

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

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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

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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

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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.