



Plastic drums used in carrying chemicals get a facelift and a second lease on life, including as planting pots of rooftop gardens. A full sized drum costs Tk 1,200 whereas half of it Tk 600. The photo was taken on MA Bari Road in Sonadanga of Khulna city recently.

PHOTO: HABIBUR RAHMAN

Putin hails \$117.5b of China deals as Russia squares off with West

REUTERS, Moscow

President Vladimir Putin unveiled new Russian oil and gas deals with China worth an estimated \$117.5 billion on Friday, promising to ramp up Russia's Far East exports at a time of heightened tension with European customers over Ukraine.

Russia, already Beijing's No. 3 gas supplier, has been strengthening ties with China, the world's biggest energy consumer, reducing its dependence on its traditional European energy customers.

"Our oilmen have prepared very good new solutions on hydrocarbon supplies to the People's Republic of China," Putin said at a meeting with Chinese President Xi Jinping to discuss closer cooperation.

"And a step forward was made in the gas industry," he added, referring to a new contract to supply 10 billion cubic metres (bcm) per year to China from Russia's Far East. Putin was in Beijing to attend the Winter Olympics.

The gas sales alone could generate around \$37.5 billion over 25 years,

according to Reuters calculations, assuming an average gas price of \$150 per 1,000 cubic metres as reported by Russian gas giant Gazprom for its current deal with China.

Kremlin spokesman Dmitry Peskov said the deal was for 25 years, while a Chinese industry source said it was for 30. Separately, Russian oil giant Rosneft, headed by long-standing Putin ally Igor Sechin, signed a deal with China's CNPC to supply 100 million tonnes of oil through Kazakhstan over 10 years, effectively extending an existing deal.

Rosneft said the new deal was worth \$80 billion.

The agreements bolstered the rouble and the Russian stock market, including shares in Rosneft and Gazprom.

Putin has accused the United States of stoking tensions over Russia's neighbour Ukraine, which has angered Moscow by wanting to join NATO.

More than 100,000 Russian troops have amassed near the border with Ukraine. Western countries accuse Moscow of planning an invasion, which it denies.

Russia is Europe's biggest provider of natural gas, and Western countries are worried that already strained supplies could be interrupted in the event of a conflict.

However, the new deal with Beijing would not let Moscow divert gas otherwise bound for Europe, as it involves gas from the Pacific island of Sakhalin, not connected to Russia's European pipeline network.

Gazprom said in a statement it planned to increase gas exports to China to 48 bcm per year, including via a newly agreed pipeline that will deliver 10 bcm annually from Russia's Far East.

Under previous plans, Russia aimed to supply China with 38 bcm by 2025. The announcement did not specify when it would reach the new 48 bcm target.

Gazprom, with foreign partners including Shell, already produces more than 10 million tonnes of liquefied natural gas (LNG) per year in Sakhalin.

"Delivering gas to China's northeastern tip makes this project strategically attractive for China, as the only real alternative supply would be

more expensive LNG," Moscow-based BCS brokerage said in a note about the 10 bcm deal.

An industry source told Reuters earlier on Friday that Gazprom, which has a monopoly on Russian gas exports by pipeline, had agreed a 30-year contract with China's CNPC, with the first gas to flow through the new pipeline in two or three years.

The source said the gas deal would be settled in euros, as Moscow tries to diversify from the US dollar and hedge itself against any potential sanctions from Washington.

Russia now sends gas to China via its Power of Siberia pipeline, which began pumping supplies in 2019, and by shipping LNG.

It exported 16.5 bcm of gas to China in 2021, including 10.5 bcm via the Power of Siberia, which is also separate from the pipelines that send gas to Europe. Putin was accompanied by several Russian officials and business executives, including Sechin. Gazprom head Alexei Miller was not in the delegation.

BANGABANDHU SHILPA NAGAR

Speed up construction of 'garment village'

BGMEA urges Beza

STAFF CORRESPONDENT, Chattogram

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged the Bangladesh Economic Zones Authority (Beza) to complete the construction of a "garment village" at the Bangabandhu Shilpa Nagar in Mirsarai, Chattogram in the quickest possible time.

BGMEA President Faruque Hassan made the call while leading a delegation that recently visited the Bangabandhu Shilpa Nagar to see the progress of the garment village, according to a press release.

Welcoming the government initiative to establish the garment village, he said the move would help exporters set up more factories in a convenient location.

So, he asked the Beza authorities to expedite the ongoing construction work and get the plots fully ready for handover to BGMEA members who are waiting to establish manufacturing units inside the village.

"All facilities must be ensured so that garment factories can go into operation smoothly," he said.

Once the garment village is inaugurated and fully operational, it would create employment for a huge number of people and contribute towards the country's earnings from garment exports, Hassan added.

To establish the garment village on 500 acres inside the industrial city, the BGMEA signed a memorandum of understanding with Beza on March 21, 2018.

Beza officials assured the visiting BGMEA leaders that the garment village would be completed and handed over in the shortest possible time.

German industrial orders rise in Dec

AFP, Frankfurt

Incoming orders to German industry rose for the second month in a row in December, official figures published Friday showed, after the economy was buffeted by supply bottlenecks in 2021.

The indicator, which gives a foretaste of industrial production, climbed by 2.8 per cent in December over the previous month, having risen by 3.6 per cent in November, according to revised figures from the federal statistics agency Destatis.

Over the whole of 2021, orders were 17.8 per cent higher than in 2020, when the economy was laid low by the outbreak of the coronavirus pandemic.

The 2021 figure was also 9.3 per cent higher than the pre-crisis year 2019, but the strong bounceback in demand has so far been trailed by production as bottlenecks have hampered industry.

Foreign investors

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"We cannot use local leather from Savar Tannery Industrial Estate as it is not compliant (to environmental regulations)," he said.

"We have to mention the source of raw materials, whether it is compliant or not (to environmental regulations). Without compliance, buyers do not accept products and place orders," he noted.

Local leather can only be used when the tannery industry abides by environmental laws and obtains certification from Leather Working Group, the global body for compliance and environmental certification in the leather and leather goods sector, he said.

However, Islam expressed hope over a "shoe city", which was to be established by Jennys Shoes in Gazipur, to provide all the necessary backward linkage.

It will also help exporters reduce lead time and production cost, which will enhance the industry's competitiveness in the global market, he said.

Establishment of backward linkages and availability of import substitutes will attract foreign investment and buyers and augment competitiveness of local companies, enabling rapid growth of exports, he said.

He believes if the sector was able to avail these facilities, export targets would be achievable within the stipulated time.

Oil prices extend gains as markets weigh strong US jobs data

AFP, New York

Stocks were mixed Friday as markets weighed a surprisingly good US jobs report against concerns over tightening monetary policy, while oil prices pushed closer to \$100 a barrel.

The United States added an unexpectedly robust 467,000 jobs in January, according to Labor Department data that also significantly raised employment increases for November and December.

While the report suggests health in the world's largest economy, another big rise in 10-year US Treasury note yields Friday focused concerns on expectations for multiple Federal Reserve interest

rate hikes this year.

Worries about monetary tightening weighed on the Dow, while the S&P 500 and Nasdaq both finished higher.

All three major US indices finished the week in positive territory, with the S&P 500 winning 1.5 per cent.

Earlier, European bourses had retreated a day after the European Central Bank opened the door to hiking interest rates in light of inflation. Next week's US consumer price index report could be another source of volatility, analysts warned.

"Persistent inflation, like a house fire, would force the Fed to barrel in and hose down inflation without regard for the upholstery, in this

case equities," said Jack Ablin, chief investment officer at Cresset Capital Management.

Oil prices kept climbing, with both the global and US benchmark contracts topping \$93 a barrel on a combination of factors that include cold weather in the United States and uncertainty over Ukraine.

"With demand standing resilient, it appears stronger supply will have to be the answer for calming market prices, but new production is notoriously slow in reacting to changing conditions," said Robbie Fraser of Schneider Electric.

"While OPEC+ continues to slowly increase exports, US shale continues a slow pace of additions, even as prices are well beyond breakeven levels for all key regions."

Tech slump forces IPO hopefuls to consider Plan B

REUTERS, London

The window for technology companies to list their shares is closing. Falling stocks have depressed valuations and made investors pickier about new listings. Private firms will have to reluctantly consider Plan B.

Many tech startups had hoped last year's record year for initial public offerings would persist in 2022. January's selloff has changed the mood. Expectations of higher interest rates hurt highly valued companies, while disappointing results from Meta Platforms, Spotify Technology and PayPal added to the gloom.

The Renaissance IPO index, which tracks companies that went public in the last two years

including Uber Technologies and Airbnb, fell 20 per cent in January.

Unprofitable companies that listed in the United States last year were down an average of 32 per cent from their IPO price at the end of January, according to data provided by University of Florida Professor Jay Ritter.

IPO hopefuls like US payroll startup Justworks and Amsterdam-based file sharing firm WeTransfer are therefore rethinking their plans. So far this year 27 companies have called off or postponed their listings, according to Dealogic; just nine did so in the first quarter of 2021.

The disappointed debutants have several options. Larger and more established groups with robust cash flow can afford to wait out the storm.

These include fintech firm Klarna, which was most recently valued at \$46 billion and has been considering a direct listing. Rapid grocery delivery company Gopuff, which has hired IPO advisers, topped up its reserves with a \$1.5 billion convertible debt issue in December.

Those that need cash can go back to venture capital investors, which are still sitting on record sums. However, pressure on valuations raises the risk of a dreaded "down round".

Others could seek a buyer. WeTransfer, which was aiming for an IPO valuation of \$700 million, could be acquired by the likes of Adobe. Larger companies, however, risk regulatory scrutiny if they sell to a competitor.



Abu Asghar G Haruni, company secretary of Mercantile Bank, handed over a cheque worth Tk 5 lakh to Subarna Chakma, chairperson of the Society for the Welfare of Autistic Children (SWAC), at the latter's head office in Dhaka on Thursday. The lender makes donations to the SWAC each year as a part of its corporate social responsibility. Shamim Ahmed, senior vice-president of the bank, was present.

PHOTO: MERCANTILE BANK



HBM Iqbal, chairman of Premier Bank, inaugurates an "Annual Business Conference-2022" at Renaissance Dhaka Gulshan Hotel yesterday. Shafiqur Rahman, Abdus Salam Murshedy, Jamal G Ahmed and Nahyan Haroon, members of the board of directors, Mohammad Imran Iqbal, chairman of risk management committee, Muhammed Ali, adviser, and M Reazul Karim, managing director, were present.

PHOTO: PREMIER BANK