

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.26%	▲ 0.04%	\$1,875.82	\$51.29	▲ 1.14%	▼ 0.04%	▲ 0.28%	▲ 0.99%	BUY TK 83.95	101.74	112.36	12.68
5,358.25	9,332.61	(per ounce)	(per barrel)	46,973.54	26,656.61	2,848.14	3,396.56	SELL TK 84.95	105.54	116.16	13.33

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30 December, 2020

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FBCCI pushes for extending loan moratorium

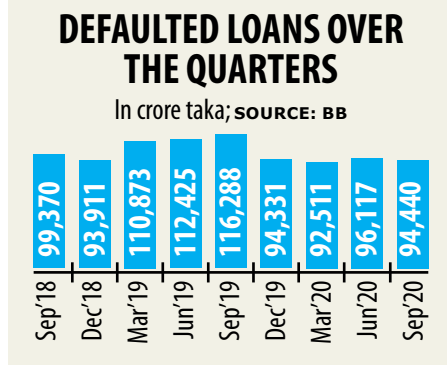
Private bank sponsors want no additional provisioning for loans being paid back regularly; analysts oppose both demands

AKM ZAMIR UDDIN

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has reiterated its request for Bangladesh Bank to extend an ongoing loan moratorium until June.

Moreover, the Bangladesh Association of Banks (BAB), comprising private bank sponsors, has called for exempting provisions for loans, against which instalments are being paid regularly, from the latest central bank directive on keeping an additional 1 per cent provisioning for all unclassified loans.

The rest of the loans making use of the moratorium, or in other words, against which repayment instalments are not being paid, should fall under the purview of the additional provisioning directive, said the



association.

Both platforms sought the measures sending separate letters to Governor Fazle Kabir on December 28, reasoning it was in the interest of borrowers and banks given the business slowdown caused by the coronavirus pandemic.

But analysts have opposed the requests, saying it would not bring any good for the country's banking sector and the economy as a whole given the ongoing business trend focusing financial recovery.

Govt lowers first-year GDP growth target

EIGHTH FIVE-YEAR PLAN

STAR BUSINESS REPORT

The government has lowered the first-year growth target in its Eighth Five-Year Plan compared to its budget projections due to the ongoing Covid-19 pandemic, which forced the country to go into a lockdown that stalled its economy.

Besides, recovery from the Covid-19 fallout has been partially mired by a second wave of infections worldwide.

As per the Eighth Five-Year Plan, the government has set a target of 7.40 per cent GDP growth for FY21,



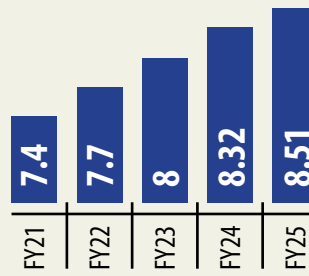
STAR/FILE

Riding on increased economic activities, the government targets to achieve 7.4pc GDP growth in fiscal 2021.

ESTIMATION OF REAL GROWTH IN EIGHTH 5-YEAR PLAN

In %;

SOURCE: PLANNING MINISTRY



which is 80 basis points lower than the budget's growth plan of 8.20 per cent.

However, the target still remains ambitious as it is much higher than the World Bank (WB) forecast.

In its twice-a-year regional update, the WB projected 3.4 per cent economic growth for the next update, assuming that the Covid-19 crisis would linger.

According to the plan,

Bangladesh would post 7.70 per cent in FY22, 8 per cent in FY23, 8.32 per cent in FY24 and eventually 8.51 per cent in the final year of the plan period.

READ MORE ON B3

NBR urges all to file returns by today

Banks closed tomorrow

STAR BUSINESS REPORT

With only a day remaining before the deadline to submit income tax returns for fiscal 2020-21, the National Board of Revenue yesterday requested individuals to clear tax payment through banks by today as the lenders will remain closed tomorrow.

All sorts of banking activities will remain shut on December 31 as it is a bank holiday, the NBR said in a press release.

The deadline for submission of income tax return for individual taxpayers was extended by one month on November 30, the official deadline for filing income statements. The deadline ends on December 31, 2020.

Stimulus funds hardly reaching farmers

STAR BUSINESS REPORT

The central bank yesterday again extended the deadline for banks to disburse the Tk 5,000-crore stimulus package for entrepreneurs in the farm sector by three months following lacklustre lending.

When the package was announced in April, banks were asked to disburse the fund by September 30. But they have shown a poor performance, prompting the banking regulator to extend the timeframe until December.

But, the Bangladesh Bank has been forced to extend the deadline until March next year as lenders gave out 55.86 per cent of the stimulus fund as of December 15, according to data from the central bank.

READ MORE ON B3

After a trying year, cement makers bracing for slow recovery



JAGARAN CHAKMA

With the year about to come to a close, the cement sector finally experienced some relief from the ongoing pandemic thanks to increased consumption alongside fresh investments.

Makers of the key construction material have been in a tight spot since the Covid-19 outbreak began as almost all major development projects in the country, both public and private, were halted for an extended period.

"The cement sector managed to survive even though the manufacturers sat idle throughout April-September," Mohammed Amirul Haque, managing director of Premier Cement, told The Daily Star.

But now, there are various projects to work on, including mega projects such as the Karnaphuli Tunnel.

"We got some orders from the construction sector and our factory is running at full capacity," he said, adding that Premier Cement supplies cement to at

AT A GLANCE

- Consumption fell to **33.15m** tonnes this year from **34.12m** tonnes last year
- Consumption posted **3pc** negative growth this year
- The sector saw **Tk 2,300cr** fresh investment
- Market size came down to **Tk 24,250cr** from **Tk 25,500cr**
- No manufacturers laid off employees
- Direct employment so far **60,000**



least 77 government projects.

According to the managing director, there is no need to waste time on counting losses amid the pandemic since no one knows when the situation will return to normalcy.

Despite these turbulent times though, investment in the cement sector did not cease as around Tk 2,300 crore was spent on the industry over the past few months.

Of this amount, Premier Cement spent Tk 800 crore to establish a new unit in Narayanganj and another for Tk 500 crore in Chattogram. However, the new units are yet to begin production despite having

been ready since March.

"We could not start production within the stipulated time due to the absence of some technical experts and workers of China and Denmark," Haque said.

Now, the cement maker expects to begin commercial production next March or April.

Bangladesh's cement sector has 43 per cent overcapacity and like others local Bashundhara Group also had unused capacity. So the group went beyond borders for opportunities and finally found it in Northeast India.

The local industrial conglomerate is

trying to grab the export market of this region through a Tk 1,000 crore investment geared towards doubling its manufacturing capacity through the establishment of a third production unit.

To materialise the plan, Bashundhara is mobilising Tk 700 crore from banks.

Bank Asia is acting as the lead arranger of this syndicated term loan for Bashundhara Industrial Complex while the other participants are: Dhaka Bank, First Security Islami Bank, Pubali Bank, Social Islami Bank and United Commercial Bank.

READ MORE ON B3

Edible oil prices on the rise

MOHAMMAD SUMAN, Ctg

Local consumers now have to spend more on edible oil as prices are rising in the international market almost every week due to decreased production in exporting countries, weakening of supply chain and stockpiling amid the pandemic.

Retailers say soybean oil prices in the domestic market have increased by anywhere from Tk 10 to Tk 15 per kilogramme the past month.

Now bottled ones are selling for Tk 115 to Tk 120 per kg while that sold loose for Tk 110 to Tk 112.

Retailers were found selling one litre containers of Rupchanda brand at Tk 120 to Tk 125 whereas it was Tk 110 a month ago.

In case of its five-litre containers, the prices now range from Tk 580 to Tk 590 against a former Tk 520.

Similarly, the prices of one litre containers of Teer, Pushti and other brands have jumped to Tk 113 to Tk 120 against a previous Tk 100 to Tk 105. For five litres it has gone up to Tk 570 from Tk 510.

Anam Ahmed, a retailer at Hamzarbag Market in Chattogram

PRICE HIKE OF EDIBLE OIL

(Taka/per litre)

Oil Type	Price on Dec 29	Price on Nov 26	Change
SOYBEAN OIL	107	98-100	▲ 7-9
PALM OIL	95-97	86-91	▲ 6-9

SOURCE: TCB

city, said they were charging higher prices as the refiners had gradually done the same every week during the past few months.

"All the refiners have increased oil prices as well as reduced supplies owing to an import crisis and rising prices in the international market," he added. The same was said to have happened for wholesale prices of edible oil at Chattogram's Khatunganj, one of the country's largest wholesale

commodity hubs.

Soybean oil prices there rose by Tk 350 per maund (around 37.3 kg) to about Tk 4,180 to Tk 4,200. Similarly, palm oil now costs around Tk 3,600 to Tk 3,650 per maund, an increase of about Tk 275-Tk 300.

"The price of these products is higher as the supply of oil is less than the market demand," said wholesaler Abdur Rahman.

READ MORE ON B3

Stocks edging up amid yearend optimism

STAR BUSINESS REPORT

The stock market rose by 5 per cent, or 260 points, over the past five days thanks to buoyancy in investor participation.

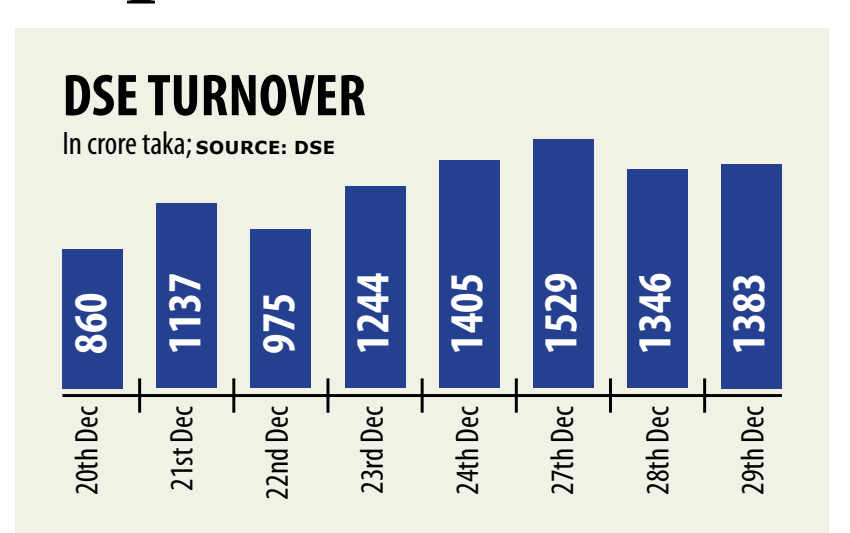
The DSEX, the Dhaka Stock Exchange's (DSE) benchmark index, edged up 14.24 points, or 0.26 per cent, to stand at 5,358.28 yesterday.

This occurred despite the downfall of most listed stocks, owing to an upward trend sweeping companies bearing large capital bases.

Of 363 companies to witness trade, 130 advanced, 168 declined and 65 remained unchanged.

Normally the stock market goes skywards when the calendar year's end draws near. This time around, some stocks had also turned lucrative for investment, said stock investor Arifur Rahman who has been involved in the market since 2006.

Furthermore, investors are gaining



confidence as the index had made a strong break for the 5,200 level, he said.

Several pharmaceutical companies showcased immense potential for

growth as the pandemic continues to linger, so people are investing into those to rake in higher dividends, Rahman added.

READ MORE ON B3

Bank Asia partners with Inpay A/S for cross-border remittance

STAR BUSINESS DESK

Bank Asia entered into a partnership with Inpay A/S (Eurogiro) for cross-border remittance payment, according to a press release.

Through this partnership, Bank Asia will be connected with postal organisations globally and consequently people will be able to send and receive money from around the world at any Bank Asia branch, agent banking outlet and digital post office of Bangladesh.

Md Arfan Ali, president and managing director of Bank Asia Ltd, inaugurated the service on December 27, 2021 at the bank's corporate office, Bank Asia Tower, at Karwan Bazar in Dhaka.

Thomas Jul, chief executive officer of Inpay A/S, and Amol Wagle, head of Asia Pacific at Eurogiro, virtually joined the programme.

Mohammad Ziaul Hasan Molla, SM Iqbal Hossain and Alamgir Hossain, deputy managing directors of the bank, along with other high officials were present at the programme.



Md Arfan Ali, president and managing director of Bank Asia Ltd, cuts a cake after inaugurating a remittance service at the bank's corporate office in Bank Asia Tower at Karwan Bazar in Dhaka on Monday.

Submarine Cable Co to issue 1.44cr shares to govt

FROM PAGE B4

"It is a good sign," Moniruzzaman said, adding because the new share issuance, its dilution would be only 8.74 per cent. Dilution occurs when a company issues new shares that results in a decrease in the existing stockholders' ownership percentage.

The submarine cable company received Tk 140 crore from the government in the financial year 2015-16 under a project to install and establish the second submarine cable. In 2016-17, the company got Tk 26 crore for the same project.

Against the fund injection, the company is now going to issue the shares to the government.

To set an appropriate share price, the government had appointed ICB Capital Management for an independent recommendation.



Riaz Ahmed Chowdhury, chairman of Samorita Hospital Ltd, virtually presided over the hospital's 3rd extraordinary general meeting and 36th annual general meeting yesterday. The authorised share capital of the hospital was increased from Tk 20 crore to Tk 50 crore in the meeting. The shareholders approved the directors' report, audited financial statements for the year ending on June 30, 2021, 10 per cent cash dividend, appointment of directors and appointment of auditors for the financial year 2021-2022. Mojibul Islam, vice-chairman of the hospital, and ABM Haroon, managing director, attended the meeting.

Asian markets down as investors look to uncertain 2022

AFP, Hong Kong

Asian stocks were mostly down in Wednesday trade as a "Santa Claus rally" showed signs of fatigue and continued fears over the Omicron variant -- as well as uncertainty about economic prospects for 2022 -- weighed on markets.

Covid-19 cases have surged across the world, prompting governments to impose new measures to limit contagion while the travel industry faced thousands of flight cancellations.

Warnings from the World Health Organization that the risk from the variant remains "very high" have compounded the sense that the pandemic is far from over, though data showing a reduced risk of hospitalisation has lifted spirits.

Reflecting the uncertainty, Tokyo closed down in thin holiday trade on Wednesday, with the market weighed down by US futures losses.

Seoul was also down, while Sydney and Wellington rose. Europe opened mixed, with London's FTSE slightly up while Paris and Frankfurt fell. In China, markets fell, in a slide analysts partly attributed to losses in shares of major liquor brands -- including Kweichow Moutai, one of the world's biggest drinks companies.



"The drop is mostly contributed by some blue chips, in particular the baijiu names," Zhang Gang, a strategist at Central China Securities, told Bloomberg.

"It's likely that some funds want to cash out before the year-end after the recent rebound."

"Hong Kong's Hang Seng Index was down as investors eyed uncertain prospects for 2022 as well as a continued debt crisis in the mainland's property market."

A continued regulatory clampdown by Beijing on overseas listings by Chinese firms has also weighed down markets -- though expectations that the country's central bank will add further

stimulus in 2022 offered some hope.

But trading volumes remain thin going into the new year, when prospects for global growth and the long-term impact of the Omicron variant are expected to become clearer.

Moody's economist Mark Zandi said in a note the Omicron wave would dent growth in the first quarter, but "not have a material impact" on 2022 overall because of a rebound later in the year.

"Even after the Omicron wave abates, there will almost surely be others. But we expect each new wave to be less disruptive to the healthcare system and economy than the wave before it," he said. Katie Nixon, chief investment officer for Northern Trust Wealth Management, was also upbeat, saying her firm was "pretty constructive going into 2022."

"We're having fits and starts related to this Omicron variant of course."

This will create maybe demand delayed but not destroyed," she told Bloomberg TV.

There was also optimism on oil markets, with crude holding a roughly one-month high on hopes that the Omicron variant will not dent global travel in the ways many had feared.



Md Kismatul Ahsan, chairman of Investment Corporation of Bangladesh (ICB), virtually presided over the company's 45th annual general meeting on Tuesday. Shareholders approved the annual accounts and 11 per cent cash dividend in the meeting. The company earned solo and consolidated net profit of Tk 95.27 crore and Tk 115.33 crore respectively with subsidiaries. Md Abul Hossain, ICB managing director, and other directors were also present.



Abdur Rahman, deputy managing director of AB Bank Ltd, and Fida Haq, managing director of Shurjomukhi Ltd, exchanged signed documents of a memorandum of understanding at the bank's head office in Dhaka on Monday. The agreement will help them participate in different innovative digital ventures. Tarique Afzal, president of AB Bank, was present.

Inside the ECB's secret lab to sniff out fake euro bills

AFP, Frankfurt

On the 23rd floor of the European Central Bank's towering Frankfurt headquarters, on the other side of a security door, anti-counterfeiting experts are poring over some of the best fake banknotes in the eurozone.

The room, off limits to outsiders, at first glance recalls a high school science lab -- an unusually well-equipped one.

Lined up on the workbenches are 3D microscopes, ultra-sensitive scales and special devices designed to detect around a dozen of the safety features embedded in genuine euro banknotes -- and spot the forgeries.

The analysis done by the handful of specialists in the room helps the ECB keep up to date with the latest counterfeiting techniques, and hopefully stay a step ahead.

Twenty years after the launch of the single currency, the risk of a eurozone citizen holding a fake euro note is "very slim", said Jean-Michel Grimal, head of the ECB's currency development division.

And the chances have been getting slimmer by the year.

According to the ECB -- responsible for issuing bills while the central banks of the 19 eurozone nations each produce their own coins -- banknote counterfeiting fell to a historically low level in 2020.

Around 460,000 fake euro bills were taken out of circulation last

year, an 18-per cent drop on 2019. By comparison, there are currently 27 billion genuine euro notes out there.

The safety of euro banknotes has contributed to the "strong trust" eurozone citizens have in the single currency, Grimal said, with recent surveys putting support for the euro at around 80 percent.

The lab's biggest treasure is a large iron cabinet that requires two people to open it, each only knowing part of the secret combination. Inside is a trove of nearly 1,000 fake banknotes, from five- to 500-euro bills, that have been studied over the past two decades.

Every eurozone country has its own counterfeiting detection centre, but Frankfurt holds the most "interesting" examples because they are considered the best imitations, said Eric Languillat, one of the ECB's counterfeiting experts. The analysis done here also helps to give "a quantitative view of the (fake) notes circulating in Europe", he said.

The findings are shared with police services like the EU police agency Europol to help them track down counterfeiting networks.

The ECB's research and development teams, tasked with constantly improving the quality and security of euro bills, also feed off the lab's discoveries.

"If we notice the counterfeiters using certain technological methods, the R&D teams will look at what they

can put in place to counteract them," said Grimal. The ECB's tampering-fighting efforts come at a price, requiring a sizable annual budget.

But the money spent "is a good investment compared to the cost of a counterfeiting crisis", said Grimal.

The Frankfurt analysts examine the bills into the smallest details.

On one computer screen, a genuine 20-euro note is blown

up to nearly 70 times its size, revealing the tiny waves inside the "20" figure, resembling the ridges of a ploughed field, and quite a challenge to imitate.

Citizens don't necessarily "have the instinct to look closely at notes," said Languillat. That's why the ECB has for years encouraged the public to use the "feel, look, tilt" method to check that what they're holding is the

real thing -- no microscope required.

Special printing ensures no other notes feel like euro notes, holding a bill up to the light reveals the watermark and security thread, while tilting it changes the hologram and colour-shifting images.

"If you look carefully at a banknote, the quality of a fake is generally pretty bad, it should be easy to spot," he said.



Eric Languillat, a counterfeit expert at the Counterfeit Analysis Center of the European Central Bank, uses a microscope to check a 50 euro bill at the ECB headquarters in Frankfurt am Main, western Germany. AFP/FILE

EU targets individual debt limits for states under reform plan

REUTERS, Berlin

The European Union's Economy Commissioner wants to set debt limits on an individual basis for member states under a proposed reform of the EU Stability Pact that he aims to present around mid-2022, he told daily Frankfurter Allgemeine Zeitung.

Paolo Gentiloni called in November for a debate on reforming EU debt rules in view of the economic strains caused by the coronavirus crisis.

"We cannot lump all countries together. The differences in the (current) debt ratios are too high for that," Gentiloni was quoted by the newspaper as saying on Wednesday.

State support and investment programmes to counter the economic impact of COVID-19 have sent many EU states' debt levels soaring beyond the Stability Pact's current 60% of gross domestic product limit.

Gentiloni said his reform would set individual debt goals for each country, adding that the Commission should be given more effective instruments to enforce budget rules.

He rejected a proposal by Klaus Regling, the head of the euro zone bailout fund, to raise the debt limit to 100% of GDP for all states.

"That just doesn't correspond to my idea of a differentiated view of the states," he told the FAZ.

Transcom, ICAB sign MoU on using recruitment portal

STAR BUSINESS REPORT

Transcom Group and the Institute of Chartered Accountants of Bangladesh (ICAB) signed a memorandum of understanding (MoU) yesterday over using the ICAB's online job placement portal for recruitment purposes.

Shubhashish Bose, chief executive officer (CEO) of the ICAB, and Md Kamrul Hassan, chief financial officer (CFO) of Transcom Group, signed the MoU at the ICAB office in Dhaka.

Hassan said the business conglomerate was the first to sign such an MoU with the ICAB.

Transcom as a group has employed more than 20,000 people in its diverse range of businesses ranging from pharmaceuticals, newspapers and electronic home appliances, he said.

Currently, Transcom has 24 professional chartered accountants and more than 200 officials who partly completed FCAs, he said.

Transcom Group never defaulted for a single day and for a taka, he added.

Mahmudul Hassan Khusru, president of the ICAB, said local



Shubhashish Bose, chief executive officer of the Institute of Chartered Accountants of Bangladesh, and Md Kamrul Hassan, chief financial officer of Transcom Group, exchange signed documents of a memorandum of understanding at CA Bhavan in Dhaka yesterday.

Navana and Trust companies were the first to offer taxi services in the country but those were not successful.

However, when Uber and Pathao emerged with the service, they were successful and made

thousands of crores of taka. It was possible as technology acted as a bridge between the companies and service seekers, he said.

Similarly, the new ICAB job placement portal initiative will act as a matchmaking platform

between employers and jobseekers free of cost, he said.

Not only some 35,000 certified graduates with finance backgrounds and 2,000 CA firms in the country, people from other disciplines will also be able to use

this platform, Khusru also said.

Bose said some 2.5 million people enter the country's job market every year but the government alone cannot manage jobs for everybody.

As a result, the private sector has been playing a vital role in generating employment for the unemployed youth, he said.

Under the MoU, the ICAB will allow sign-in authority to Transcom Group to post all their vacancies in the portal for professionals in business, accounting and finance, said a statement from the ICAB.

Transcom Group will also promote the ICAB placement on their website. The ICAB members, students and students aspiring for CA qualification can search for suitable jobs and articleship opportunities through the portal.

Maria Howlader, chairperson of the Information and Communication Technology Committee of the ICAB, also spoke.

Mahbub Ahmed Siddique, chief operating officer of the ICAB, and Shakawat Hossain, assistant general manager of Transcom Group, were also present.

Lay's, Kurkure join KFC in special consumer initiative

STAR BUSINESS DESK

PepsiCo and KFC Bangladesh have recently joined hands to launch a special initiative to elevate consumers' snacking experience.

Customers can get one piece of Hot and Crispy Chicken worth Tk 149 for free by simply submitting an empty promo pack of Lay's Pastazz or Kurkure at any KFC counter and purchasing a chicken item, says a press release.

One customer can avail this offer a maximum of three times in a single visit. The offer is valid only for dine-in and takeaway orders till January 31, 2022 and is applicable on all Tk 10 and Tk 20 promo packs of Lay's Pastazz and Tk 10 and Tk 25 promo packs of Kurkure.

"We are thrilled to partner with KFC to bring this one-of-a-kind promotional offer...which not only intensifies consumer engagement but also enhances brand love," said Pranav Mehta, country manager of Bangladesh, Sri Lanka and Nepal at PepsiCo.

"Having footprints in six districts in Bangladesh with 26 stores, the partnership of PepsiCo and KFC Bangladesh allows us to spread the love of the finger-licking good experience to the masses," said Amit Dev Thapa, chief executive office of Transcom Foods Ltd.

"Innovation is always top of mind whether it be through offerings, partnerships, or any aspect of the KFC experience to delight customers," he said.



Md Mukter Hossain Talukder, chief executive officer of Crown Cement Ltd, and Wei Haijiang, project chief engineer of the Fifth Major Bridge Engineering Company Ltd, exchanged signed documents of an agreement at Le Meridien Dhaka yesterday. The cement manufacturer will supply "Crown" brand cement to the Dhaka-Ashulia Elevated Expressway Project under the deal. Yu Xinjie, material manager of the engineering company, and Yang Chao, laboratory director, and Md Humayun Kabir Chowdhury, technical adviser of the cement company, were also present.



Youngsters with empty promo packs of Lay's Pastazz and Kurkure queue outside a KFC outlet in Dhaka to avail a special offer of PepsiCo and KFC Bangladesh.



Sheikh Mohammad Salim Ullah, secretary of the Financial Institutions Division at the finance ministry, cuts a ribbon to inaugurate the "Bangabandhu Pavilion" of Bangladesh House Building Finance Corporation (BHBFC) at the BHBFC Training Center in Dhaka on Tuesday. Md Salim Uddin, chairman of BHBFC board of directors, Md Afzal Karim, managing director, and Tapan Kumar Ghosh, director, were present.



ACI Group Chairman M Anis Ud Dowla was greeted with a bouquet on being elected president of Bangladesh Seed Association (BSA) for a two-year term at an annual general meeting organised by the BSA and presided over by its senior vice-president, Ali Afzal, at ACI Center in Dhaka yesterday.

Calls grow louder for greater BB autonomy

FROM PAGE B1

Up until September this year, NPLs stood at Tk 101,150 crore, up 14 per cent from nine months earlier and 7.1 per cent year-on-year, data from the BB showed.

"Banks will have to improve their skills to verify borrowers' ability to repay loans before giving out loans," Rahman said.

Banks also go through difficult situations to sell mortgaged assets of defaulters, the adviser said. "An effective bankruptcy act will solve the problem."

Mohammed Farashuddin, a former governor of the BB, said that proper action should be taken against the scammers just after completion of a probe.

"Corruption starts to spread if a probe report is confined to a drawer," he said.

He said a major portion of the stimulus packages, unveiled after the pandemic struck the economy, have gone to the large borrowers, depriving the small entrepreneurs.

"The issue should be dealt with importance."

Farashuddin went on to urge the central bank to carry out a study to depreciate the local currency against the US dollar to some extent.

Salehuddin Ahmed said political influence should not be encouraged as it is harmful for the autonomy of the BB.

"The country's financial norms are aligned with global practices. So, ensuring compliance is essential."

Atiur Rahman, another former governor, said that the financial sector would have to move

forward by overcoming the challenges of default loans and climate changes.

He requested the government to extend support to three sectors - agriculture, remittance and export.

He proposed the government give an additional one per cent subsidy to the remitters, including the existing two per cent.

"On top of that, the government should consider relaxing the investment ceiling of Tk 1 crore on the bonds dedicated to expatriate Bangladeshis."

"This will help ease the pressure faced by the country's balance of payments."

Fazle Kabir, the current governor of the central bank, presented a keynote paper.

He described addressing and reversing the ongoing coronavirus-related economic shock and restoring growth momentum as major challenges facing Bangladesh.

Graduation from the least-developed countries' group would be an achievement of immense pride, he said.

"It would also mean that LDC-related tariff exemptions and other benefits will be phased out gradually from 2026. So, it will require adequate preparation from all concerned, including the ministries and the central bank."

"The challenges are steep but not insurmountable. Bangladesh has a strong track record that shows prudent policymaking and resilience of its people can take the country forward."

AK Azad, managing director of Ha-Meem

Group, said that if the government was willing, default loans would decrease.

The central bank has drawn up a rule, which sets a single borrower exposure limit in order to avoid loan concentration to a few people, he said.

But the influential borrowers have taken large amount of loans breaching the limit by managing the central bank's permission, he said.

"If the exposure limit is strictly followed, default loans will decline, which will subsequently play a vital role in decreasing the interest rate on lending."

"The managing director of Sonali Bank is present here and he has enough skills to run the state lender. But he is compelled to disburse loans on political consideration," Azad said.

He believes that the economy would generate more jobs if required freedom can be extended to the BB. Md Aatur Rahman Proddhan, managing director of Sonali Bank, said that a businessman had recently applied to the state lender to have rescheduled his default loans.

He has borrowed funds from 11 banks. Of them, 10 are private.

"The interesting thing is that all of his loans taken from the private lenders are unclassified. This means some people have a tendency not to repay the fund to a state lender," Proddhan said.

Abdur Rouf Talukder, senior secretary of the finance division, Mashrur Arefin, managing director of City Bank, and Mohammed Monirul Molla, managing director of Islami Bank Bangladesh Ltd, also addressed the event.

Luxury car sales in fast lane

FROM PAGE B1

In fact, Bangladesh has topped the list of countries that saw the quickest growth in the number of ultra-wealthy people between 2012 and 2017, according to a recent report of New York-based research firm Wealth-X.

The number of ultra-high net-worth individuals rose 17.3 percent during the period. The upward movement of the rich people will continue as Bangladesh is said to see the third quickest growth in the number of high net-worth individuals in the world in the next five years, said Wealth-X in 2019.

These are the people who are driving the growth of the high-end passenger car market.

Now the vehicles of luxury brands such as BMW, Audi, Mercedes-Benz, Lexus, Jaguar, Porsche and Range Rover as well as the high-end models of Toyota, Nissan and Mitsubishi are a common sight on the roads of large cities like Dhaka and Chattogram.

Toyota Land Cruiser dominates the luxury car segment, accounting for 60 per cent of the premium cars. Mitsubishi Pajero comes second with 20 per cent share.

On Saturday, Toledo Motors Ltd, a subsidiary of Anwar Group of Industries, authorised distributor of Jeep (Stellantis), launched three models of SUV.

Syed Rayhan Kawsar, deputy manager for marketing and communication of Anwar Group of Industries, says the demand for SUVs

has been increasing in Bangladesh for the last one decade as income of people has increased significantly.

"This prompted many of the people to shift to SUVs from sedan cars."

Toledo Motors has brought three models: Wrangler Rubicon, Wrangler Rubicon Unlimited, and Wrangler Sahara Unlimited. All three models have the capacity of 2000cc.

Wrangler Rubicon will cost Tk 1.30 crore, Wrangler Rubicon Unlimited Tk 1.52 crore, and Wrangler Sahara Unlimited Tk 1.54 crore.

The government considers vehicles with more than 2000cc engine capacity to be luxury cars, although some brands are producing luxury vehicles with smaller engine capacity as well.

The price of a luxury car ranges from a minimum of Tk 70 lakh to a maximum of Tk 3.20 crore, dealers and retailers say.

Executive Motors, the sole distributor of BMW in Bangladesh, and the price of a BMW car starts at Tk 75 lakh and goes up to Tk 3.25 crore.

Businessmen, top executives, and senior officials of multinational companies and international organisations as the main customers.

Rezwan Nawsher, divisional head of marketing of Rancon, the sole distributor of Mercedes-Benz in Bangladesh, says earlier people of Bangladesh used to consider European cars like Mercedes-Benz and BMW as luxury, but the mindset has changed along with the increased

incomes, steady economic growth and frequent foreign trips.

"People prefer branded new luxury cars as prices have gone down after the government cut taxes," he said.

Besides, the reduction in the maximum depreciation facility on five-year-old reconconditioned cars to 35 per cent from a previous 45 per cent has led to narrowing of the price gap between reconconditioned and brand new vehicles. This has contributed to increasing the affordability of consumers to switch to brand new cars, said LightCastle Partners.

Saad N Khan, managing director of Audi Bangladesh-Progress Motors Imports Ltd, says as people have become richer, they shifted to luxury brands from sedan cars.

The reconconditioned car market in Bangladesh is typically considered as new cars in the local market which covers 50 per cent of the total market. While 5 per cent of the cars are brand new, the rest 45 per cent are used cars referring to the presence of a healthy second-hand car market, according to LightCastle Partners.

Despite growing car use, per capita car use in Bangladesh is very low compared to comparator countries.

Bangladesh has three cars per 1,000 people, compared with 897 per 1,000 in Malaysia, showed a research paper of the Policy Research Institute of Bangladesh, a think-tank. It is 34 in Vietnam, 22 in India, and 16 in Pakistan.

North set for record tea production

FROM PAGE B4

AS Shah Alam Bhuiyan, owner of Karotoa Tea Garden and Factory, said a tea auction centre in the north would relieve processors from transporting tea to other regions for sale.

The tea gardening began to prosper more than two decades ago following a visit by Prime Minister Sheikh Hasina, who was head of the government at that time too, in the region in 1996. She instructed the local administration to go for experimental cultivation.

And cultivation began to expand later gradually amid state patronisation and

interest of landowners and farmers, said officials and industry operators.

Today, tea cultivation has created employment opportunities for about 25,000 people, a large number of whom are women, in Panchagarh and Thakurgaon. The north is now the third largest tea growing region.

"Now, small growers who cultivated tea on their own land have become solvent," said Abul Hossain, a tea producer at Padiagach village of Tentulia upazila, Panchagarh.

He said his land was left unutilised before he started tea cultivation.

North set for record tea production

QUAMRUL ISLAM RUBAIYAT, Thakurgaon

The country's northwestern region, which emerged as a tea producing zone in recent years, is expected to register record production of tea in 2021 thanks to favourable weather and growing interest among locals seeking to profit from rising internal consumption of tea.

Already production of tea has risen 31 per cent year-on-year to 13.5 million kilogrammes (kg) in five northern districts, namely Panchagarh, Thakurgaon, Dinajpur, Nilphamari and Lalmonirhat, until November 30 this year from 10.3 million kg in 2020, according to Bangladesh Tea Board (BTB) data.

Total production in the north accounted for 15 per cent of the 89.57 million kg produced in the country as of November 30 this year, official data showed.

Annual tea consumption stood at 95 million kg in 2019, double the 46 million kg consumed in 2007, according to the BTB.

As production will continue till the end of this month, tea gardeners and the BTB officials expect that total tea output would exceed 14 million kg in the region this year.

The positive outlook comes at a time when the government is planning to establish a tea auction centre at the border district of Panchagarh in order to ensure that growers and processors get better prices of tea.

The cabinet last month asked the BTB to set up the tea auction centre and the BTB has already held meetings with tea industry stakeholders regarding opening the auction centre in Panchagarh, to be the third in the country. The other two are in Chattogram and Sreemangal of Sylhet.

The BTB officials, tea producers and processors in the



The government is planning to establish a tea auction centre in the border district of Panchagarh in order to ensure that growers and processors get better prices of tea.

PHOTO: QUAMRUL ISLAM RUBAIYAT

Submarine Cable Co to issue 1.44cr shares to govt

STAR BUSINESS REPORT

Stocks of Bangladesh Submarine Cable Company Ltd (BSCCL) jumped yesterday after the state-run enterprise announced that it is going to issue shares to the government against its investment at a market price instead of face value.

BSCCL shares rose 8.81 per cent to Tk 207 on the Dhaka Stock Exchange after the disclosure that its board decided to issue 1.48 crore shares against Tk 166 crore share money deposit.

Stock investors had feared if the company issues the shares at face value, it would impact the company's earnings per share in the coming years, said Md Moniruzzaman, managing director of IDLC Investments.

But it decided to issue shares at much higher than the face value. Moreover, it is going to issue shares at the price of the last day of the year when the government invested the fund.

READ MORE ON B2

DISTRICTS IN FOCUS

Total production in the north accounted for 15 per cent of the 89.57 million kilogrammes produced in the country as of November 30 this year

north said tea produced in the region were auctioned in Chattogram and Sreemangal at lower prices because of quality deterioration for the transportation over the long distance.

Factories also have to count transport costs.

Another meeting is likely to take place next week at the Divisional Commissioner's office in Rangpur, said Mohammad Shamim Al Mamun, senior scientific officer of the regional office of the BTB in Panchagarh.

"Tea farmers will benefit for establishment of an auction centre in Panchagarh. This will help flourish the tea industry in the northern part and create more jobs," said Amirul Haque Khokon, president of Small Tea Garden Owners' Association in the region.

Ishag Ali Mandal, one of the few growers in Tetulia upazila of Panchagarh, said tea growers got Tk 16-Tk 25 for each kg of green tea leaves. "If the auction centre is set up here, we will get better prices," he said.

Currently tea is grown on 10,170 acres of land in Panchagarh, Thakurgaon, Lalmonirhat, Dinajpur and Nilphamari out of about 50,000 acres that is suitable for tea cultivation in the region, according to the BTB official.

Some 2,000 acres of land have come under tea cultivation this year, taking the total tea garden area to more than 12,000 acres in the region.

Cultivation in the northern parts of Bangladesh grew at an average rate of 15 per cent per annum over the past five years. Production has been growing too, according to the BTB.

Apart from 26 large gardens in the region, there are 7,310 small farmers who produce tea on their own.

READ MORE ON B3

Two decades on, euro can't shake reputation as price driver

AFP, Paris

Europeans have been living with euro banknotes and coins for 20 years now, but many still point the finger at the single currency for covertly driving up consumer prices -- despite plenty of evidence to the contrary.

"The euro is a catastrophe, it's catastrophic," says Maria Napolitano, a 65-year-old Italian living in Frankfurt. "With 100 deutschmarks, you could fill up your shopping trolley.

Now, 100 euros aren't enough to fill two bags. "It's an impression that is shared by many across the eurozone, from Paris to Rome, Madrid to Athens.

Victor Irun, a 53-year-old teacher in Madrid, said that for Spaniards the switch to the euro was "like entering a club for rich people while not wearing the right clothes. "You had the impression we weren't yet ready," he told AFP.

"It was as if we were living in Spain, but paying with French or Dutch money. "Some Germans even coined a new nickname for the single currency -- "teuro", a pun on the German word for expensive, "teuer".

In a 2006 study, university professor Hans Wolfgang Brachinger compiled an index of "perceived" inflation among Germans, which measured a "felt" increase in consumer prices of seven percent between 2001 and 2002, compared with around

two percent normally.

In reality, however, official statistics showed no pick-up in inflation in Europe's biggest economy.

"There was a very strong feeling in several countries that prices had gone up, and yet we had official stats telling us otherwise," said Giovanni Mastrobuoni,

an economics professor at the University of Turin.

In a detailed study on the issue, he tracked the prices of different everyday goods in the eurozone -- from fruit, vegetables and bread, to beverages and restaurant meals -- and found that the prices of some inexpensive products really did increase as a result of the switch to the euro.

And as retailers tended to round up rather than down when converting the price into

the single currency, it was hardly surprising that people noticed -- and felt cheated.

"The things that you consume very often, food, coffee, things that don't cost that much. Over time, they would shape your perceptions because these are the most frequent transactions," Mastrobuoni said.



In France, the average price of a simple coffee in a bar rose from 1.19 euros to 1.22 euros between the end of 2001 and the beginning of 2002, according to the national statistics office, Insee.

According to Mastrobuoni, the phenomenon is even more marked in countries where distribution sectors are less concentrated, as small retailers there are at greater liberty to raise their prices.

The European Commission calculates that the actual increase

linked to the introduction of the euro was between 0.1 and 0.3 percent. However, headline inflation was largely unaffected because the prices of higher-end goods did not increase and, in some cases, even declined thanks to improved productivity.

For all 12 of the countries that adopted the euro from the very beginning, the average annual rate of inflation stood at 2.3 percent in both 2001 and 2002, according to the EU's Eurostat statistics agency.

However, the picture varied from country to country. In Spain, inflation stood at 2.8 percent in 2001 and 3.6 percent in 2002, while most other countries recorded constant inflation or, in the case of Belgium, Germany, Luxembourg and the Netherlands, slower inflation.

Pierre Jaillet, a researcher at both the Jacques Delors and Iris institutes in France, said that consumers' profiles played a significant role in whether they felt a discrepancy between real and perceived price developments.

"The average consumer price inflation basket corresponds to the average budget of an average urban white-collar worker," Jaillet said.

People who are less well-off tend to spend a greater proportion of their income on food, so they will be squeezed more, he argued, noting that consumers generally remembered price increases, but not price reductions.

Apple puts India iPhone plant on probation

AFP, Mumbai

Apple said Wednesday it has put the Indian plant of its main supplier "on probation" after a mass food poisoning and protests over workers' living conditions.

Some 250 women working at Foxconn's iPhone factory in the southern Indian state of Tamil Nadu were treated for food poisoning this month, 159 of whom were hospitalised.

This prompted demonstration against living conditions at company hostels that have kept the factory at Sriperumbudur near Chennai closed since December 18.

Apple said it has placed the plant "on probation" and is working with the supplier to rapidly implement "a comprehensive set of corrective actions".

The factory employs some 17,000 people. It makes iPhones for the Indian market and for export, as well as other gadgets.

Foxconn said it was "very sorry for the issue our employees experienced and are taking immediate steps to enhance the facilities and services we provide at the remote dormitory accommodations."

Vietnam's growth slides to new 30-year low

AFP, Hanoi

Vietnam reported economic growth for 2021 of just 2.58 per cent on Wednesday, beating a 30-year low set last year as the pandemic continues to take a toll.

The communist state has long been a success story among Asian economies, posting growth of seven percent in 2019.

But shutdowns caused by coronavirus have battered the export-reliant economy, sending GDP growth plunging to 2.91 per cent in 2020 -- the lowest reported in three decades.

The General Statistics Office (GSO) in Hanoi said fourth quarter growth was at 5.22 per cent, but the annual figure was dragged down by a contraction of 6.02 per cent in the third quarter.

"The complicated situation of the Covid-19 pandemic since the end of April seriously impacted commercial and service activities... pulling down the growth of the service sector and the whole economy," GSO said in a statement.



Workers are busy at a factory producing activewear for various textile and clothing brands in Hanoi on September 21.

PHOTO: AFP/FILE

Opec+ prioritises mid-term strategy over US calls for more oil

REUTERS, Moscow

Russian Deputy Prime Minister Alexander Novak said on Wednesday that OPEC+ group of largest oil producers has resisted calls from Washington to boost output because it wants to provide the market with clear guidance and not deviate from policy.

The United States has repeatedly pushed OPEC+ to accelerate output hikes as US gasoline prices soared and President Joe Biden's approval ratings slid. Faced with resistance, Washington said in November it and other consumers would release reserves.

Asked why OPEC+ rebuffed the calls, Novak said OPEC+ had a long-term vision.

"We believe that it would be right for the market to show in the mid-term how we will increase production as demand grows," he told RBC media outlet.

"The producing companies should understand beforehand which investments they have to plan in order to ensure a production increase."

OPEC and its allies agreed earlier this month to stick to their existing policy of monthly oil output increases despite fears that a US release from crude reserves and the new Omicron coronavirus variant would lead to a fresh oil price rout. Novak also said the possible release of the strategic stockpiles by the United States and other large consumers will have a limited short-term impact on the oil market.

He said global oil demand was seen rising by around 4 million barrels per day (bpd) next year after an increase of up to 5 million bpd this year. Novak said an oil price of between \$65 and \$80 per barrel should be comfortable next year. Currently, oil LCOc1 is trading below \$80.