chairman of Chandina Upazila Parishad, and Md Shawkot Hossain Bhuiyan, mayor of Chandina municipality, were also present.



ABM Mokammel Hoque Chowdhury, managing director of Union Bank Ltd, virtually inaugurated the bank's Satkhira branch recently. Md Habibur Rahman, additional managing director of the bank, Hasan Iqbal and Md Nazrul Islam, deputy managing directors, Md Abu Hasan, managing director of Impex Private Ltd, and Md Akhtaruzzaman Kajal, owner of KATS Multiplex, were present.

# Hong Kong retailers forge new path without mainland Chinese tourists

followed by a pandemic have devastated Hong Kong retailers who had grown used to relying on cash from mainland Chinese

In a city that once boasted some of the world's highest retail

rents, the market has cratered. But a border town has seized the chance to evolve its local

Sheung Shui is the first town from the main overland border crossing and once thrived as a place where tax-free goods could be snapped up for resale back mainland reached an all time high in mainland China -- a process of 5.5 million, a remarkable figure

"People's impression of Sheung Three years of democracy protests Shui is of parallel traders and mainland China," said Eugene Chan, 22, who has lived in the neighbourhood since childhood. Chan recalled pavements swamped by people filling their luggage with cosmetics, baby formula or household supplies to meet huge demand across the

> But all that vanished in the wake of huge democracy rallies followed by pandemic-related border closures.

In January 2019, just before the protests began, arrivals from the given Hong Kong's population is a "substantial correction" and 7.5 million.

Two years later that figure fell below 3,000. "That's a huge loss of demand," Simon Smith, senior director of research and consultancy at Savills, told AFP.

"That wave of mainland spending, particularly focused on luxury, watches, jewellery, designer goods, it really propelled rents to world-beating levels.

Kong's popular districts previously "Hong shopping "golden streets" where boasted store rents were more expensive than those in New York City's

prime locations have undergone cent discount, according to local

regressed to 2003 levels, down more than 75 per cent from peak

levels in 2013. Analysts have noted rebalancing to more local consumption, with some prime location stores in shopping areas taken over by more budgetfriendly businesses.

At one large location in Hong Kong's Central district -- which commands some of the highest retail rents in the world -- luxury brand MCM was replaced last year by sporting goods chain Decathlon, which snapped up the storefront for HK\$800,000 Now, Smith said, shop rents in (\$103,000) a month -- a 70 per

Similar rent falls have been documented in Causeway Bay, another once eye-wateringly expensive shopping district.

In Sheung Shui, entrepreneurs like Dream Law have seized the opportunity to start businesses that cater more to locals -- in his case a grocery store.

"During the boom of (mainland tourists), 80 to 90 per cent of businesses in the Sheung Shui market area catered to parallel traders," Law told AFP.

The inflated rents meant that community businesses -- such as hardware stores, bookstores and cinemas -- were priced out, he

# US weapons exports fall 21pc to \$138.2b in fiscal 2021

Sales of US military equipment to foreign governments fell 21 per cent to \$138 billion in the latest fiscal year, the US State Department said on Wednesday, as the Biden administration shifts away from some of the more aggressive arms sales practices under former President Donald Trump.

The US State Department disclosed military sales figures for the 2021 fiscal year, which ended on September 30. Sales included \$3.5 billion worth of AH-64E Apache attack helicopters to Australia and \$3.4 billion worth of CH-53K helicopters to Israel.

Sales of US military equipment in the prior fiscal year had totaled \$175 billion.

President Joe Biden's administration shifted away from selling offensive weapons to Saudi Arabia, due to civilian casualties in Yemen and intends to announce a new weapons export policy that emphasizes human rights when evaluating an arms sale.

The 2021 dip comes after high one-time sales of fighter jets and guided missiles in the final year of the Trump

Major fiscal 2020 deals included Japan's purchase of 63 F-35 fighter jets from Lockheed Martin accounting for as much as \$23 billion of that year's total.

There are two major ways foreign governments purchase arms from US companies: direct commercial sales negotiated between a government and a company; and foreign military sales in which a foreign government typically contacts a Defense Department official at the US

embassy in its capital. Both require US government approval.

The direct military sales by US companies fell 17 per cent to \$103 billion in fiscal 2021 from \$124 billion in fiscal 2020, while sales arranged through the US government fell 31 per cent to \$34.8 billion in 2021 from \$50.8 billion the prior year, the State Department said.

In 2018 the Trump administration rolled out a "Buy American" program that relaxed restrictions on military sales while encouraging US officials to take a bigger role in increasing business overseas for the US weapons industry.

Brigadier General

Project Director IDEA Project (2nd Phase)

#### Russia denies withholding gas supplies to Europe

Russian energy giant Gazprom has rejected accusations that Moscow is limiting gas deliveries to Europe and denounced Germany's resale of gas to Poland amid soaring prices. Poland this week accused Moscow of having stopped

its deliveries via the Yamal-Europe pipeline that sends Russian gas to Western Europe, accusing Gazprom of "manipulation".

The pipeline was operating in reverse mode this week, sending gas from Germany to Poland, public data showed, as European gas prices ticked up.

President Vladimir Putin on Friday denied that the flow direction was a political move and said that Poland had "sidelined" Russia in managing the pipeline.

"All accusations against Russia and Gazprom that we are not supplying enough gas to the European market are absolutely groundless and unacceptable and untrue," Gazprom spokesman Sergei Kupriyanov said late Saturday, calling the accusations "lies".



M Anis Ud Dowla, chairman of ACI Formulations Ltd, virtually presides over the company's 25th annual general meeting yesterday. The audited financial statements for the year ended on June 30, 2021 together with reports of the directors and auditors of the company were approved by the shareholders. They also approved 30 per cent cash dividend and 5 per cent stock dividend for the financial year. Shusmita Anis, managing director of the company, was present.

#### Pabna farmers turning to vegetable cultivation

After buying the vegetables from local producers for cheap, the wholesalers sell them to big markets across the country with prices soaring by Tk 5 to Tk 10 along the way, Badsha added.

Md Monirul Islam, a local wholesaler, told this correspondent to Tk 35,000 to transport each that transporting the vegetables to

another heacache as syndicates prevail among truckers as well.

"Truckers often charged double the cost for transporting vegetables in the peak season due to the truck syndicates," Islam said.

"So, we need to spend Tk 30,000 truck of vegetables to Dhaka and

big cities or even nearby towns raises Chattogram and due to the excessive transportation cost, vegetable prices soar," he added.

Echoing the same, the DAE's Latif said middlemen eat up most of the profits as a result.

"We need to set up a supply chain, and control and monitor the vegetable market for the sake of farmers," he







ঢাকা বিশ্ববিদ্যালয়

UNIVERSITY OF DHAKA: Applications in prescribed form, obtainable from the office of the Registrar, are invited from the Bangladeshi nationals for filling up 1 (One) permanent post of Assistant Professor in the Department of Pali and Buddhist studies. In the pay scale of Tk. 35,500-67,010/- (National Pay scale-2015)

#### **QUALIFICATIONS FOR ASSISTANT PROFESSOR:**

Candidates must have at least first class/ in case of CGPA 3.50 out of 4.00 scale in Honours and Master's degree in Pali and Buddhist studies or an equivalent degree from any foreign university with at least 1<sup>st</sup> division/ in case of GPA 4.25 out of 5.00 in S.S.C. and H.S.C. examinations. They should have at least 03 (three) years of teaching and research experience in a university with 03 (three) research publications in standard journals. Publication in the predatory journal will not be accepted. Experience and performance as a teacher as well as significant contribution to different areas of University activities especially in guiding the overall educational and co-curricular activities of the students will also be treated as qualifications. Other qualifications being equal preference may be given to those who earned Ph.D degree.

Eight copies of application together with attested copies of certificates, testimonials, grade sheets/mark sheets and proof of experience along with a Pay Order / Bank Draft of the value of Tk. 750/- (Seven hundred fifty) only, payable to the Registrar, should reach him on or before 17/01/2022. Candidates already in service must apply through proper channel. GD- 2393



GD-2396

#### BANGLADESH ELECTION COMMISSION

Identification System for Enhancing Access to Services (IDEA) Project (2<sup>nd</sup> Phase) Nirbachan Bhaban (Floor-8) Agargaon, Dhaka-1207.

#### Invitation for Tenders

		<u>in</u>	<u>vitation for Te</u>	<u>nders</u>		
		GOVERNMENT O	F THE PEOPLE'S REPU	BLIC OF BANGLADESH		
1	Ministry/Divis	sion	Bangladesh Election Commission			
2	Agency		Election Commission Secretariat			
3	Procuring Er	ntity Name	represented by Project Director, Identification System for Enhancing Access to Services (IDEA) Project (2 <sup>nd</sup> Phase), Bangladesh Election Commission.			
4	Procuring Er	ntity District	Dhaka			
5	Invitation for		Computer Related: Desktor	Computer Related: Desktop Computer, Laptop etc.		
6	Invitation Re	f. No. & Date	17.14.0000.240.07.057.2021-1708 Dated: 26 December, 2021			
KEY IN	FORMATION		<u> </u>			
7	Procuremen	t Method	Open Tendering Method (OTM)			
FUNDI	NG INFORMAT		grant condemns meaned (c	,		
8		Source of Funds	GoB (Development Budget)			
	CULAR INFOR		COD (Dovolopinoni Baaget)			
9		gram Code (if applicable)	224331200			
10		e (if applicable)	Identification System for Enhancing Access to Services (IDEA) Project (2 <sup>nd</sup> Phase)			
11	Tender Pack		GD-03			
12				Computer Related: Desktop Computer, Laptop etc.		
12	Tender Package Name		Date Time			
13	Tender Publ	ication Data	27 December, 2021	Time		
14			06 January, 2022	11:00 A.M.		
	Pre-Tender Meeting Date and Time Tender Last Selling Date and Time			05:00 P.M.		
15			23January, 2022			
16	Tender Closing Date and Time		24 January, 2022	02:00 P.M.		
17	Tender Opening Date and Time		24 January, 2022			
18	Name & Address of the office(s)		Address			
	Selling Tender Document (Principal)		Identification System for Enhancing Access to Services (IDEA) Project (2 <sup>nd</sup> Phase), Nirbachar Bhaban (Floor-8), Room No. 814, Agargaon, Dhaka-1207.			
	NO CONDIT	IONS APPLY FOR SALE ,PURCH	IASE OR DISTRIBUTION OF T	ENDER DOCUMENTS		
19	Pre-Tender Meeting		Conference Room No. 721, IDEA Project (2nd Phase), Nirbachan Bhaban (Floor-7), Agargaon, Dhaka-1207.			
20	Receiving Tender Document					
21	Opening Ter	nder Document	— Dnaka-1207.	Dnaka-1207.		
INFOR	MATION FOR	TENDERER	<u> </u>			
22	Eligibility of Tenderer		Tender shall have the legal capacity, enrolled and have to fulfil its obligation/obligations to pay taxes under the provisions of laws and regulations of Bangladesh.     Detail information has been provided in the tender document.			
23	Brief Description of Services		Computer Related: Desktop Computer, Laptop etc.			
24		der Document (Tk.)	BDT 2500.00 (Two thousand Five Hundred only) Non-refundable.			
25	Package No.	Identification of Package	Location	Tender Security Amount (Tk)	Completion Time in Weeks	
	GD-03	Computer Related: Desktop Computer, Laptop etc.	Dhaka	8,50,000.00Tk (Eight lac Fifty thousand taka) Only	12 (twelve) weeks from the date of signing contract.	
PROCI	JRING ENTITY	DETAILS				
26	Name of Off	icial Inviting Tender	Brigadier General Abul Kashem Md Fazlul Kader			
27	Designation of Official Inviting Tender		Project Director			
28	Address of Official Inviting Tender		Identification System for Enhancing Access to Services (IDEA) Project (2nd Phase) Nirhachan			

Address of Official Inviting Tende Identification System for Enhancing Access to Services (IDEA) Project (2nd Phase), Nirbachar Bhaban (Floor-8), Agargaon, Dhaka-1207. Contact details of Official Inviting Tender Telephone: 00-88-02-55007571; e-mail address: pd.idea2.bd@gmail.com The Procuring Entity reserves the right to reject all the tenders or annul the tender proceedings Abul Kashem Md Fazlul Kader

# StanChart completes first deal using risk-free rate

STAR BUSINESS REPORT

Standard Chartered has completed the first deal using risk-free rate (RFR) with its clients, Akij Ceramics Ltd and Unilever Bangladesh Ltd.

The deal was completed in line with the detailed guidance from the Bangladesh Bank on how to set the new rates as a replacement for the London Interbank Offered Rate (Libor), according to a press

The Libor is the average interbank lending rate on an unsecured basis for banks in London. For decades, it has been the most popular benchmark reference rate used by banks and other financial institutions around the world for pricing of different debt instruments.

In March 2020, the ICE Benchmark Administration, the authorised and declared its intention to cease the director of Akij Group, said, "While publication of the Libor settings after . December 31, 2021.

The BB has given its consent to Libor to other risk-free rates from 1

Speaking in the press release, Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, said Standard Chartered had been working with clients, regulators, and stakeholders to support the transition from the Libor to its more sustainable alternative RFR.

"The completion of the first RFRbased trade finance transactions with Akij and Unilever is the outcome of the significant collaboration that the bank has facilitated to prepare for the transition ahead of the effective date of January 1."

we are still working out on the transition process with our other banks, this live deal with Standard banks to transition away from the Chartered gives us a hands-on experience with this upcoming and inevitable change.

Zahidul Islam Malita, finance director of Unilever Bangladesh, said, "As we make this transition ahead of time from the Libor to the new RFR that is yet to be effectuated on a global scale from next year, we believe that this will pave the path for other organisations to follow suit and explore their opportunities in global trade finance.

The bank is actively engaging with other clients to familiarise them with the new rates in order to ensure that the transition for the clients is smooth, the press release added.



Ahsan Khan Chowdhury, chairman of Rangpur Foundry Ltd (RFL), presides over the company's 41th annual general meeting virtually yesterday. The company approved 23 per cent dividend for the shareholders for 2020-2021. Rathendra Nath Paul, managing director of the company, Sabiha Amjad, Choudhury Atiur Rasul, Uzma Chowdhury, and Chowdhury Kamruzzaman, directors, Md Abdus Salam, independent director, Kishor Kumar Debnath, chief financial officer, and Muhammad Aminur Rahman, company secretary, attended the meeting.



#### SIBL gets new additional managing director

STAR BUSINESS DESK

Social Islami Bank recently witnessed the appointment of a new additional managing director.

The appointee, Abu Reza Md Yeahia, was previously serving as deputy managing director at Islami Bank Bangladesh, where he started his banking career as a probationary officer in

He obtained his LLB and LLM degrees from the University of Dhaka, says a press release.

#### \$9 lakh IFC grant for BB credit guarantee scheme

STAR BUSINESS REPORT

International Finance Corporation signed an agreement with Bangladesh Bank recently to provide \$900,000 as technical assistance grant to efficiently implement a credit guarantee scheme for cottage, micro, small and medium enterprises to better face the pandemic's challenges

The fund under the December 14 deal will be spent to, among others, improve skills of officials assigned to implement the scheme and create a vibrant IT platform and help the central bank take time-befitting policies to support the small-scale businesses.

The credit guarantee scheme (CGS) offers a risk-sharing arrangement for participating banks and non-bank financial institutions.

It enables better access to finance for the enterprises that are often deprived of getting funds due to their high-risk profile, according to a central bank press release.

At present, cottage, micro, small and medium enterprise loans valued from Tk 2 lakh to Tk 50 lakh are eligible for the CGS. A total of 31 banks and NBFIs have signed up for the CGS facility.

With about 78,00,000 units employing over 2 crore people, the small-scale enterprises account for almost 25 per cent of gross domestic products and 30 per cent of total industrial employment in Bangladesh.

However, limited access to finance has impeded sustaining this labour-intensive sector that is critical for the country's sustained growth, said the BB press release.

Qamar Saleem, IFC's regional manager for Financial Institution Group (Asia and Pacific), and SM Mohsin Hossain, general manager of the BB's CGS unit, signed the agreement through a virtual event.

Abu Farah Md Nasser, deputy governor of the central bank, Robert Chatterton Dickson, British high commissioner to Bangladesh, and Nuzhat Anwar, IFC acting country manager for Bangladesh, Bhutan and Nepal, were present.

#### Jeep starts its Bangladesh journey

STAR BUSINESS REPORT

American automobile brand Jeep has started its official journey in Bangladesh.

Toledo Motors Ltd, a subsidiary of Anwar Group of Industries, launched the brand as the authorised distributor of Jeep (Stellantis) on Saturday.

Hossain Khaled, managing director of Anwar Group, inaugurated the launching programme at the Jeep Experience Center in Uttara, Dhaka, according to a press release.

Manwar Hossain, chairman of Anwar Group, and Hossain Mehmood, vice-chairman, addressed the event virtually.

Every Jeep vehicle is offered with 50,000 kilometres or three years of manufacturer's warranty and five years of free aftersales service with the commitment of service excellence at every touch point, the press release

# **Investors look to Omicron for direction**

Investors are closely watching the latest news on the rapidly spreading Omicron variant for signs of how much the virus could impact the U.S. economy and earnings as the market heads into what has historically been a strong time of year for equities.

Overall, the S&P 500 is slightly ahead since November 24, prior to news of the variant hitting markets.

It marked a record-high close Thursday, as encouraging developments gave investors more ease about the economic impact of the variant. "The market is extremely reactionary now and every little bit of news has a huge impact," said George Young, a portfolio manager at Villere

Young is planning on taking advantage of any Omicron-induced volatility to add to stocks that rely on tourism and travel such as bank company First Hawaiian Inc.

Shares of the company are up 14.4 per cent for the year to date.

The Omicron variant is causing infections to double in 1.5 to 3 days, according to the World Health Organization. The variant now accounts for 73

per cent of all new US cases, up from less than 1 per cent at the beginning of the month.

Still, questions about Omicron's virulence have made investors less pessimistic than the original reaction.

cent on November 26 after the variant was discovered, on fears of fresh economic lockdowns.

A South African study offered hope about the severity of Omicron and the trend of Covid-19 infections on Wednesday. Shares of vaccine makers slumped

the Omicron variant's impact to be limited based on recent data. That bodes well for what is known

in December as investors expect

in the market as a Santa Claus rally. Historically, US stocks have risen

during the last five trading days of December and the first two days of January in 56 out of 75 years since 1945, according to data from CFRA Research. This year, the time period starts on December 27.

The average Santa Claus rally has boosted the S&P 500 by 1.3 per cent since 1969, according to the Stock Trader's Almanac. It is unclear to what extent Wall

Street analysts expect Omicron to affect earnings and the economy. Estimated 2022 S&P 500 earnings

growth was at 8.3 per cent as of Friday, compared with 8.0 per cent at the start of December, according to Refinitiv Goldman Sachs cut its estimate for

US GDP growth to 3.8 per cent from 4.2 per cent due to the uncertainty of the impact of the Omicron wave.

While there will likely be some economic impact from Omicron, health side," she said.

remain strong, said Cliff Hodge, chief investment officer for Cornerstone Wealth. He is focused on any signs that

Senator Joe Manchin could reach an agreement to support President Joe Biden's signature \$1.75 trillion Build Back Better climate and social spending bill. Manchin, who would provide one of the key votes to pass the bill in a divided Senate, said on Sunday that he could not support the bill in its current form.

Senate Majority Leader Chuck Schumer said that the Senate will vote on the bill in early January.

"We need a little bit of good news whether on the Manchin front or Omicron to get a rally going," Hodge "We are fully invested and anticipate a little bit of a relief rally into January."

The week ahead will be light on economic data, with the release of the S&P Case-Shiller US home price index on Tuesday among the few notable

The lack of new reads of the strength of the economy at a time when coronavirus case counts are rising may leave the stock market more volatile through the end of the year, said Dana DAuria, co-chief investment officer of Envestnet PMC.

"The market has gotten pretty good at pricing in and leading off from what we are learning about on the

### How Afghanistan's asset freeze hurts everyone

Afghan businessman Shoaib Barak is struggling to pay his workers and suppliers, unable to access funds from a banking system crippled by the freezing of the nation's overseas assets.

They, in turn, can't pay their bills -- and so the country's economic woes trickle down and hurt everyone along an unbroken chain of misery.

"I feel very ashamed," said Barak, who until recently employed some 200 people across the country -- mostly in his construction business.

"For me, for every Afghan, it's really disgusting. I do not even have the ability to pay salaries for my staff.

"To avoid giving the Taliban access to Afghanistan's reserves, Washington froze an estimated \$10 billion held by the central bank abroad after the hardline Islamists seized power on August 15.

Equating to around half what the country's economy produced last year, that move in turn starved banks used by Afghan businesses and citizens of access

Even if limited funds were released, the bulk could be tied up in the American legal system for years while subject to claims by victims of the September 11, 2001, Al-Qaeda attacks on the US.

Ordinarily, the reserves could be dipped into to pay overdue government bills and development projects, but the freeze has trickled down to the rest of the economy. "Just release the reserves," Barak pleaded.

"If you have a problem with... the Taliban, don't take revenge on the nation, the people.

Barak's cash flow crisis illustrates the problems faced by tens of thousands of Afghans who simply can't access most of their money

He says he has around \$3 million tied up in Afghan banks -- money earned over the years from lucrative private and government contracts, which were paid in dollars as aid poured into the public purse

under the pre-Taliban regime. But with local banks limiting weekly withdrawals to five percent of a business account's balance -- up to a maximum of \$5,000 -- Barak is months behind on both

invoices and salaries to his staff. Ahmad Zia is one of them. The 55-yearold engineer was earning 60,000 Afghanis per month -- equivalent to \$770 before the

Taliban took over and the currency plunged Four months later, Zia is struggling

to make ends meet and fears his once comfortably-off family of six will only "eat one or two times" per day. It isn't just Barak's employees who are

Ehsanullah Maroof's now-defunct law business relied heavily on a monthly retainer from Barak's construction company.

"The kids went to a very good school," he told AFP, noting proudly that his nineyear-old daughter Rana topped her year.

But now he can't afford the right medicine for an epileptic son, and Rana has been expelled because the family can't pay school fees.

The misery trickles down even further - to the Maroof family maid, who is now Gulha, 42, earned 8,000 Afghanis a

month and was the main breadwinner in her seven-strong family. Now she is two months behind on rent

and running out of food. "I have 14 kilogrammes (30 pounds) of rice, 20-21 kilogrammes of flour and some oil," she told AFP in a one-room apartment where she allows neighbours to share the nightly warmth of a wood-burner as winter

"It will last 10 days." Once that is gone she will join millions of her compatriots who are utterly dependent on aid.

The United Nations Security Council on Wednesday unanimously adopted a US resolution to help humanitarian aid reach desperate Afghans while seeking to keep funds out of Taliban hands -- a move welcomed by the Islamists as a "good step".

But whether enough cash arrives to contain the unfolding humanitarian disaster ultimately still depends on "the viability of the banking system", said Hanna Luchnikava-Schorsch, Principal Asia Pacific economist at IHS Markit.

Many Afghan banks are "pretty close to collapse", she told AFP, and overseas institutions will probably be "terrified" of falling foul of sanctions despite the UN resolution. For many ordinary Afghans, any relief will come too late.

International organisations warn one million Afghan children could die this winter, Barak notes.

"Who do you think will be blamed -- the Taliban, or the US?

#### | Six banks cut salary costs | FR to safeguard profits

Four banks decided not to change their top official's salary

IFIC Bank MD and CEO Shah A Sarwar said: "The salary of no specific individual has been reduced rather it was the need for efficiency that resulted in the reduction of the total cost of employment.

"This is achieved through enhancement of productivity establishing multitasking, reviewing of processes, people empowerment and enhancing people engagement.

In all deserving cases, the salaries of individuals increased in 2020 under the pay and compensation policy of the bank, he said. After remaining in the same salary contract for four years,

the current CEO undertook a new contract on December 2019 where the salary has been increased, Sarwar added. "We did not reduce the salary of our individual

employees in that year despite the coronavirus pandemic, said Kamal Hossain, managing director of Southeast Bank. "But some senior executives in the position of additional

managing director and deputy managing director left the bank, and we have not recruited anyone in those positions, so the salary cost fell," he said. "We will revise our salary soon." Mohammed Rabiul Hossain, managing director of Uttara Bank, and Mohammed Haider Ali Miah, managing

director of Exim Bank, did not receive phone calls and reply to text messages. Md Monzur Mofiz, acting managing director of One

#### Energy price hike pushes up inflation

Bank, declined to comment.

"Excess demand in the foreign exchange market has created pressure on the exchange rate. If the exchange rate depreciates too much too fast, it could further stoke inflationary pressure."

The fiscal policy targeted to protect the incomes of the poor is still feasible.

"Allowing a smooth adjustment in the exchange rate without hurting credit growth requires reconsideration of the interest rate cap to maintain the incentive to lend. Doing nothing risks unleashing stagflationary forcesrising inflation and lower growth.

The Consumer Price Index number given by the government doesn't reflect the actual situation, said Towfiqul Islam Khan, senior research fellow at the Centre for Policy Dialogue. According to the economist, there are three major

reason for the rising inflation: surging global commodity prices, the devaluation of the exchange rate that pushed up imported-inflation, and a hike in energy prices. Besides, a pickup in demand has contributed to the

higher inflation, he said. "The current nature of inflation is hurting the marginalised and the people who lost their incomes due to the pandemic. So, managing inflation has become more important than ever."

# FBCCI demands extension, analysts oppose

said.

Entrepreneurs of the small and medium enterprises are now repaying their loans efficiently, so extending the facility, especially for the big borrowers, is not a logical demand, he said.

The central bank should not issue any notice to this end, he said.

No bank tries to have its clients fall into a bad state as this eventually creates an unfavourable effect on its financial health,

"Banks can follow a relaxed rule on their own in consideration of the affected businesses. The central bank can allow banks to do so on a case-to-case basis," said Mansur, also executive director of the Policy Research Institute.

He pointed out that banker-customer relationships were good enough to handle

Salehuddin Ahmed, a former governor of the BB, echoed Mansur.

Extending the relaxed classification policy will not bring any good for banks,

"The trade bodies usually express

such type of expectations continuously, but the central bank should consider the issues in the interest of the economy," he

on condition of anonymity given the sensitivity of the matter, said the lenders would not be able to repay depositors if the relaxed policy was extended further. The private sector itself will face

Managing directors of two banks,

difficulties as banks will be unable to give out loans fulfilling requirements of businesses, they said. They asked how banks would be able to

reinvest their funds if they were unable to recover loans in the first place. Private sector credit growth, which is now in the course of gaining tempo, will

face another setback, they said. Private sector credit growth in Bangladesh accelerated to 9.44 per cent in

October, the highest in 13 months. Last week, International Monetary Fund also advised the central bank to follow an orderly exit from all these general forbearance that were given to the banks as

# Sonali Paper's trading rises abnormally

FROM PAGE B1

"The trading just seems abnormal and so, the market regulator should investigate it,"

Sonali Paper was transferred from the

over the counter market to the main board on July 26, 2020. Since then, the company's stock rose

188 per cent to Tk 855 as of yesterday.

The stock price is among the top 15 highest priced stocks listed on the DSE and follows just after some multinational companies like Reckitt Benckiser, Unilever Consumer Care, Marico, Berger Paints, Linde Bd, Libra Infusion, and Bata Shoe.

"When Sonali Paper gained a spot in the list of top priced stocks, it became clear that some players are fuelling the rise in stock price," a stock broker said.

Sonali Paper distributed 20 per cent cash and 20 per cent stock dividend for its performance in the period of 2020-21. Institutional investors and sponsors are

reducing their stake in the company while general investors are going in the opposite

General investors collectively held a 24.80 per cent stake in the company as of June 30 but that amount has since edged upwards to 27.2 per cent as of November 30, DSE data shows.

However, sponsor shareholding fell to 71.51 per cent from 72.06 per cent while institutional shareholding downed to 1.26 per cent from 3.14 per cent at the same "Investors buy stocks on the basis of

their own analysis and the demand-supply situation. So, we cannot say anything about the stock prices," said Mohammad Rezaul Karim, spokesperson of the Bangladesh Securities and Exchange Commission.

Some investors trade in higher volume to attract general people; the BSEC's surveillance team will see if there is any unlawful trading or wrongdoing, he added.

# \*BUSINESS

# **Stocks witness** another steep fall

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange (DSE) extended losses yesterday, sending the key index of the market to a four-month low.

The DSEX, the benchmark index of the premier bourse in Bangladesh, lost 72 points, or 1.08 per cent, to close at 6,629. This was the lowest level of the index since August

The exchange witnessed another decline as the riskaverse investors opted for liquidating their position to escape further losses on their portfolios, said International Leasing Securities in its daily market review.

The shaky investors started the session with early-hour sell pressure and continued it till the closure.

Notable selling of shares was observed in almost all of the sectors, contributing to the big fall of the key index.

On the DSE, decliners outnumbered advancers 300 to 47, with 31 companies remained the same.

State-run Bangladesh Shipping Corporation topped the gainers' list as it rose 12.3 per cent followed by Western Marine Shipyard, Daffodil Computers, Zeal Bangla Sugar Mills, and Atlas Bangla.

Sonali Paper was the most traded stock with its shares worth Tk 153 crore changing hands. Beximco Ltd, Asia Insurance, Bangladesh Shipping Corporation, and Eastern Insurance also saw significant turnover.

Eastern Lubricants gave up the most, dropping 15 per cent, followed by Fu-Wang Foods, Appollo Ispat, Stylecraft, and Libra Infusion.

"The market is falling for many reasons. The most important one was institutional investors sold shares to free up funds to subscribe to a number of bonds recently," said a top official of an asset management

Besides, institutional investors don't want to increase their exposure towards the end of the year, he said.

Turnover on the DSE rose 10 per cent to Tk 885 crore. The Chittagong Stock Exchange also fell. The CASPI, the main index of the bourse in the port city, edged down 261 points, or 1.33 per cent, to 19,268.

Among 297 traded stocks, 48 rose, 232 fell, and 17 was unchanged.

# World economy to top \$100t in 2022 for first time

REUTERS, London

The world's economic output will exceed \$100 trillion for the first time next year and it will take China a little longer than previously thought to overtake the United States as the No1 economy, a report showed on Sunday.

British consultancy Cebr predicted China will become the world's top economy in dollar terms in 2030, two years later than forecast in last year's World Economic League Table report.

India looks set to overtake France next year and then Britain in 2023 to regain its place as the world's sixth biggest economy, Cebr said.

"The important issue for the 2020s is how the world economies cope with inflation, which has now reached 6.8 per cent in the US," said Cebr deputy chairman Douglas

"We hope that a relatively modest adjustment to the tiller will bring the non-transitory elements under control. If not, then the world will need to brace itself for a recession in 2023 or 2024."

The report showed Germany was on track to overtake Japan in terms of economic output in 2033. Russia could become a Top 10 economy by 2036 and Indonesia looks on track for ninth place in 2034.



Workers at a vegetable wholesale hub in Ishwardi upazila are seen filling crates with bottle gourds that will be shipped to kitchen markets across the country. The picture was taken recently.

# Pabna farmers turning to vegetable cultivation

AHMED HUMAYUN KABIR TOPU, Pabna

Farmers in Pabna are increasingly turning towards vegetable cultivation as other crops offer comparatively lower profits, according to various locals.

Md Nasir Uddin, a farmer in Chor-Gorgori village of Ishwardi upazila, cultivated winter vegetables on three bighas of land this year. "I cultivated one bigha of eggplant, one

bigha of cauliflower, and other winter crops in another field," said Uddin, who expects to earn between TK 50,000 to Tk 80,000 from each bigha.

Like him, many farmers are rushing to cultivate vegetables instead of other crops in Ishwardi upazila, the biggest vegetable producing hub in Pabna. Paddy cultivation provides an annual

vegetables rake in significantly higher earnings,

in Pabna Sadar and Ishwardi upazila, this correspondent found that vast amounts of land in and around the region are being used to grow vegetables.

cultivation this year, according to the

Department of Agricultural Extension (DAE) in Pabna. As such, farmers in the region expect to collect 8.24 lakh tonnes of vegetables altogether.

Of the total land being used to grow vegetables, winter crops have been sown on 22,250 hectares with a production target of about 5.68 lakh tonnes.

In summer, 12,795 hectares of land were cultivated to produce around 2.57 lakh tonnes of vegetables, DAE data shows.



sans potato, can be cultivated in Pabna due to its suitable soil conditions," said Md Abdul profit of about Tk 15,000 to Tk 20,000 while Latif, additional deputy director of the DAE in Pabna. farmers here could

During a visit to different shoal areas handsomely from commercial vegetable cultivation, local agriculture officials try to inspire them to do more by providing technical and logistical support," he added.

The DAE official went on to say that A total of 35,045 hectares of land in the vegetable prices vary depending on supply, district have been brought under vegetable which is often subject to manipulation by syndicates.

"But even though there are no fixed prices in the vegetable market, we expect sales of up to Tk 2.5 thousand crore in the district this year by assuming an average price of about Tk 25 to Tk 30 per kilogramme," Latif said.

Vegetable producers in Pabna supply kitchen markets across the country with eight of the country's 10 biggest vegetable wholesale hubs being based in the district.

"I sold each kilogramme of cauliflower at Tk 25 to a wholesale trader on Friday but the same vegetable is selling for Tk 40 to Tk 50 at the retail level in Pabna and other districts," said Badsha Malitha, another farmer of Chor-Gorgori village.

Similarly, the price of beans, carrots, tomatoes, and other seasonal vegetables differs from the producer and consumer levels, he

While speaking with The Daily Star, Sajahan Ali Badsha, a prize-winning vegetable producer, said farmers are being deprived of fair prices as the market is completely controlled by

"Farmers cannot keep their vegetables in the fields for long and since they have no scope to sell directly to consumers, they have to depend on wholesale traders who dictate prices," he said.

READ MORE ON B2

#### Most Gulf bourses retreat as Covid-19 cases rise

REUTERS

Most stock markets in the Gulf were subdued on Sunday, with coronavirus infections across the region rising again after months of low or falling figures.

Saudi Arabia's benchmark index lost 0.2 per cent, dented by a 0.3 per cent fall for Al Rajhi Bank and a 0.6 per cent decline for Saudi National Bank.

Health authorities in the kingdom advised citizens and residents last week to avoid all unnecessary foreign travel. Saudi Arabia reported its first case of the Omicron coronavirus variant on December 1.

Among other losers, Jabal Omar Development Co slid 2.4 per cent, after increasing the volume of shares offered to the fund manager of Alinma Makkah Real Estate Fund to settle payment obligations owed to the fund.

A Saudi citizen and a Yemeni resident were killed after a Houthi projectile hit the southern Saudi city of Jazan on Friday, Saudi state media reported, in continued escalation of conflict between the Saudiled coalition fighting the Iran-aligned Houthis in Yemen.

The war in Yemen has cost Riyadh billions of dollars as the world's biggest oil exporter contends with additional pressure on state finances because of weak oil prices.

The Abu Dhabi index, meanwhile, dropped 0.3 per cent as Abu Dhabi Islamic Bank retreated by 2 per cent and the country's largest lender, First Abu Dhabi Bank, lost 0.7 per cent.

Dubai's main share index was flat in early trade.

The United Arab Emirates (UAE) has experienced a particularly sharp increase in Covid-19 infections since announcing the arrival of Omicron early this month, with 1,621 coronavirus cases recorded on Saturday, up from 68 on December 2. The resurgence comes

during the region's peak tourism season, especially in the HAE, which welcoming millions of visitors to the Expo 2020 Dubai world fair and other seasonal events. The Qatari index eased 0.3 per cent, pressured by a 0.8 per cent decline for the Gulf's biggest lender, Qatar National Bank.

#### China central bank vows to promote healthy development of property market

REUTERS, Shanghai

China's central bank said on Saturday it will safeguard the legal rights of home buyers and better satisfy their reasonable living needs, vowing to promote healthy development of the country's real estate market.

The statement from the People's Bank of China (PBOC), made following its fourth-quarter monetary policy committee meeting, is the latest sign that Chinese regulators are marginally easing curbs on the property sector to prevent a hard-landing.

Echoing China's annual Central Economic Work Conference held in early December, the PBOC said it will prioritise economic stability, amid an increasingly severe external environment and the unrelenting global pandemic.

The PBOC said it will keep its monetary policy flexible and appropriate, and liquidity reasonably ample. It will strengthen support to the real economy, with a bias toward small companies.

The central bank reiterated that it will deepen reforms of the forex market and increase the flexibility of the yuan's exchange rate while guiding companies and financial institutions to be "risk neutral"

# Climate crisis puts oil in the crosshairs

AFP, Paris

The climate crisis has put the end of oil onto the agenda, but achieving that is a colossal task given the world economy's deep dependence on petroleum.

In 2021, several developments showed clearly that (the petroleum) industry doesn't have a future," said Romain Ioualalen at the activist group Oil Change International.

The International Energy Agency warned in May that an immediate halt to new investment in fossil projects is needed if the world is to reach net-zero carbon emissions by 2050 and to stand any chance of limiting warming to

The call was a revolution for an agency created in the wake of the first 1970 oil shock to protect the energy security of rich, oilconsuming nations.

Another major moment in 2021 was the emergence at the COP 26 climate summit in Glasgow of a coalition of nations that pledged to phase out oil and gas production, although no major oil and gas producing nation joined that group.

'It is no longer taboo to talk about the end of the extraction of hydrocarbons during international climate summits," said Oil Change International's Ioualalen.

And fossil fuels -- which still represent 80 per cent of energy consumed -- were explicitly blamed for driving climate change, which was not the case when the Paris climate pact was reached in 2015.

More recently, environmental defenders scored a symbolic victory when oil giant Shell decided to exit the development of the controversial Cambo oil field off Scotland saying the investment case was "not strong

"We've known for several years that the end of crude oil ... is near," said Moez Ajmi, an energy specialist at professional services firm EY. "But is the world ready to live without oil? It

is still very dependent in my view.

"The IEA also believes that oil demand is still set to rise. It expects it to reach its prepandemic level of just under 100 million barrels per day next year.

With crude prices having rebounded in the

past months, oil producers are rolling in cash and can afford to pursue new projects.

"Any talk of the oil and gas industries being consigned to the past and halting new investments in oil and gas is misguided," OPEC leader Mohammed Barkindo said recently.

The head of French oil firm TotalEnergies, Patrick Pouyanne, said he's "convinced the transition will take place because there is a real awareness, but it will take time.

accounted for 7 percent of global auto sales, according to BloombergNEF

While that is still a small percentage, it is

growing fast. Oil Change International's Ioualalen said that arguments put forward by oil companies and producing nations are cynical and focus on the short term.

"They're trying to justify an unsustainable trajectory at any cost," he said.



Security personnel stand outside the complex of Indian Oil Corporation's refinery in Haldia, West Bengal on December 22 a day after three people reportedly lost their lives in a fire incident in the plant.

"He believes the issue is being approached from the wrong end. Instead of focussing on reducing oil, attention should be shifted towards consumption.

Demand for fossil fuels "will decline because consumers have access to new products like electric vehicles," said Pouyanne. In the first half of the year, electric vehicles

"We're still far from a decarbonised economy, of course, but it is the energy system investments that are made today that will lead us there," said Ioualalen.

Whatever the horizon for the end of petroleum, industry players are still only willynilly preparing for it as pressure upon them

#### **UK extends visa** scheme for seasonal farm workers

The UK government on Friday announced it is extending a temporary visa scheme for foreign seasonal workers until the end of 2024, while it will gradually reduce the quota

The government said it will next year offer 30,000 visas for workers to come to the UK for up to six months to pick fruit, vegetables and flowers, potentially increasing this But from the beginning of 2023, the number of visas

"will begin to taper down", the government said, adding that it is demanding "a plan from the sector to cut the reliance on foreign labour". The sector must improve pay and conditions, the

government said, adding that it was changing the rules of the scheme so that employers must pay a "minimum The limited extension "strikes the right balance of

supporting the industry while it transitions to employing and prioritising domestic workers," said Kevin Foster, minister for safe and legal migration. Following Brexit, as it became apparent that the UK was dependent on migrant labour in various low-paid sectors

including agriculture, the scheme was launched as a pilot in March 2019 to recruit non-EU workers. It was then expanded in December last year with 30,000

The government in September also announced it was offering 10,500 three-month visas for lorry drivers

and poultry workers to ease a huge shortfall hitting fuel

supplies and related industries. The announcement that visa numbers for agricultural workers will taper down from 2023 was criticised by a farming leader in Scotland, where migrant workers are in

particular demand. Scott Walker, chief executive of National Farmers Union Scotland, tweeted that the government was "sneaking out bad news on Xmas eve", adding that the announcement that visa numbers will be reduced from 2023 was "devastating news to Scottish soft fruit and

The National Farmers Union's vice president Tom Bradshaw, however, in a statement said it was positive that the government was giving growers "clarity over the future of the scheme for the next three years".