DHAKA SUNDAY FEBRUARY 13, 2022, MAGH 30, 1428 BS • starbusiness@thedailystar.net

Star BUSINESS

Tax breaks for fish processing: minister

STAR BUSINESS REPORT

Bangladesh Fisheries Development Corporation (BFDC) is establishing a world-class dry fish processing industry in Cox's Bazar, said Fisheries and Livestock Minister SM Rezaul Karim yesterday.

The government will extend tax exemption benefits to the businesses that will import machinery or take initiatives to set up such industries in the country, he said.

The minister made the comments during the inauguration of the construction work of the office building for the dry fish processing unit being implemented by the BFDC in the beach town.

The prime minister is working relentlessly for the development of all the people and the government is taking numerous initiatives for the modernisation of Cox's Bazar, he said.

BFDC Chairman Md Hemayet Hussain presided over the event, which was also attended by Fisheries and Livestock Secretary Mohammad Yamin Chowdhury.

Invest in Bangladesh

Foreign minister urges expatriates

DIPLOMATIC CORRESPONDENT

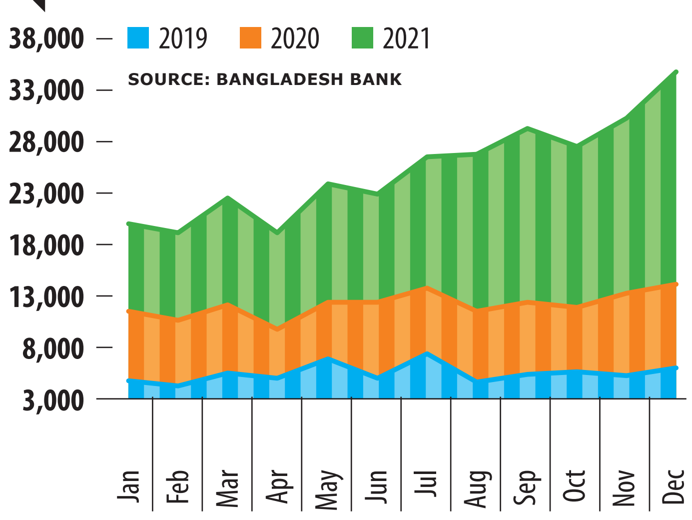
Foreign Minister AK Abdul Momen has called upon the Bangladeshi expatriates to invest in Bangladesh to build a prosperous nation.

He made the call while addressing the business community at a meeting as chief guest in Dubai yesterday, organised by the Bangladesh Business Council, Dubai, with Mahtabur Rahman, president of the platform, in chair.

Momen is leading a 10-member delegation to the UAE on a bilateral visit

READ MORE ON B3

INTERNET BANKING IN BANGLADESH
(in crore Tk)



CUSTOMER AND TRANSACTION NUMBERS

YEAR	CUSTOMERS	YEAR	NO OF TRANSACTIONS
2018	20 lakh	2018	9 lakh
2019	25 lakh	2019	16 lakh
2020	32 lakh	2020	23 lakh
2021	44 lakh	2021	43 lakh
AS OF DEC		DATA OF DEC EVERY YEAR	

Internet banking thrives

AKM ZAMIR UDDIN

The transition from manual banking to its digital means is certainly not a new phenomenon for Bangladesh's banking sector. But the advent of the coronavirus pandemic has had clients from all walks of life honing in on internet banking to cut the chances of contracting the deadly flu.

Transactions through internet banking amounted to Tk 20,559 crore in December, up 154 per cent year-on-year and 21 per cent from that a month ago, showed data from the Bangladesh Bank.

Officials of the central bank and commercial banks say the banking sector has started taking up a wide range of initiatives since 2010 as part of its efforts to encourage the adoption of digital means.

Still, a majority of clients had long exhibited a reluctance to embrace digital methods due to their long habit of working with manual ones.

Although the business slowdown stemming from the coronavirus pandemic has taken a toll on the entire economy, it has created a paradigm shift in a way such that clients now prefer cashless transactions more than what they did in the pre-pandemic era.

People avoided going to shops or banks as much as possible during the peak of the pandemic to protect themselves from the flu, making use of alternative mobile applications and credit and debit cards to purchase essentials to get on with their lives.

With the pandemic now starting to run out of steam, general people are still eagerly gripping onto internet banking, helping the government's Digital Bangladesh agenda go from strength to strength.

The number of customers using internet banking stood at 44 lakh in December, up 37 per cent from a year ago.

A BB official says the central bank has also extended regulatory support to banks at the height of the pandemic so that they could widen their internet banking operations.

In September 2020, the BB increased the limit of inter-bank fund transfers through internet banking for clients, allowing a maximum of Tk 5 lakh per day against the previous Tk 2 lakh.

The central bank also doubled the ceiling of a single transaction to Tk 1 lakh from Tk 50,000.

Clients now are permitted to settle as many as 10 transactions per day, which was five previously.

Commercial banks have also rolled out various products in a bid to augment their internet banking operations.

For instance, almost all banks have already introduced mobile applications for customers, enabling banking irrespective of location.

Mashrur Arefin, managing director of The City Bank, says the outlook of banks being brick and mortar entities is no longer the main characteristic as customers have come to accept bank branches to be within smartphones.

"A long queue of people in front of banks' cash counters is hardly seen as clients now deposit their money or transfer funds from one bank to another, using mobile apps."

Clients of The City Bank transacted a staggering Tk 18,000 crore using its app, which will go up manifold in the years ahead, said Arefin.

The central bank's platforms – Bangladesh Real Time Gross Settlement (BD-RTGS) and Bangladesh Electronic Funds Transfer Network (BEFTN) -- have also helped popularise digital banking programmes.

People are now able to settle transactions of large volumes instantly through the RTGS while the BEFTN helps them carry out retail transactions within a day.

READ MORE ON B3

Companies act to be rewritten this year

Says senior secretary to commerce ministry

STAR BUSINESS REPORT

The commerce ministry is expecting a full amendment to the companies act this year to make the vital law time-befitting, said Tapan Kanti Ghosh, senior secretary to the commerce ministry, yesterday.

The previous amendment to the companies act was incomplete as all the stakeholders could not reach a consensus, Ghosh said.

This year it is expected that all the stakeholders will be able to work out differences, and measures will be taken to send the draft of the amendment to parliament for final approval, he said.

Ghosh was speaking at a workshop on investigative journalism on company reporting jointly organised by the Economic Reporters' Forum (ERF) and the MRDI at the ERF office in Dhaka. Journalists who report on economic, business and trade issues participated in the event.

Although Ghosh did not specify when the draft of the amendment would be sent to parliament, he said the economy of the country has grown much over the years and hence, many of the provisions of the companies act need to be updated.

For instance, e-commerce business platforms have been demanding the reinstatement of the previous option of advance payments, but the government cannot do so for the sake of customers' interests, Ghosh said.

Many companies want to wind up and seek exit plans from the ministry, but the procedures are complex. So these issues need to be amended in the company law, the senior secretary said.

The last amendment to the law was made in 1994.

Nihad Kabir, an advocate of the Supreme Court and a former president of the Metropolitan Chamber of Commerce and Industry (MCCI), said some core areas of the companies act need to be amended soon.

She also cited examples of many companies that want to wind up operations and seek exit plans but are now facing difficulties in doing so.

As the exit procedures are time-consuming and complex, many companies do not follow the rules properly, she said, adding that amendment regarding merger and acquisition is also needed.

The first amendment initiative was taken in 1981 to update the act of 1913 and the amendment was finalised in 1994, Kabir said.

The issue of share transfer in a company should also be addressed.

Regarding the government's go-ahead for the local companies to invest abroad, Kabir said, as the economy of the country has witnessed tremendous growth over the years, the decision was a good one.

READ MORE ON B3

Mesmerising colours on handicrafts bring to life this booth showcasing skills of craftspeople of small and medium enterprises on the closing day of a four-day "Heritage Handloom Festival 2022" at the Gulshan Shooting Club in the capital yesterday.

PHOTO: SK ENAMUL HUQ

Bottlenecks start with definition complexities

Speakers tell DCCI workshop on stimulus packages for CMSMEs

STAR BUSINESS DESK

Fast disbursement of the government's stimulus packages among cottage, micro, small and medium enterprises (CMSMEs) is facing bottlenecks, starting with complexities over the definition of these entities, said speakers yesterday.

A lack of required documents alongside inconsistency and incoherence in paperwork submissions, complicated loan disbursement process, collateral issues, absence of bank account and poor relation and coordination among financial institutions and entrepreneurs also hinder the process, they said.

In Bangladesh, CMSMEs account for 80 per cent of industrial employment and 45 per cent of value addition in the manufacturing sector, said Rizwan Rahman, president of the Dhaka Chamber of Commerce & Industry (DCCI).

"But this sector's capacity and potentials could not be utilised to its full extent for a lack of financial and policy support."

He spoke while addressing a virtual workshop on "Procedures and preparedness of getting loan from stimulus package from banks" organised by the DCCI, according to a press release.

Over 100 DCCI members participated in the workshop for a better understanding on easily availing stimulus loans.

The government, in two phases, declared stimulus packages amounting to Tk 40,000 crore to help these entities cope with the coronavirus pandemic and revive the economy, Rahman said.

But the bottlenecks, including the lack of a database, have sometimes made it difficult for the

READ MORE ON B3

STOCKS (WEEK-ON WEEK)

DSEX ▲	CSCX ▲
0.89%	0.91%
7,085.95	12,472.49

COMMODITIES (AS OF FRIDAY)

Gold ▲	Oil ▲
$1,858.90 (per ounce)	$93.96 (per barrel)

CURRENCIES (AS ON THURSDAY, STANDARD CHARTERED BANK)

	USD	EUR	GBP	CNY
BUY TK	85.05	96.55	114.27	13.14
SELL TK	86.05	100.35	118.07	13.81

ASIAN MARKETS (FRIDAY CLOSINGS)

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.31%	▲ 0.42%	▲ 0.03%	▼ 0.66%
58,152.92	27,696.08	3,428.95	3,462.95

US supplies give China muscle in global LNG trade

REUTERS, ZSingapore/London

Chinese firms are set to become a major trading force in the global liquefied natural gas market in coming years, thanks to liberalisations at home and recently signed long term contracts for record amounts of LNG from US suppliers.

Setting their sights beyond the domestic market, state-run Sinopec Corp, Sinochem Group, privately-controlled ENN Natural Gas Co and China Gas are building up trading teams from Beijing, Singapore to London.

China's push into the international LNG market comes two decades after it made a similar big splash in oil trading, and will put

Last year, China's imports soared by 18 per cent to a record 79 million tonnes, overtaking Japan as the world's largest LNG buyer

its firms in competition with established players like Shell, TotalEnergies and Vitol.

Fortunately, the pie is growing. By 2027, analysts forecast spot trade in LNG will be $20 billion, more than double its 2020 value.

Last year, China's imports soared by 18 per cent to a record 79 million tonnes, overtaking Japan as the world's largest LNG buyer. China's economic recovery from the Covid-19 pandemic was one factor, but the other was a pipeline reform that allowed more firms to become importers.

Felix Booth, Head of LNG at Vortexa, drew parallels with the way in which Japan's largest LNG importer, JERA, evolved from "a large end-user to a powerful integrated portfolio player"

Hawkers are seen selling pants, shirts, t-shirts, shoes, bedsheets and women garments on vans on the busiest road in Khulna. The photo was taken from the Dak Bungalow intersection in the city yesterday.

PHOTO: HABIBUR RAHMAN

US investors expect more volatility

REUTERS, New York

Geopolitical worries have added another layer of volatility to an already-jumpy market as investors priced in the possibility of escalating conflict between Russia and Ukraine, though some doubted the issue would weigh on US asset prices over the longer term.

Reports of rising tensions between the two countries slammed stocks on Friday and lifted prices for Treasuries, the dollar and other safe-haven assets. Investors were already rattled by a hawkish turn from the Federal Reserve.

"The market is reacting because an actual invasion has not yet been priced in," said Michael Farr of Farr, Miller and Washington LLC. "The severity of an invasion, if one occurs, will correlate to the severity of the market's reaction."

Russia has massed enough troops near Ukraine to launch a major invasion, Washington said on Friday. It urged all US citizens to leave Ukraine within 48 hours.

White House national security adviser Jake Sullivan said it remained unclear whether Russian President Vladimir Putin had definitively given the order to invade. Sullivan said he expected US President Joe Biden to press for a phone call soon with his counterpart.

Despite market gyrations, some investors were skeptical whether a more serious conflict would drag broader markets over the longer term.

"The reaction the market is likely to have is selling until it becomes more evident what an invasion looks like and then what kind of response US and European allies have to it," said Mark Luschini, chief investment strategist at Janney Montgomery Scott. "We're not suggesting making any changes predicated on the news cycle around the topic."

The benchmark S&P 500 index closed down nearly 1.9 per cent while the tech-heavy Nasdaq was off around 2.8 per cent. The moves followed weakness on Thursday sparked by expectations that the Fed will aggressively fight surging inflation. The Cboe Volatility Index, Wall Street's fear gauge, was up for a second straight session, hitting its highest since the end of January.

Ryan Detrick, chief market strategist at LPL Financial, said the impact of major geopolitical events on US stocks has been limited.

"For instance, after JFK was assassinated in November 1963 stocks went on one of their best six-month runs ever," he said. "The truth is a solid economy can make up for a lot of sins."

Jay Hatfield, chief investment officer at Infrastructure Capital Management, said the S&P 500 would probably find support at around 4,200, more than 200 points below Friday's closing level.

An intensifying conflict could add "more credence to our view that the Fed will be more dovish than the market currently believes as the war would make the outlook even more uncertain," he said.

But the Fed could stay aggressive if oil prices keep surging. Crude has already soared to seven-year highs on Ukraine jitters.

"By pushing energy prices even higher, a Russian invasion would likely exacerbate inflation and redouble pressure on the Fed to raise interest rates," said Bill Adams, Chief Economist for Comerica Bank, in a Friday note.

India, Australia close to trade pact

REUTERS, New Delhi

Indian and Australian negotiators are close to clinching a limited trade pact or so-called "early harvest agreement", India's commerce and industry minister Piyush Goyal said on Friday after talks withhis Australian counterpart.

The negotiations should be complete within 30 days, Goyal told a joint news briefing with Australian Trade Minister Dan Tehan.

Goyal said the deal would cover a wide range of sectors and open opportunities for manufacturing, education and jobs in both countries. Trade negotiations received a push after the United States, Australia, Japan and India pledged to set up a so-called Quad group in response to China's economic and military expansion.

On Friday, foreign ministers of the four countries pledged to deepen cooperation, particularly on Covid-19, cyber threats and counter-terrorism, at a meeting in the Australian city of Melbourne.

"Quad has added to the strength of the relationship" of India and Australia, Tehan said, noting that Canberra had already signed trade pacts with the United States and Japan.

Australia and India launched negotiations for a Comprehensive Economic Cooperation Agreement back in 2011, and in 2020 Indian Prime Minister Narendra Modi and his Australian counterpart decided to speed up the negotiations for a trade deal while agreeing to resolve some bilateral issues.

Regarding fears among domestic industry and farmers about a bilateral trade pact with Australia, Goyal said both sides have been fair and understood the "sensitivities of each other," and the deal would be a "win-win".

Australia wants a phased reduction in tariffs for its wines, while India is seeking greater market access for its textiles, footwear, leather, and pharmaceuticals and easier entry for its professionals, industry officials said.

Russia raises key rate

AFP, Moscow

Russia's central bank once again raised its interest rate on Friday as authorities struggle to rein in rapidly growing inflation and soaring food prices.

Inflation has been rising steeply for months, with food prices skyrocketing, in a blow for the many Russians with low incomes and little savings. At a meeting on Friday, the Bank of Russia increased its key rate by 100 basis points to 9.50 per cent.

"Inflation is developing appreciably above the Bank of Russia's October forecast," the bank said in a statement.

Inflation in Russia was at 8.8 per cent, the bank said, adding that it aimed to bring it down to four per cent.

Central banks around the world took measures to prop up economies when the pandemic emerged in 2020, but policymakers plan or have started to tighten their loose monetary policies as inflation has soared.

Russia's central bank chief, Elvira Nabiullina, has called the country's record-breaking inflation a "real disaster" for the country and has urged the government to take action.

World's damaged supply chains brace for painful recovery

REUTERS

Signs are growing that a global supply chain crisis which has confounded central bank inflation forecasts, stunted economic recoveries and compressed corporate margins could finally start to unwind towards the end of this year.

But trade channels have become so clogged up it could be well into next year before the worst-hit industries see business remotely as usual - even assuming that a new turn in the pandemic doesn't create fresh havoc.

"We're hoping in the back half of this year, we start to see a gradual recession of the shortages, of the bottlenecks, of just the overall dislocation that is in the supply chain right now," food group Kellogg CEO Steve Cahillane told Reuters.

But he added: "I wouldn't think that until 2024, there'll be any kind of return to a normal environment because it has been so dramatically dislocated." The global trade system had never contended with anything quite like the coronavirus.

Starting in 2020, companies reacted to the economic downturn by cancelling production plans for the next year, only to be blindsided by an upswing in demand prompted by rapid vaccine rollouts and fiscal support for rich-world household spending.

At the same time, virus containment measures and infection clusters triggered labour shortages and factory shutdowns just as consumer spending was shifting from services to goods.

European Central Bank Chief Economist Philip Lane likened the fall-out to the aftermath of World War Two, when demand exploded and firms had to quickly retool from production of military to civilian goods.

Export-led economies like Germany have seen recovery choked by supply bottlenecks to their factories, while surging shipping costs have combined with higher fuel prices to push US inflation to a four-decade high.

Now, as the milder Omicron variant prompts authorities to loosen restrictions, there are tentative signals that supply snags may be unwinding.

Last week's Institute for Supply Management (ISM) survey showed signs of improvements in US labour and supplier delivery performance for a third month, and purchasing manager testimonies in Europe also suggested easing pressures.

"Although supply chain constraints continued to stymie growth, there were signs that these were past their peak, a factor contributing to a slight easing in purchase price inflation," IHS Markit said of the UK read-out.

While this has raised central bankers' hopes of a more tangible reduction in inflationary pressures towards year-end, they also know that messages from the real economy remain mixed.

Soren Skou, head of shipping giant Maersk, said this week he was working on the assumption that more people would return to work at ports, more newly-built ships would come on line and that consumers would start to favour services again. "At some point during this year, we will see a more normal situation," Skou predicted.

While German shipper Hapag Lloyd also saw delivery bottlenecks and freight prices easing in the second quarter, the big unknown for the sector is just how long the return to more reliable delivery schedules will take.

Supply chain analyst Sea-Intelligence said the current logjam had no precedent but past experience suggested it would take 8-9 months for port and hinterland networks to recover.

Volvo, Mercedes boost profits

AFP, Stockholm

High-end automakers Volvo Cars and Mercedes said Friday that the global supply chain bottlenecks caused them to sell fewer cars, but that their profitability rose as they were able sell vehicles at higher prices.

Chinese-owned Volvo Cars said the global shortage of semiconductors -- an essential tech component in modern cars -- caused sales and profits to fall in the last quarter of the year.

Retail sales fell by 20 per cent to 168,000 units in the fourth quarter of the year.

But revenue fell at a smaller rate, six percent, as "strong demand had a positive effect on prices and the sale of more expensive cars" while interest in electrified cars continued to grow globally.

Revenue fell to 80 billion kronor ($8.6 billion, 7.5 billion euros) from the same quarter in 2020 while net profit sank by 60 per cent to 2.3 billion kronor. Owned by Geely, the Sweden-based carmaker said the semiconductor shortage worsened in the second half of 2021.

Tarique Afzal, managing director of AB Bank, and Hosne Ara Begum, chairman of Momo Inn Hotel and Resort, exchange signed documents of the agreement at the hotel in Bogura recently. The bank's debit and credit cardholders will enjoy discount on room rent, healthcare, food and Dhaka-Bogura-Dhaka travel by helicopter under the deal. Abdur Rahman, deputy managing director of the bank, and Jewel Khan, additional managing director of the hotel, were present.

PHOTO: AB BANK

India's Reliance plans to turn syngas into blue hydrogen

REUTERS, New Delhi

India's Reliance Industries Ltd plans to produce blue hydrogen at a "competitive cost" of about $1.2-$1.5 per kg as it repurposes its $4-billion gasification assets, the conglomerate said in a presentation.

Owned by billionaire Mukesh Ambani, Reliance has in the past year unveiled plans to reduce its dependence on its mainstay oil-to-chemicals business and invested in clean energy projects to burnish its green credentials.

Reliance will initially use syngas, produced by petcoke gasifies, to make blue hydrogen for it Jamnagar complex in western Gujarat state, until green hydrogen's cost comes down, it said in the presentation released late on Friday.

Hydrogen produced from natural gas and which eliminates emissions by capturing and storing the emitted carbon is called blue hydrogen. Green Hydrogen is extracted from water using electrolysis powered by renewable energy.

Saudi Arabia and UAE could ease oil market volatility: IEA

REUTERS, London

Saudi Arabia and the United Arab Emirates (UAE) could help to calm oil markets if they pumped more crude, the International Energy Agency (IEA) said on Friday, but prices rose after the watchdog highlighted deepening risks of volatility.

Brent crude oil futures bounced back to near seven-year highs and hit a session peak of $92.75 a barrel after the Paris-based agency reported tight global supply and spare production capacity.

"These risks, which have broad economic implications, could be reduced if producers in the Middle East with spare capacity were to compensate for those running out," the Paris-based agency said in its monthly oil report.

The UAE and Saudi Arabia are the two oil producers with the sparest production capacity.

"Oil prices are rallying once more as the IEA raised forecasts for demand this year and confirmed that OPEC+ missed its output targets again in January and by an even wider margin," said Craig Erlam, senior market analyst at OANDA. The IEA said if OPEC+ - the Organization of the Petroleum Exporting Countries members and allies like Russia - unwind their current output cuts completely, they could add 4.3 million barrels per day (bpd) back into the market.

However, the IEA said that would slash effective spare capacity to 2.5 million bpd by the end of the year, held up almost entirely by Saudi Arabia and, to a lesser extent, the UAE.

For now, while OPEC+ is raising output each month, it is not hitting its monthly target of 400,000 extra barrels per day. The IEA said in January the gap between output and the target widened to 900,000 bpd.

Jute price spiral comes to a halt

Receipts from raw jute shipment surged 39 per cent year-on-year to $133 million in the seven months to January. It was $96 million during the same period a year ago, data from the Export Promotion Bureau showed

STAR BUSINESS REPORT

The spiralling trend of raw jute prices has come to a halt thanks to monitoring by the authorities to curb stockpiling by traders in the last two weeks, said traders and exporters.

Raw jute traded at Tk 3,500-Tk 3,600 per maund yesterday, a rate that has been prevailing for nearly two weeks, said a trader in Madhukhali of Faridpur, one of the biggest jute growing regions in Bangladesh.

"The upward movement of prices is halted now," said Mohammad Shahidul Islam Dulal, proprietor of Progress International, a jute trader and exporter.

Prices of the natural fibre, which is mainly processed by mills and exported in the form of jute goods and yarn, started rising from the middle of December last year when it was around Tk 3,000 per maund (37 kilogrammes).

And jute millers and spinners last month collectively decided that they would not buy the natural fibre at more than Tk 3,000 per maund from January 20 after the price hit as much as Tk 3,800 per maund.

However, not all mills complied with the decision. Millers were complaining that the middlemen illegally stockpiled a major portion of the raw jute, creating an artificial crisis in the market to make an extra profit.

At the same time, foreign buyers are shifting their attention away from jute products to alternative items after failing to buy the goods made from the eco-friendly fibre at their expected prices.

The situation prompted the Department of Jute (DoJ) on January 30 to decide that it would conduct a special drive to increase the supply of raw in the domestic market and curb the hoarding of more than 1,000 maunds of raw jute.

It also called for stopping the sales of the fibre by traders who do not have licence, according to a notice.

The DoJ, on February 10, directed its field offices to send a list of traders who have licences within seven working days.

Abdul Barik Khan, secretary-general of the Bangladesh Jute Mills Association, however, said the market is yet to be stable as the supply is low.

Arju Rahman Bhuiyan, senior vice-president of the Bangladesh Jute Association, says the government's monitoring has had an impact on the market.

"Besides, mills are not buying to that extent," he said.

He cited declining demand for jute goods and yarn in Turkey, one of the main markets for jute yarn. Jute yarn brings nearly two-thirds of export earnings from jute and jute goods.

Factors such as the depreciation of Turkish lira and a switch by a section of customers to the alternative of jute yarn affected the shipment of jute goods, said industry operators.

Only raw jute exports remained buoyant.

Receipts from raw jute shipment surged 39 per cent year-on-year to $133 million in the seven months to January. It was $96 million during the same period a year ago, data from the Export Promotion Bureau showed.

Bhuiyan said exporters got higher prices as the volume of export did not increase to that extent.

Nearly 4 lakh bales of raw jute were shipped in the July-January period of the current fiscal year.

"We mainly exported to Pakistan and India, and a small quantity went to China," Bhuiyan said.

Jute production declined 4 per cent year-on-year to 77.25 lakh bales in the last fiscal year, against 80.45 lakh bales the previous year, according to the Bangladesh Bureau of Statistics.

Customs stations can now give permission for temporary import

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has updated its rules on temporary importation of machinery, parts and equipment such that public and private agencies can implement projects that require using foreign items.

As per the latest rules, agencies will no longer need to apply to the NBR for permission to import items temporarily.

From now on, firms will have to apply to the commissioner of respective customs station, according to the rules regarding temporary importation issued by the end of January this year.

The related customs station will also do a physical examination of the imported goods, machinery, parts and equipment fully after arrival and assess the duty of the imported items.

During the assessment of duty, importers will have to give an affidavit and a continuous bank guarantee equal to the amount of assessed tariff.

The commissioner of customs will be able to allow the import of the machinery and equipment for one year after importers complete all the procedures properly, according to the rules. The customs office can extend the time for another six months if the importing firms apply one month before the expiry of their initial permit.

The customs office will impose a full import tariff and fine if the importers fail to return the temporarily imported goods

And if firms cannot send back imported goods within the stipulated time on valid grounds, they will be able to seek more time from the member of customs at the NBR.

The NBR said temporarily imported goods should be returned through the port through which the items were imported.

The rules said a full physical examination would be required during the return of the goods and machinery.

Importers will be able to release their bank guarantees upon submission of papers following the return of the goods to the exporting country.

The customs office will impose a full import tariff and fine if the importers fail to return the temporarily imported goods.

Md Neyamul Islam, first secretary (customs exemptions and project facilities) at the NBR, said the revenue authority revised the rules by taking the opinions of public and private stakeholders.

The new rules have already taken effect.

Bottlenecks start

FROM PAGE B1

entrepreneurs to avail loans, he said, calling for expediting the loan disbursements.

"Stimulus loan disbursement is quite satisfactory in city areas but not up to the mark in remote areas," said Jaker Hossain, general manager of the SME and special programmes department of the Bangladesh Bank.

In the first phase, Tk 15,500 crore was disbursed from the stimulus package whereas, in the second phase, Tk 6,217 crore was distributed as of February 9.

Hossain believes that there could be some misconceptions among bankers and entrepreneurs at the field level which slowed the disbursement process.

Stating that banks are not reluctant to give loans and now are aggressively looking for clients, Hossain requested the entrepreneurs to maintain proper documents and cooperate with banks to get loans fast.

He also requested bankers not to harass the loan seekers.

Regarding the definition, the BB official said the entities would be redefined in the next new industrial policy.

"We have to promote real SMEs and for that, we have to change our mindset to facilitate real SMEs."

An SME database is very essential for distributing loans, said Md Rafiqul Islam, executive vice president of Islami Bank Bangladesh Ltd, in a keynote paper.

The small-sized firms represent 90 per cent of businesses while formal SMEs contribute up to 40 per cent to the gross domestic product in emerging economies, he said.

To make it easy to provide stimulus loans, entrepreneurs at first need to be categorised under the correct segment, he said, adding that policies of the central bank were very flexible and adequate.

As per the central bank guidelines, 30 per cent of loans of banks and financial institutions are dedicated to small-scale entities, said Islam.

He also pointed out that a banker had to follow almost 86 rules and regulations in day-to-day banking activities.

A minimum set of documents are needed for the loans as banks have to ensure financial transparency, he said, requesting loan seekers to maintain consistency and coherence in documents they submit.

Companies act

FROM PAGE B1

The permission for investment abroad will ensure technology transfer and create new markets, she said.

If the government does not allow companies to invest abroad legally, many will resort to illegal means, she added.

Shahidul Islam, director of the CFA Society Bangladesh, spoke on various issues pertaining to companies' financial statements.

Invest in Bangladesh

FROM PAGE B1

from February 10-13.

On Friday, he addressed a seminar on "Bangabandhu's Vision for World Peace and Security: Its Relevance in Today's World" at the Emirates Centre for Strategic Studies and Research in Abu Dhabi.

The minister underlined that Bangladesh has now become a land of opportunity from the cliché of a so-called "bottomless basket".

He recalled the tireless contribution of the expatriate workers in Bangladesh's collective achievement while terming them as "our heroes".

He further highlighted the country's remarkable transformation from the identity of a food-deficit country to a food-surplus country and various social safety net programmes that helped improve the conditions of the poor.

Momen underlined the need for opening the new window of economic diplomacy, stating that the new canvas would open up the scope for investment opportunities, enhancement of trade and export, gainful employment of people, as well as knowledge-based technology and skills in the country.

He called upon the commercially important persons (CIPs) and businessmen to take advantage of the business-friendly environment prevailing in Bangladesh and urged them to share the country's achievements to the global community.

Around 300 businessmen from the Bangladesh community and high officials of the government attended the programme.

Momen handed over the crests to the new 26 CIPs who were awarded last year.

Bangladesh's Ambassador to the UAE Abu Jafor, Foreign Ministry Secretary (East) Mashfee Binte Shams, Director-General (West Asia) Iqbal Hussain Khan, and Director-General (ICT) Syed Muntasir Mamun, were present.

Internet banking thrives

FROM PAGE B1

"Different types of payments, ranging from those of utility bills and tuition fees to that for booking flights or bus seats, can be now made from any place, which was hard to fathom six to seven years ago," Arefin said.

The availability of smartphones at affordable prices has contributed to the expansion of internet banking in recent times as well.

Brac Bank recently introduced a "Brac Bank Astha" mobile app, which has gone on to gain immense popularity among clients.

Thanks to its user-friendly features, the app now provides effortless and the most secured banking experience at clients' fingertips, said Md Mahiul Islam, head of retail banking of the private commercial bank.

"This has increased the volume of internet banking."

There was 43 lakh such transactions in the banking sector in December, which is 83 per cent higher year-on-year.

"We are looking forward to investing more for expansion of our digital banking operation," Islam said.

A central banker says branch-led banking is already on the wane in keeping with the spreading of internet banking, cutting operational costs of banks at the end of the day.

"This also benefits clients as they can opt out of going to branches to settle transactions, helping them to utilise their valuable time on another productive purpose."

In addition, settling transactions digitally has provided a boost to economic activities as money is now rolling more than in the past, he added.

ECB tells banks to step up defences against hacks

REUTERS, *Frankfurt*

The European Central Bank is telling euro zone banks zone to step up their defences against cyber-attacks, also in the context of geopolitical tensions such as the stand-off between Russia and Ukraine, the ECB's top supervisor said on Thursday.

Andrea Enria was presenting the results of the ECB's annual review of banks, which he said showed the industry had coped well with the coronavirus pandemic and capital relief measures could be allowed to expire at the end of this year. But the euro zone's top banking supervisor warned of rising risk from cyber-attacks, with a surge in hacks since 2020.

"We are asking (banks) to strengthen their cyber regime measures and look at a potential increase in attacks and the danger of these attacks going forward," Enria told a news conference.

Specifically, the ECB was telling banks to train staff so they could tackle this threat and look for weak spots in services they outsource. The central bank has also been running simulated hacks for years. Reuters was first to report on Wednesday that ECB was preparing banks for a possible Russian-sponsored cyber-attack.

Asked about such risk, Enria said the ECB would draw "the attention of banks in relation to the potential worsening of global tensions that could indeed trigger more attacks."

Enria said six euro zone banks out of the 115 it supervises had fallen short of ECB's capital demands at the end of September 2021, down from nine a year earlier, but this was due to structural issues such as low profits, rather than the pandemic. He did not name the six banks, but said two had already filled the shortfall and expressed satisfaction at how banks performed during the pandemic.

Qatar Petroleum no longer in EU antitrust crosshairs

REUTERS, *Brussels*

Qatar Petroleum is unlikely to face further EU antitrust action three years after EU regulators opened an investigation into its 20-year gas contracts on concerns that these may hinder the development of a single gas market in the 27-country bloc, sources said.

The state-owned company, renamed QatarEnergy, found itself in the EU antitrust crosshairs in 2018 as the European Commission started an investigation into whether its liquefied natural gas (LNG) supply deals with European utilities barred them from diverting shipments within the region.

The move came after the EU competition enforcer ended a seven-year market abuse probe into Gazprom, accepting a pledge by the Russian gas giant to reform its pricing structure and allow rivals a foothold in eastern Europe.

The Commission is not expected to take further action against QatarEnergy, the sources said.

The EU executive said it had conducted extensive fact-finding into the case and that the investigation is ongoing.

"We cannot prejudge its timing or outcome," a spokesperson said.

The European Union is talking to top LNG producer Qatar, the United States and other suppliers about boosting gas deliveries to Europe amid concerns over supply from Russia.

The EU antitrust case is not related to the ongoing gas issue, the sources said.

Flowers being harvested for sale at Trilochonpur village of Jhenaidah's Kaliganj upazila. Growers have high hopes of recouping from the pandemic's downturns through big sales tomorrow on Valentine's Day, one of the biggest seasons for the flower trade. The photo was taken recently. PHOTO: STAR

Flower growers eye higher sales ahead of festivals

AZIBOR RAHMAN, SUZIT KUMAR DAS *and* MOHSIN MILON

Flower growers look to turn around from the pandemic-induced losses by making higher sales as demand is rising ahead of Valentine's Day, Pahela Falgun, the first day of the spring season, and International Mother Language Day.

For example, farmers in Jhenaidah say they will sell flowers worth Tk 3.5 crore this month.

Some 199 hectares of land have been brought under cultivation in four upazilas of the district this year, up from 170 hectares a year ago, according to the Department of Agricultural Extension (DAE).

Various types of flowers such as tuberose, gerbera, chrysanthemum, marigold and rose are being cultivated in Jhenaidah, the second-largest flower producing region in Bangladesh after Gadkhali in Jashore.

SM Tipu Sultan, vice-president of the Dhaka Flower Cultivation Cooperatives Association, says growers suffered huge losses as demand plummeted in the last two seasons due to the coronavirus pandemic.

But farmers are optimistic about registering higher sales this month on the back of Valentine's Day and Pahela Falgun, both to be celebrated tomorrow, and International Mother Language Day, to be observed on February 21.

"Flower growers will get good profit as the weather is favourable and the market is open," said Asgar Ali, deputy director of the DAE in Jhenaidah.

Around Tk 3.5 crore worth of flowers will be sold in the district in February, said Ali and Sultan.

Sultan has been cultivating flowers for five years. This year, he has grown flowers such as tuberose, gerbera, chrysanthemum and marigold on nine bighas of land.

A few days back, farmers sold each piece of rose at Tk 10 to Tk 15 but at present, they are getting Tk 20 to Tk 25. As the festivals get closer, the price will go up to Tk 30 to Tk 35.

Each tuberose stick is being sold at Tk 10, gerbera at Tk 15-20 and chrysanthemum at Tk 10.

Sultan expects that he will sell flowers worth Tk 10 lakh this month.

Nur Mohammad, who hails from Noakhali but lives at Trilochonpur village under Kaliganj upazila, has cultivated flowers on 20 bighas of land, of which roses are being grown on 10 bighas.

"The demand for rose has increased to a great extent," he said. He expects to earn Tk 20 lakh ahead of the festivals.

Similarly, Belal Hossain, who also hails from Noakhali but has settled in Jhenaidah in order to cultivate flowers, has cultivated flowers on 15 bighas of land, of which he has grown roses on six bighas.

Flower trader Hafizur Rahman says farmers will get better prices this year than the previous year as the pandemic situation has improved.

"The higher sales will allow farmers to recoup the losses incurred in the last two years."

In Gadkhali, the price of all kinds of flowers has gone up ahead of Pahela Falgun and Valentine's Day, and farmers hope to sell flowers worth Tk 25 crore in the run-up to these festivals.

Anwar Hossain, a grower, says each piece of rose is being sold at Tk 15 to Tk 20, way higher than the Tk 1 to Tk 3 it was priced at a month ago.

Gerberas are being sold at Tk 8 to Tk 12 apiece while marigolds are fetching Tk 500 to Tk 600 per 1,000 pieces, up from Tk 200 to Tk 300 previously.

In Faridpur, Liakot Hossain, a farmer, says he lost a lot due to Covid-19 in the last two years. He plans to make a comeback ahead of the festivals.

With the help of one of his elder brothers, Hossain started cultivating gerbera by spending Tk 21 lakh. He has planted 7,000 seedlings.

The 31-year-old planted 7,000 saplings of rose of a Chinese variety on 30 decimals of land spending Tk 15 last year. Now, he can harvest 4,000-5,000 roses a week.

He sells a piece of rose at Tk 10 to Tk 20 and a gerbera at Tk 10-15.

During a visit, it was found that the farmer is plucking gerbera. His field also contains thousands of chrysanthemum and other flowers.

Hossain expects to sell flowers worth Tk 5 lakh from February 10 to February 20.

"I hope I can stand on my own feet again," he said.

Single-digit interest comes to the aid of industries

SOHEL PARVEZ

The single-digit interest rate on bank loans has helped industries in Bangladesh tremendously as the cost of finances has gone down sharply, allowing them to navigate challenges during the coronavirus pandemic smoothly, said a top entrepreneur.

Aameir Alihussain, managing director of BSRM, the largest steel maker in the country, says they are delighted because of the single-digit interest rate.

"Hadn't the rate been brought to single-digit, the impact would have been far deeper in terms of cost. It helped us in that context."

"If the government ensures this level of cost of finances, it will be helpful for all industries," he told The Daily Star in a phone interview yesterday.

A lower interest rate environment will also boost investment, according to Alihussain. "Had the cost of finances been high, many projects would have been unviable."

"The cost of funds has gone down significantly. We are savings crores of taka every year."

Before the single-digit interest rate was put in place in April 2020, the cost of funds averaged 12 per cent. For the good clients of banks, it is now much below 9 per cent.

Alihussain says the government's stimulus packages are also supporting industries. "It was a timely move on the part of the government."

He says the price of scrap, the main raw material for steel products, has increased further in the past week along with all other ingredients needed to produce steel products.

"Prices will go up ultimately. But we want to keep the increase in prices reasonable because any spike affects everyone. This is because everyone has a budget, whether it be for building a factory or house

Globally, raw material prices have risen owing to persisting supply chain disruption, unprecedented shipping cost and demand recovery.

"But we have been slowly raising the price of the products in the local market. And the prices have not risen in proportion to the global market prices," Alihussain said.

"Prices have to be increased further in the coming days," he said, adding that the prices should go up by about Tk 4,000 to Tk 5,000 per tonne.

"Prices will go up ultimately. But we want to keep the increase in prices reasonable because any spike affects everyone. This is because everyone has a budget, whether it be for building a factory or house. If the price jumps suddenly, it affects their spending plan."

BSRM has been trying to improve efficiency for the last year and has cut the cost of production. "The cost-cutting does not mean that we will lay off workers though," Alihussain said.

The steel maker has been able to cut costs in the case of power and gas consumption by enhancing operational efficiency. This has helped it lower per tonne power and gas consumption.

The company has also paid attention to the proper maintenance so that no machines fail as part of the efficiency drive throughout the organisation, he said.

Oil soars 3pc to 7-yr highs

REUTERS

Oil prices ended 3 per cent higher on Friday at fresh seven-year highs as escalating fears of an invasion of Ukraine by Russia, a top energy producer, added to concerns over tight global crude supplies.

Russia has massed enough troops near Ukraine to launch a major invasion, Washington said, as it urged all US citizens to leave the country within 48 hours.

Britain also advised its nationals to leave Ukraine as Prime Minister Boris Johnson impressed the need for NATO allies to make it absolutely clear that there will be a heavy package of economic sanctions ready to go, should Russia invade Ukraine.

Brent crude futures settled $3.03, or 3.3 per cent, higher at $94.44 a barrel, while US West Texas Intermediate crude rose $3.22, or 3.6 per cent, to $93.10 a barrel. Both benchmarks touched their highest since late 2014, surpassing the highs hit on Monday, and posted their eighth consecutive week of gains on growing concerns about global supplies as demand recovers from the coronavirus pandemic.

Trading volumes spiked in the last hour of trading, with volumes for global benchmark Brent climbing to their highest in more than two months.

"The market doesn't want to be short going into the weekend ... if an invasion appears to be imminent and you know that there will be retaliatory sanction that will result in a disruption in natural gas and oil supplies," Andrew Lipow, president of Lipow Oil Associates in Houston.

The International Energy Agency raised its 2022 demand forecast and expects global demand to expand by 3.2 million barrels per day (bpd) this year, reaching an all-time record 100.6 million bpd.

Crude oil storage tanks are seen from above at the Cushing oil hub, in Cushing, Oklahoma in the United States of America. PHOTO: REUTERS

Exxon expands oil futures

REUTERS, *London*

Exxon Mobil is injecting new cash into oil trading in Europe after a retreat on its ambitious expansion plans last year, three people with knowledge of the matter said.

Exxon slashed funding for its trading division in 2020 as part of wider cuts, leaving traders without the capital they needed to take full advantage of the volatile oil market during peak Covid-19 lockdowns.

The company's cautious strategy during the pandemic sparked the exodus of some senior-level recruits from the previous couple of years, along with Exxon veterans, after they were restricted to routine hedging and deals.

Among the senior departures Reuters reported last year, Paul Butcher was due to leave in September but then stayed after Exxon decided to allocate more financing, the sources said, without providing further detail.