

## IBBL establishes credit guarantee arrangement with USDA

STAR BUSINESS DESK

Islami Bank Bangladesh Ltd (IBBL) recently established a credit guarantee arrangement with the United States Department of Agriculture (USDA) in the US.

The organisation provides credit guarantees to US approved banks and financial institutions under this export credit guarantee programme (GSM-102), a press release said.

The USDA's Foreign Agricultural Service (FAS) administers the programme on behalf of the Commodity Credit Corporation (CCC), which actually issues the credit guarantees.

The organisation has already approved \$30 million for IBBL, for which the importers of the bank will get discount facilities for a maximum of 18 months from USDA-enlisted banks at a lower discounting rate.

**Through this arrangement with the USDA, the IBBL will get more opportunities to increase relationships with US-based financial institutions**

The exporter's bank will extend its financing facilities with no requirement of adding confirmation to the irrevocable letter of credit for which IBBL will issue a dollar denominated, irrevocable letter of credit in favour of the US exporter.

The US exporter may get payment from US negotiating banks after submitting export documents. For this, the exporter is required to provide a report of export to the CCC for each shipment that occurs under the payment guarantee.

IBBL will make payments to the discounting bank at maturity of the bill. Through this arrangement with the USDA, the IBBL will get more opportunities to increase relationships with US-based financial Institutions.



Two mobile expeller presses sell mustard oil for Tk 200 a kilogramme in the capital's Dhanmondi. Extracting the oil from seeds right before the eyes of customers assures of its purity, something most people are skeptical of in case of oil available in the markets. The photo was taken recently.

PHOTO: PRABIR DAS

## EU plan to label gas and nuclear as green could mislead investors

REUTERS, Brussels/London

The European Union's draft plan to label gas and nuclear plants as green investments risks causing confusion and misstated financial disclosures, expert advisers to the bloc said amid criticism of the proposal from some lawmakers and nations.

In feedback due to be published on Monday, the experts urged EU authorities to rewrite the draft rules, which they said would label gas plants with relatively high CO2 emissions as sustainable, as well as new nuclear plants launched too late to help meet the bloc's 2050 climate target.

The specialist advisers, whose views were reported in a leaked draft on Friday, said the proposal would make it hard for investors to assess which investments are truly climate-friendly - the question that the EU's "sustainable finance taxonomy" was designed to provide a clear answer on.

"The implication is the market will not be able to interpret what investments are truly aligned with the climate goals and which ones are not," Nathan Fabian, chair of the expert advisory panel, told

**EU countries and lawmakers disagree on whether gas and nuclear deserve a green badge. Germany rejected including nuclear in a letter to the EU, while four other states publicly opposed the Commission proposal last week**

Reuters. "It would lead to misstatements in financial disclosures."

"You'd see claims in financial products that your money is being invested in a sustainable way - but it's in a gas plant that's got above the European average emissions level," he added.

If the European Commission went ahead with the draft rules, the advisers said it should require companies and financial product issuers to single out gas and nuclear in their financial disclosures, rather than grouping them together with other green investments like electric cars

or wind energy.

Tougher disclosures would be needed to avoid "greenwashing", the feedback said.

The EU taxonomy would not ban investments in assets that lack a green label. But by badging climate-friendly investments as green, it aims to make them more attractive to investors.

EU countries and lawmakers disagree on whether gas and nuclear deserve a green badge. Germany rejected including nuclear in a letter to the EU, while four other states publicly opposed the Commission proposal last week.

Meanwhile, groups representing more than 200 of the European Parliament's 700 lawmakers sent letters to the Commission raising concerns. Some are opposed to labelling gas and nuclear as sustainable, some are seeking rules to include more gas plants, and others are calling for a public consultation on the rules.

The Commission must now publish a final proposal for the rules. A majority of European Parliament lawmakers or a super-majority of EU countries - 20 of the 27 member states - could veto them.

## FAO regional confce starts

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Sheikh Hasina set to address the event virtually on behalf of the host country on March 10.

The conference will begin on March 8 and conclude on March 11.

On March 10 and 11, Agriculture Minister Abdur Razzaque will preside over the conference. Qu Dongyu, director-general of the FAO, is also expected to attend.

The FAO regional conference is a formal gathering of member countries' agriculture ministers and other senior officials to discuss country and regional priorities, such as the impact of Covid-19, the state of agriculture, natural resource management, food security, and nutrition.

It is also a chance to highlight partnerships, innovation, and digital technologies that are helping to improve food security and nutrition in the region, as well as regional and global policy and regulatory issues.

The FAO is a United Nations specialised agency in charge of international hunger relief efforts.

Bangladesh and the FAO have been working closely together in developing areas of agriculture, food, forestry, fisheries, livestock, rural development and climate change.

The last regional conference was held in Bhutan virtually while the first was held in Bangalore, India in 1953.

## Gulf economies to grow faster in 2022, oil price fall biggest threat

REUTERS, Bengaluru

The economies in the six-member Gulf Cooperation Council will grow at their fastest paces in several years, according to a Reuters poll of economists who cautioned the risk to that outlook was skewed to the downside.

Crude oil prices, a major driver for Gulf economies, climbed to their highest since 2014 on Wednesday, driven by escalating global political tensions involving major producers including United Arab Emirates and Russia, which could worsen already tight supplies.

That is bullish news for the six wealthy oil-exporting countries in the region.

The January 11-19 poll of 25 economists forecast all six economies in the Gulf Cooperation Council would grow faster this year than was expected three months ago.

Saudi Arabia was predicted to top the list with growth of 5.7 per cent, followed by Kuwait and UAE with 5.3 per cent and 4.8 per cent respectively.

Economic growth in Qatar, Oman and Bahrain was expected to average between 3 per cent - 4 per cent for 2022. If realised, that would be the

best these countries have witnessed in several years.

"Despite relatively tight fiscal policy, and some external headwinds, we expect the GCC economies to see faster growth in 2022 as they continue to build on the progress made last year," said Khatija Haque, head of research and chief economist at Emirates NBD.

"While the outlook for 2022 remains broadly constructive, there is still a high degree of uncertainty especially with regards to the evolution of the coronavirus pandemic."

As the global economy deals with the prospect of persistent inflation, the region's price outlook was modest, but varied.

Inflation was expected to stay between 2.0 per cent and 2.8 per cent this year, with the lowest reading for the UAE, Saudi Arabia and Oman at 2.0 per cent and the highest for Qatar at 2.8 per cent.

Saudi Arabia, the world's largest crude oil exporter and the region's economic and political heavyweight, will see 5.7 per cent economic growth this year. If realised, it would be the fastest growth since 2012 when oil averaged around \$111 per barrel.

## Rice farmers delighted

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policy issues to the government and other relevant bodies.

Mahbubur Rashid, deputy director of the DAE in Dinajpur, admitted that the area of Kataribhog cultivation has shrunk

for various reasons despite having broader prospects.

"The local department has taken initiatives to increase the cultivation area as such," he said.

Apu Deb, owner of Uttara Chaal

Ghar at Barabandar area in Dinajpur town, said there was high demand for Kataribhog rice across the country.

"The sale of this particular aromatic rice is high online," Deb added.

## StanChart wins Asset Triple's best bank award in Bangladesh

STAR BUSINESS REPORT

Standard Chartered Bangladesh has been recognised as the 'Best Bank in Bangladesh' at the Asset Triple A Sustainable Capital Markets Country Awards 2021 recently.

The bank has received this prestigious award for the second consecutive time and the 31st major award it has achieved in 2021, according to a press release.

The Asset's annual Triple A recognition represents the industry's most prestigious awards for banking, finance, treasury and the capital markets.

As the financial multi-media group with the widest reach among Asian issuers and global institutional investors, The Asset has unparalleled insight, which forms the foundation of its annual awards.

More than 20 years old, the Asset Triple A Country Awards focus on activity in the domestic markets.

"This award attests to how despite the challenges we have been able to come together as a team to push the boundaries for our clients, and marshaled our strength and resilience to support our communities," said Naser Ezaz Bijoy, chief executive of Standard Chartered Bangladesh.

## Stocks enter second day of decline

STAR BUSINESS REPORT

The stock market witnessed a second day of decline yesterday as investors rushed to rearrange their portfolios after listed companies announced their earnings for the first half (July-December) of fiscal 2021-22.

"Some investors took profits while others rearranged their portfolios considering the earnings of their scrips so the index fell," a stockbroker said.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), plunged 53 points, or 0.75 per cent, to 7,019 yesterday. At the DSE, 71 stocks advanced, 270 fell and 39 remained the same.

Beximco Ltd, Beximco Pharmaceuticals and Walton Hi-tech Industries jointly dropped 26 points from the DSEX, according to amarstock.com, a stock market related data provider.

"I think this rise and fall of the index is a normal behavior of the market," he said.

"People sometimes opt to take profits, which may cause the index to fall, but the index is falling faster than it rises, which may impact investor confidence," he added.

Debutant BD Thai Food topped the gainers list, rising 10 per cent, followed by Union Insurance, Apex Footwear, National Tea, and Kohinoor Chemicals. Stocks of Bangladesh Shipping Corporation traded the most, worth Tk 113 crore, followed by Beximco Ltd, Power Grid, British American Tobacco and Fu-Wang Foods.

Acme Pesticides shed the most, dropping 7.32 per cent, followed by Jamuna Oil, Golden Son, Fu-wang Ceramics, and Bangladesh Shipping Corporation.

Among major sectors, paper and printing, food and allied, and tannery closed positive while ceramics, miscellaneous, and services, and real estate faced correction, according to UCB Stock Brokerage.

Turnover at the premier bourse slid 18 per cent to Tk 1,214 crore.

The Chittagong Stock Exchange also eroded yesterday. The CASPI, the main index of the port city bourse, plummeted 149 points, or 0.72 per cent, to 20,552.

Among the 311 traded stocks, 63 rose, 213 fell and 35 remained unchanged.

## ONE Bank, GD Assist sign agreement

STAR BUSINESS DESK

ONE Bank Ltd (OBL) and GD Assist Ltd recently signed an agreement on arranging free life insurance facilities for the former's clients in Dhaka.

Md Monzur Mofiz, managing director of ONE Bank, and Syed Moinuddin Ahmed, managing director of GD Assist, signed the agreement on behalf of their respective parties, according to a press release.

Under the agreement, the account holders of the OBL Insured Deposit Scheme will enjoy free life insurance coverage up to Tk 10,00,000 along with free hospitalisation cost coverage, free healthcare sessions, free medical advice from foreign doctors, discounts in more than 100 hospitals and diagnostic centres.

High officials of both the organisations were present on the occasion.



Salim Rahman, chairman of Al-Arafah Islami Bank Ltd, recently inaugurated the bank's Business Development Conference with its corporate branches at the lender's head office in Dhaka. Farman R Chowdhury, managing director of the bank, SM Jaffar, Shabbir Ahmed, Md Shafiqur Rahman, Syed Masodul Bari, Md Mahmudur Rahman, Mohammed Nadim, Abed Ahmed Khan and Abdullah Al Mamun, deputy managing directors, were present.

PHOTO: AIBL



Shamima Nargis, chairman of Bangladesh Development Bank Ltd, inaugurates the bank's Managers' Conference 2022 at the lender's conference room in Dhaka recently. Kazi Alamgir, managing director of the bank, presided over the conference, where the bank's other board directors were present.

PHOTO: BDBL