

Star BUSINESS

TRANSACTION SIMPLIFIED
Through PrimePay

Pay VAT, VDS, Excise & Import duty instantly

primebank.com.bd

IMF RECOMMENDATIONS

The asset declaration process also needs to be strengthened. Currently, there is no standard method to utilise and update the declarations to identify and mitigate risks

IMF says

GOVERNMENT DEBT
In % of GDP
* estimated; ** projected

FY18	FY19	FY20*	FY21*	FY22**	FY23**
34.6	35.7	39.5	41.3	42.6	43.2

BUDGET DEFICIT
In % of GDP
* estimated; ** projected

FY18	FY19	FY20*	FY21*	FY22**	FY23**
4.8	6.3	5.6	4.5	6.1	5.7

SOURCE: IMF

- Reprioritise health and social spending
- Take steps to reduce corruption
- Initiate reforms in financial sector
- Enhance fiscal transparency and governance
- Strengthen asset declaration process
- Phase out cap on interest rates for lending, borrowing
- Orderly exit from Covid financial policy

FBCCI opposes proposal to raise gas price

STAR BUSINESS REPORT

Businessmen yesterday expressed worries over the energy companies' latest proposal to raise gas prices, as they believe another hike now will increase the cost of production and ultimately slow down the economic revival amid the ongoing pandemic.

The industries will lose competitiveness if the cost of production is raised at a time when the country is struggling to recover from the epidemic, said the leaders of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

The FBCCI's Standing Committee on Power, Energy and Utilities raised the concern at its first meeting held at the FBCCI office in Dhaka, the apex trade body said in a statement yesterday.

READ MORE ON B3

Tea production hits record

STAR BUSINESS REPORT

Bangladesh has beat its record in tea production as a total of 96.50 million kilogrammes (kgs) of the plant were produced by 167 farms across the country last year.

This is the highest annual yield on record, eclipsing 2020's harvest by a good 10.111 million kgs, according to officials of the Bangladesh Tea Board.

The previous highest annual production came in 2019, when a record 96.069 million kgs of tea was produced.

In the northern region alone, plain tea gardens and small plantations added a record amount of 14.54 million kgs of tea to the national

READ MORE ON B3

Reprioritise spending, bring financial reforms

IMF offers recipe for better use of public money amid pandemic woes

REJAUL KARIM BYRON and MAHMUDUL HASAN

The government should reprioritise spending, take steps to reduce corruption and initiate financial sector reforms for better use of public money with a view to overcoming challenges brought on by the pandemic, suggests the International Monetary Fund (IMF).

Containing the pandemic and intensifying efforts to reprioritise spending will be crucial, it said.

"The government should step up efforts to support the health system and re-enact containment measures, while ensuring that export and import channels operate safely, as witnessed during the 2021 nationwide lockdown," said the multilateral agency.

The IMF made these observations in a report submitted to the government after an IMF team visited Bangladesh from December 5 to December 15 last year.

According to the IMF, near-term policy measures

should make room for health and social spending while enhancing fiscal transparency and governance.

Managing risks amid large-scale uncertainties will require continued support for the economy, close monitoring of the financial sector and gradual

rebuilding of buffers for policy manoeuvres as the recovery gets entrenched, it said.

The IMF cautioned that under such an adverse scenario, public finances would be impaired by lower revenue, higher health, social and energy subsidy spending, and contingent liability materialising from explicit

and implicit state guarantees provided to state-owned enterprises.

The crisis lender highlighted the importance of strengthening governance to boost investment and said Bangladesh stands to gain from strengthening economic

governance and improving the framework to limit vulnerability to corruption.

"Further progress in digitalising the public sector would help promote transparency and reduce corruption."

According to Ahsan H Mansur, executive director of the Policy Research Institute

of Bangladesh, strong economic governance was mandatory for every country for the attainment of economic prosperity.

Agencies such as the IMF always stress on ensuring good governance since there are severe impediments to guaranteeing good governance in countries such as Bangladesh, he said.

The IMF also recommends that the asset declaration process of public servants be strengthened. "Currently, there is no standard method to utilise and update the declaration to identify and mitigate risks," it said.

The IMF said an audit of Covid-19 related health expenditures has begun, with the audit authorities availing information from the Ministry of Finance. During the initial onslaught of the pandemic, the Washington-based multilateral lender provided over \$700 million to tackle the impacts of the pandemic on the country's economy.

An audit into the spending of the IMF money has been initiated

as it was one of the provisions of the financing, an official of the finance ministry said.

The lender suggests that the governance and legal structure of Bangladesh Bank needs to be updated to strengthen the autonomy to safeguard resources.

The IMF recommends that the government phase out interest caps on lending and borrowing to strengthen market competitiveness and gradually shift away from the financial policy adopted for the pandemic to lessen the build-up of financial sector vulnerabilities.

The IMF said despite strong economic growth, the banking sector was already weak before the pandemic and an orderly exit from Covid-19 financial policies remains important.

Structural weaknesses in corporate governance alongside in regulatory, supervisory and legal frameworks have contributed to a growing non-performing loans (NPLs) ratio over the years, especially in state-owned commercial banks, said the report.

READ MORE ON B3



STOCKS	
DSEX ▲	CSCX ▲
0.47%	0.44%
7,089.43	12,465.51

COMMODITIES	
Gold ▲	Oil ▼
\$1,824.46 (per ounce)	\$86.07 (per barrel)

CURRENCIES				
	USD	EUR	GBP	CNY
BUY TK	85.05	95.29	114.82	13.15
SELL TK	86.05	99.09	118.62	13.82

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.08%	▼ 2.80%	▲ 0.12%	▼ 0.33%
60,098.82	27,467.23	3,283.94	3,558.18

Edible oil prices rise despite govt promise

STAR BUSINESS REPORT

Consumers have been paying increased prices to buy edible oil, the essential commodity for preparing foods, over the last couple of days even though the commerce ministry yesterday said prices would not increase in the next two weeks.

Yesterday, retail prices of loose soybean oil were at Tk 145 to Tk 148 in Dhaka's markets, up from Tk 140 to Tk 145 a week ago.

Prices of a five-litre bottle of soybean oil were Tk 710 to Tk 750 yesterday from Tk 700 to Tk 750 a week ago, according to market prices data of the Trading Corporation of Bangladesh under the commerce ministry.

Prices of palm oil also increased, a development that comes at a time when rising inflation is putting a strain on wallets of consumers especially fixed, low and middle income groups.

Consumer price rose to a 14-month high to 6.05 per cent in December, impacted by a spike in non-food costs after the government hiked diesel and kerosene prices by 23 per cent two months ago.

However, prices of one-litre bottles of soybean oil did not rise, according to the TCB.

Two retailers at the city's Mohammadpur area said they were selling a bottle of edible oil at Tk 160 per litre as they were yet to get delivery of new batches of cooking oil from edible oil refiners and their agents.

Yesterday, after a meeting with the refiners and

READ MORE ON B3



Edible oil prices have been gradually rising for the past one year. A 5-litre bottle of soybean oil which used to cost around Tk 550 is now costing consumers over Tk 700. The photo was taken at Kajir Dewri area in Chattogram yesterday.

PHOTO: RAJIB RAIHAN

Prime Bank to offer nano loans

STAR BUSINESS REPORT

The global trend of loan availability at one's fingertips is gaining grounds in Bangladesh, this time with Prime Bank preparing to launch PrimeAgrim app, an AI-based instant digital nano loan platform.

Customers whose salaries are of a specific range can avail up to 30 per cent of that as a loan within a few seconds through the app, which makes use of machine learning and alternative credit scoring. This service is available 24/7, the bank said in a statement.

A pilot project has already been run since November 8, 2021 with garment maker Ananta through which over 1,000 loans have been disbursed among garment workers.

Prime Bank plans to expand the services for workers of other sectors.

Ant Group, an affiliate of Alibaba, introduced

READ MORE ON B3

Brac Bank boasts 705 agent banking outlets

STAR BUSINESS DESK

Brac Bank now has 705 agent banking outlets across the country thanks to a rapid network expansion drive. They serve 1.40 lakh unbanked people, mostly in rural and semi-urban parts of the country, says a press release. This banking channel accounts for over 186,000 transactions per month worth more than Tk 1,600 crore while 77 per cent of it is at the upazila level. People use the outlets to open accounts, withdraw cash and remittance, avail loans having equal monthly instalment facilities and pay utility bills. The bank expects to have 1,000 outlets by December 2022. The service was launched in October 2018.



A staff member works at a gas station in Chuo district of Tokyo on January 18.

PHOTO: AFP

Amazon reconsiders ban on UK Visa card payments

AFP, London

US online retail giant Amazon is reconsidering a decision to ban payments in the UK made with Visa credit cards, as the pair seek to resolve a dispute over fees. Amazon's plan to begin the ban from Wednesday because of "high" fees has been put on hold. "The expected change regarding the use of Visa credit cards on Amazon.co.uk will no longer take place on January 19," Amazon said this week. "We are working closely with Visa on a potential solution that will enable customers to continue using their Visa credit cards on Amazon.co.uk."

Oil hits seven-year high

AFP, New York

Oil prices hit their highest levels in more than seven years Tuesday, driven in part by hopes of a global economic recovery that would ramp up demand.

Stock markets however headed south, with US Treasury yields surging on expectations the Federal Reserve will have to unveil several interest rate hikes to tackle a worrying spike in inflation, leading the Dow to finish 1.5 per cent lower on its first day back after a long holiday weekend.

European crude benchmark Brent North Sea reached \$88.13 per barrel, while the US West Texas Intermediate contract hit \$85.74 – the highest levels since October 2014 – before easing slightly in later trading.

Expectations of Fed tightening continued to support the dollar. A drone attack on Monday in Abu Dhabi claimed by Yemen's Huthi rebels, which triggered a fuel tank blast that killed three people, also supported prices.

The group warned civilians and foreign firms in the United Arab Emirates to avoid "vital installations," raising concerns about supplies from the crude-rich region.

"The suspected drone attack in Abu Dhabi underscores the ongoing threat against civilian and energy

infrastructure in the region amid heightened regional tensions," said Torbjorn Soltvedt at risk intelligence company Verisk Maplecroft.

"Reports of damage to fuel trucks and storage will concern oil market watchers, who are also keeping a close eye on the trajectory of ongoing nuclear talks between the US and Iran," he added.

OANDA analyst Craig Erlam said OPEC nations and other key producers were struggling to meet targets to lift output by 400,000 barrels a month, which added to the upward pressure.

"The evidence suggests it's not that straightforward and the group is missing the targets by a large margin after a period of underinvestment and outages," he noted.

"That should continue to be supportive for oil and increase talk of triple-figure prices."

Hopes for more monetary easing by major consumer China to reinforce its stuttering economy were also seen as a key support for the oil market.

Following an almost uninterrupted rally since the early days of the pandemic, stock markets are showing signs of levelling out as global finance chiefs shift from economy-boosting largesse to measures aimed at reining in inflation.

Those fears drove global bond yields

up on Tuesday, with German bund yields coming close to touching zero percent, their highest level since 2019.

"The move higher also raises the prospect that the European Central Bank won't be able to hold its line of no rate rises this year," said CMC Markets analyst Michael Hewson.

Still, equities are expected to enjoy further gains in 2022 as countries reopen and people grow more confident about travel, assuming concerns ease over the Omicron coronavirus variant.

Analysts are also watching the corporate earnings season that is underway, with hopes that firms can match their stellar performances from last year.

Shares in video game publisher Activision Blizzard, maker of blockbuster titles including "Call of Duty", closed 25.9 per cent higher after Microsoft announced a \$69 billion buyout.

Shares in Microsoft slid 2.4 per cent by the end of trading.

"This is a big step up with Microsoft getting in on the ground floor when it comes to creating as well as overseeing content on its own gaming platform," said Hewson.

Microsoft's Xbox console makes it a major player in the gaming industry, even if it trails far behind Sony's PlayStation.

KFC brings in two new items

STAR BUSINESS DESK

KFC, the global brand well-known for its fried chicken, recently added a couple of new items to their menu which will surely mesmerise everyone in a single bite.

Amit Dev Thapa, chief executive officer of Transcom Foods Ltd who operates the brand in Bangladesh as a master franchise, unveiled the new items recently.

Thapa hopes that everyone will embrace the new magical taste KFC presented to all.

The first item is the KFC Peri Peri Grilled Chicken, which is bathed in peri peri marinade to give it depth flavour after being grilled to perfection. It is layered with the peri peri glaze to seal in the flavours and finally, topped with special herbs and spices to give it a fresh zing.

The second item, the Moroccan Zinger Burger, is a hot and crispy chicken fillet immersed in a spicy marinade lying between two fluffy buns.

The fillet is layered with a veggie mix, comprising freshly chopped lettuce and diced tomatoes, and finally topped off with Dynamite Mayo and cheese.

Muradul Mustakin, head of Marketing, is hopeful that customers will be enchanted with the magic of KFC with the new items arriving in 2022.

Mozaffar Hossain Spinning sees jump in profits

STAR BUSINESS REPORT

Profits of Mozaffar Hossain Spinning Mills rose to Tk 9.79 crore in the July-December period of the ongoing fiscal year (FY) while it had incurred losses of Tk 3.93 crore in the same period in FY2020-21, according to data from the Dhaka Stock Exchange (DSE).

The spinning company's earnings per share stood at Tk 0.73 in the second quarter (October-December) of FY2021-22, up from Tk 0.03 in the same period a year ago.

Its net asset value per share was Tk 19.13 as of December 31 while it was Tk 18.16 six months ago.

"The effect of production and sales from the new ring spinning unit and full capacity utilisation at the rotor unit as well as the current price hike of yarn helped the company make positive changes in all indicators," the company said in a disclosure posted on the DSE website yesterday.

However, its share price eroded 2.22 per cent to Tk 30.80. "We set up a ring spinning unit at a cost of around Tk 250 crore and production started from last January," said Haris Alam, company secretary of Mozaffar Hossain Spinning Mills.

About 50 per cent of the rotor unit's capacity was closed for construction work that began last April, he said. "What is more, we got extra mileage with the higher price of yarn as we had a good stock of it so we got a good price on cotton," he added.

A week ago, the widely consumed 30-carded yarn was selling for \$3.60 to \$3.75 per kilogramme (kg) whereas it was \$2.60 to \$2.80 per kg two months ago, according to knitwear manufacturers and suppliers.

Pakistan's economic woes put PM Khan's future in doubt

AFP, Karachi

Housewife Maira Tayyab has considered begging for money to feed her family in inflation-hit Pakistan, while shop owner Mohammad Hanif finds his thoughts turning to crime.

"They're too proud and honest to act on the impulse, but their woes are shared by millions of Pakistanis whose disgruntlement threatens Prime Minister Imran Khan's chances of re-election next year. "We cannot beg as we are white-collar people," Tayyab, 40, told AFP in Karachi, a bustling port city that is Pakistan's financial capital.

But, she said: "We don't know how we make ends meet."

Inflation hit about 10 per cent last year, according to the World Bank. The cooking oil price is up 130 per cent since Khan took power and the cost of fuel has risen 45 per cent to 145 rupees (\$0.82) a litre in a year.

Tayyab's sentiments are echoed by Kursheed Sharif, a 50-year-old mother of

five, who unleashes a slew of curses as she describes her family's woes.

"Only death seems an alternative to survival under this government," she told AFP, close to tears, outside her unplastered rental shack.

Khan promised to sweep away decades of entrenched corruption and cronyism when his Pakistan Tehreek-e-Insaf (PTI) party swept to power in 2018.

But his failure to deliver is already being felt at the polls, and last month the PTI was soundly thrashed in provincial elections in its Khyber Pakhtunkhwa stronghold.

"The government boasts about its economic feats, but in reality it has lost its ground and credibility," said Tauseef Ahmed Khan, a rights activist and political commentator.

Khan had campaigned on a platform of creating an Islamic welfare state, with efficient taxation on businesses and individuals funding social projects to benefit the poor.

LafargeHolcim's aggregate

FROM PAGE B4

LafargeHolcim has set up the crushing unit with ancillary equipment on the premises of its existing integrated clinker and cement manufacturing plant in Chhatak, Sunamganj in January last year.

It has the approval to bring in limestone through a cross-border conveyor belt from India for the purpose of manufacturing cement and clinker.

But in September this year, the industries ministry directed LafargeHolcim to stop producing aggregates by crushing the same raw material and marketing them locally as it had no legal layout plan and approval, according to a letter of the ministry.

LafargeHolcim had filed a writ petition, challenging the ministry's instruction. On October 11, the High Court issued a rule. On January 5, the Division Bench delivered judgment making the rule absolute.

LafargeHolcim has the capacity to produce 12 lakh tonnes of clear-sized graded aggregate per annum. It invested Tk 40.1 crore.

The annual demand for clear-sized aggregate is around 1.5 crore tonnes and Bangladesh relies on imports from the countries such as India, Bhutan, Vietnam, Oman and the UAE for supply.

Thanks to the unit, LafargeHolcim will capture about 2 per cent share of the aggregate market in the country.



M Kamal Hossain, managing director of Southeast Bank, received an ISO certification from Soheli Azad, country manager of Bureau Veritas Bangladesh, and Mohammad Golam Kibria, founder of Iota Consulting BD, at the bank's head office in Dhaka recently.

PHOTO: SOUTHEAST BANK

Asian markets track Wall St losses as crude extends latest rally

AFP, Hong Kong

Growing fears about the US Federal Reserve's plans to fight surging inflation by ramping up interest rates hit Asian markets again Wednesday following a hefty sell-off on Wall Street, while oil prices extended their rally after a blast at a key pipeline.

A rise in prices since early 2021 has forced central banks around the world to start winding back the colossal financial support put in place at the start of the pandemic, with many warning that failure to act could see them run out of control.

Finance chiefs in several countries – including at the Bank of England – have already put the wheels in motion, but the main focus is on the Fed – the central bank of the world's biggest economy – which has so far refrained from lifting rates, until now.

Officials are currently reining in their massive bond-buying programme and aim to hike borrowing costs in March.

But while Fed boss Jerome Powell has said the policy board will be careful in its approach and mindful not to jeopardise the economic recovery, there is a worry it will have to be more aggressive than initially thought to bring inflation down from four-decade highs.

Some commentators are predicting a 50 basis point rise in March – which would be the first that big since 2000 – having initially estimated 25 points.

Expectations for a quick run-up in costs has sent Treasury yields rocketing and caused near-panic on equity markets, with all three main indexes on Wall Street deep in the red so far this year, having hit multiple records in 2021.

US Treasury yields were pushing closer towards two percent and on Wednesday, German Bund yields passed into positive territory for the first time since May 2019.

The stock market losses in New York continued in most of Asia on Wednesday.

Tokyo shed 2.8 per cent, compounded by steep falls in

market heavyweights Sony and Toyota.

Sony collapsed almost 13 per cent – its biggest drop since 2008 – on news that rival Microsoft would pay \$69 billion for US gaming giant Activision Blizzard, betting big on the sector.

Toyota dived five percent after warning that it expected to miss its production target for this fiscal year. Sydney, Seoul, Singapore, Wellington, Taipei, Manila and Jakarta were also in retreat.

"Generally, we do expect to see that the bond market is going to drive volatility, more broadly based, across the equity markets and other markets as well," Winnie Cisar, at CreditSights, told Bloomberg Television.

However, Hong Kong edged up by the end following remarks from the Chinese central bank hinting it would unveil fresh economy-supporting measures, having cut interest rates on Monday for the first time since the start of the pandemic.

Shanghai closed in negative territory.



A database will help small and medium enterprises get government assistance and other facilities easily.

PHOTO: STAR/FILE

SME Foundation finally making SME database

SUKANTA HALDER

Some 14 years past being established, state-run SME Foundation is finally planning on creating a database of small and medium-sized enterprises (SMEs), a basic precondition for its functionality which it has been stating as an objective for long.

The SME sector is considered to be the country's lifeline, accounting for about 25 per cent of the national economy.

According to the Bangladesh Bureau of Statistics Economic Census 2013, there were 78.8 lakh business establishments in the country.

Among them, 87.52 per cent are cottage industries, 1.33 per cent micro, 10.99 per cent small, 0.09 per cent medium and 0.07 per cent are large industries.

A pilot project for compiling the digital database will be inaugurated

today in presence of Industries Minister Nurul Majid Mahmud Humayun and State Minister for Information and Communication Technology Zunaid Ahmed Palak.

The project will be run in four upazilas, where SME Foundation officials will go round collecting information before storing it in digital databases using the respective Union Digital Centre under the Access to Information (a2i) Programme.

The foundation says it initially selected Shyampur in Dhaka, Adamdighi in Bogra, Bhairab in Kishoreganj and Nesarabad in Pirojpur for their "SME clusters".

The decision to create the database was reached while working on entrepreneurs affected by the pandemic, said SME Foundation Assistant General Manager Morshed Alam.

A proper plan on coming to the aid

The SME sector is considered to be the country's lifeline, accounting for about 25 per cent of the national economy. According to the Bangladesh Bureau of Statistics Economic Census 2013, there were 78.8 lakh business establishments in the country

of the SMEs could not be formulated for the absence of the database, he admitted.

The foundation was having to work with a database of 2013 and a lot has changed since then, said SME Foundation Managing Director Mafizur Rahman.

The number of SMEs has increased and many new entrepreneurs have got involved. "We do not know the exact number. How can we take accurate decisions now based on that data? It is hampering proper planning," he said.

"So we decided to create this SME e-database," he said, adding that this would help the SMEs easily get government assistance and other facilities.

"We have already started working on the project despite some delay amid the pandemic. The whole process will start within the current financial year," he said.

A foundation official said they had gained experience creating a directory of female entrepreneurs with the help of a foreign organisation.

"It gave confidence on taking the initiative of creating an e-database of SMEs across the country," said the official.

Dhaka Bank arranges Tk 520cr for Chandpur Power

STAR BUSINESS DESK

Dhaka Bank Ltd has arranged Tk 520 crore for Chandpur Power Generations Ltd (CPGL), a sister concern of Doreen Group.

The bank got Tk 340 crore (\$40 million) export credit agency term loan from two Germany-based banks and Tk 180 crore from syndicated term loan for the project, a press release said.

This project is a heavy fuel oil-fired IPP power plant of 115 megawatts in Chandpur, which is now under implementation.

Dhaka Bank, who is acting as the 'lead arranger and agent' for this transaction, arranged a financial closure ceremony of the syndicated term loan for the project at Renaissance Dhaka Gulshan Hotel recently.

The bank has provided ECA loan for the transaction under HERMES Cover arranged from the consortium of Commerzbank AG, and AKA Ausfuhrkredit-Gesellschaft mbH of Germany.

Rupali Bank Ltd, Saudi Bangladesh Industrial and Agricultural Investment Company Ltd (SABINCO), and Sonali Bank Ltd are also participating local financiers in this transaction.

Emranul Huq, managing director of Dhaka Bank, Md Obayed Ullah Al Masud, managing director of Rupali Bank, Ahmed Ehsanul Karim, managing director of the SABINCO, Md Quamruzzaman Khan, deputy managing director of Sonali Bank, Tawfiq Ali, chief representative of Commerzbank AG representative office in Bangladesh, and Stefan Rajmann, vice president for export & agency finance at AKA in Frankfurt, attended the programme.

Tahzeeb Alam Siddique, managing director of CPGL, and Mostafa Moin, chief executive officer of Doreen Power, were also present.

bKash offers 1pc extra cash bonus on remittance

STAR BUSINESS DESK

bKash is offering 1 per cent extra cash bonus on top of the government's 2.5 per cent incentive in order to encourage expatriates to transfer funds to their beneficiaries in Bangladesh through formal channels.

The cash bonus will be available for any amount of remittance of Tk 15,000 and more. The receiver can enjoy a total of 3.5 per cent bonus till April 30, 2022, according to a press release.

A customer can avail this offer twice a month and a maximum eight times during the entire campaign. This means one can get up to Tk 600 in a month and a maximum of Tk 2,400 during the offer period.

The government incentive along with the bKash cash bonus is only available for the remittances sent through bKash authorised money transfer organisations (MTO) and money exchange houses.

Currently, expatriates from more than 70 countries are availing the opportunity to send money securely to 57.5 million bKash accounts through 10 commercial banks of the country via more than 60 MTOs.

Reprioritise spending

FROM PAGE B1

Ensuring that classification and provisioning requirements are in line with Basel standards and conducting an asset quality review of state-owned commercial banks are important first steps towards reducing NPLs.

With the economy rebounding, the BB should closely monitor demand pressures on inflation and stand ready to normalise, said the IMF.

Zaid Bakht, chairman of state-run Agrani Bank and a noted economist, said international agencies always talked about market-based policies. They think that any kind of intervention distorts the market which is not good for the economy, he said.

"But in developing countries, it is often necessary to take some steps in the targeted policy. In our country, the interest rate on loans was much higher than in other countries. The government had to intervene to bring it under control."

Many say that low interest rates will prompt the powerful to get more loans. But powerful people can also take loans when rates are high, he said.

He said the banking sector has not faced any adverse impact in the last two years since the interest rates were fixed. "Rather profits and deposits have increased."

Bakht said the recovery in 2021 was much faster than in 2020.

"I am strongly optimistic that 2022 will be better. So, the loan classification will be able to return to the pre-pandemic state."

A BB official said the central bank has already taken steps to ensure discipline in the financial sector and more measures would be taken.

An IMF mission will soon come to Bangladesh to provide technical assistance and some measures will be taken in consultation with them, according to another official of the finance ministry.

Tea production

FROM PAGE B1

production in 2021 as opposed to 10.30 million kgs in 2020.

Md Ashraf Islam, chairman of the Bangladesh Tea Board, said the overall activities of all tea gardens in the country were normal even amid the ongoing Covid-19 situation.

The country's tea production was able to surpass all past records thanks to the government's financial incentives, regular monitoring

and counselling by the Bangladesh Tea Board, relentless efforts of garden owners and workers, and ensuring timely distribution of fertilisers at subsidised prices.

Besides, training tea growers at the Camellia Open Sky School and the provision of modern technology made it possible to produce 41 per cent more tea in 2021 compared to 2020 from flat tea gardens and small plantations, he added.

Tourism won't return to pre-Covid levels until 2024: UN

AFP, Madrid

Tourism arrivals around the world are not expected to return to their pre-pandemic levels until 2024 at the earliest, the World Tourism Organization said Tuesday.

The highly contagious Omicron variant, though mild, will "disrupt the recovery" in early 2022 after last year saw four per cent growth over 2020, according to the Madrid-based UN agency's World Tourism Barometer.

Tourism revenue in 2020 was 72 per cent down on the previous year - which closed with the onset of the coronavirus pandemic.

"The pace of recovery remains slow and uneven across world regions due to varying degrees of mobility restrictions, vaccination rates and traveller confidence," the UNWTO said in a press

release.

In Europe and the Americas, foreign visitor arrivals surged by 19 per cent and 17 per cent, respectively, last year over 2020.

In the Middle East, however, arrivals declined by 24 per cent in 2021, while in the Asia-Pacific region they were 65 per cent below 2020 levels, and 94 per cent down on pre-pandemic levels.

The statement said tourism professionals "see better prospects" for this year after turbulence in the early months because of the Omicron wave.

The agency predicts a 30 to 78 per cent rise in international arrivals this year over 2021, while remaining far below 2019 levels.

Most experts say they do not foresee a return to pre-pandemic levels until at least 2024, it said.

Edible oil prices rise despite

FROM PAGE B1

wholesalers, Commerce Minister Tipu Munshi admitted that refiners and traders increased prices of edible oil a bit.

But he said the government did not accept processors' plans to hike prices of edible oil in the local markets over the next 15 days as further review of prices of the cooking oil was needed.

At a press briefing at his secretariat office in Dhaka after the meeting, he said he would sit again with the refiners and millers after 15 days to review the prices to fix the local market rates.

He said edible oil refiners have been seeking to increase prices further but that he had instead requested cutting prices of edible oil if possible.

"We could not take any final decision in today's [Wednesday] meeting regarding fixing the edible oil price as further review is needed," Munshi said.

The commerce ministry held the meetings after the Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers' Association on January 2 this year shared its decision of increasing prices of soybean and palm oil, mostly imported from abroad for insignificant domestic production.

On January 6, the commerce ministry after a meeting with refiners said the prices of edible oil would not increase, rather they would review the price hike proposals of the refiners.

Processors, who hiked

prices in October this year, wanted to increase prices of each bottle of soybean oil by 5 per cent or Tk 8 per litre to Tk 168 on grounds of rising prices in the international market.

Biswajit Saha, director for corporate and regulatory affairs of City Group, one of the largest importers and processors, said they would decide on February 5.

He said processors had not made their new prices effective yet but discussions regarding the possible increase in prices might cause retail prices to increase.

Saha and an official of commerce ministry said refiners agreed to fix prices of each litre of bottled soybean oil at Tk 165 instead of Tk 168.

ExxonMobil targets net zero emissions by 2050

AFP, New York

ExxonMobil pledged Tuesday to reach "net zero" greenhouse gas emissions in its operations by 2050, but stopped short of extending the promise to products it sells throughout the global economy.

The petroleum giant's promise covers "Scope 1" and "Scope 2" emissions, which account for carbon emissions from ExxonMobil operations, as well as emissions associated with the purchase of heating or cooling at its facilities, according to a company press release.

But the US oil giant, which has long been criticized by environmentalists over its climate record, avoided targets on "Scope 3" emissions, which are those from products sold, such as the gasoline consumers buy. Some European companies such as Total have pledged to cut those emissions as well.

Environmental activists have argued that oil needs to be phased out if the world is to avoid catastrophic climate change, and immediate plans are necessary to reduce "Scope 3" emissions. The move comes on the heels of ExxonMobil's earlier announcements that boost spending on lower-emissions technologies.

Number of female German bank CEOs fell in 2021

REUTERS, Frankfurt

Only eight of Germany's largest 100 banks had women as their chief executives in late 2021, down from 10 a year earlier, a German Institute for Economic Research (DIW) report found.

During the same period, the number of female CEOs at Germany's top 200 companies based on revenue grew, highlighting a long-standing gap that still grips the banking sector. Germany's new government has vowed to narrow its gender pay gap, which is one of the widest in the European Union and most stark in the finance sector of the bloc's biggest economy.

Carola von Schmettow, one of Germany's most prominent female bankers, retired last year as head of HSBC in Germany and was replaced by a man.

FBCCI opposes

FROM PAGE B1

Mostofa Azad Chowdhury Babu, senior vice-president of the FBCCI, said China and India would continue to operate coal-fired power plants for another 20 years to sustain economic growth.

Bangladesh should also take initiative to ensure the best use of coal reserves in the country, he said.

Babu emphasised on expanding the country's gas exploration activities on a large scale.

If Bangladesh Petroleum Exploration and Production Company Ltd, the national gas

explorer, could not do it alone, it should speed up the digging of exploration wells in a joint venture with the private sector, he said.

Abul Kasem Khan, director-in-charge of the standing committee and director of the FBCCI, said the country's growing dependence on imports in the energy sector is not safe for the future.

It is important to harness domestic resources to ensure long-term energy security and sustain industrialisation.

Khan voted in favour of power generation by extracting coal.

Prime Bank to offer

FROM PAGE B1

digital micro-lending half a decade ago.

City Bank recently roll out digital loans for the first time in Bangladesh in mid-December last year.

bKash users can now apply for the loan, ranging from Tk 500 to Tk 20,000,

through its app, receive it instantly and repay it in three equal monthly instalments.

Dhaka Bank is also set to disburse small-scale personal loans between Tk 10,000 and Tk 3 lakh to account holders without asking for paper documents.

TEXTILE MILLS OF BTMC UNDER PPP

SOURCE: BTMC



AHMED BAWANY TEXTILE MILLS
Demra, Dhaka
COMPLETED



QUADERIA TEXTILE MILLS
Tongi, Gazipur
COMPLETED



RR TEXTILE MILLS
Sitakunda, Chattogram
**ONGOING/
TENDER ISSUED**



DOST TEXTILE MILLS
Ranirhat, Feni
**ONGOING/
TENDER ISSUED**

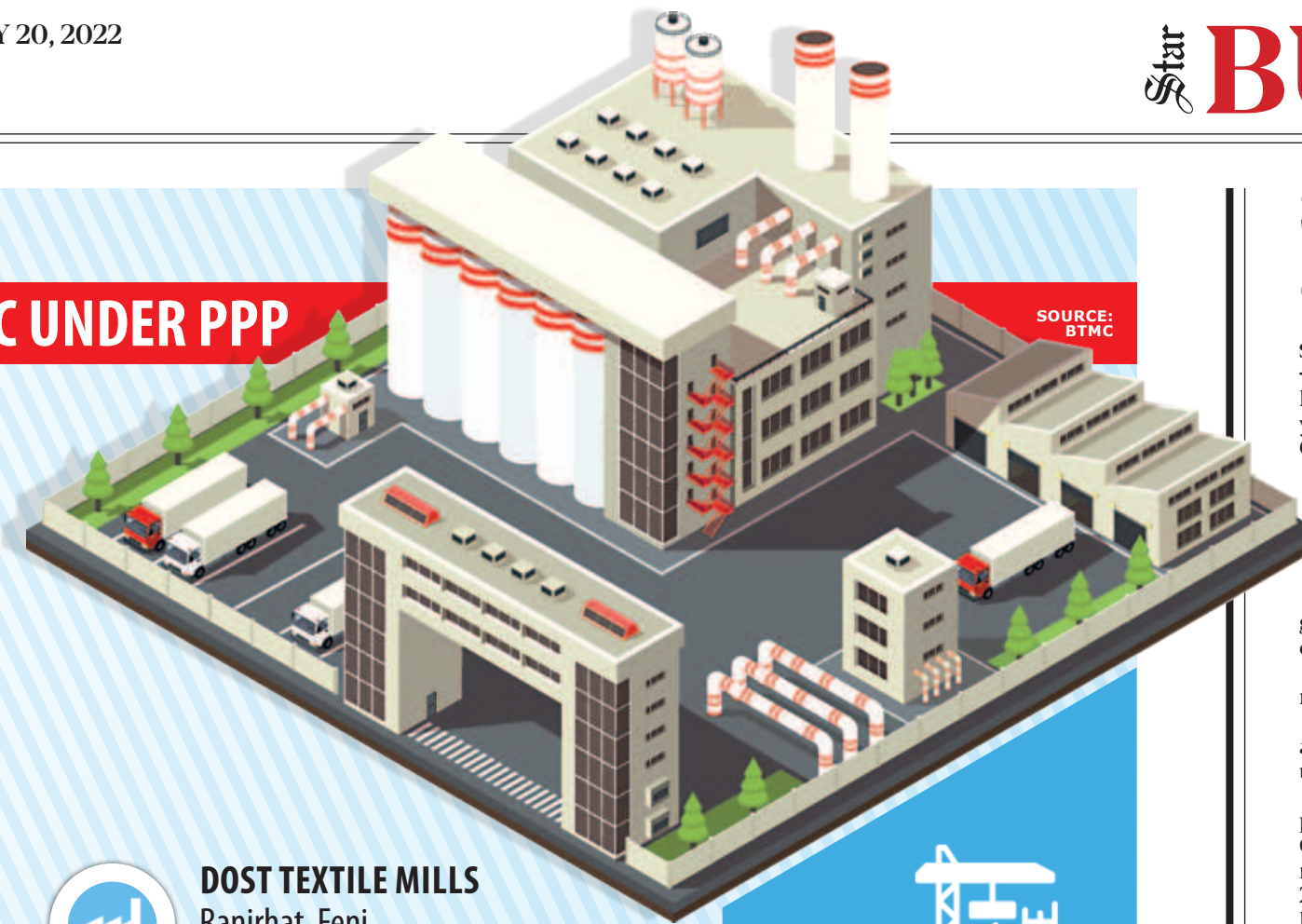


MAGURA TEXTILE MILLS
Magura
**ONGOING/
TENDER ISSUED**



RAJSHAHI TEXTILE MILLS
Sapura, Rajshahi
**ONGOING/
TENDER ISSUED**

Bidding has not been completed for 10 other textile mills in different districts



Govt moves to reopen textile mills thru PPP

MD ASADUZ ZAMAN

With the goal of attracting local and foreign investment to modernise and reopen closed textile mills, the government has called for open international tenders for four out of 16 textile mills through public-private partnerships (PPP).

The move comes after the Bangladesh Textile Mills Corporation (BTMC) initiated a process of handing over two textile mills through PPP.

As per an announcement from the BTMC, some factories have been lying dormant for the past 30 to 40 years.

The mills were shut down after facing huge losses, according to officials of the BTMC.

However, a business leader questioned the move to open the mills in such a manner, raising doubts over its sustainability.

The four mills are: RR Textile Mills, Dost Textile Mills, Rajshahi Textile Mills and Magura Textile Mill. The tender process has already entered its second phase, according to a BTMC official.

The BTMC will be the major partner of the PPP. The project will be distributed as per the partnership agreement and the government will only issue the land for building infrastructure.

The private parties will implement the project, maintain the mills and market the textile products produced, the official said.

The expected bidders or bidding



consortiums have been asked to submit their proposals by March 7.

The tenure of the partnership may be up to 30 years but could be renewed further.

"The tenders will be offered only for textile related activities, no options to run other activities," said Kazi Feroz Hossain, project director and general manager for commerce of the BTMC.

"We hope that each factory will generate around 5,000 jobs and that thousands of people will be able to benefit financially from it," he said, adding that the use of these mills will

have a positive impact on the country's gross domestic product.

However, Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association (BTMA), criticised the PPP system.

"The PPP project for the state's closed textile mills is not a long-term solution because the government has imposed a complex structure and no 'real' or renowned institutions have come forward to invest here," he said.

"This is because no company can do any work according to their wishes," Khokon added.

Most of the mills' infrastructures have been abandoned or become obsolete and so, they could be demolished first but this contract is also contingent on the government's long-term viability.

But if the government changes, the overall system may change sooner or later.

He did, however, suggest that if any well-known companies or groups wanted to sign on for the partnership, they could do so.

Earlier in the first phase, the first two mills – Ahmed Bawany Textile and Quaderia Textiles – signed deals with Tanzina Fashion Ltd and Orion Consortium respectively.

In 2017, the cabinet committee on economic affairs approved the proposals of textile mills in the textiles ministry. The BTMC has 636.38 acres of land across the country that is perfect for building industrial units.

On October 12, 2014, Prime Minister Sheikh Hasina issued a directive for installing machinery at the mills which were closed down while visiting the Ministry of Textiles and Jute.

Of 16 textile mills, a total of 10 units are waiting for the next phase to call for tenders.

One of the ongoing projects is Magura Textile Mill, which was shut down several times after failing to make profits ever since its inception in 1985.

The mill authorities blamed a shortage of "running capital" and outdated machinery for the losses.

READ MORE ON B2

Stocks bullish despite Omicron

STAR BUSINESS REPORT

Dhaka stocks rose for the fifth consecutive day yesterday as investors hope that the impact of Omicron variant of Covid-19 would not be as devastating as many previously thought.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), inched 33 points, or 0.47 per cent, to close at 7,089.

Among the major sectors, textile and tannery closed in the positive territory, while general insurance, cement and ceramics faced correction.

"Investors are buying stocks as they hope the market may go up further," said a stock broker.

"This hope will make them more confident and increase their appetite for stocks. This will ultimately push the market higher."

A positive momentum in the key index is prevailing despite the growing threat from Covid-19. At least 9,500 new infections were recorded and 12 people died from Covid-19 in the 24 hours till 8:00am yesterday, according to the Directorate General of Health Services.

On the premier bourse, 169 stocks advanced, 170 fell, and 40 remained the same.

Global Heavy Chemicals topped the gainers' list, rising 10 per cent. Union Insurance, Central Pharmaceutical, Desh Garments, and Shepherd Industries rose between 7.79 per cent and 9.77 per cent.

Beximco Ltd was the most traded stock worth Tk 177 crore. Fortune Shoes, Bangladesh Shipping Corporation, Saif Powertec, and ACI Ltd also witnessed heavy turnover.

Eastern Lubricants was the worst-performing issue on the day, dropping 12 per cent. Renwick Jaineswar, Samorita Hospital, Prime Islami Life Insurance, and Padma Islami Life Insurance were among the heavy losers.

Turnover on the Dhaka bourse rose 1.3 per cent to Tk 1,735 crore.

The Chittagong Stock Exchange also rose. The CASPI, the main index of the bourse in the port city, was up 92 points, or 0.44 per cent, at 20,751.

Of the securities, 133 rose, 131 fell and 42 remained unchanged.

LafargeHolcim's aggregate operations suspended again

STAR BUSINESS REPORT

LafargeHolcim Bangladesh has again suspended its aggregate production after the industries ministry filed a petition.

The Judge-In-Chamber forwarded the Civil Miscellaneous Petition (CMP) from the ministry for hearing before the Full Bench of the Appellate Division.

Accordingly, the aggregates operations of the company will remain closed until January 24, 2022 with immediate effect, the multinational company said yesterday in a regulatory filing on the website of the Dhaka Stock Exchange.

LafargeHolcim's stock closed 0.88 per cent lower at Tk 78.90.

The industries ministry filed the case before the Judge-in-chamber against the judgment passed by the Division Bench of the High Court Division on January 5. On that day, the multinational cement manufacturer received the final nod from the High Court to resume its aggregate business in the country.

Aggregate is a broad category of coarse particulate material used in construction, including sand, gravel, crushed stone, slag, recycled concrete and geo-synthetic aggregates.

READ MORE ON B2

UK inflation hits 30-year high

AFP, London

British annual inflation accelerated to a near 30-year high in December, official data showed Wednesday, stoking fears over a cost of living squeeze as wages fail to keep pace.

Economies worldwide are battling decades-high inflation that is forcing central banks to lift interest rates, including the Bank of England which last month raised its key borrowing cost for the first time in more than three years.

The UK's inflation rate hit 5.4 per cent last month, rising further above target on price gains for clothing, domestic energy, food and furniture, the Office for National Statistics said in a statement.

The BoE, whose chief task is to keep inflation close to a 2.0 per cent target, is now expected to hike again at its next meeting in February amid easing concerns over Omicron.

Britain's cost of living is forecast to soar even higher in April due to looming hikes in national insurance tax and domestic energy, analysts say.

"With consumer prices rising at their fastest rate for three decades and wage growth slowing, Britons are being squeezed ever harder by the cost of living," said Jay Mawji, managing director of global liquidity provider IX Prime.

Inflation had already forged a decade-high of 5.1 per cent in November.

The rate had hit 7.1 per cent in March 1992.

"The inflation rate rose again at the end of the year and has not been higher for almost 30 years," said ONS chief economist Grant Fitzner.

"Food prices again grew strongly while increases in furniture and clothing also pushed up annual inflation."



Shoppers wearing face coverings to combat the spread of the coronavirus chat outside a store in Camden Market in London as UK businesses and consumers face mounting fallout from surging inflation, including higher interest rates.

PHOTO: AFP

German investor morale rebounds

AFP, Frankfurt

Confidence among investors in Germany jumped in January, according to figures published Tuesday, shaking off concerns about global supply chain disruptions and the spread of the Omicron variant.

The ZEW institute's monthly barometer measuring economic expectations rose 21.8 points to 51.7 to begin the new year despite difficult circumstances.

Investors' assessment of the current economic situation dipped, down 2.8 points to minus 10.2, after Europe's largest economy more than likely shrank in the last quarter of 2021.

The period of economic weakness "should soon be overcome", ZEW president Achim Wambach said.

The German economy has been beset by supply disruptions that held back production and growth.