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BUSINESS

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PRIMEASSIST

Prime Bank

Southeast Bank fined again

It is yet to cut single stock exposure

AKM ZAMIR UDDIN and AHSAN HABIB

The Bangladesh Bank has imposed a fine of Tk 21.50 lakh on Southeast Bank after it failed to bring down its excessive investment in a single stock within the regulatory limit.

The fine was imposed in the last week of December. This is the second time the private commercial lender was slapped with a fine in the last four months. It was fined Tk 10 lakh in October.

The fine came as Southeast Bank parked 22.05 per cent of its paid-up capital with National Life Insurance Company Ltd (NLICL), in a clear violation of the Bank Company Act 1991, according to a probe carried out by the central bank in August last year.

This is the second time the bank was slapped with a fine in the last four months

A lender is allowed to invest a maximum 10 per cent of its paid-up capital and 5 per cent of the total capital in a single stock.

The investment made by the bank in NLICL was 9.83 per cent of the total capital, said the report. The paid-up capital of the bank stood at Tk 1,188 crore in August.

The BB asked the lender on November 7 to cut the excessive investment within 30 working days. But the lender has failed to carry out the order.

A high official of Southeast Bank says it was difficult to bring down the amount of shares in a month.

The Bangladesh Securities and Exchange Commission would have sought explanation had the bank tried to cut the single stock exposure ceiling overnight, he said.

It might have created an adverse impact in the capital market, he said, adding that the bank was now selling 3,000-4,000 shares per day.

The ratio of investment

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MAJOR INITIATIVES

Man-made fibre production will get more facility

More benefits for ICT, PPE, medical clothes, freelancing

Women and small entrepreneurs will be encouraged

Corporate tax will be rationalised

Fiscal incentives will be offered

Govt to allow bonded facility in new sectors

Govt to promote 'Made in Bangladesh' slogan

BY THE NUMBERS

- Govt targets **\$80b** export by 2024
- Export target of **\$60b** by 2021 not achieved
- Export target for FY22 set at **\$51b**
- Export earnings in Jul-Dec were **\$30b**
- Shipment was **\$38.75b** last fiscal year
- December's export earnings hit **\$4.9b**

More perks to lift export to record level

\$80b export target by 2024; previous goal unmet

REJAUL KARIM BYRON and REFAYET ULLAH MIRDHA

The government is set to extend more policy and fiscal support, rationalise corporate tax, offer bonded warehouse facility and explore new markets and products as it looks to give a much-needed boost to export earnings.

Currently, the government is framing a new export policy for 2021-24, targeting to offset the challenges brought on by the severe fallout of Covid-19 and the potential impacts of Bangladesh's graduation to a developing nation from the grouping of the least-developed countries.

Despite failing to hit the \$60-billion export target in the outgoing policy, the government has again set an ambitious goal of shipping \$80 billion worth of products by 2024.

Usually, the export policy is formulated every three years. But, the government has extended the tenure of the export policy of 2018-21, which expired in June last year, by a year because of the pandemic.

The government could not pull off the export target as the pandemic jolted the global economy and the global supply chain, sending Bangladesh's exports to a record low during the peak of the pandemic in the country in 2020.

Foreign sales have, however, rebounded

strongly since then, making the government bullish about attaining the target at the end of 2024.

"We are hopeful that we can achieve the \$80-billion export target by 2024 as recent export earnings are impressive," said Tapan Kanti Ghosh, senior secretary of the commerce ministry.

The export target, which covers both

goods and services, has been fixed at \$51 billion for the current fiscal year. Receipts stood at \$30 billion between July and December, the first six months of the fiscal year.

Of the sum, \$27.90 billion came from goods export and \$2.6 billion from services export.

"We can earn at least \$55 billion by the end of the current fiscal year if the ongoing momentum continues," Ghosh said.

In the last fiscal year that ended in

June, Bangladesh exported goods worth \$38.75 billion, up 15.10 per cent, year-on-year, according to data from the Export Promotion Bureau, against the target of \$41 billion.

Goods export surged 48.27 per cent year-on-year to \$4.90 billion in December, the highest takings in a single month, thanks to a strong recovery of apparel shipment, which accounts for about 85 per cent of the national export.

The shipment was up 28.41 per cent to \$24.69 billion between July and December.

Ghosh said the Omicron variant of Covid-19 might not have serious effects on the exports as the global supply chain was functioning well.

The government also plans to give more policy and fiscal support for the production of man-made fibre, personal protective equipment (PPE), medical clothing, ICT, freelancing, and light engineering products to give a boost to exports.

It will also rationalise the corporate tax for some sectors, extend the bonded warehouse facility to various sectors, and offer incentives to emerging sectors, said the senior secretary. In the draft export policy for 2021-24, the government has also focused on new and potential export markets and products.

"The government has put emphasis on the Fourth Industrial Revolution to

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Keep economy open: FBCCI

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday called upon the government to increase public awareness on Covid-19 rather than imposing another lockdown in a bid to curb the third wave of infections.

FBCCI President Md Jashim Uddin made the call at a press meet at the Nasrul Hamid Auditorium of the Dhaka Reporters' Unity (DRU).

"Another lockdown is not the solution, but rather it increases the misery of low-income people and affects the country's trade and economy," Jashim said.

A lot of export orders are currently coming to Bangladesh and so, economic activities are going on in full swing.

"So if the government gives something like a lockdown, then the economy will suffer in the long run," he added.

The FBCCI chief went on to say that the government needs to raise awareness on how to prevent the spread of Covid-19, such as the use of masks in public spaces.

"We have to learn to live with Covid, which may never go," he said.

"No country in the world is considering fresh lockdowns even in the face of rising infection rates and so, we hope the prime minister won't consider one for Bangladesh either," Jashim added.

Even during the peak of the pandemic back in 2020, a complete lockdown was never enforced as certain production-based companies and essential service providers were allowed to continue operations.

Even during the second phase of the pandemic last year, when industries were closed for a few days, just 10 per cent of the workers were absent.

Jashim stressed the need for extending the range of duty collection across the country to help offset the economic shocks of Covid-19. He also urged the government to reduce inflation by decreasing tariff rates to enhance imports.

The president of the FBCCI urged banks to lend more to small and medium enterprises as

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STOCKS	
DSEX ▼	CSCX ▼
0.75% 6,996.06	0.83% 12,313.92

COMMODITIES	
Gold ▼	Oil ▲
\$1,819.54 (per ounce)	\$81.46 (per barrel)

CURRENCIES		STANDARD CHARTERED BANK			
BUY TK	85.05	95.69	115.18	13.12	
SELL TK	86.05	99.49	118.98	13.79	

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.88% 61,150.04	▲ 1.92% 28,765.66	▲ 0.27% 3,254.98	▲ 0.84% 3,597.43

Cake sales rising at a faster clip

Tk 400cr cakes sold annually

MAHMUDUL HASAN

Cake sales in Bangladesh are growing at a faster clip driven by changing taste and consumption as consumers indulge in the sweet dish to celebrate various occasions.

"The market of the cake and pastry is expanding rapidly. Small, medium and big companies have entered the segment in recent years. There is also a boom in home-made products," said Aminul Islam Rashed, head of marketing at Cooper's, a popular brand.

The history of baking cakes in Bangladesh as old as the country itself, at least.

Ananda Confectionery, which has been producing biscuits for over a century, added its popular freshly baked fruit cake many decades ago, according to industry people.

Yousuf Confectionery began making breads, biscuits and cakes for Dhaka residents since the start of the World War II. And in the 1970s and 1980s, Hotel Purbani dominated the pastry and cake market.

But the modern concept of a cake and pastry shop was introduced by Douglas J A Cooper, a British World War II veteran.

Cooper and his Bangladeshi wife Sufia Cooper ventured into the cake and pastry business, setting up a small shop in Dhaka under the brand name Cooper's Bakery, with a view to introducing the city-dwellers to British dishes.

Its branches spread all over the city in the following years.

As Bangladesh's economy expanded and people's purchasing power grew, many more cake and pastry brands have been launched.

READ MORE ON B3

A passer-by walks past a pastry and cake shop in the city's Pathapath area yesterday. Outlets selling cakes have sprung up across the country in recent years.

NBR hunts for fake cigarette band rolls

MOHAMMAD SUMAN, Ctg

The Customs House Chatogram (CHC) and the VAT Intelligence have already conducted several investigations to find the destination of fake cigarette band rolls that dodged the eyes of authorities.

Customs officials are also trying to find out the identity of the "organised gang" that illegally imported fake band rolls through false declarations.

The CHC has so far seized two consignments of band rolls but the importers have managed to have 11 consignments released under their noses.

According to a CHC document, customs officials seized around 3.5 tonnes of fake band rolls worth Tk 243 crore in mid-December.

The consignments were imported from Digi Anti-

READ MORE ON B2

PHOTO: RASHED SHUMON



A vendor prepares food items to sell at a market in Beijing. China's GDP growth may be significantly slower than official estimates suggest and the economy is more vulnerable to external shocks than widely believed, according to a global business think tank.

PHOTO: AFP

Omicron: Mild or severe impact on economy?

AFP, Paris

After limping its way back from the Covid pandemic last year, the global economic recovery has been rattled by the Omicron variant's rapid rise. The travel industry has been thrown into disarray again, workers have been forced to isolate at home and governments are facing a stark choice between imposing restrictions or letting the economy muddle through. Could the highly-contagious Omicron variant have a severe impact on the recovery? Or will its mild symptoms keep the economy from sinking again? The World Bank on Tuesday trimmed its global forecasts for 2022, warning that "Omicron-driven economic disruptions" among other factors, would cause growth to "decelerate markedly" this year. The Washington-based lender said growth would slow to 4.1 per cent after the 5.5 percent rebound in 2021 but

Omicron is already doing economic damage, as is clear from weaker credit card spending, a decline in restaurant bookings, air flight cancellations, and many schools going back to online learning

warned it could be as low as 3.4 per cent. World Bank President David Malpass expressed concern about the "huge toll" the pandemic is taking on poor countries, pointing to "troubling reversals in poverty, nutrition and health." The head of the International Monetary Fund, Kristalina Georgieva, warned last month that it too may slash its global growth forecasts due to Omicron.

The IMF has previously banked on growth of 5.9 per cent for 2021 and 4.9 per cent this year. To soften the blow on the economy, US health authorities have cut the isolation period for asymptomatic cases by half to five days. Mark Zandi, chief economist at Moody's, told AFP he expects US growth of 2.2 per cent in the first quarter, more than half lower than a previous estimate of 5.2 per cent. "Omicron is already doing economic damage, as is clear from weaker credit card spending, a decline in restaurant bookings, air flight cancellations, and many schools going back to online learning," Zandi said. "However, I do expect Omicron to pass through quickly and for growth to rebound in the second quarter, and growth for the year to be unaffected," he added. "Broadly, I think each wave of the virus is doing less damage to the healthcare system and economy than the previous

wave." In the eurozone, tighter restrictions, consumer caution and absenteeism will reduce economic activity in the next few weeks, but the economy will rebound in February, according to Andrew Kenningham, chief Europe economist at Capital Economics. Developing countries with lower vaccination rates face greater uncertainty, and a zero-Covid policy in China could put hamper growth in the world's second biggest economy as it locks down entire cities. The travel industry was looking forward to a rebound in 2022 after it was devastated by border closures and lockdowns. But the emergence of Omicron during the key winter holiday season caused thousands of flight cancellations, cruises to be forced to dock and fewer hotel bookings. Investors, however, have been optimistic, as shares of airline and cruise companies have risen in recent weeks.

Prioritise power transmission: ICCB

STAR BUSINESS DESK

Experts suggest giving top priority to improving power transmission and distribution alongside on shore and offshore gas and oil exploration, as Bangladesh will need an estimated 34,000MW of power by 2030 to sustain economic growth of over 7 per cent. There has been a breakthrough over the past few years in power generation, with installed capacity reaching over 23,000 megawatts (MW), resulting in around 8,000MW of surplus as per Bangladesh Power Development Board (BPPDB). But consumers in many areas still have been complaining about frequent supply interruptions due to transmission weakness, says a press release of the International Chamber of Commerce-Bangladesh (ICCB) sent yesterday. This was also reflected in the BPPDB figures that show the country's transmission capacity has increased by only 104 kilometres (km) to 12,996 km in the last one year. The situation will further deteriorate with the start of power generation by 1,320 MW Rampal, 1,200 MW Matarbari and 2,400 MW Rooppur power plants within the next two to three years. In addition, attention should be given in resolving high system losses, delays in completion of new plants, low plant efficiency, erratic power supply, electricity theft and shortages of funds for power plant maintenance. Adequate supply of electricity is one of the key indicators of economic development. Bangladesh's GDP of \$455 billion is expected to become \$510 billion in fiscal year 2022-23. But this requires keeping an eye on the present commercial energy resources – indigenous natural gas, coal, hydroelectricity and imported oil, liquefied petroleum gas and liquefied natural gas. Biomass accounts for about 27 per cent of the primary energy and the rest 73 per cent is being met by commercial energy. Natural gas accounts for about 62 per cent of the commercial energy, imported LNG 8 per cent while imported oil accounts for the lion's share of the rest. According to recent world trend, the supply of LNG and coal may not only become uncertain but expensive for power generation from coal and gas based plants, says an ICCB news bulletin editorial of Oct-Dec' 2021 issue.

Taliban increase payment in wheat

REUTERS, Kabul

The Taliban administration said on Tuesday it was expanding its 'food for work' program, in which it uses donated wheat to pay thousands of public sector employees instead of cash as a financial crisis intensifies. Wheat, largely donated by India to the previous US-backed Kabul government, is being used to pay 40,000 workers 10kg of wheat per day for working five hours a day, agriculture officials told a news conference. The scheme, which has largely paid labourers on public works programs in Kabul, will be expanded around the country, they said.

NBR hunts for fake

FROM PAGE B1
Fake (Shenzhen) Co Ltd in China by two Chattogram-based trading companies, Bappu Enterprise and Arafat Enterprise. However, the two companies were able to secure the release of about 197.4 tonnes of goods imported from the same exporting company between September 2020 and November 2021. According to Digi Anti-Fake's website, the company produces cigarette tax stamps, passports, ballot papers, and voter identification cards. Customs sources say the forgery of two consignments was identified by the CHC's Port Control Unit by analysing the related documents and trading history. Customs officials suspect that all of the 13 consignments imported contained fake cigarette band rolls that were declared as art paper from the exporting company. After seizing the two consignments, the CHC filed two criminal cases against the two importers and five owners of clearing and forwarding agents at Bandar Police Station in Chattogram on December 17 last year. As per the case documents, Assistant Revenue Officer Shahariar Hossain filed the cases on behalf of the customs commissioner, accusing eight persons. "A review of the exporter's website found no information on paper making but the importers brought in 13 consignments

of fake cigarette band rolls by declaring it as paper," the document said. As a result, the government has lost thousands of crores of taka in revenue. "Such crimes can only be committed by a well organised criminal gang, who should be identified and punished," it added. The document went on to state that the released fake band rolls can't be used in such a short time. So, it is necessary to interrogate the accused and seize the unused materials. Mohammad Salahuddin Rizvi, deputy commissioner of the CHC, told The Daily Star that it was very important to identify who is using these illegal band rolls. "It will be possible to identify the main culprits of this gang and the destination of these band rolls if the accused are arrested," he said. VAT Intelligence officials said as these band rolls were imported illegally, the government will not get any duty from the cigarettes sold using these tax stamps. The National Board of Revenue (NBR) collects around Tk 25,000 crore as revenue from the sale of cigarette band rolls each year. Moinul Khan, director general of the VAT Intelligence, Investigation and Audit Directorate, said that they had already formed a five-member committee to look into the destinations of the band rolls. "Further action will



PHOTO: REALME BANGLADESH

Darren Zhang, branding director of realme Bangladesh, and Mohammad Zahirul Islam, managing director of Smart Technologies (BD) Ltd, signed an agreement at the latter's head office recently for Smart Technologies to act as an official national distributor for the artificial intelligence of things products of the mobile company.

Economy to grow

FROM PAGE B4
spending and monetary policies in uncharted territory. Rising inequality and security challenges are particularly harmful for developing countries," said World Bank Group President David Malpass. "Putting more countries on a favorable growth path requires concerted international action and a comprehensive set of national policy responses," he added. Inflation in China eased in December thanks to falling food and commodity costs, with analysts saying Wednesday's figures give policymakers room to unveil measures to kickstart the stuttering economy including interest rate cuts. Like most other countries, China has seen prices surge for much of the past year owing to



PHOTO: SOCIAL ISLAMI BANK

Abu Naser Chowdhury, deputy managing director of Social Islami Bank, inaugurates a monthlong training workshop on e-payment awareness activities of customs duty and government tax, fees and charges through a real-time gross settlement (RTGS) system at the lender's head office in Dhaka recently. Khondaker Md Shariful Alam, head of payment systems department, and representatives of Bangladesh Bank and Soanli Bank were present.



Abdul Hai Sarker, chairman of Dhaka Bank, cuts a ribbon to inaugurate the 'country's first-ever card experience centre' at its Dhaka head office on Tuesday. ATM Hayatuzzaman Khan, founder vice-chairman, Altaf Hossain Sarker, director, and Emranul Huq, managing director, were present.

PHOTO: DHAKA BANK

China inflation eases in December

AFP, Beijing

pick-up in the cost of energy, putting pressure on an economy also being battered by a crisis in the key, growth-driving property sector. Factory price inflation has been particularly affected, hitting a 26-year high in October and raising concerns that those rises will filter through to the global economy owing to China's crucial role as an exporter. But on Wednesday, figures showed producer prices rose a less-than-expected

10.3 per cent on-year last month, extending a slowdown seen in November. The consumer price index (CPI), a key gauge of retail inflation, came in at 1.5 per cent – down from 2.3 per cent in November and also short of forecasts. "The probability of a rate cut in the first quarter is high, and the closest window is this month," Bruce Pang, at China Renaissance Securities Hong Kong, said.

UK finance reigns in EU despite Brexit fallout

AFP, London

One year after Britain's formal exit from the European Union, London's powerful City financial sector still reigns on the continent despite losing key business and bankers to rival hubs.

"London has spent hundreds of years as a global financial centre. Brexit will not change that, certainly not anytime soon," said Lee Wild, head of equity strategy at Interactive Investor.

The City, whose skyscraper offices are largely deserted by Covid restrictions, has yet to strike a post-Brexit deal with Brussels on equivalence, which would allow London-based firms to fully operate in Europe.

London has over the past year lost out to rivals on equity trading, struggling to recover ground after a hammering triggered immediately after Britain's EU exit.

Trading on London's stock market slumped by about 40 per cent at the start of 2021, with London prevented from offering EU-listed shares to clients outside the United Kingdom.

Amsterdam has benefitted the most, overtaking London to become Europe's biggest hub in terms of equity trading volumes for much of the past year, according to Cboe Global Markets.

London remains the world's second biggest financial centre behind New York when various factors are taken into account including infrastructure, reputation and business environment, according to the Global Financial Centres Index 2021.

The City also remains a dominant financial centre on a global scale in several markets, including foreign exchange and derivatives.

"Leaving the EU brings challenges and there are threats from Paris, Brussels, Frankfurt and Amsterdam," Wild told AFP.



A railway wagon carrying diesel from Numaligarh Refinery, India is seen at the Parbatipur depot of Bangladesh Petroleum Corporation.

PHOTO: STAR/FILE

BPC aims to bring Indian oil thru pipeline this year

Will import 90,000 tonnes of diesel

SOHEL PARVEZ

Bangladesh Petroleum Corporation (BPC) is going to import 90,000 tonnes of diesel from India this calendar year and it looks to bring a portion of the petroleum through a 131 kilometre Bangladesh-India Friendship Pipeline (BIFP), which is likely to become operational in 2022, officials said yesterday.

The state agency has been importing diesel from Numaligarh Refinery (NRL) since 2016 on railway wagons via Starlabandha in the northwest border to store the oil in its Parbatipur oil depot in Dinajpur.

But as construction of 125 kilometres of the BIFP in Bangladesh has already been complete, the officials expect that they would be able to bring the petroleum through the pipeline.

The construction of the pipeline was inaugurated by Prime Minister Sheikh Hasina and her Indian counterpart Narendra Modi in September 2018.

"For the time being, we will bring oil through railway wagons. We are also hopeful that we will be able to import oil through the pipeline from this year," said BPC Chairman ABM Azad.

He said 10 per cent to 15 per cent of the works of the pipeline was remaining.

He shared the update after the cabinet committee on purchase gave the nod to the \$5.5 premium per barrel for insurance and other costs to import diesel from NRL India

via Siliguri, West Bengal.

Price of diesel is determined based on five-day average prices (two day before and after the day of loading of the petroleum) in the international market, said officials.

The BPC officials said the agency imported around 60,000 tonnes of diesel from the NRL in 2021 and it stores the oil in its Parbatipur depot to meet part of demand for irrigation, transport and other purposes in the north, the major agricultural belt.

Apart from helping the BPC diversify energy sources, imports through Siliguri of the neighbouring country to the Parbatipur depot has enabled the agency to reduce losses and transport costs which it had to incur earlier for transporting the oil from Chattogram, said an official.

In order to import oil smoothly, both the agencies took up the BIFP project having one million metric tonnes of transmission capacity annually.

Under the initiative, the BPC took a Tk 300 crore project for land acquisition and requisition for the pipeline apart from construction of eight tanks.

Six tanks with a capacity of 4,800 tonnes each and two water reservoirs for fire-fighting are under construction at the Parbatipur depot, said a senior official of Meghna Petroleum, one of the three state oil marketing companies.

Besides, a pipeline will be constructed to provide oil to a power plant being built there.

The official said the 5-km pipeline falls in India and crosses the Mahananda river of Panchagargh.

Works related to the river crossing are ongoing, he said, adding that the pandemic affected the project's pace.

"We expect to complete commissioning by June," he said, adding that they would give connection of the pipeline to the existing depot.

The BPC project was started in January 2020 and is scheduled to end in June 2022.

The Hindu on December 16 last year quoted India's foreign secretary, Harsh Vardhan Shringla, as saying that the work on the pipeline would enable the two countries to integrate their energy needs.

The work is progressing well and the pipeline could be inaugurated next year, he said. Bangladesh annually requires 47 lakh tonnes of diesel out of its need for more than 85 lakh tonnes of petroleum.

After the yesterday's meeting of the cabinet committee on purchase, Finance Minister AHM Mustafa Kamal, replying to a question regarding reduction of prices of petroleum, said the energy ministry would consider the issue.

But the government will consider the issue if prices decline in the international market, he added. The BPC officials, however, said petroleum prices were volatile in the global market and a price cut at this moment was unlikely.

Indian company to build Tk 1,205cr IT infrastructure

STAR BUSINESS REPORT

Indian engineering and construction company Larsen & Toubro will build eight multipurpose steel buildings containing IT infrastructure in eight districts for Tk 1,205 crore.

The districts are Natore, Rangpur, Mymensingh, Jamalpur, Dhaka, Gopalganj, Khulna and Barishal.

The cabinet committee on purchase yesterday gave the go-ahead to the company's appointment for the Bangladesh Hi-Tech Park Authority's project delayed by years.

The Executive Committee of the National Economic Council (Ecnc) approved the project in April 2017 and it was due to be completed by June 2021. It later extended the tenure to June 2024.

Now the project will smoothly advance since a contractor has been appointed, said Finance Minister AHM Mustafa Kamal.

A total of 12 such buildings will be developed in the same number of districts under a Tk 1,796 crore project.

It is aimed at human resource development in the ICT sector, attracting local and foreign companies for the development of the IT/ITES industry in Bangladesh and creation of business process outsourcing hubs and jobs.

The project has been taken under a Tk 1,544 crore Indian line of credit, which stipulates that Indian contractors have to build the infrastructure.

About the delay, Bikarna Kumar Ghosh, managing director of Bangladesh Hi-Tech Park Authority, said only one company submitted a proposal in the first tender and then there was no progress.

"Then, when we initiated retender, the pandemic stalled everything. We have had to extend the time by 10 times as the Covid-19 delayed the process," he said.

Germany must cut energy use by 20-25pc to hit 2030 goals

REUTERS, Berlin

Germany faces a gigantic task to achieve the climate protection goals it has set itself, Climate Minister Robert Habeck said on Tuesday, unveiling a report that showed it would have to cut its energy use by up to a quarter in the next eight years.

The new coalition government, which includes Habeck's Green party, is trying to reduce fossil fuel use in Europe's biggest economy without overburdening consumers, not least the households whose energy costs have been rising for months owing to record gas prices.

In order to hit its target of cutting carbon dioxide (CO2) emissions to 65 per cent of 1990 levels by the start of the next decade, Germany will have to reduce energy consumption by 20-25 per cent, a report from Habeck's ministry said.

"The task is big. It's gigantic," he told a news conference.

Cake sales rising

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Even the coronavirus pandemic has not been able to dampen the mood of entrepreneurs looking to establish their footprint in the business as hundreds of them set up shops in the last two years, since these products exploded into popularity during the lockdowns as people spent more time indoors.

For instance, Cooper's Bakery opened more than 15 outlets during the pandemic, taking its tally to 52, with six in Chattogram and the rest 46 in Dhaka.

With economic growth growing at 7 per cent on an average in the decade before the pandemic, the purchasing power of people has gone up and cake has become an integral part of any celebration.

And it is unimaginable to hold parties related to birthdays, weddings, anniversaries, Mother's Day, Father's Day, Valentine's Day and Christmas Day without cakes being cut. Corporates are also a major consumer.

And it is not only Dhaka that is home to cake sellers. Cake and pastry shops are sprouting across the country. Currently, there are several thousand shops, creating about 20,000 jobs.

The estimated size of the cake and pastry market is about Tk 400 crore, according to industry people.

December 31 is the busiest day for the retailers followed by Valentine's Day. Bakery brand Bread

& Beyond's outlet in Panthapath sold 46 cakes on December 31, according to a staff member.

There were only two or three cake and pastry shops in the bustling locality three years ago. Now it is home to about a dozen of shops.

"The market was unorganised before. Now organised retail chain system has been introduced by various popular brands. So, customers are getting quality products," Kamruzzaman Kamal, director for marketing at Pran-RFL Group, told The Daily Star.

Pran ventured into retail food chains in 2014 with Tasty Treat, a cake and pastry brand. Today, it has more than 230 outlets.

Later in 2015, it launched sweets brand Mithai, which also sells cake and pastry. It now has more than 130 outlets.

Other than cake and pastry, almost every brand sells bakery items such as bread, biscuits, fast-food, chocolates and sweets.

The price of a regular cake varies from Tk 800 to Tk 2,000 per kilogramme. Some customers also opt for special cakes or customised ones, with the price starting from Tk 2,500 per kg.

Syed Nurul Islam, chairman of Well Food, says although his brand is specialised in bakery products, it has a strong presence in the cake and pastry segment.

"As the tendency among people growing to celebrate

occasions, the cake and pastry consumption is increasing at an impressive rate. So, we want to put more focus on the segment to meet the growing demand."

The Chattogram-based brand started its operations 18 years ago and now it has 70 outlets. It has also presence in Dhaka and Sylhet.

The demand for home-made cakes is also growing thanks to Facebook-based commerce. Riding on the social media giant, many women have turned into entrepreneurs.

One of them is Hafiza Khatun Shima, a housewife who lives in the capital.

She used to upload pictures of various cakes she made for her child at the onset of the pandemic.

After a few months, she started receiving requests from a Facebook-based food seller, asking her to send cakes to its customers through couriers.

Initially, she was a bit unsure. Then, she delivered the first order in September 2020. Five more orders arrived the next day from the same customers, giving a boost to Shima's confidence level.

A few weeks later, she opened her Facebook page Shima's Kitchen and her customers became her biggest promoter.

"Many people visit relatives with cakes instead of sweets as children are fond of them. Besides, people want to give birthday surprise with cakes," she said.

Keep economy

FROM PAGE B1

well and proposed that they could allocate a certain percentage of their total loans for small businesses.

Jashim then expressed frustration over the low number of skilled workers in industrial sectors.

"A huge number of our educated youths are still unemployed but our garments industry is running with at least 15 per cent worker shortage. So, we need more specialised skilled human resources," he said.

Earlier in his speech, the FBCCI president said the main impediment for foreign investment is a lack of adequate infrastructure.

However, the present government's various development initiatives, such as the Padma bridge, Karnaphuli tunnel, metrorail, and

100 economic zones, have created investment-friendly infrastructure in the country.

He emphasised increasing the capacity of various ministries, including the commerce ministry, to negotiate post-graduation challenges when Bangladesh leaves the club of least developed countries.

Expecting to enhance the capacity of the private sector, the FBCCI is going to set up an innovation centre and enrich its own research capacity.

As such, 18 experts from various fields have been appointed as panel advisors, Jashim told reporters.

DRU President Nazrul Islam Mithu and General Secretary Nurul Islam Hasib were present at the meeting.

More perks to lift

FROM PAGE B1

increase exports," Finance Minister AHM Mustafa Kamal told reporters after the meeting of the cabinet committee on economic affairs in Dhaka yesterday.

The proposed policy will provide export facilities to all export-oriented sectors and involve more women and small entrepreneurs.

"It will simplify trade rules and policies to achieve the export target," said the minister. The draft policy recommended maintaining compliance and standards for grabbing more export markets, and the government has emphasised production of intermediary and recycled goods.

The government is

working to encourage halal food export, promote 'Made-in-Bangladesh' concept and attach importance to research and development.

Kamal also ruled out the possibility of Bangladesh falling into a middle-income trap after it becomes a developing nation in 2026, since the government has devised year-wise plan up to 2041.

For instance, Vietnam's investment mainly comes from external sources, but in case of Bangladesh, it is different, he said. "If foreign markets face ups and downs, investment dwindles. In case of Bangladesh, it will not happen because of the strong domestic investment in the economy."



Md Khalilur Rahman, chairman of KDS IDR Ltd, was awarded with BPDB award in the category of "highest power emission" in the sales and distribution division at Bangladesh Power Development Board (BPDB) at Mohora in Chattogram recently on the occasion of the golden jubilee of independence and Bangabandhu's birth centenary. Major (retd) Abu Horaira, assistant general manager for human resources and administration at KDS IDR, received a crest from Faizul Alim Alo, executive engineer of the BPDB Chattogram.

PHOTO: KDS IDR

Southeast Bank

FROM PAGE B1

at NLICL now stands at around 13 per cent of the paid-up capital and 6 per cent of the total capital, said the official, who is not authorised to speak to the media.

The higher-ups of Southeast Bank and NLICL had colluded with each other, the BB probe report said in August.

It said Alamgir Kabir, chairman of Southeast Bank, had played the role

of an adviser of NLICL, while Zakir Ahmed Khan, an independent director of the insurance company, was an adviser of the bank.

The central bank earlier warned the bank of its excessive investment, asking it to comply with rules by reducing the exposure.

The bank informed the central bank in September that it had sold 23.40 lakh shares

in phases. But, the BB probe found that the shares were transferred from one account to another account of the bank.

Southeast Bank has resorted to trickery as the actual sales of the shares did not take place, the report said.

Alamgir Kabir, chairman of the bank, did not respond to phone calls from The Daily Star for comments.



A woman checks tableware at a stall of the Dhaka International Trade Fair in the capital's Purbachal recently. The World Bank said that the rapid spread of the Omicron variant indicates that the pandemic will likely continue to disrupt economic activities in the near term.

PHOTO: ANISUR RAHMAN

Economy to grow 6.9pc next fiscal year: WB

STAR BUSINESS REPORT

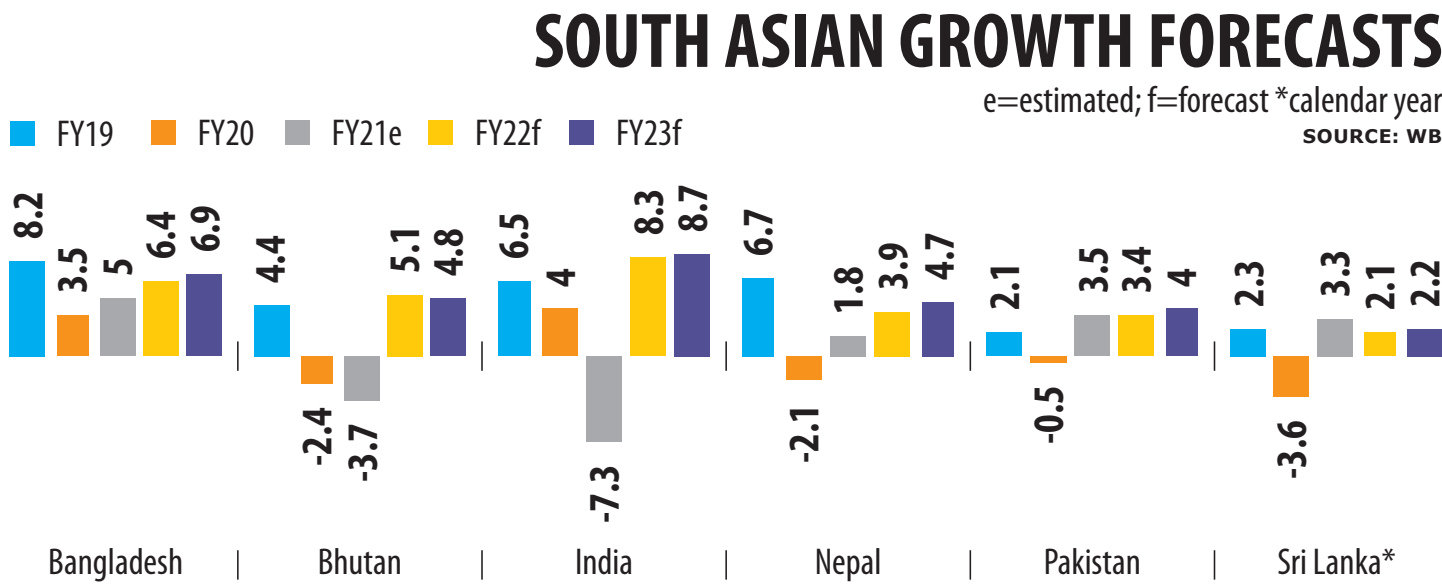
Bangladesh's economy is projected to grow 6.9 per cent in fiscal year 2022-23 thanks to strong export growth and a rebound in domestic demand, the World Bank (WB) said in its Global Economic Prospects released on Tuesday.

"In Bangladesh, strong export growth, supported by returning garment demand from abroad, and a rebound in domestic demand -- with improving labour income and remittance inflows -- supported the recovery," the WB said.

The multilateral lender forecasted that gross domestic product (GDP) would expand 6.4 per cent in the current fiscal year of 2021-22, up 1.3 percentage points from its June projection of 5.1 per cent for the fiscal.

For the next fiscal year 2022-23, it raised the forecast for Bangladesh by 0.7 percentage points from 6.2 per cent.

"Both Bangladesh and Pakistan saw their goods trade deficit widen to record levels on strong domestic demand and rising energy prices," said the WB, adding that private consumption, the main engine of growth, supported by rising services activity and firming exports of garments improved the outlook for Bangladesh.



It said output in South Asia is projected to expand by 7.6 per cent in 2022, accelerating from 7 per cent the previous year, as Covid-19 vaccination progresses and contact-intensive sectors recover.

"Growth projections have been revised up since June 2021 for each year of the forecast period, largely reflecting better prospects in Bangladesh, India and Pakistan. Returning demand is expected to drive a strong rebound in imports and gradually widen the region's current account deficit."

Growth prospects have

improved in the region since June 2021, reflecting forecast upgrades for Bangladesh, India and Pakistan.

Output losses compared to pre-pandemic trends remain significant in the region. Fiscal policy will support growth, but unwind over the forecast horizon.

Per capita income growth continues to catch up to advanced economy levels, but at about half the pace prior to the pandemic.

The WB, however, said following a strong rebound in 2021, the global economy

is entering a pronounced slowdown amid fresh threats from Covid-19 variants and a rise in inflation, debt, and income inequality that could endanger the recovery in emerging and developing economies.

"The rapid spread of the Omicron variant indicates that the pandemic will likely continue to disrupt economic activity in the near term. In addition, a notable deceleration in major economies -- including the US and China -- will weigh on external demand in emerging and developing economies," the

WB said in a statement.

It said at a time when governments in many developing economies lack the policy space to support activity if needed, new Covid-19 outbreaks, persistent supply-chain bottlenecks and inflationary pressures, and elevated financial vulnerabilities in large swaths of the world could increase the risk of a hard landing.

"The world economy is simultaneously facing Covid-19, inflation and policy uncertainty, with government

READ MORE ON B2

Kamal rules out major exchange rate fluctuation

STAR BUSINESS REPORT

The US dollar will not fluctuate much in Bangladesh despite worries expressed by market operators as the rate is set under a floating exchange rate regime, not by the government, said Finance Minister AHM Mustafa Kamal yesterday.

"Moreover, the country's monetary and fiscal policies are very much aligned, and it is expected that the rates of US dollars will not fluctuate too much," he told reporters after a meeting of the cabinet committee on economic affairs in Dhaka yesterday.

The comments came days after the interbank exchange rate hit Tk 86 per dollar for the first time. This was a major depreciation of the local currency in recent years.

The central bank usually depreciates the taka between Tk 0.05 and Tk 0.10 per dollar for a particular working day.

Sunday's move was aimed at tackling pressure stemming from an increase in import payments and giving encouragement to remitters.

"The BB is considering a gradual appreciation of the dollar against the taka to give a boost to both exporters and remitters," Md Habibur Rahman, acting chief economist of the central bank, told The Daily Star on Monday.

Independent economists welcomed the BB move and went on to urge the central bank to depreciate the local currency to at least Tk 88 per dollar.

The local currency is trading at more than Tk 90 per USD in the kerb market.

Sri Lanka rejects IMF bailout, seeks new China loan

AFP, Colombo

Sri Lanka ruled out an IMF bailout on Wednesday and said it plans to seek another loan from China to address an economic crisis that has led to food and fuel shortages.

The island's tourism-dependent economy has been battered by the pandemic, with supermarkets rationing goods and rolling blackouts imposed by power utilities unable to fund oil imports.

International rating agencies have warned of a looming sovereign default on Sri Lanka's \$35 billion foreign debt as the treasury battles a crunch on foreign exchange reserves and a gaping budget deficit.

But central bank governor Ajith Nivard Cabraal rejected mounting calls from local and international economists to seek an International Monetary Fund bailout and debt restructuring.

"The IMF is not a magic wand," he told a news conference in Colombo.

"At this point, the other alternatives are better than going to the IMF."

"Cabraal added that talks with China over a new loan were at an "advanced stage", and a fresh agreement would service existing debt to Beijing. "They would assist us in making the repayments... the new loan coming from China is in order to cushion our debt repayments to China itself," he said.

Beijing is already the island's biggest bilateral lender, accounting for at least 10 percent of Sri Lanka's external debt.

Global growth could slow sharply for Omicron: WB

AFP, Washington

Global growth will "decelerate markedly" this year, but the Omicron variant of Covid-19 that is spreading rapidly worldwide could make the situation worse and exacerbate labor shortages and supply chain snarls, the World Bank warned Tuesday.

In its latest Global Economic Prospects report, the Washington-based development lender cut its forecast for world economic growth this year to 4.1 per cent after the 5.5 per cent rebound last year.

The forecasts for growth last year and this year were both 0.2 per cent lower than estimates released in June.

However, the bank warned, "Various downside risks cloud the outlook, including simultaneous Omicron-driven economic disruptions, further supply bottlenecks (and) a de-anchoring of inflation expectations," the report said. That could further reduce global growth this year to as low as 3.4 per cent, a drop of 0.7 percentage points.

World Bank President David Malpass worries about the "huge toll" the pandemic is inflicting on people in poor countries, which could have ramifications for the future. "We're seeing troubling reversals in poverty, nutrition and health. The reversal and education or scope from schools' closures will have a permanent impact," he told reporters. "I'm very worried about the permanent scar on development."

Ayhan Kose, head of bank's forecast unit, told AFP the Omicron strain is causing fewer restrictions than the initial outbreak, which means the overall impact could be more benign. However, he cautioned, "If it stays around much longer, and cases remain elevated and continue pressuring health systems, under that scenario, the global growth will be lower."



A cargo ship moves towards the Bayonne Bridge as it heads into a port in Bayonne, New Jersey.

PHOTO: AFP

Citi to exit consumer banking in Mexico

AFP, New York

Citi announced Tuesday it will exit its Mexican consumer banking business, the latest reorganization effort to steer the US financial heavyweight towards higher-return ventures.

The bank plans to cease operations in Mexico in consumer, small business and middle-market customers, but will maintain an institutional client business in the country.

Chief Executive Jane Fraser said the move was consistent with a "strategy refresh" that included earlier moves to pare back consumer banking in other overseas markets.

"Citi is uniquely positioned to support cross-border capital markets activity and trade flows in and out of Mexico for our institutional clients," Fraser said.