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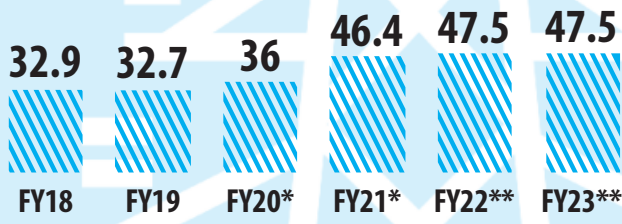
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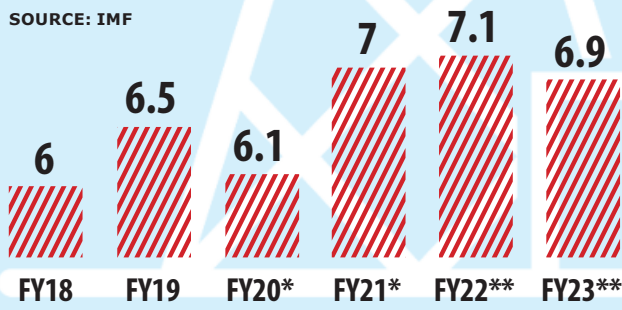
FOREX RESERVES

In billion \$, *estimate, ** projection



SCOPE TO PAY IMPORT BILLS WITH RESERVES

(Number of months) *estimate, ** projection



WHAT IMF SAYS...

- Reserve not excessive, can be short-lived
- Reserve use raises governance and sustainability concerns

KEY POINTS



Govt formed company to use forex reserves



Govt approved €524.56m to dredge channel of Payra port



Plan is to use up to \$2b annually from reserves



BB so far disbursed €27m from reserves

NEW PROJECT

Establishment of a 400Kv transmission line from Payra's thermal power plant

Agrani Bank sends a proposal for \$313m

POWER TRANSMISSION PROJECT

Govt plans to borrow \$313m from forex reserves

REJAUL KARIM BYRON and MAHMUDUL HASAN

The government plans to use the country's foreign currency reserves to implement a \$370.96 million power transmission project, ignoring warning from the International Monetary Fund (IMF).

State-run Agrani Bank has sent a proposal of North-West Power Generation Company Ltd (NWPGL), a government-owned entity, to the Bangladesh Bank.

Under the proposal, the power company is seeking \$313 million for the second transmission line project from Payra. The financing will be arranged by Agrani Bank.

Bangladesh-China Power Company, a joint venture of NWPGL and China National Machinery Import and Export Corporation, will build a 400Kv double circuit transmission line, which will connect Payra, Gopalganj and Dhaka's

Aminbazar to supply electricity from Payra's thermal power plant and potential future power plants.

The government is looking to turn Payra a major power generation hub. But the electricity to be produced at the hub can't be supplied to other parts of the country on the basis of the existing transmission lines, said a Power Division official.

But the plan to use the foreign currency reserves comes amid warning from the IMF against using it for such projects.

"The decision to use the FX reserve windfall to finance 'crucial' infrastructure projects through the newly created Bangladesh Infrastructure Development Fund (BIDF) raises governance and external sustainability concerns," said the IMF.

It made the observations in a report submitted to the government after an IMF



team visited Bangladesh from December 5 to December 19 last year.

In its first, the government approved to use 524.56 million euros from the reserves for a development project in March last year for the dredging of a channel for Payra Port, a seaport in Kalapara, Patuakhali.

The BB has so far disbursed 27 million euros for the project.

The BIDF was formed to make lending from the reserves to development projects. The annual investment target from the fund would be no more

than \$2 billion, according to finance ministry documents.

The BB has committed to financing the BIDF using the reserves for up to \$2 billion per year for the next five years, on the condition that the reserves cover import payments for at least six months, project earnings are in foreign currencies, and a sovereign guarantee is provided.

The IMF said foreign currency reserves in Bangladesh are adequate and not excessive, and the recent peak in reserves is expected to be short-lived.

"Ad-hoc use of FX reserves could undermine fiscal discipline by exposing the public sector to large contingent liabilities and fiscal risks."

Zaid Bakht, chairman of Agrani Bank and a noted economist, says every central bank makes some investment in safe areas after analysing risks so that money doesn't sit idle. "From that point of view, if there is a public sector project and if there is a guarantee from the government, then I don't see any problem."

The former research director of the Bangladesh Institute of Development Studies says a proposal from NWPGL has been sent but it has not been approved yet.

"It is under discussion." Earlier, the private sector sent proposals to the BB seeking investment from the reserves, but the central bank did not pay any heed to them.

READ MORE ON B3

Relaxed loan repayment facility extended for shipbuilders

STAR BUSINESS REPORT

Bangladesh Bank yesterday extended the relaxed loan repayment facility for shipbuilders in a bid to help the industry tackle adversities derived from the ongoing coronavirus pandemic.

As per the central bank decision, shipbuilders will get another two-year moratorium to pay back bank loans.

In April 2018, Bangladesh Bank relaxed the loan repayment facility for the shipbuilding industry, allowing them to pay the loans spanning 10 years with a grace period of three years.

On top of that, they had managed an exemption of providing any down payment to reschedule bad loans.

The three-year moratorium was supposed to end in 2020.

However, the central bank has now extended the moratorium period by

READ MORE ON B3



Bangladesh Bank in April 2018 relaxed the loan repayment facility for the shipbuilding industry, allowing them to pay the loans in 10 years with a grace period of three years.

PHOTO: RAJIB RAIHAN

Tk 39,000 salary for entry-level private bankers

STAR BUSINESS REPORT

For the first time in history, Bangladesh Bank yesterday fixed minimum salaries for entry level bank officials in a bid to encourage talented youths to choose banking as a career and play a role in the nation's economic advancement.

The central bank said the entry level salary of assistant officers, trainee assistant officers, trainee assistant cash officers, or equivalent, would be a minimum of Tk 28,000 during the probation period while their total salary, including basic, would be at least Tk 39,000 per month once regularised.

After implementing the minimum salary structure, banks will have to proportionally increase the salaries of officials who have been working in those positions, Bangladesh Bank said in a circular.

It also asked banks in the country to comply with the order from March 1 this year – a move that was critically received by the chief executives of some private banks.

READ MORE ON B3

Peoples Bank fails to win BB nod

STAR BUSINESS REPORT

The proposed Peoples Bank's three-year efforts to roll out banking operations went in vain as it has failed to meet requirements needed to secure the final approval from the Bangladesh Bank.

It even took popular Cricketer Shakib Al Hasan on board as a shareholder to strengthen its efforts to secure the nod from the central bank, but the attempts proved to be futile.

The planned bank was scheduled to set up a company and manage the required paid-up capital by December 31 last year, but it failed to do so.

So, the central bank yesterday declined to give the approval to the lender to start its operation, said Md Serajul Islam, a spokesperson and executive director of the BB.

"The proposed lender has failed to fulfil the requirements, so there is no scope for us to provide approval," he said.

Along with Shakib, Abul Kashem, chairman of the proposed bank, met with BB Governor Fazle Kabir on December 21 seeking extension of the deadline to open the company.

READ MORE ON B3

176 businesspeople get CIP status

STAR BUSINESS REPORT

The government yesterday presented the commercially important person (CIP) 2018 title to 176 businesspeople for their extraordinary contribution to export and trade.

Of the recipients, 138 were awarded under the export category based on earnings in fiscal year 2016-17.

The remaining 38 were given the status under a trade category as ex-officio as they are directors of apex trade body Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Commerce Minister Tipu Munshi presented the accolade through a programme at the Sonargaon hotel in Dhaka jointly organised by the commerce ministry and the Export Promotion Bureau (EPB).

Last December, Bangladesh attained the highest single-month export earning of \$4.9 billion and \$24.7 billion in the July-December period, registering more than 28 per cent year-on-year growth.

In his speech, FBCCI President Md Jashim Uddin said the central bank was yet to publish

READ MORE ON B3

STOCKS	
DSEX ▲	CSCX ▲
0.22%	0.31%
7,105.69	12,504.91

COMMODITIES	
Gold ▲	Oil ▼
\$1,842.15	\$85.35
(per ounce)	(per barrel)

CURRENCIES				
	USD	EUR	GBP	CNY
BUY TK	85.05	95.50	115.05	13.17
SELL TK	86.05	99.30	118.85	13.84

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 1.06%	▲ 1.11%	▲ 0.33%	▼ 0.08%	
59,464.62	27,772.93	3,294.82	3,555.06	



"Fulgachh", which literally translates to flowering plant, is a village in the border union of Mogholjat in Lalmonirhat sadar upazila. Here some 450 families are engaged in cultivating marigolds, cosmos, daisy gypsies, roses, gladioli, tuberose, gerbera and dahlias year round, selling those to earn Tk 200 to Tk 500 every day at the sadar upazila. Sales during winter fetch more, Tk 1,000 to Tk 1,500. The photo was taken last Sunday.

PHOTO: S DILIP ROY

Biden must tighten focus on economy before midterms: Democrats

REUTERS, Washington

With his party splintered and Democrats across the coalition that elected him in 2020 unhappy, President Joe Biden has just a few months to try to chart a path out of the malaise or risk getting swamped in the looming midterm elections in which Republicans are seeking to regain control of Congress.

A year into Biden's presidency, suburban, college-educated and women voters who helped make him president are exhausted after almost two years of dealing with the Covid-19 pandemic.

Despite robust economic indicators, many Americans are frustrated by regular school disruptions, high prices at the gasoline pump and barren grocery store shelves.

As the sitting president, all of that weighs on Biden's popularity.

He acknowledged those frustrations at a rare news conference at the White House on Wednesday.

"It's been too much to bear," Biden said, referring to the pandemic and its accumulated effects on Americans.

Containing the coronavirus is "a job not yet finished," Biden added.

"It will get better." The United States leads the world in Covid-19 deaths, with almost 860,000.

Analysts have said Biden has just a few months to reverse public opinion on his performance before voter attitudes harden ahead of the November elections.

Republicans have proven to be surprisingly resilient politically, showing renewed electoral appeal despite party fissures over former President Donald Trump's false claims that the 2020 election was stolen from him through widespread election fraud and his supporters' attack last year on the US Capitol.

More than a dozen Democratic strategists, analysts and pollsters told Reuters that Biden needs to deliver a more focused economic message, one that highlights meaningful policy victories such as passage of a major infrastructure bill and targets other problems such as supply-chain disruptions - all while continuing to make combating the pandemic a top priority.

Biden must find a way, they said, to move beyond the squabbling on Capitol Hill and turn his attention to tailored measures that will help families still dealing with fallout from a pandemic that has rattled the economy and changed society in seemingly endless ways.

"We have a lot of policies, a lot of statistics. But we're not making people feel better," said Jen Ancona of Way to Win, a Democratic advocacy group.

Biden's achievements on securing congressional passage of Covid-19 relief legislation and infrastructure spending have been overshadowed by party-infighting over the massive "Build Back Better" bill - a spending plan with healthcare, education, child care, immigration and climate components - and voter-protection measures.

Even as Biden spoke on Wednesday, the Democratic-led Senate was poised to hold a vote regarding the voting-rights legislation - a top priority of party activists - that seems doomed to failure.

A Reuters/Ipsos poll taken this month showed the economy remains the top

concern for voters across the political spectrum despite strong employment numbers, followed by containing the spread of the coronavirus.

Most critical for Democratic prospects in the congressional elections is getting inflation under control, said Doug Sosnik, a former senior adviser to Democratic President Bill Clinton.

"I feel sticker-shock three or four times a day when I buy something," Sosnik said.

"It affects everybody."

At his news conference, Biden said improving supply chains and upgrading infrastructure could eventually lower consumer prices, while conceding that Americans are struggling.

Biden has lost ground among some of the groups that helped push him past Trump in 2020.

According to the Reuters/Ipsos poll, support among white voters (41 per cent), suburban voters (43 per cent) and college-age voters (45 per cent) has dropped to the lowest levels of his presidency while disapproval among those voters has shot above 50 per cent.

UCB gets nod for shariah-based mutual fund

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has approved a shariah-based open-ended mutual fund for UCB Asset Management.

The approval of the fund, named UCB Taqwa Growth Fund, got the nod at a commission meeting yesterday.

Mutual funds pool money from investors to channel it into securities such as stocks, bonds, and other assets. Depending on the profits earned, investors are paid their share as dividends.

Open-ended mutual funds are not listed with the stock market but one can buy them from a fund managers' office on the basis of its net asset value.

Similarly, investors can sell off fund units at any time at prices based on its current net asset value.

The mutual fund's target is Tk 35 crore while around Tk 5 crore is being provided by UCB Asset Management. The rest of the fund can be raised from general investors.

With a face value of Tk 10, the fund's trustee and custodian are Sandhani Life Insurance and Brac Bank respectively.

Envoy Textiles to issue preference shares

STAR BUSINESS REPORT

Envoy Textiles has been given go-ahead by the Bangladesh Securities and Exchange Commission (BSEC) to issue fully redeemable non-convertible cumulative preference shares.

Through issuing the share, the textile maker would raise a fund of Tk 87 crore for five-year tenure.

It would be issued through private placement whose face value is Tk 10 and coupon rate is 7 to 7.5 per cent.

Preference shares are shares of a company's stock with dividends that are paid out to shareholders before common stock dividends are issued.

Most preference shares have a fixed dividend, while common stocks generally do not.

Preferred stock shareholders also typically do not hold any voting rights, but common shareholders usually do.

With the funds, Envoy Textiles would implement the balanced yarn project and repay bank loans.

The approval came from a meeting of the stock market regulator held at the BSEC office in Dhaka today.

The textile maker would raise a fund of Tk 87 crore for a five-year tenure

Nagad 'add money' now includes Dhaka Bank

STAR BUSINESS DESK

Nagad has partnered with Dhaka Bank to enable the mobile financial service's users to add money from their bank account round the clock through internet banking without incurring any fees.

A minimum of Tk 50 to a maximum of Tk 30,000 can be added to any Nagad wallet five times a day to up to Tk 2 lakh and 25 transactions per month.

Such collaborations are already in place with Midland, Exim, NRBC, National Mutual Trust, First Security Islami, Community, Shahjalal Islami, NRB, Social Islami, Premier, IFIC, Union, City, Padma and Prime banks.

Rahel Ahmed, chief executive officer of Nagad, and Emranul Huq, managing director of Dhaka Bank, inaugurated the service at the bank's head office in Dhaka recently, says a press release.

Walton profits slide

FROM PAGE B4 movement were relaxed gives hope for better things to come, Islam said.

Sales of Walton Hi-tech Industries grew 18 per cent year-on-year to Tk 3,152 crore in the first half of the ongoing financial year.

But in the same period, the company's cost of goods sold soared 38 per cent to Tk 2,192 crore, indicating higher raw material costs.

"As the company's product prices were also raised from January, its impact will be seen in the upcoming financials," Islam added.

Walton's exports grew substantially in the

period. Its gross exports stood at Tk 123 crore in the last six months while it was Tk 29 crore in the same period the previous year.

The company's net operating cash flow fell into the negative at the same time.

"To keep our production uninterrupted in the upcoming peak seasons, we already made payments to suppliers so cash flow becomes negative," Islam said.

After news broke of the company's drop in profits, stocks of Walton Hi-tech Industries fell 3.7 per cent to hit Tk 1,090 at the Dhaka Stock Exchange yesterday.

United Airlines reports Q4 loss

AFP, New York

United Airlines reported another quarterly loss Wednesday on the lingering drag from Covid-19 but offered an upbeat outlook on a travel comeback later in 2022 and in future years.

The US carrier acknowledged that it is beginning 2022 "with a scaled-back schedule" following the latest uptick in virus cases, but will "nimble ramp up" capacity later in the year, according to a news release.

"While Omicron is impacting near-term demand, we remain optimistic about the spring and excited about the summer and beyond," said United Chief Executive Scott Kirby.

United reported a fourth quarter loss of \$646 million, about a third of the loss from the year-ago period, but far from the \$641 million profit in the 2019 period.

Revenues were \$8.2 billion, more than twice the level in 2020 but a 25 per cent drop from the figure in the 2019 quarter.

The period covered by the release started buoyantly, with airlines seeing increased bookings as Covid-19 vaccinations were rolled out and most of the US economy reopened.

Effective decision-making

FROM PAGE B4 Bringing about a change in an existing culture can never be achieved overnight. But it is possible with greater awareness and the right attitude.

In order to drive such a cultural change in our organisations, it is important to encourage disagreement within the team to accomplish certain achievements: (1) prevent the decisionmakers from becoming the prisoner of his or her own thoughts; (2) disagreement alone opens the door to alternatives/options; (3) stimulate the imagination; and (4) encourage collective thinking.

In today's global work culture, the ideal decision-making process is considered effective only when certain conditions prevail.

Firstly, those involved are free from any

presumption that the key decisionmaker is thinking right and the others are wrong! Secondly, one enters the decision-making process not only with facts available with him alone.

Thirdly, it is not recommended that one harbours thoughts like "others don't know as much as I know". Lastly, having an attitude like "I have a bigger picture which others don't, or I am more experienced and hence that is why I am where I am today".

The ideal decisionmaker should start with the commitment to achieve the best solution by creating options, figuring out why employees disagree, consulting diversified groups of people irrespective of gender, age, socio-economic background, functional diversity etc.

It is also important to recognise that no individual has all the information, even if he or she happens to be at the top of the company or the country although very often we are biased by our narrow vision shaped by factors such as media and social conditions and so forth.

The culture of effective decision-making starts from the top of the organisation and functions. Hence senior leaders of an organisation may consider the following models on decision-making:

(1) Articulate the hypothesis keeping problem statement in mind. The effective leaders don't argue the hypothesis but test it with required facts (not available facts) on the available options.

(2) The leaders ask, what facts do we need to test the validity of the

hypothesis.

(3) Identify creative and innovative options by discussing and debating with diversified sets of people and be a good listener! Debate does not take away one's authority but only helps engage with the team more effectively.

We, as a nation, love to debate but it is also important to keep a track of time to avoid wasting time on unproductive debate. If decisions are taken based on the above model, then the team must focus on execution excellence to deliver the desired result. Effective decision-making must be teamed with fine execution for the best results.

The author is a telecom and management expert. He can be reached at mahtab3210@gmail.com.

Orange Valley turning heads

FROM PAGE B4

As adequate irrigation is needed over the year for orange cultivation, it can be more easily provided in plain lands compared to the hilly areas in Darjeeling.

After observing six years of good yields, Jewel decided to start producing saplings of the Darjeeling variety, which bears fruits for fifty years. The saplings sell at about Tk 200 to Tk 300 per piece while five-year-old plants go for around Tk 5,000.

The orange harvesting season began last November and will continue till mid-February this year as the citrus fruits hold on trees for several weeks after ripening.

About Tk 4 lakh is needed annually to maintain Orange Valley, including labour and other expenses.

Jewel said he has already reaped about 100 maunds (one maund equals 37 kilogrammes) of oranges to get a total of Tk 5 lakh by selling

each kilogramme at an average price of Tk 150. He expects to get another Tk 5 lakh within the ongoing season.

Those who are inspired to try their hand at farming the fruit after visiting Orchard Valley buy around 1,000 saplings worth Tk 2.5 lakh each year.

Orange farming was formally introduced in northern districts under the government's 2006-2011 Orange Orchard Development Project (ODP), said Abu

Hossain, deputy director of the Department of Agricultural Extension in Thakurgaon.

After the ODP ended in 2011, the "Citrus Development Project" began in May 2013 for the same purpose and was later extended with a new title, the "Citrus Fruits Extension, Management and Increasing Production Project", in 2018.

At present, a total of 130 hectares of land have been brought under orange tangerine cultivation in the district.

Walton setting up lab at Buet

STAR BUSINESS DESK

Walton has announced signing a memorandum of understanding (MoU) with the Bangladesh University of Engineering and Technology (Buet) to set up a laboratory at the latter for research and development of its electronics and technology products.

Prof Satya Prasad Majumder, vice-chancellor of Buet, and SM Rezaul Alam, chairman of Walton Digi-Tech Industries, signed the agreement at Buet Council Building on Tuesday, according to a Buet statement.

Under the agreement, Walton will provide everything required for the laboratory while wherein Buet teachers and students will conduct the research and develop Walton products. The company believes it would bring about a revolutionary change in the economic development and technological advancement of the country.

Walton also handed over a cheque worth Tk 10 lakh to the Buet vice-chancellor to enable three fellowships for master's degrees.

Prof Muhammad Anisuzzaman Talukder, director of research and innovation centre for science and engineering (RISE) of Buet, and Golam Mursheed, managing director of Walton Hi-Tech Industries, were present.

Scope for remittance cash incentive widens

STAR BUSINESS REPORT

Expatriate Bangladeshis will enjoy 2.5 per cent cash incentive if they remit five categories of service benefits in the form of remittance through formal channels, said the central bank yesterday.

The categories are retirement benefits such as pension fund, provident fund, leave salary, bonus and other gratuities, and retirement benefit paid by employers, according to a Bangladesh Bank notice.

No specific clause has been included in the finance ministry's guideline on the incentive for remittances whether the expatriates would qualify for the facility, a BB official said.

A central banker says some banks have recently wanted to know about the matter. So, the BB had requested the finance ministry to clarify the issue.

Subsequently, the finance ministry included the categories in the list of the beneficiaries.



The expatriates earlier did not have to state the source of income under the categories while sending remittances. But the BB has instructed banks to ensure the source of funds before extending the cash incentive.

In addition, the foreign currencies sent by remitters have to be converted into the local currency.

The latest move will help increase the flow of remittances, which are facing a downward trend.

Remittances narrowed 21 per cent year-on-year to \$10.23 billion in the second half of 2021, prompting the central bank to raise the cash incentive to 2.5 per cent from 2 per cent to maintain a healthy foreign currency reserves against surging imports.



Businesses believe the latest developments will enhance the positive image of the Chattogram port, the country's premier seaport, in the global maritime sector.

PHOTO: STAR/FILE

Bangladesh's territorial waters saw no piracy in 2021: reports

DWAIPAYAN BARUA, *Ctg*

No vessel, be it domestic or foreign, fell victim to theft or piracy within Bangladesh's territorial waters according to published reports of two international organisations which disseminate related information.

This can be attributed to coordinated surveillance and patrols being beefed up as well as prompt response from the authorities.

Port users believe this will enhance the positive image of the Chattogram port, the country's premier seaport, in the global maritime sector.

One report is of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) while the other of ICC International Maritime Bureau (IMB).

Both found a decrease in piracy incidents across the world in 2021 compared to the previous year.

The ReCAAP published its annual report on "Piracy and Armed Robbery against Ships in Asia" on Tuesday.

It recorded 82 incidents of armed robbery against ships in Asia in 2021, which is a 15 per cent year-on-year decrease.

The reduction was mainly witnessed in Bangladesh, India, Indonesia, Malaysia, the Philippines, Vietnam, South China Sea and

the Sulu-Celebes Seas.

In Bangladesh, no incident of piracy was recorded in 2021 whereas it was five in 2020.

In neighbouring India, five incidents were reported in 2021 and nine in 2020.

In Singapore Strait, armed robbery against ships increased to 49 incidents from 234 in 2020.

"Bangladesh had zero incident reported in 2021, due to enhanced surveillance and patrols at the Chittagong Anchorage areas and in the other waters," said the ReCAAP.

The IMB published its annual report on "Piracy and Armed Robbery Against Ships" last week.

It recorded 132 actual and attempted incidents of piracy across the world in 2021, compared to 195 in the previous year.

The IMB report found zero such incidents in Bangladesh in 2021 and two in 2020.

Bangladesh Shipping Agents Association Chairman Syed Mohammad Arif termed the news a big achievement for the seaport.

Several years back, many incidents of piracy used to occur at the outer anchorages and mariners used to express unwillingness to come here, he said.

Such good image of the port would surely increase confidence among the mariners of foreign vessels calling at the Chattogram port while vessels' insurance

premium will go down, eventually reducing cost of freight, he said.

Chittagong Port Authority (CPA) Chairman M Shahjahan said the port territory was under round-the-clock surveillance under a Vessel Traffic Management Information System equipped with CCTV cameras and radars.

"Whenever any suspicious movement is found near the vessels mostly anchored at the outer anchorage and Kutubdia, we immediately inform the coast guard and they promptly respond," he said.

Moreover, Bangladesh Navy, which maintains surveillance over the maritime territory, also comes forward in any need, he informed.

Shahjahan said ensuring security was a challenge since the port's territory was recently enhanced up to Mirsarai some 20 nautical miles to the north and up to Moheshkhali some 40 nautical miles to the south.

CCTV coverage has also been widened from Foucherhat to Kutubdia while the remaining areas will be covered within this year.

Bangladesh Coast Guard East Zone Commander Captain Kazi Shah Alam said they were equipped with adequate offshore and inshore patrol boats and a number of high-speed boats to monitor and ensure security in the economically important maritime territory.

Unilever's Sakshi recognised as global HR leader in Bangladesh

STAR BUSINESS DESK

Sakshi Handa, human resources director of Unilever Bangladesh, has been recognised as the top most global human resource leader in Bangladesh by World HRD Congress.

Endorsed by CHRO Global and World Federation of HR Professionals, the congress gave the certification to Sakshi for her excellent contribution and professional achievements in the field of human resource development, especially in Bangladesh, according to a statement.



She will officially be conferred the award at the 30th edition of the World HRD Congress and Awards Ceremony to be held in March at Mumbai in India this year.

"I believe in the power of compassionate leadership, empowering my team to lead with an employee-centric approach and making the HR function a strategic partner to the business," Sakshi said.

With 17 years of HR experience, Sakshi Handa is the HR director at Unilever Bangladesh since September 2019.

A proud alumnus of 'DPS RK Puram', Sakshi earned her master's degree from the Tata Institute of Social Sciences in Mumbai and bachelor's from Indraprastha College for Women, Delhi University.

Canadian inflation hits 30-year high

AFP, Montreal

Consumer prices in Canada exploded to a 30-year-high in December, partly due to supply chain disruption, Statistics Canada said Wednesday.

"The Consumer Price Index (CPI) rose 4.8 per cent on a year-over-year basis in December, up from a 4.7 per cent gain in November," the national statistics agency said in a statement.

The increase was 4 per cent year-over-year when excluding gasoline. The increase marked the largest in the country's CPI since September 1991.

"Inflation rose to a 30-year high of 4.8 per cent in December but is now close to a peak," Capital Economics economist Stephen Brown said.

"We expect it to remain near its current level in the first quarter, before it falls sharply over the remainder of the year," he added.

According to Desjardins group economist Jimmy Jean, "there are still good reasons to think that the Bank of Canada will entertain hiking" the key interest rate soon."

Food items saw their biggest price jump since December 2011, with a 5.7 per cent year-on-year increase.

China cuts key rates, steps up monetary stimulus

REUTERS, Shanghai

China lowered mortgage lending benchmark rates on Thursday as monetary authorities step up efforts to prop up the slowing economy, after data earlier in the week pointed to a darkening outlook for the country's troubled property sector.

The cut to the one-year and five-year loan prime rates (LPR) followed surprise cuts by China's central bank on Monday

to its short- and medium-term lending rates, and came days after the central bank's vice governor flagged more moves ahead.

With the property sector's downturn seen persisting into 2022 and the fast-spreading Omicron variant dampening consumer activity, many analysts say those easing measures will be necessary, even as other major economies, including the United States, appear set to tighten monetary policy this year.

176 businesspeople

FROM PAGE B1
A circular although the FBCCI demanded that the government not classify bank loan in 2022 considering the Covid-19 fallout.

Uddin said the decision of reduction of single borrower exposure limit to 25 per cent of the bank's capital from 35 per cent would affect the business as credit growth would be reduced.

He also said nobody was consulting with the FBCCI and commerce ministry when taking such decision.

Auditing by Financial Reporting Council will also affect business, said Uddin, adding that Bangladesh was not yet ready to abide by associated rules.

Speaking on behalf of the status recipients, Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, said in fiscal year 2020-21 export earnings stood at \$38.7 billion

At the end of the current fiscal year, merchandise export may cross \$50 billion, he said.

Targeting to take export earnings to \$80 billion by

2024 is practical as the trend is very much showing positivity, he added.

Tapan Kanti Ghosh, senior secretary to the commerce ministry, suggested businesspeople take preparations as the government was also taking measures to face challenges of the 2026 graduation from least developed to developing country.

"I am hopeful that we can achieve the export target at \$51 billion at the end of the current fiscal year and \$80 billion at end of 2024," said Mumshi.

"Work orders are shifting from China and Vietnam as they have a shortage of workforce," he said.

The CIP status will be valid for one year. However, the CIPs can use the cards until the next group is named.

On expiry of the validity, those will have to be returned to the commerce ministry, said a gazette.

In case of nominated directors of the FBCCI, the CIP cardholders will be able to enjoy the benefits of the status as long as they

remain in the trade bodies or until announcement of the next status, whichever is applicable, said the gazette.

Every CIP will get to enjoy some government-sponsored benefits such as being able to enter Bangladesh Secretariat using vehicle stickers and get invited to national programmes and receptions accorded to citizens by city corporations and municipalities.

The foreign ministry will send letters of introduction to embassies concerned in favour of the CIPs whenever they travel abroad while the CIPs can also enjoy VIP lounges at airports.

The CIPs will also get priority in booking seats in public transport like airlines, railway, buses and water vessels, the gazette also said. Moreover, their children and wives can avail cabins in public hospitals on a priority basis.

AHM Ahsan, vice-chairman of the EPB, and Naaz Farhana Ahmed, president of the Dhaka Women Chamber Of Commerce and Industry, also spoke.

Govt plans to borrow \$313m

FROM PAGE B1

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, an independent think-tank, says the standard international practice is that a country can lend from the reserves, but the disbursed amount should no longer be counted as part of the reserves.

"But we are considering it as part of the reserves. As a result, our reserves are being artificially inflated," he said, adding that the disbursed amount should be deducted while calculating the reserves.

The current reserves of Bangladesh are \$44.99 billion, down from \$46.39 billion in June.

Reserves may decline over the medium term due to expected normalisation in remittance inflows, no substantial pick-up in foreign direct investment,

an increase in imports, and the limited exchange rate flexibility, according to the IMF.

The IMF's warning is pertinent and many countries are struggling for a lack of adequate reserves.

Turkey is an example of how foreign reserves can drastically deplete. Its net international reserves fell below \$8 billion on January 12, in comparison to \$41.13 billion in 2019.

This led the country to sign a \$4.9 billion currency swap agreement with the United Arab Emirates, Qatar, South Korea and China to prop up reserves.

Sri Lanka's official reserves stood at a meagre \$3.1 billion at the end of December. It also struck currency swap deals with India and Bangladesh.

Pakistan's foreign exchange reserves fell to \$17.6 billion in the week ending January 7.

Relaxed loan

FROM PAGE B1

slowdown was brought on by the coronavirus pandemic.

For this reason, the relaxed facility given to shipbuilders has not created any effectiveness in the wake of the pandemic.

Against this backdrop, the finance ministry further extended the relaxed loan facility to the moribund shipbuilding industry.

Tk 39,000 salary for entry-level

FROM PAGE B1

On condition of anonymity, the managing directors of two private banks said the central bank's decision would not do any good for the banking sector.

"This move will have a negative impact on the banks' financial health as there is no scope to provide such a large amount of money to the messengers of lenders," one of the managing directors said.

"In addition, the central bank should not set the salary structure of private banks," he added.

According to the second managing director, the decision may even force many banks to terminate the positions of messengers and junior officials in order to cut costs.

The directive comes as the central bank found that some banks are fixing salaries of entry level positions as per their wish instead of based on merit. Besides, their pay is very low compared to the salaries of bankers working in top positions.

"Such an unusual

disparity is not acceptable at all," Bangladesh Bank said. "It was also observed in some banks that salaries vary among officials working in the same capacity."

The central bank went on to say that motivation and commitment to work does not grow among bankers because of salary discrepancies for their failure to attain targets, or on the grounds of inefficiency.

"As a result, various complications such as inefficiency, unfair competition and moral degradation are emerging, which is a barrier to proper human resource development and governance and detrimental to bank companies," the central bank said.

Citing these issues, Bangladesh Bank suggested banks rationalising the difference between the salaries of top officials below the position of chief executive officer with that of the lowest grades.

Similarly, the salaries of all officials should be fixed proportionately, it added.

Once the new structure is in effect, the salary of any official must not be below the amount the person already gets under any circumstance, the central bank said.

It also barred banks from giving deposit collection targets to bankers as a precondition for annual increments or making the job permanent.

"No one can be sacked or deprived from promotions on the excuse of their failure to achieve targets," it said.

The central bank also mentioned that the opening salary of support staff, messengers, cleaners, security guards, or equivalent positions, should be Tk 24,000.

The directive will not be applicable for state banks though as the salaries of the relevant officials are fixed based on a pay scale, Bangladesh Bank said.

As of June 2021, the banking sector employed a total of 186,784 people.

Peoples Bank fails to win

FROM PAGE B1

The proposed bank submitted a shareholders' list consisting 23 persons, but it was not enough to manage the approval, Islam said.

The central bank had earlier extended the deadline three times for Peoples Bank to complete procedures.

As per rules, a proposed bank has to manage a paid-up capital to the tune of Tk 500 crore and open a company by obtaining a licence from the Registrar of Joint Stock Companies

and Firms.

Shakib had provided Tk 40 crore to get the directorship, according to Kashem. The cricketer's mother Shirin Akhter is also included in the shareholders' list.

The sponsors of the proposed lender will have to submit application afresh if they want to open a new bank, said a BB official.

"This means the chapter of Peoples Bank is closed for now." The central bank

provided letters of intent to three banks in February 2019. Of them, Bengal Commercial Bank has already started its operation, while Citizen Bank has managed permission from the BB.

In its probe earlier, the BB found inconsistency in the sources of capital provided by the shareholders of Peoples Bank. So, the BB had stalled the process to provide the licence. In Bangladesh, there are 61 banks.

Stocks rise for sixth day

STAR BUSINESS REPORT

Dhaka stocks ended higher yesterday maintaining its rally for the sixth day as investors remained upbeat in the midst of the release of second quarter results of companies.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), edged up 16 points, or 0.22 per cent, to 7,105 yesterday.

At the premier bourse of the country, 162 stocks advanced, 174 fell and 42 remained the same.

Stock investors are buying stocks as they get back their confidence with the recent rise in spite of the pandemic, said a stockbroker.

The DSEX rose 109 points in the last six days while average daily new infections over the past seven days has almost doubled to 5,856 compared to that the previous week.

Investors hope that the economic activities of the

Turnover of the DSE dropped 7 per cent to Tk 1,601 crore, down from the previous day's Tk 1,735 crore

country will remain open, so they have continued to invest, he added.

Keya Cosmetics topped the gainers' list yesterday, soaring 10 per cent, followed by Deshbandhu Polymer, Golden Son, Global Heavy Chemicals, and Union Insurance Company.

Tallu Spinning Mills slid 25 per cent, the highest fall, followed by Fu-Wang Foods, Fareast Islami Life Insurance Company, Desh Garments and Prime Islami Life Insurance.

Beximco stocks were traded the most, worth Tk 246 crore, followed by Bangladesh Shipping Corporation, Fortune Shoes, Saif Powertec and ACL.

Turnover of the DSE, an important indicator of the stock market, dropped 7 per cent to Tk 1,601 crore, down from the previous day's Tk 1,735 crore.

The stocks in Chattogram also rose yesterday. The CASPI, the main index of the Chittagong Stock Exchange, went up 65 points, or 0.31 per cent, to 20,817.

Among 308 stocks to undergo trade, 125 went up, 130 down and 53 remained unchanged.



An orange grove aptly named "Orange Valley" in Pirganj upazila of Thakurgaon draws in hundreds of visitors every day thanks to the picturesque view provided by rows of trees dotted with the brightly coloured tangy fruit. The picture was taken recently.

PHOTO: MD QUAMRUL ISLAM RUBAIYAT

Orange Valley turning heads

Shows how cultivation of the fruit can flourish in northern districts

MD QUAMRUL ISLAM RUBAIYAT, Thakurgaon

Several hundred people from different parts of the country are gathering daily at an orchard abundant with ripe oranges in Thakurgaon's Pirganj upazila as pictures of the location went viral on social media giant, Facebook.

And since they are buying the produce directly from the trees, owners do not need to find traders to get good prices.

Besides, after getting a taste of the scenic beauty as well as the local fruits, many visitors return home with hopes of starting up their own such garden.

The orchard in question, named "Orange Valley", is located in Malancha village of Pirganj upazila, 33 kilometres south of the Thakurgaon district headquarters and 28 km west of Dinajpur's Birganj upazila headquarters.

During a recent visit, this correspondent saw that the orchard bore a tremendous look as it was profusely covered with ripe oranges, attracting a huge number of visitors each day.

They observe the picking of ripe oranges, try to gather knowledge on cultivation and express hope for setting up such orchards on their own lands.

Many of them are even seen collecting saplings from Orange Valley.



Ahmed Raju, who hails from Thakurgaon town, said it is unimaginable that a local orchard bears fruit that are excellent in size, colour and taste, and are in no way inferior to those produced in India's Darjeeling.

Irin Parvin Luna, a lecturer of economics, said the orchard has become a tourist spot for its scenic beauty.

"Besides, The potential orange farming in plain lands could flourish agro-tourism in the area, making a good contribution to the rural economy," Luna added.

In addition, locals and different shop owners, especially eateries, get to enjoy additional income thanks to the huge turnout of tourists.

Arshad Hossain Babu, owner of the Priyanka Hotel

and Restaurant, and Khorshed Alam Mollah, owner of Mitali Hotel, both said they are serving three to four times more food than usual amid the onrush of visitors.

Betel leaf shop owner Tepal Barman witnessed similar growth in daily sales while Riajul, a rickshaw-van puller, also said he earns more than usual as hundreds of people travel between Pirganj upazila town and the orange orchard on a daily basis.

Abu Jahid Ibnul Ekram Jewel, owner of Orange Valley, told The Daily Star that he bought his first 50 saplings for about Tk 5 piece about a decade ago, when a few people of Thakurgaon had shown interest in the saplings being provided by the local department of horticulture in a bid to expand

cultivation of the fruit.

Two years later, the saplings had grown into trees that bore fruits of good size, colour and taste. Seeing the result, Jewel returned to the horticulture department to buy 240 abandoned saplings, which he then planted in the gaps of his mango orchard in 2012.

The trees bore fruit after another three years and ever since then, both cultivation and yields have increased gradually.

"In previous years, the fruits were sold through traders but this season I decided to sell it to visitors directly from the orchard for developing awareness and creating interests on its farming among people," Jewel said, adding he is happy with such a good response.

Orange cultivation has good prospects in the country's north as the Himalayan basin's plain land is suitable for farming such plants.

Jewel went on to say that they only need to use pesticides twice a year as orange trees do not need it as much as other crops.

The acidic soil and climatic condition of Panchagarh and Thakurgaon make the districts suitable for orange and tangerine cultivation as the area is near the Indian districts of Darjeeling and Jalpaiguri, where high quality oranges have been growing for a long time.

READ MORE ON B2

Effective decision-making: No debate, no decision

MAHTAB UDDIN AHMED

Debate in our culture, be it in the family or at work, is often considered "beyadobi", particularly when one is challenging the authority of those who are senior by position or age. Debate can also be considered a taboo in many cultures and even in successful businesses.

On the other hand, nobody wants to be branded as a Beyadobi either! We all have people in our lives who have the tell-tale "know it all", "done it all", "don't teach me" syndrome. But have we ever realised how complicated life gets in having such people in our families, friends' circle or workplace? There was a time and age when this syndrome was more acceptable and was almost a norm in the culture. But is it still the case today?

In this age of digital transformation, the theories of management and leadership are equally dynamic. In order to cope with such dynamic changes, it is imperative to be openminded and listen to diversified opinions and consider multiple options, or else one would be termed as "boxed" or having a closed mind with a short vision.

We all have in our lives that boss who imposes his own thinking and understanding on his subordinates and colleagues without looking at the probable options! This tendency to impose opinions without allowing any debate is outdated to say the least. Unfortunately, Bangladesh has more than a fair share of such decisionmakers or bosses at both government and the private sector, impacting the work culture adversely and pulling us behind the global trend.

READ MORE ON B2

Walton profits slide despite higher sales

AHSAN HABIB

Walton Hi-tech Industries saw its profits drop 31 per cent year-on-year despite reporting higher sales in the first half of fiscal 2021-22 due to increased production and transport costs.

"The company's profits were impacted by higher raw material prices in the international market," said Md Rafiqul Islam, company secretary of Walton.

Besides, shipping charges rose at the same time but Walton did not update its product prices until January this year.

In addition, the recurring waves of infections sparked by different variants of the rouge virus had an adverse impact on the company's sales during peak seasons, such as Eid-ul-Adha.

The local electronics giant logged profits of Tk 446 crore in the last six months (July 21 to December 21) while it was Tk 646 crore in the same period the year before.

During this period, Walton missed out on one of its biggest sales seasons as the government had imposed measures to contain the spread of Covid-19 ahead of Eid-ul-Adha, when the company usually logs a significant portion of its annual sales.

Moreover, Walton was forced to shut down its business operations, including sales and distribution, during the strict nationwide lockdown enforced between July 23 and August 5 last year, according to the company's financial report.

However, the fact that sales saw handsome growth soon after the restrictions on public

READ MORE ON B2

Fight to lower US inflation will be a haul: Biden

AFP, Washington

Lowering the record rate of US inflation will "be a haul," President Joe Biden said Wednesday, but he insisted the price increases will subside if supply chain snarls and component shortages are resolved.

"The inflation has everything to do with the supply chain," the president said at a press conference. "People see it at the gas pump, the grocery stores and elsewhere."

He said provisions in his Build Back Better spending proposal, which is stalled in Congress, would improve the situation, but "it's going to be hard and take a lot of work."

The US economy saw consumer prices spike to a multi-decade high of seven percent last year as a surge in demand from consumers and businesses ran up against shortages of labor and crucial supplies like semiconductors as well as global shipping delays.

Biden's approval rating has fallen as inflation has accelerated, prompting the White House to announce moves to address price fixing and concentration in industries, including slaughterhouses, to lower meat prices, increase semiconductor production and release oil reserves to reign in gas prices.

Biden also said the Federal Reserve has a "critical job in making sure that the elevated prices don't become entrenched."

After providing "extraordinary support" to the economy, "It's appropriate as... Fed Chairman (Jerome) Powell has indicated, to recalibrate the support that is now necessary," Biden said.



A salesman takes pizza orders from customers at Frankie's Pizza on January 12 in Miami, Florida. The eatery's co-owner said the cost for everything needed to run the business — from cardboard boxes to pizza ingredients including cheese, tomatoes, meat — has gone up.

PHOTO: AFP

Crisis-hit Sri Lanka hikes interest rates

AFP, Colombo

Sri Lanka's central bank hiked interest rates Thursday in a bid to tame rampant inflation and discourage consumer spending as the country suffers a foreign currency shortage and teeters on the brink of default.

The island nation of around 22 million has seen shortages of food and fuel as well as electricity rationing, with rating agencies warning it might not be able to meet repayments on its debts.

Inflation hit a record 12.1 per cent last month.

The central bank raised the benchmark deposit and lending rates by 5.5 basis points each to 5.5 per cent and 6.5 per cent respectively. The hike was the first since August.

It said the higher borrowing costs would encourage savings and discourage consumption, thereby reducing demand for imports at a time when the country's foreign reserves were under stress.