Euro zone inflation hits record high

REUTERS, *Frankfurt*

Euro zone inflation rose to a new record high last month, defying expectations for a big drop and adding to already copious doubts that price pressures are as benign and temporary as the European Central Bank still expects.

Inflation in the 19-country euro zone accelerated to 5.1 per cent in January from 5 per cent in December, well ahead of expectations for a drop to 4.4 per cent, the European Union's statistics agency Eurostat said on Wednesday.

Soaring energy prices continued to drive inflation but food prices also surged, while services and industrial goods inflation remained uncomfortably high.

At 5.1 per cent, price growth is more than twice the ECB's 2 per cent target but the central bank, which holds a policy meeting on Thursday, has for months shrugged off the data, arguing that temporary factors are behind the rise and inflation will abate on its own.

But the ECB's track record in forecasting inflation is mixed and it was forced several times last year to sharply raise its projections.

While the US Federal Reserve has abandoned the narrative that inflation is "transitory," the ECB has stuck with this assessment, arguing that wage growth, a precondition of durable inflation, is still muted and underlying price growth is weak.

Although core inflation slowed, it remained above the ECB's target and also beat market expectations by a wide margin.

Inflation excluding food and fuel prices, closely watched by the ECB, slowed to 2.5 per cent from 2.7 per cent while a narrower measure that also excludes alcohol and tobacco products slowed to 2.3 per cent from 2.6 per cent.

Both figures were well above expectations.

Watches imported from China are on sale for between Tk 100 and Tk 500 on the footpaths of Gulistan in Dhaka. There are some 30 to 40 shops there. The photo was taken yesterday.

PHOTO: ANISUR RAHMAN

Hybrid car sales catch up to diesel in Europe

AFP, *Paris*

Hybrid car sales reached a milestone in Europe last year as they grabbed the same market share as diesel vehicles, while electric models gained more ground, industry data showed on Wednesday.

The figures come as the European Commission aims to ban the sale of new fossil fuel cars from 2035 and automakers have unveiled plans to transition to an electric future.

A green group warned, however, that conventional engines could stage a comeback if the European Union does not set more ambitious CO2 emissions standards.

Self-charging hybrid vehicles accounted for nearly 20 percent of new passenger cars registered across the 27-nation EU, matching diesel, with 1.9 million cars sold, according to the European Automobile Manufacturers' Association (ACEA).

This was up from an 11.9-per cent market share for hybrids in 2020.

Hybrid cars have become the "perfect solution" for automakers to reduce their average CO2 emissions, said Felipe Munoz, analyst at auto industry specialists Jato Dynamics.

Self-charging hybrid cars are powered by a conventional engine and an electric motor that charges while driving.

Automakers also make plug-in hybrids that run on their electric battery until their power runs out and then run on fuel. Their market share rose to 8.9 percent last year.

Nearly 880,000 fully electric cars were sold last year, representing 9.1 per cent of total car registrations.

Electric car sales have surged thanks to government incentives to buy them and growing output by automakers. They accounted for less than two percent of the market share in 2019 and 5.4 per cent in 2020.

Petrol cars still held the biggest market share at 40 per cent in 2021.

But electrified vehicles are chipping away at the lead, with their sales outstripping those of conventional engine cars in the last quarter of 2021.

The rise of electric and hybrid vehicles came in a year that saw overall car sales fall to a three-decade low in Europe.

Automakers have been hit by the Covid pandemic and shortages of semiconductors, a key component in the cutting-edge systems integrated into conventional and electric vehicles.

Diesel car sales sank by a third in Europe last year, according to the ACEA.

Electric car sales doubled in several European countries last year, including Sweden, Italy and Ireland, and surged by 83 per cent in Germany, the auto industry's biggest market.

In Britain, electric car sales rose by 76 per cent while in Norway 19 out of the 20 most sold models in January were electric, taking an 83.7 per cent market share.

"The EV (electric vehicle) market is consolidating, especially in the biggest markets, like in Norway," Munoz said.

Smaller markets such as Romania and Greece have also increasingly embraced electrified vehicles, with Tesla opening dealerships there and the arrival of cheaper models from traditional automakers.

REHAB urges land ministry to continue power of attorney law

STAR BUSINESS DESK

The Real Estate and Housing Association of Bangladesh (REHAB) has urged the land ministry to continue the existing law of the power of attorney considering the real situation.

A REHAB delegation led by its president Alamgir Shamsul Alamin (Kajal) made a courtesy call to Land Minister Saifuzzaman Chowdhury at his Secretariat office in Dhaka on Tuesday.

They made the plea during the meeting.

The REHAB president has eulogised the minister for digitalising the land records. Kajal then put up his argument before the minister to continue the existing law of the power of attorney considering the real situation.

The land minister praised REHAB's contribution on various matters in the land sector as a stakeholder and echoed the sentiment to maintain the power of attorney on the basis of partnership in the construction of structures.

Along with that, the minister advised REHAB's delegation to submit their suggestions to the ministry in writing.

Chowdhury informed that initiatives are being taken to develop new systems, amending many rules of the British era.

He urged all to abide by the new laws properly.

Kamal Mahmud, first vice-president of REHAB, Mohammad Shohel Rana, vice-president for finance, and Md Mustafizur Rahman, secretary of the land ministry, were present at the meeting.

India to launch 'digital rupee', tax crypto

AFP, *Mumbai*

India will introduce a state-backed "digital rupee" and impose a 30 per cent tax on profits from virtual currencies, the government announced Tuesday while unveiling the next financial year's budget.

The plans are a blow to one of the world's fastest-growing cryptocurrency markets, which has remained unregulated despite burgeoning local trading platforms and glitzy celebrity endorsements.

They make India the latest major emerging economy to rein in the sector, after China went even further in outlawing all cryptocurrency transactions last September.

"There has been a phenomenal increase in transactions in virtual digital assets," finance minister Nirmala Sitharaman told parliament, adding that the growth necessitated a proper tax framework.

Profits made trading cryptocurrencies and other digital assets will be taxed at 30 per cent from April, while any losses from digital transactions will not be granted offsets against other income.

Faisal Ahsan Chowdhury, managing director (current charge) of Padma Bank, and ASM Mainuddin Monem, managing director of Abdul Monem, exchanged signed documents of an agreement at the bank's corporate head office in Gulshan, Dhaka on Tuesday. The agreement will facilitate transactions on foreign exchange and funded and non-funded and loan services.

PHOTO: PADMA BANK

Stocks keep

FROM PAGE B4

Turnover, however, fell 6 per cent to Tk 1,266 crore.

Among the sectors, tannery, general insurance and life insurance pulled off the highest price appreciation on the day, whereas ceramic, paper and printing, and cement sectors witnessed the highest price correction.

The investors' activity was mostly concentrated in the engineering and pharmaceuticals sectors, according to the analysis.

Beximco Ltd was the most-traded stock with its shares worth Tk 97 crore changing hands, followed by Bangladesh Shipping Corporation, Fortune Shoes, Orion Pharmaceuticals, and Bangladesh Building Systems.

Rupali Life Insurance topped the gainers' list after rising 10 per cent followed by BD Thai Food, Union Insurance, Bengal Windsor, and Olympic Accessories.

Samorita Hospitals shed the most as it gave up 5.95 per cent. Sonargaon Textiles, Matin Spinning, Bangladesh Building Systems, and RAK Ceramic Industries were also among the major losers.

Chittagong Stock Exchange (CSE) also went up. The CASPI, the main index of the bourse in the port city, edged up 43 points, or 0.21 per cent, to close at 20,566. Of the 305 stocks, 170 were up, 101 were down, and 34 ended the session unchanged.

Opec+ sticking to policy despite oil price rally

REUTERS, *London*

Opec+ will likely stick to existing policies of moderate output increases on Wednesday, five sources from the producers' group said even as it expects demand to rise to new peaks this year and as oil prices trade near their highest since 2014.

The group, which comprises of the Organization of the Petroleum Exporting Countries and allies led by Russia and produces over 40 per cent of global supply, has faced pressure from top consumers such as the United States and India to pump more to help the economic recovery from the pandemic.

But OPEC+ has refused to adhere to speedier increases arguing that the world is facing an energy shortage due to poorly calculated energy transitions to greener fuels by consuming nations.

Several OPEC members have struggled to pump even in line with their quotas due to under-investments of the past few years.

Five OPEC+ sources told Reuters on Tuesday they expected the ministers to agree to go ahead with a planned increase of 400,000 barrels per day in March, despite high oil prices.

"The issue (of speedier increases) did not come up and I doubt it will," an OPEC+ source said, asked if an OPEC+ expert committee meeting had discussed an increase of above 400,000 bpd when it virtually met on Tuesday. A report prepared by the committee, known as the Joint Technical Committee (JTC), and seen by Reuters on Tuesday kept the forecast for world oil demand growth unchanged for 2022 at 4.2 million bpd.

M Reazul Karim, managing director of Premier Bank, virtually inaugurates the bank's daylong workshop on "Challenges of the 4th Industrial Revolution" recently. Mohammed Ishaque Miah, general manager for the information systems development and support department at the Bangladesh Bank, Syed Nowsher Ali, Shahed Sekander, and Shahid Hasan Mallik, deputy managing directors of Premier Bank, attended the programme.

PHOTO: PREMIER BANK

Implementation of BBIN

FROM PAGE B4

the potential of establishing a multimodal BBIN connectivity protocol.

Dr Atiur Rahman, chairperson of Unnayan Shamannay, said implementing the BBIN deal and eventually adopting a multimodal connectivity protocol has become more relevant for ensuring a full economic recovery from the Covid-induced slowdown as it would generate employment.

The BBIN deal and a multimodal BBIN connectivity protocol could have a significantly positive impact on the economy, which can be attributed to consumption-led growth, the former Bangladesh Bank governor said.

So, implementing the BBIN deal could help Bangladesh reverse the Covid-induced economic slowdown, he added.

Rahman went on to say that not only the connectivity infrastructure, but also the capacity of the country's ports and commercial hubs needs to be significantly increased to reach the full potential of trade between BBIN countries.

"There is a need to automate or digitalise the official processes associated with inter-domestic trade," he said.

Shafiul Islam Mohiuddin, former president of the Federation of Bangladesh Chambers of Commerce and Industry, said the country has so far been unable to use its ports to their full potential.

"India is a good friend of ours but in some places, there is still a crisis of trust," he said.

"We need to restore the relationship of trust in those places as this is very important in infrastructural development," Mohiuddin added.

According to a study by Unnayan Shamannay, "the most important trade route between Dhaka, Chattogram or Mongla and Thimphu goes through Burimari and eventually goes over the Jamuna Bridge before being connected to Dhaka."

"This route is a part of (the) BBIN (deal) and can also be used as a multimodal route by starting from Thimphu-Jogighopa and Jogighopa-Chilmari-Dhaka," it said.

In the same manner, another route can be made multimodal as the rest of India can be connected to Kolkata via rail or roadways and then head onwards to Chattogram via waterways and then in the final leg, from Chattogram to Tripura via roadways, it added.

In the last two decades, the constant average growth rate (CAGR) of Bangladesh's exports to India stood at 18 per cent whereas the CAGR of imports from India was around 12 per cent.

Bangladesh's CAGR of exports to Nepal is around 13 per cent and the figure is 11 per cent for exports to Bhutan.

According to a World Bank estimate, seamless connectivity between Bangladesh and India would increase the former's real income by 17 per cent while it would increase India's real income by 8 per cent.

So, it is possible to realise this huge trade potential by implementing the BBIN deal and commence the discussion for a multimodal BBIN connectivity protocol.

Shirin Akhter, a member of Parliament, Bipul Chatterjee, executive director of CUTS International, Dr Nazneen Ahmed, country economist of the UNDP, were also present at the webinar.