BUSIN

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BB aid for stocks ends up salvaging Beximco sukuk

AHSAN HABIB

The central bank announced a special package in February 2020 to prop up the stock market as the benchmark index of the Dhaka Stock Exchange (DSE) was hovering around a seven-year low of 4,385 points.

As part of the package, scheduled banks had decided to form a fund of Tk 5,470 crore by borrowing from the central bank.

They have so far invested around Tk 3,300 crore, BB data showed. Of the sum, Tk 1,900 crore was invested in shares, and around Tk 1,400 crore was used in subscribing to the Islamic bond of Beximco Ltd.

As a result, Beximco turned out to be the ultimate beneficiary of the scheme as most banks subscribed to its Green Sukuk Al Istisna'a, thanks to the liberty extended by the Bangladesh Bank to the lenders.

As banks invested a huge amount of the fund in the sukuk instead of stocks, the main goal of the BB package was not achieved, said a top official of an asset management company, preferring anonymity.

On the other hand, banks have emerged as the key source of the fund for the sukuk though the bond was supposed to mobilise funds from the public, he said.

So, it is nothing but banks' lending through a different instrument, according to him.

The package allows banks to set up a Tk 200 crore fund each by taking it from the BB through a repurchase agreement against the Treasury bills and bonds they own.

Banks will have to pay 5 per cent interest for the fund and the credit tenure is up to February 2025.

Because of the stock market volatility, many banks were reluctant in setting up the fund and investing in

Meanwhile, Beximco Ltd was trying to raise a fund worth Tk 3,000 crore

through Sukuk Al Istisna'a since July last year to bankroll solar projects and expand its textile factory. Banks were not showing enthusiasm to invest in it either.

As per plan, half of the fund of the Islamic bond was supposed to be raised through private placement, Tk 750 crore from the existing shareholders of Beximco and Tk 750 crore through an initial public offering (IPO).

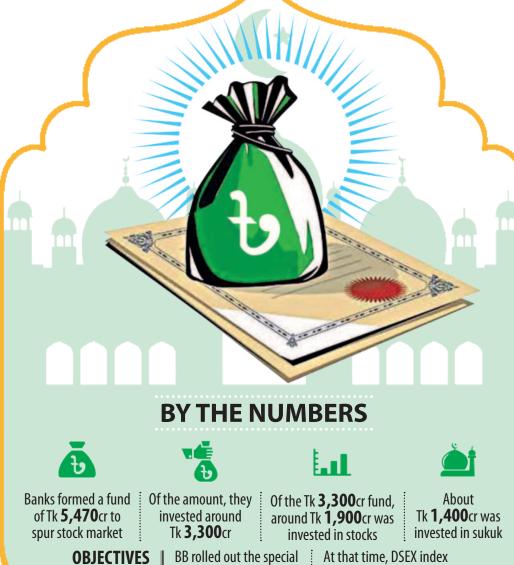
It managed to raise about Tk 450 crore from the existing shareholders

But the Bangladesh Securities Exchange Commission (BSEC) had earlier allowed the company to interchange the sukuk subscription amount between the IPO and the private placement if any of them remains undersubscribed.

The stock market regulator extended the subscription period several times.

In September, the BB allowed banks to buy private sector-issued green sukuk by using the special funds. This led banks to use the fund to subscribe to the sukuk.

Finally, Beximco raised most of the amount from banks and other institutional investors through private



At that time, DSEX index

OBJECTIVES OF BB STOCK **FUND**

placement.

A top official

of a listed bank says

his bank subscribed

to the sukuk as this is

instrument than shares.

comparatively a low risk bearing

"As the Bangladesh Bank has

Capital, the issue manager of the

sukuk, said it was the central bank's

policy decision that allowed banks to

Actually, many banks had not used

invest in the bond using the special

allowed us to utilise the fund to buy

sukuk, we have made the investment."

Ershad Hossain, CEO of City Bank

package on Feb 10 of was at around a seven-year 2020 to prop up stocks low of 4,300 points

SUKUK's OBJECTIVES

Beximco raised Tk 3,000cr by issuing Sukuk Al Istisna'a The proceeds will be used to implement projects of Teesta Solar and Korotoa Solar

> Beximco's textile division will also be expanded

the fund before the sukuk was rolled out. So, banks' investment in the

bond has not affected the objective of the special fund at

As the investment in the sukuk was not included while calculating the market exposure, banks utilised the opportunity, he added.

all, he said.

"We offered banks that they can use the fund to invest in stocks and green sukuk. So, it is up to them where they will put their money," said Md Serajul Islam, a spokesperson of the central

"The lenders have the freedom and they invest considering their safeguard."

Banks will get a minimum 9 per cent on their investment in the sukuk. Beximco's green sukuk was traded

at Tk 90.50 yesterday on the DSE. Its face value is Tk 100.

Meanwhile, the market has rocketed to record levels since the package was unveiled thanks to a rush of investors after the pandemic struck the country in March 2020 for a lack of investment opportunities amid deepening economic uncertainty and falling deposit rates at banks.

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BB rolls out 2nd credit guarantee scheme

STAR BUSINESS REPORT

Bangladesh Bank yesterday rolled out a Tk 500 crore credit guarantee scheme intending to help banks feel more comfortable in disbursing loans from a refinance scheme dedicated for marginal and landless farmers, lowincome professionals and small businesses.

This is the second credit guarantee scheme following a Tk 2,000 crore one launched in July 2020.

The first scheme is facilitating banks in disbursing loans under a stimulus package of Tk 20,000 crore for small and medium enterprises.

The latest one will cover the lenders' financing for underprivileged persons who are allowed to open accounts with initial deposits of Tk 10, Tk 50 and Tk 100 playing a role in speeding up financial

READ MORE ON B3



Boro farmers in haor areas in Sylhet, Sunamganj and Moulvibazar are passing busy times caring for their croplands. Many had been apprehending delays in cultivation for a shortage of farm hands and water taking longer to recede at the turn of the season. Some 2.82 lakh hectares of land have been planted around the country this year, with the Department of Agricultural Extension targeting to reach 48.26 lakh hectares. The photo was taken at Putamara Haor of Sylhet sadar upazila recently. PHOTO: SHEIKH NASIR

Qcoom refund begins today

REFAYET ULLAH MIRDHA

Foster Corporation from today will start providing refunds to Qcoom customers whose advance payments got stuck with the payment gateway for non-delivery of products by the e-commerce platform.

"On the first day we will provide refunds to 20 consumers and gradually to all the 6,721 consumers in the first phase," Md Al-Beruni, senior manager of Foster Corporation, told The Daily Star yesterday.

The returns will be made through the respective customers' mobile financial service (MFS) and bank accounts.

For cases where customers had not used personal accounts, it will take a bit more time for identification and reaching the correct person, said Beruni. Either way, no commission will be charged.

The two entities jointly submitted a list at the commerce ministry on January 10 detailing a portion of customers who were owed Tk 59.05 crore in refunds. They sought time to provide the comprehensive list.

READ MORE ON B3

Japan Tobacco accuses BATB of anticompetitive practices

SUKANTA HALDER

The Bangladesh Competition Commission (BCC) is investigating a complaint of anti-competitive practices filed by Japan Tobacco International (JTI) against British American Tobacco Bangladesh (BATB).

In its complaint, United Dhaka Tobacco Company Ltd (UDTCL), a concern of JTI, alleged that BATB was abusing its dominant position.

JTI filed the case in March last year -- three years after it entered Bangladesh's tobacco market by acquiring UDTCL for \$1.47 billion (about Tk 12,430 crore) in 2018 from Akij Group.

Bangladesh is one of the largest tobacco consumers in the world, and nearly 8,400 crore sticks of cigarettes are sold annually. And when JTI entered Bangladesh, UDTCL had

a 19.8 per cent share in the cigarette market. The share has since slipped to 12.6 per cent, what JTI said, is due to BATB's anti-competitive practices. BATB is the leading cigarette seller in the

country, followed by JTI and Abul Khair Tobacco Ltd.

READ MORE ON B3

Ctg-Kuwait direct flights from today

STAFF CORRESPONDENT, Chattogram

Low-cost Kuwaiti airline Jazeera Airways is going to launch direct flights between Chattogram and Kuwait from today. The airline will initially run three flights per

week, offering a chance for Kuwait-bound migrant workers and other passengers to avail direct flights to and from Chattogram after a long gap. In 2010, Kuwait Airways started direct flights

between the port city and Kuwait but it remained operational for a few months, said sources. The airline would operate the flights on

Mondays, Wednesdays and Fridays, said Shamim Ul Islam Joy, sales manager of Jazeera Airways Bangladesh. Passengers would also be able to travel to

Dubai, Jeddah and Dammam from Kuwait on the same day using connecting flights. This service is the second provided by the

airline to Bangladesh following the launch of its Dhaka-Kuwait service in October 2020, serving over 200,000 Bangladeshis living in Kuwait.

The new service would serve the large community of Bangladeshis working in Kuwait and help connect with other Gulf countries with very competitive fares, Joy added.

1411 I	STOCKS	
	DSEX 📥	CSCX 🗻
	0.46%	0.54%
rational distribution of the second	7,073.00	12,436.45

Gold ▼ 0il ▲ \$1,834.58 (per ounce) (per barrel)	Mills I	COMMODITIES AS OF FRIDAY		
	AOIL S	Gold 🔻	Oil 📥	
		\$1,834.58 (per ounce)	\$84.76 (per barrel)	

	CURRENCIES			STANDARD CHARTERED BANK	
		\$USD	€EUR	£GBP	¥CNY
5	BUY TK	85.05	95.42	114.45	13.18
T.	SELL TK	86.05	99.22	118.25	13.86

(III)	ASIAN MARKETS FRIDA CLOSING			
	MUMBAI	токуо	SINGAPORE	SHANGHAI
	0.72% 59,037.18	0.90% 27,522.26	Flat 3,294.86	0.91% 3,522.57



A man unloads groceries from a vehicle at a dark store of the SoftBank-funded Blinkit, an Indian company which is offering 10-minute deliveries for groceries, in New Delhi on January 19.

PHOTO: REUTERS

Delivery race among Indian grocery startups brings road safety risks

REUTERS, New Delhi

Indian grocery startups are luring techsavvy customers with the promise of deliveries within 10 minutes, sparking a boom in "quick commerce", but heating up concerns about road safety as bike riders scramble to meet tight deadlines.

C ompetition is already intense in India's \$600-billion grocery retailing industry, populated by the likes of Amazon, Walmart's Flipkart and Indian billionaire Mukesh Ambani's Reliance.

Now SoftBank-backed Blinkit and its rival Zepto are racing to hire staff and open stores in their bid to grab a share of the market by offering the convenience of delivery in 10 minutes, far lower than the hours, or days competitors take.

Their mission: pack groceries within a few minutes at so-called dark stores, or small warehouses in densely populated neighbourhood buildings, and send bike riders to nearby locations with about seven minutes to spare.

"It's a threat to the larger players," Ashwin Mehta, a lead IT sector analyst at India's Ambit Capital, told Reuters. "If people get used to 10 minutes, those companies offering 24-hour deliveries will be forced to reduce their timelines."

As activity grows, research firm RedSeer says India's quick commerce sector, worth \$300 million last year, will swell 10-15 times to touch \$5 billion by

Blinkit and Zepto, started by two 19-year-old dropouts from Stanford, have caught consumers' fancy, satisfying cravings for food and impulse shopping, as well as urgent needs for daily supplies.

This is very convenient, it has made a lifestyle change," said Sharmistha Lahiri, who now turns to Blinkit to fill the gap when ingredients suddenly run out in her kitchen, from tomatoes for soup to chocolate icing for a cake.

The 75-year-old, who lives in the city of Gurugram near the capital, New Delhi, was a keen user of Amazon and Indian conglomerate Tata's online grocer BigBasket, but prizes Blinkit's rapid response in such situations.

The unbeatable convenience of rapid deliveries is evident in Europe and the United States, where companies such as Turkey's Getir and Germany's Gorillas are expanding fast, but India's accidentprone roads make quick commerce a dangerous business.

"Ten minutes is very sharp," said a former road secretary, Vijay Chhibber. "If there was a (road safety) regulator, it would have said this can't be a company's unique selling point."

Blinkit and Zepto did not respond to queries from Reuters.

Even in cities, most roads are riddled with potholes, while cattle or other animals straying into traffic present a frequent challenge for motorists, who often violate basic rules.

Last year, the World Bank said India had a death every four minutes on its roads. Crashes kill about 150,000 people

All the 13 drivers for Blinkit and Zepto whom Reuters interviewed in the key cities of Mumbai, New Delhi and Gurugram said they faced pressure to meet delivery deadlines, which often led to speeding, for fear of being rebuked by store managers.

"We get five to six minutes and I feel tense and fear for my life," said one

Blinkit driver, who sought anonymity. In August, Blinkit's chief executive

said on Twitter that riders were not

penalised and could deliver "at their own pace and rhythm," as dark stores are always near destination sites.

Delivery riders disagreed. In their rush, many of them told Reuters, they mark orders as having been delivered even before they get to the destination.

And if a customer complained about the practice, they faced a penalty of 300 Indian rupees (\$4.03). A Blinkit app screenshot provided by one driver showed the term, MDND, or "Marked Delivered, Not Delivered" used to designate such items.

Frustration was also on display in the conversation on a WhatsApp group of Blinkit riders in Mumbai reviewed by

"Ban this 10-minute (delivery)," said one user, after pictures were posted of a rider said to have been injured in a deadline rush.

The concerns reflect the dark side of India's booming gig economy, in which workers often say they feel shortchanged or battle tough working conditions. Blinkit calls its service

"indistinguishable from magic" and says it wants to become a \$100-billion business.

Ibn Sina, Meghna see profits rise

STAR BUSINESS REPORT

The Ibn Sina Pharmaceuticals Industry Ltd said its profits shot up 28 per cent in the July-December period of the 2021-22 financial year. buoyed by its marketing drive to boost sales.

The drug maker said its earnings per share (EPS) rose to Tk 10.49 in the first-half of the current financial year ending in June, up from Tk 8.19 a year ago. The company's second quarter earnings also edged up for the same reason.

"We added new products to our basket as the overall pharmaceutical market is growing," said Md Kabir Hossain, company secretary of Ibn Sina Pharmaceuticals.

Stocks of Ibn Sina Pharmaceuticals closed at Tk 293.20 at the Dhaka Stock Exchange (DSE) yesterday, up 1.10 per cent from the previous day. However, the company reported a decline in

its net operating cash flows per share (NOCFPS) as it fell to Tk 9.74 in the six months leading up to December 2021, down 7 per cent year-on-year from Tk 10.48.

The drug maker's consolidated net asset value per share rose 7 per cent to Tk 74.49 as of December 31, 2021, from Tk 68.69 at the end of

Meanwhile, Meghna Petroleum said its earnings grew only 4 per cent in the first six months of the 2021-22 financial year even though it recorded a 14 per cent spike in its net profit during the October-December period.

Reza Md Riazuddin, company secretary of Meghna Petroleum, said falling bank interest rates on deposits affected its income.

The state-run petroleum marketing company registered EPS of Tk 12.74 in the July-December of the current financial year, up from Tk 12.24 a year ago, the company said in a filing with the DSE. Its earnings in the October-December period rose to Tk 6.51 from Tk 5.70 in the same period in 2020.

Stocks of Meghna Petroleum declined marginally to hit Tk 208.50 at the DSE.

NOCFPS of Meghna Petroleum increased in the first six months of the current financial year. Its net asset value per share also grew at the end of December, 2021.

Jamuna Bank, Hotel Sea Pearl sign agreement

STAR BUSINESS DESK

Jamuna Bank Ltd recently signed an agreement with Hotel Sea Pearl Beach Resort and Spa in Cox's Bazar.

Mohammed Fazlur Rahman Chowdhury, deputy managing director of the bank, and Azeem Shah, group general manager of the hotel, signed the agreement at Jamuna Bank Tower in Dhaka, according to a press release.

Under the agreement, the credit card holders of the bank will enjoy "Buy 1, Get 1" free buffet lunch and dinner at Kasbah restaurant round the

Mirza Elias Uddin Ahmed, managing director of the bank, and AKM Atiqur Rahman, deputy managing director, were present.

Green logistics: the ultimate future

much more significant environmental effects. Many ships go internationally from port to port for long sails that contribute to air and water pollution during their optimisation, warehouse voyages. In this scenario, the world think tank is devising policies to reduce driven decision making. these emissions from ships by using evolving green technologies to introduce green logistics globally.

HOW ADVANCE

ĀDVAŇCED COUNTRIES SHIFTING TO GREEN LOGISTICS

Governments around the world are adopting various measures to combat warming, including reducing emissions and using green advanced energy and technologies. Large companies want to reduce the disproportionate share of oil consumption and cut greenhouse gas emissions by adopting fuel efficiency and devising emissionscontrol technologies.

Several of the world's leading logistics companies are now incorporating this issue into their business strategies. They are adjusting their objectives to make a difference in the existing transportation systems.

It also applies to their partnership with their customers and service providers. They encourage and assist their customers in implementing measures that promote environmental sustainability.

Global logistics firms are laying out environmental policies with the help of their environment carbon marine fuels. global product heads, and green teams

organisations analyse their customers' supply chains and recommend sustainable strategies such as modal changes, chain supply speed space optimisation, freight consolidation, and data-

freight Green programmes promote these technologies and practices across the freight sector to help cut costs, track carbon - emissions and benefit the

environment. The advanced logistics companies hope the realimprove world energy efficiency environmental performance of freight through systems projects, which will focus on technology and its effects on supply chain operations. They maintain a close eye on policies that enhance regulatory efficiency, market-based initiatives, and budgetary measures.

They are working together on several action plans aimed at developing and aligning green freight programmes around the world while also reducing short-lived climate pollutants black

carbon. The action plan has received support from over 50 organisations and governments, creating a platform for global and regional cooperation. Furthermore, global retailers have pledged to use ocean freight services powered by zero-

RECOMMENDATIONS

Emissions from ships carbon gases. Corporate policymaking to take measures to cut carbon emissions and effectively confront any disaster caused by global warming.

Air and water pollution are high in urban areas. Adopting green logistics systems is a way that can help the country control pollution by imposing and devising rules and policies.

Existing ports, inland container terminals, depots, and a variety of other facilities could brought under an integrated service system under which ships will travel fewer, shorter routes and use environmentally friendly logistics systems to ensure green growth in the country by creating jobs, reducing environmental pollution, ensuring sustainable resource use, proper waste management, and introducing renewable energy-powered vehicles.

Waterways and railways are still underutilised though these environment friendly and can reduce the dependency on transportation by road and logistics costs.

Bangladesh has better opportunity to use river transportation for domestic supply chain management, thus saving and supporting costs the environment. The should government expedite the river dredging process and protect the rivers from filling up.

Besides, the authorities must build a sufficient number of modern river ports supported by adequate technology and required facilities.

A supply chain requires Bangladesh's all of its parts to function all over the world to put government is prioritising smoothly all the time.

in place steps to reduce climate change in its Failures are not isolated to one segment, nor can they be fixed with a simple increase in prices or fees, or by some rapid changes in techniques. Any temporary or short-term initiatives to overcome these challenges are not going to resolve the current bottleneck. We need a comprehensive overhaul of the entire landside operations.

> The writer is a logistician and president of the AmCham in Bangladesh

Meghna Bank wins global recognition

STAR BUSINESS DESK

Meghna Bank Ltd has received the "Fastest Growing Corporate Bank in Bangladesh" award from The Global Economics, a UK-based business, financial publication and a bi-annual business magazine.

Kimiwa Saddat, head of corporate banking at Meghna Bank, received the award from Said Zatar, chief executive officer of **Contact Financial Holdings** in Egypt, at Sangri La Hotel in Dubai recently, said a

"This international award is an endorsement of our ongoing efforts towards the transformation we are aiming at," said Sohail RK Hussain, managing director of Meghna Bank.

Sania Al Ansari, chairman of Ansari Group in the UAE, Rami I Dokani, secretary general of Arab Federation of Capital Market, were present.

Standard Bank holds annual business conference

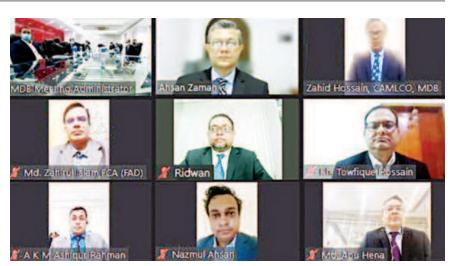
Standard Bank Ltd (SBL) virtually held its Annual Business Conference-2022 recently.

STAR BUSINESS DESK

Khondoker Rashed Maqsood, managing director of the bank, presided over the conference, said a press release. Kazi Akram Uddin Ahmed, chairman of the bank, presented a keynote

at the virtual event. Ahmed emphasised on providing quality services and providing dynamic multipurpose banking services based on modern technology in order to continue the trend of improvement of the bank.

Md Touhidul Alam Khan, additional managing director, Mohammad Rafiqul Islam and M Latif Hasan, deputy managing directors, Md Mohon Miah, coordinator of SBL Islami Bank conversion project, Alkona K Choudhuri, head of the human resources division, and Md Ali Reza, acting company secretary, were present.



Ahsan-uz Zaman, managing director of Midland Bank, virtually inaugurates the bank's Annual Business Strategy Summit 2022 for institutional banking, treasury and offshore banking on Saturday. Md Zahid Hossain, deputy managing director of the bank, was present. PHOTO: MIDLAND BANK

Morshed Alam, chairman of Mercantile Bank, virtually inaugurated the bank's Strategic Business Conference-2022 yesterday. ASM Feroz Alam and Md Abdul Hannan, vice-chairmen, Md Quamrul Islam Chowdhury, managing director of the bank, Akram Hossain, chairman of executive committee, MA Khan Belal, chairman of Mercantile Bank Securities, attended the conference. PHOTO: MERCANTILE BANK

Lufthansa eyes 40pc stake in Italy's ITA comment but said a strategic plan

German airline Lufthansa is set to take a 40 per cent stake in Italian national carrier ITA Airways, Italy's Il Foglio newspaper reported Saturday, suggesting the deal could be announced next week.

A spokesman for ITA, which was formed out of the ashes of loss-making Alitalia, declined to would be presented to the company's board on January 31.

The spokesman added that a data room -- a secure place to store key financial documents, often to allow due diligence before a merger or acquisition -- would be opened "in

the following days". According to Il Foglio, Lufthansa will buy 40 per cent of ITA in a

deal that includes making Rome's Fiumicino airport a hub for direct flights to Africa and part of the US

It said the deal would need approval from the European

Loss-making Alitalia was placed under state administration in 2017 but Italy struggled to find an investor to take it over.

Pandemic won't affect economy that much: Kamal

STAR BUSINESS REPORT

The rules set by the government for people's movement during the pandemic will leave little impact on the economy and the lives of the general mass, Finance Minister AHM Mustafa Kamal said yesterday.

"It (the Covid-19 pandemic) will be less harmful this time than we have been fearing it to be. We can handle it this time also the way we did earlier."

The minister made the comments in a press briefing after a meeting of the cabinet committee on public purchase.

Responding to a question, Kamal said steps will be taken to solve the tax and stimulus related problems of the district level businesses if they share the issues in written form. His comment came a day after the top business leaders urged the government to take steps to put an end to the harassment businesses face at the hands of VAT and tax officials.

Five projects of Tk 1,022cr get nod

STAR BUSINESS REPORT

The government yesterday gave the go-ahead to five projects involving Tk 1,022

The projects include a scheme for the spending of an additional Tk 249 crore to prevent erosion of the banks of the Padma river, according to the decision of the cabinet committee on economic affairs.

The committee also approved a proposal of over Tk 640 crore for building a bridge over the Payra river.

It also approved an agriculture ministry proposal on constructing a pavilion at the seventh edition of the Horticultural Exhibition to be heid at Almere in the Netherlands.



Traders sorting apple jujube, or apple "kul" as it is known in Bangla, at Waizghat in the capital yesterday. Rich in vitamin A and C, the jujube is also known for other popular varieties such as BAU kul, 1, 2, BARI kul 1, 2 and Narkeli, reads Banglapedia. The plant is hardy, capable of tolerating drought, dry and hot weather. Some 130,967 tonnes were produced in the country in fiscal year 2019-20, according to the Bangladesh Bureau of Statistics.

PHOTO: RASHED SHUMON

Stocks end six-day gaining streak

STAR BUSINESS REPORT

The stock market index dropped yesterday, ending a six-day gaining streak, thanks to a profit booking trend among investors.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), slid 32 points, or 0.46 per cent, to 7,073.

Turnover at the Dhaka bourse also fell 7 per cent, to 1,482 crore.

"As the stock market rose for the past few days, investors are opting to take their profits," a stockbroker said, adding that this is a normal trend.

When investors take profits, then it makes the market more efficient in two

The first is by creating a chance for others to invest and the second is that it fosters confidence among investors, the

Union Insurance topped the gainers list, rising 10 per cent, followed by Fu-Wang Food, Asia Insurance, Apex Footwear, and Bangladesh Lamps.

Meghna Pet Industries shed the most. losing 7.6 per cent, followed by Padma Jii, Giodai Heavy Chemicais, Tamijuddin Textiles, and Bangladesh Shipping

Stocks of Beximco traded the most with Tk 156 crore followed by Bangladesh Shipping Corporation, Power Grid, Asia Insurance, and Apex Footwear.

At the DSE, the devaluation of Walton Hi-tech Industries, Robi Axiata, LafargeHolcim Bangladesh, Square Pharmaceuticals, and Beximco Ltd contributed to the fall of the index as they collectively dropped 30 points, according to amarstock.com, a stock market related data provider.

Among the traded stocks, 102 advanced, 248 declined and 28 remained the same.

There was an upsurge in share prices in the early hours of the day but it somehow slowed down by mid-session as the investors' sell off was observed across major sectors due to fears of another lockdown amid increasing coronavirus cases, said International Leasing Securities in its daily market review.

As a result, the country's premier bourse endured a setback as it reverted after a six-days rise, it added.

Among major sectors, ceramics, food and allied and general insurance achieved the highest price appreciation while

textiles, travel and leisure, and cement witnessed the most correction, according to the brokerage house.

Investor activity was mostly concentrated on miscellaneous, pharmaceuticals, and the fuel and power sectors, it said.

The Chittagong Stock Exchange (CSE) also dropped yesterday. The CASPI, the main index of the port city bourse, plunged 115 points, or 0.55 per cent, to

Among 304 traded stocks, 75 rose, 199 fell and 30 remained unchanged.

Investors are rearranging their stocks considering the earnings of listed companies who are providing half-yearly profits disclosures, according to a merchant banker.

Many June-closing companies are now disclosing their half-yearly financials, he said, adding that many companies reported good performances despite a fall

For instance, Walton was the top contributor to index's drop yesterday, accounting for 9 points alone after logging a nuge drop in profits in the first half of the current financial year.

Fu-Wang Foods shares hit two-year high

BSEC allows Minori Bangladesh to invest in it

STAR BUSINESS REPORT

Stocks of Fu-Wang Foods surged to a two-year high yesterday amid optimism among investors after the market regulator allowed Minori Bangladesh Ltd to invest in the food processing

The company's stocks soared to Tk 23.9 yesterday, up 9.6 per cent from Tk 21.8 the day before, after the Bangladesh Securities and Exchange Commission (BSEC) approved the transfer of 84.42 lakh, or 7.6 per cent, of the shares held by three directors of Fu-Wang Foods including its managing director to Minori, a Japanese agricultural and food processing

The BSEC allowed the purchase of shares at Tk 8.4 crore at the face value of Tk 10 each apart from permitting the buyer to nominate one or more individuals as directors on the board of Fu-Wang Foods to maintain uninterrupted holding of shares by directors.

The regulator also imposed a condition that Minori Bangladesh would have to inject Tk 20 crore of fresh funds as share money deposit or loans to enable Fu-Wang to regularise its bank and other liabilities as well as ensure smooth

"We hope

to do good

business as new

management

is joining us.

Investors have

also taken the

said Md Sharif

Al Mahmood,

Wang Foods

secretary of Fu-

development

positively,"

company

operation of the food processing company, Fu-Wang said in a filing with the Dhaka

Stock Exchange (DSE). The company said it will have to obtain consent from the BSEC to raise capital against share money to comply with the requirement that board of directors must have a minimum 30 per cent stake to hold directorship -- a move the BSEC took earlier

with the objective to protect the interest of general investors.

Listed with the DSE in July 2000, three years after it was founded by Taiwanese investors, Fu Wang Foods makes and markets cake, bread, biscuit, toast, snacks and instant noodles.

Although it had a good beginning, the company, which was later taken over by local investors, fell into trouble for operational inefficiency, absence of proper planning and failure to take timely decisions, insiders said. Its shares fell as low as Tk 10.3 on March 18,

2020, lowest in two years. Fu-Wang did not declare any dividend in the 2020-21 financial year ending in June. Its shares began to rise on December 26 last year.

We hope to do good business as new management is joining us. Investors have also taken the development positively," said Md Sharif Al Mahmood, company secretary of Fu-Wang

Japan Tobacco accuses BATB

BATB had more than 95 per and high segment of the market, according to a 2019 study, The Economics lucrative incentives. Tobacco Taxation in Bangladesh, by Brac Institute of Governance and Development. Its share in JTI said. medium and low segments was 65 per cent and 58 per programme directly and/ cent respectively.

which markets cigarettes in all segments, or distributor," said JTI, alleged BATB that operates a programme with its retailers, directly an end to all programmes or indirectly, to prevent competition in the market and stop rivals from gaining more market access.

Under the programme, if a BATB partner retailer the JTI complaint. stocks or sells products of United Dhaka Tobacco, Khalil,

FROM PAGE B1

penalise and deduct loyalty cent share in the premium points from the retailers, retailers being deprived of

> Or even worse, BATB threatens to stop supplying its products to the retailers,

> "BATB runs indirectly through representative and/ adding that it earlier requested BATB to put and acts that restrict competition.

allegations, according to investigating the case.

Contacted, head

Qcoom refund begins today

BATB or its representatives corporate affairs and communications of JTI, said UDTCL has reached which translates into out to relevant authorities stakeholders establish a level playing field and seek a fair and just

> Sheikh Shabab Ahmed, head of external affairs of BATB, did not comment on the complaint, but said BATB has been doing business in Bangladesh for more than 110 years by complying with all the rules and regulations of the country.

business environment.

Mofizul Islam, Md the chairperson of the BATB responded to the Competition Commission, complaint and denied the says the commission is

> "We will try to give a of after holding a hearing."

Shezami verdict as soon as possible

maximum interest rate of 7

An individual be permitted to take a from the scheme, which has a repayment tenure including a six-month grace period.

guarantee scheme, banks will have to sign a participation agreement with the central bank to avail reimbursements if clients become defaulters.

But banks facing more than 5 per cent NPLs have to pay 0.75 per cent.

provide a 30 per cent portfolio guarantee cap against the registered fund of a bank.

This means the bank will enjoy 30 per cent as reimbursement if the entire registered fund was to default.

guarantee cap, banks will enjoy a reimbursement of 80 per cent for a single defaulter.

IMF lauds Hong Kong's financial system

ANN, The China Daily

The International Monetary Fund has reaffirmed Hong Kong's position as a major international financial center, commending the city's strong economic recovery and the government's efforts to safeguard financial stability.

In a concluding statement published Thursday following a mission to the Hong Kong Special Administrative Region, the IMF recognized that the city's financial sector, underpinned by robust regulatory and supervisory frameworks, has continued to expand even during the COVID-19 pandemic.

The IMF said Hong Kong's wellfunctioning Linked Exchange Rate System remains key to safeguarding economic and financial stability. Meanwhile, the city's macroprudential policies and strong institutional

frameworks have also provided it with important buffers to cope with economic shocks.

The IMF added that there is upside potential for Hong Kong's economic growth due to factors including a faster-than-expected global recovery and the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

It noted that Hong Kong's economy has recovered strongly with the support of swift and bold policy responses. It projected a growth of 6.4 percent and 3 percent in the city's real gross domestic product in 2021 and 2022, respectively.

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Mexico faces risks to growth, credit rating from energy bill

REUTERS

Mexico faces risks to economic growth and potential for a credit rating downgrade in the medium term from political developments including the likely passage of a controversial energy bill, JP Morgan said in a report.

According to the bank, President Andrés Manuel López Obrador's plan to tighten state control of the electricity market could trigger sovereign debt rating downgrades from Moody's and Standard & Poor's. US Energy Secretary Jennifer Granholm raised concerns about the risks to investors from the energy market initiative during talks with Mexican officials this week.

The JP Morgan report, dated

Thursday, stressed that the energy bill was likely to pass at some point this year, even if in watered-down

The opposition PRI party could support the legislation, potentially fragmenting the opposition to Lopez Obrador.

The bill's approval could enable Lopez Obrador to increase the strength of the presidency and undercut the roles of independent institutions and regulators, JP Morgan economist Gabriel Lozano wrote in the report.

In addition to the bill's passage, Lopez Obrador is likely to get a boost from gubernatorial victories for his Morena party as well as his own expected win in a recall referendum scheduled for April 10, Lozano said.

EU in touch with partners to boost gas supplies

REUTERS

The European Union is talking with partners about the potential for increasing gas supplies to the bloc, Energy Commissioner Kadri Simson said after a meeting with European energy ministers in France on Saturday.

A gas supply crunch in Europe, widely blamed on a dearth of gas flows from Russia, has caused energy prices to soar. Moscow denies manipulating supplies.

Simson said she would attend conferences in Azerbaijan and Washington in February to discuss ways for increasing gas deliveries to Europe. "The gas storage levels

in the EU are significantly lower than usual at this time of the year," she told reporters.

Ministers meeting in the city of Amiens had discussed uncertainty in the market caused by the Ukraine crisis and significant falls in flows from Russia in recent months, Simson said.

"My message is that Europe has a robust, well diversified and resilient gas infrastructure and clear procedures of solidarity in case of emergencies, Simson said.

"But we need to remain extremely vigilant, improve our risk-preparedness and reinforce solidarity between the member states."

Qcoom

July 2021 when the stipulated government that the platforms would get payments only after customers confirmed having been delivered their Officials earlier said

A total of Tk 394 crore

of the amount, Tk 166 crore was owed to Qcoom customers. refunding of The

Qcoom customers would be the first such corrective and verifications by the measure for customers commerce of some 16 unscrupulous e-commerce platforms who Criminal

payment gateways since availing relevant data, said Abul Kalam Azad, a lawyer representing the platform. platform requesting it.

A shortage of human resources and the office of a comprehensive refund list, he said, adding that launch Qcoom was trying to come up with it.

decision was following investigations ministry, Bangladesh Bank and

of an estimated Tk 3,000 the last couple of months. earlier sent government bodies visited the land.

a letter to the ministry two Qcoom warehouses requesting allowing to containing goods worth has remained stuck at reopen their office for nearly Tk 100 crore in Tejgaon of Dhaka last week following a letter from the

AHM Shafiquzzaman, additional secretary to having been shut had been the ministry, said Senior impeding the preparation Secretary Tapan Kanti Ghosh would formally the refunding process

Regarding reopening refunding the office, Shafiquzzman, taken also chief of Digital Commerce Cell, said it would be done with the aid of police.

He said the ministry was Investigation also working to return all are awaiting the return Department of police for the money of customers of different e-commerce Officials of the three platforms as per the laws of

BB rolls out inclusion, according to a

central bank notice. Banks are allowed to manage the fund from the central bank refinance scheme by paying a 1 per cent interest and banks can charge borrowers a

per cent. maximum of Tk 5 lakh of three-and-a-half years,

Under the latest credit

Banks will have to provide a 1 per cent guarantee fee for their funds for the first year of the registration period.

From the second year and onward, banks with non-performing (NPLs) of 5 per cent and below will have to pay 0.50 per cent against their registered funds.

The central bank will

Under the portfolio

BUSINESS

South Korean economy faces downside risks: minister

ANN, The Korea Herald

The nation's economy is heading toward uncertain territory due to a variety of factors at home and abroad which could restrict its growth, said Deputy Prime Minister and Finance Minister Hong Nam-ki on Thursday.

In a meeting for economic policies at the **Government Complex** Seoul, Hong cited three main factors- quarantine, external factors and fiscal situation — that may weigh on the growth of gross domestic product.

He clarified that the government would push for main policies

 including supporting microbusiness owners, stabilizing consumer prices and supporting economic recovery – during the first half of 2022. The incumbent administration is to finish its tenure on May 9.

For the economic reinvigoration sector, the minister said exports should continue to play a crucial part in leading the recovery, as it did last year.

To boost exports, the government is moving to take countermeasures against the rising cost of logistics

To boost outbound shipments, the government is moving to take countermeasures against the rising cost of logistics among exportoriented enterprises, he

The minister's remarks came amid growing concerns over a discord in fiscal policies between the government and the central bank. The government plans to prosose an extra budget of some 14 trillion won (\$11.8 billion) to support small businesses hit by the pandemic while the central bank has been seeking to curb inflation with a series

of rate hikes. The Bank of Korea raised the benchmark interest rate by a quarter percentage point to 1.25 per cent, in its third rate hike since August, amid the fastest growth in consumer prices in the last 10 years.

Meanwhile, an analysis from the Organization for **Economic Cooperation** and Development suggested that Korea's economic growth could slow down in the coming months.



In the first six months of fiscal year 2020-21, the implementing entities could spend 24.02 per cent of the government funds and 24.91 per cent of the project assistance funds.

ADP execution still below pre-pandemic levels

REJAUL KARIM BYRON and DWAIPAYAN BARUA

Though overall annual development programme (ADP) implementation slightly rose year-on-year in the current fiscal year's first half, government spending for development projects is still below that of the pre-pandemic period.

The government managed to spend Tk 56,962 crore from its ADP budget in this fiscal year's six months till December, up from Tk 51,266 crore in the same period in fiscal year 2020-21.

This means implementing ministries and divisions have so far spent 24.06 per cent of their total allocation of Tk 2.36,793 crore for carrying out development activities in fiscal year 2021-22.

It was 23.89 per cent spent in the same period of the previous fiscal year, according to data from the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry.

In the same period in fiscal year 2019-20, which could be termed as the pre-pandemic period, the entities could implement 26.59 per cent of their ADP allocation.

Of the overall ADP spending in the past six months, Tk 34,679 crore or 25.26 per cent could be spent from

government funds while Tk 19,553 crore or 22.21 per cent from project assistance.

According to the monthly implementation progress report of the IMED, the spending of government funds increased in the first six months year-on-year while of project assistance funds declined.

In the first six months of fiscal year 2020-21, the

Allocation

ADP ALLOCATION AND

In crore taka; source: PLANNING MINISTRY

IMPLEMENTATION

■ Implementation (Jul-Dec)

implementing entities could

implement 24.02 per cent of

the government funds and

24.91 per cent of the project

the health service division

has been one of the low

Even amidst the pandemic,

performing divisions spending

assistance funds.

Tk 1,278.91 crore from July to December, which is only 9.84 per cent of its total allocation of Tk 13,000 crore.

Performance of the health sector was also poor last fiscal

Despite giving special focus on the health sector amid Covid-19 pandemic, the health services division could implement only 58 per cent of ADP allocation

last fiscal year.

This year different

facilities to combat the

Of the funds, Asian

Development Bank (ADB)

ongoing pandemic.

international donors have

already provided huge amount

of funds for enhancing health

and Asian Infrastructure Investment Bank (AIIB) provided \$100 million each for the health sector.

World Bank gave \$100 million for purchasing different health related equipment and building ICU units and also provided \$500 million more for purchasing

A health ministry official said some works under these projects have been carried out but the implementation was yet to be satisfactory.

The WB fund of \$500 million for vaccine purchase is yet to be spent, he informed.

Among the 15 largest allocation receivers, the industries ministry was the top performer in the first half of the fiscal year.

It implemented 52.84 per cent of its allocation, followed by housing and public works ministry (36.17 per cent), water resources ministry (28.54 per cent), road transport and highways division (28.36 per cent) and railways ministry (26.57 per cent).

Apart from the health services division, other low performing entities like shipping ministry implemented 11.52 per cent of its spending target while bridge division 17.68 per cent and Prime Minister's Office 19.19 per cent ADP implementation.

Green logistics: the ultimate future in world economy

SYED ERSHAD AHMED

An eco-friendly transport system is inevitable in the ever-changing world where carbon emission is leading to global warming. It is the responsibility of the world leaders to get united and reach a sustainable agreement to limit carbon emissions and reduce global warming.

Transport manufacturers and users also must play a significant role in reducing carbon emissions and making transportation an

environment-friendly business to run the wheel of the global

UNDERSTANDING **GREEN LOGISTICS**

becoming major issues in the

Green logistics ideals of encompassing energy-saving measures, complying with environmental regulations and coping with rising supply costs by adopting effective technologies, are

world's logistics arena. This green or eco-friendly logistics in the worldwide supply chain lets a country or a company evolve new technologies and devise policies aiming to cut carbon emissions, making business sustainable and establishing strategic advantages over the

The logistics industry needs to make a measurable and sustainable policy to minimise the environmental impact on transportation, warehousing, and other logistics activities.

The concept is not new. Various elements in the research work focus on taking steps to reduce carbon dioxide emissions and use alternative energy sources

They underlined the need to invest in vehicle designing and transport infrastructure that can withstand the adverse

effects of climate change.

Green logistics aims to find a balance between ecology and economy. Green transportation is effective in taking measures to become competitive amid rising supply costs. Transport is considered green when it supports environmental sustainability, emits low carbon,

manufacturers and users must play a significant role in reducing carbon emissions and making transportation an environmentfriendly business to run the wheel of the global economy

Transport

is economical and is socially acceptable. In a nutshell, green logistics could be termed as

'Environment-Friendly Transport System'. WHY WORLD FOCUSING ON GREEN LOGISTICS

There are compelling reasons why green logistics is gaining ground. Green logistics policies represent a strategic advantage over the competition. Not only do they revalue the brand and set it apart, but they also prepare a company for the future, which inevitably must be sustainable.

The transport sector is a major source of greenhouse gas emissions worldwide, creating direct and harmful effects on the environment and other indirect effects.

Existing logistics systems affect the environment in various ways. For example, aviation emissions vary based on the length of the flight. In road transportation, cars, buses, and rails do have different types of emissions.

READ MORE ON B2

Fed sharpens tools to fight inflation

AFP, Washington

The Federal Reserve has its inflation-fighting weapons ready to fire, and when the US central bank's policy committee convenes this coming week, the focus will not be on whether they will pull the trigger but rather how

With the Omicron variant of Covid-19 adding to economic uncertainty and fueling a spike in consumer prices rose not seen for decades, the Fed's decision Wednesday will be closely scrutinized for signs policymakers will take more aggressive steps to contain inflation.

The policy-setting Federal Open Market Committee (FOMC), which opens its two-day meeting on Tuesday, is widely expected to begin hiking interest rates in March, though a few economists note the possibility of early

"I think it's kind of a holding operation rather than a blockbuster meeting, but the March one will be more fun," Ian Shepherdson, chief economist at Pantheon Macroeconomics, told AFP.

Only months ago, Fed Chair Jerome Powell and other top officials were arguing that the sharp rise in inflation would be "transitory," but that stance grew increasingly shaky with each new data report showing prices rising and spreading to many goods, beyond cars and energy.

By the end of 2021, policymakers conceded they had miscalculated and pivoted, announcing they were ready to attack inflation head on.

They started by tapering the bond buying program implemented to stimulate the economy, and accelerated the pace of the wind down at their last meeting in December.



People shop for groceries at a supermarket in Glendale, California on January 12. The 7 per cent increase in the Labour Department's consumer price index over the 12 months to December was the highest since June 1982, as prices rose for an array of goods, especially housing, cars and food.

REUTERS

Bitcoin

falls again

Bitcoin dropped again on Saturday and was last down around 4 per cent for the day, hovering around the \$35,000 level.

Bitcoin, the world's biggest and best-known cryptocurrency, is now about half its \$69,000 peak in November.

It was last at \$35,049, after falling as low as \$34,000 and following a steep fall on Friday.

The currency has had wild price swings and has been hit as risk appetite has fallen on inflation fears and anticipation of a more aggressive pace of interest rate hikes from the US Federal Reserve.

Other risk assets have fallen with stocks falling on Friday. In a research note on

Friday, Edward Moya, senior market analyst for the Americas at OANDA, said bitcoin was falling as "crypto traders de-risk portfolios following the bloodbath in stocks" and in advance of next week's Federal Reserve policy meeting.