

Star BUSINESS



Invest to develop climate-smart agriculture

Razzaque urges rich nations

STAR BUSINESS REPORT

Agriculture Minister Muhammad Abdur Razzaque yesterday urged rich nations to invest more to invent climate-smart agriculture and food systems and support developing countries.

He also urged them to establish climate justice to sustain agricultural production and food security by tackling the adverse effects of global warming.

He made the call at the first ministerial meeting on Agriculture Innovation Mission for Climate (AIM for Climate) at the World Expo in Dubai yesterday. The meeting was jointly hosted by the United Arab Emirates and the United States, according to a press release.



Razzaque said the International Mother Language Day is being celebrated today [yesterday]. The people of Bangladesh have given their lives for the right to speak in their mother tongue and for the establishment of justice.

"On this day, I call upon the developed countries to work for the establishment of climate justice. We call for the implementation of commitments for better production, better nutrition, better environment, and better life."

The minister said that Bangladesh is one of the worst sufferers of rising temperatures although the country's contribution to global climate change is negligible.

Razzaque also said the country that once had

READ MORE ON B3

What an NBFi can do

Can give loans to some sectors:
Industrial
Farm
Housing
Lease financing
Stock market

What an NBFi cannot do

Take current deposits
Conduct MFS, microcredit operations

What an MFS can do

Can transact different types of small payments:
Fund transfer
Utility bill payment
Merchant payment
Subsidy disbursement
Cash-in, cash-out & top-up

What an MFS cannot do

Be owned by an NBFi
Conduct microcredit operations
Disburse loans from its own sources

Nagad-linked investors desperate for multipurpose NBFi licence

Want to run MFS, microcredit too

AKM ZAMIR UDDIN

A group of investors linked with mobile financial service operator Nagad Ltd have turned desperate to obtain a multipurpose licence that does not exist in Bangladesh.

They are vying for a permission that would licence their company to simultaneously operate as a non-bank financial institution (NBFi), mobile financial service (MFS) provider and microcredit lender.

Turned down twice by Bangladesh Bank in the past three months, they have approached the central bank again with an almost similar application.

But the third time, according to the applications submitted at the BB and seen by The Daily Star, the proposed company's name has been changed from Amar Fintech Ltd to Nagad Finance Ltd.

Why the investors are pressing for a three-in-one licence is still subject to huge speculation.

But what is clear is that financial experts are not in favour of a hybrid financial institution. They instead recommend adopting more regulations for the 34 companies in the NBFi sector.

This is especially relevant considering the fact that the sector has continued to be plagued by corruption and irregularities.

Salehuddin Ahmed, a former BB governor, said some NBFis have fallen into trouble, so the central bank should cautiously examine the issue before taking any decision.

As per rules, an NBFi cannot collect



current or demand deposits, that is money which clients can withdraw at any time, he said. A client has to wait at least three months to encash deposits.

In contrast, MFS accounts are where customers deposit money for short term use or which enable frequent transactions. Besides, microfinance activities

require permission from the Microcredit Regulatory Authority (MRA), said Salehuddin. The MRA is not involved with NBFis or MFS.

"How is it possible to run these services by a single company?" he questioned.

"People will also be confused if the central bank decides to allow the proposed company under the name of Nagad, as Bangladesh Post Office (BPO) now runs MFS using the same name," he said.

Another expert, wishing anonymity, said accepting this proposal would encourage others to seek the same.

The issue of running three separate functions under the umbrella of an NBFi was discussed among central bank officials at several meetings following the first Amar Fintech proposal submission in November 2021.

The same group of investors submitted the second application on January 11 this year.

Both were rejected as NBFis in Bangladesh are not allowed to run MFS and microcredit operations, according to the BB documents.

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Tk 1,059cr project in the offing to build 5G network

REJAUL KARIM BYRON and MAHMUDUL HASAN

The government is undertaking a Tk 1,059 crore project to develop an optical fibre transmission network with a view to building 5G infrastructure all over Bangladesh.

It aims to raise the data transmission speed to 100 gigabits per second (Gbps) at upazila levels, according to a project proposal of the planning ministry.

The project, which will be implemented by state-owned Bangladesh Telecommunications Company Ltd (BTCL) by December 2024, will be placed at the meeting of the Executive Committee of the National Economic Council today.

"We have already launched 5G in some places and want to introduce it nationwide soon," Mustafa Jabbar, telecoms minister, told The Daily Star.

The move came after state-run mobile phone operator Teletalk launched the fifth-generation technology, or 5G, in December on a limited scale in six places.

The locations are the Prime Minister's Office, Parliament, Secretariat, Bangabandhu Museum on Dhanmondi 32, Bangabandhu Sheikh Mujibur Rahman's birthplace Tungipara in Gopalganj, and the National Martyrs' Memorial in Savar.

The superfast mobile service can deliver a peak data rate of up to 20 Gbps and can connect virtually everyone and everything, including machines, objects, and devices.

"There is no doubt that it's an era of data, and data is a highway through which everything will be run, including machines and people," Jabbar said.

READ MORE ON B3

STOCKS	
DSEX	CSCX
0.92%	1.13%
6,926.62	12,143.75

COMMODITIES	
Gold	Oil
\$1,896.44 (per ounce)	\$89.97 (per barrel)

CURRENCIES				
	USD	EUR	GBP	CNY
BUY TK	85.05	95.25	114.76	13.22
SELL TK	86.05	99.05	118.56	13.90

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
0.26%	0.78%	0.22%	0.01%	
57,683.59	26,910.87	3,436.36	3,490.61	

Advertorial

Ami Probashi Continues Digitization, Despite Pushback from Status Quo, to Reduce Migration Cost

Migrant workers are often the most neglected portion of the society. They bring so much value to our economy, but they are ignored at best and harassed and extorted in general. Part of the problem lies with excessive rules and regulations: processes are challenging to complete and involve multiple trips to government offices, agencies, and middlemen, and there is no clear and trusted information available. Plus, there is no way to communicate with migrant workers once they are abroad - and no way for them to easily avail government help and support once abroad. All this results in one thing - rampant exploitation, rising migration costs, and hardship.

What is Ami Probashi?

Ami Probashi is an App and Web portal that tackles these inherent problems head-on, and it's the first of its kind in the world. The app and portal were officially launched in May 2021, spearheaded by the Ministry of Expatriate Welfare, after completing an MoU and consequent service agreements between the MoEWOE, BMET, and Thane Systems - a subsidiary of Bangla Trac Communications. The platform was built for the Government at zero cost to the MoEWOE / BMET and operates on an optional service charge model. Ami Probashi brings autonomy, transparency, and security to the migration process by allowing users to complete mandated government

processes by themselves, from the comfort of their homes, alongside other features like job search, training, chat support, BRAC features, and more. Alongside launching pioneering digital government services like BMET registration, it connects aspiring migrants directly with employers and recruiting agencies, ultimately reducing migration costs by avoiding middlemen and costly physical office visits. Ami Probashi app and web portal is designed to completely digitize the migration process for all parties involved, saving time, cost, and hassle.

Optional Digital channel for completing gov processes

Ami Probashi is an optional and additional channel of completing pertinent government processes relevant to the aspiring migrant journey. The physical government offices to complete these processes are still available to all. But the digital option is preferred due to savings in travel, time, and excess "speed money". It allows the users to finally complete these processes themselves, without relying on middlemen. Despite major pushback from the status quo of manual gov processes and middlemen, Ami Probashi is pushing forward with the mission of eliminating middlemen, with around 2.5 Million+ users already on board.

What is the BMET databank?

BMET database is a government databank for aspiring migrant workers - they can input their skills, details, and county of choice. Ami Probashi allows the digitization of this databank entry for just 100Taka. with 1million+ BMET registrations completed so far, Ami Probashi has helped BMET registration numbers to rise by 500% in just six months. And it has contributed ৳20 Crore+ to the government fund thus far. Priority Vaccination and Covid The Government of Bangladesh and MoEW decided to launch priority vaccination for those traveling abroad for work. The MoEW suggested using BMET numbers to prioritize aspiring migrants by sending registered candidates BMET numbers to Shurokha. At the sole request of the MoEW, Ami Probashi addressed this crying need, in midst of a pandemic, by registering over a million people. Also, this was done at no additional cost. Because of Ami Probashi being able to offer this service, hundreds of thousands of expatriate workers were able to sign up to expedited vaccination without having to travel and physically queue at various demo offices. This protected not only the expatriate's own health from probable covid infection but also that of their families and community. Autonomy and Jobs We believe that by digitizing previously manual processes, we bring autonomy to the migration process - and ultimately achieve major savings for our users. Aspiring migrants can

search for Government approved jobs and access numerous legitimate recruiting agencies for interviews, appointments, and direct communication bypassing shady middlemen. (Disclaimer: Ami Probashi does not originate or post jobs themselves). The employers' portal allows direct communication via user and employer, further cutting out middlemen. Users have access to all the needful information required to go abroad, from country-wise fees and regulations to their nearest embassies and passport offices. Ensuring they are not misled or taken advantage of.

Digitizing TTCs

Ami Probashi has also automated and digitized 64 Technical Training Centres (TTC) and 6 Marine Technology Institutes across Bangladesh for enrollment and digital certification completely free of cost to the Ministry and BMET.

Value Added Services - Brac and Probashi Taxi

Partnered with BRAC, Ami Probashi enables users to search for BRAC Centers, communicate with BRAC Recruiting Agencies, and enroll in BRAC training centers, and complete the BRAC returnee migration form. With our newly signed MoU with Probashir Taxi, we ensure that aspiring migrants and returnee migrants have safe and reliable transportation when going to the airport and returning home.

Govt. Services To launch soon Our goal is to digitize the entire process of an aspiring migrant's journey- from start to finish. With Pre-departure orientation, WEWB membership, and BMET clearance launching soon, aspiring migrants can complete all processes required to go abroad by themselves, bypassing physical offices that charge extortionate rates.

Support center

24/7 call center and live chat provide support and assistance for aspiring migrants and migrants abroad.

Analytics

Ami Probashi also provides crucial data analytics to the Government for in-depth information on applicants' skills, location, preferred jobs, country, etc. allowing the Government to take a more strategic approach while negotiating and marketing our workers abroad. Also, it helps the Ministry to understand the type of training initiatives they should undertake to upskill our workers for the ever-changing global requirements. Ami Probashi also offers details regarding the nearest Passport Offices, Medical Centers, DEMO Offices, and Bangladesh Embassies/Missions abroad.

Ami Probashi, along with the MoEWOE and BMET, continues to push for digitization of processes despite steady pushback from vested interest groups.

Ami Probashi At A Glance

- 📅 **May 2021**
Ami Probashi Launched
- 👤 **2,500,000+**
Total users
- 👁️ **Transparency & Autonomy**
for aspiring migrant users
- 📄 **1,000,000+**
Total BMET Databank Registrations
- 📈 **500% Increase**
in BMET Databank Registration in 6 months
- 💰 **20 Crore+ BDT**
Contributed to the government till now
- 📱 **700,000+**
Priority Vaccination Registration
- 🏫 **64 TTCs & 6 Marine Technology**
Institutes Automated for ministry for free for BMET and BRAC courses
- 👥 **2000+**
People are served daily by the Ami Probashi Help Centers.
- 🤝 **Pioneering Connections**
between Recruiting Agencies and aspiring migrants directly
- 📄 **Regular**
Authenticated job posts
- 📍 **Location services**
Medical Centers, Training Centers, Passport Offices, DEMO Offices, Recruiting Agencies



Farmers are using fertilisers in a boro field in order to make the newly-planted seedlings stronger and more fruitful and improve the fertility of the soil. The photo was taken from Nashipur village in Dinajpur sadar upazila on Sunday.

PHOTO: KONGKON KARMAKER

Farmers moving towards balanced fertiliser use

SOHEL PARVEZ

Farmers are increasingly using Di-ammonium Phosphate (DAP) to produce crops thanks to increased subsidies and price cuts by the government, enabling growers to apply the fertiliser that contains both the nitrogen and phosphate needed to ensure better plant growth.

DAP usage grew more than twice in volume to 14.24 lakh tonnes in the fiscal year of 2020-21 compared to 6.58 lakh tonnes five years ago.

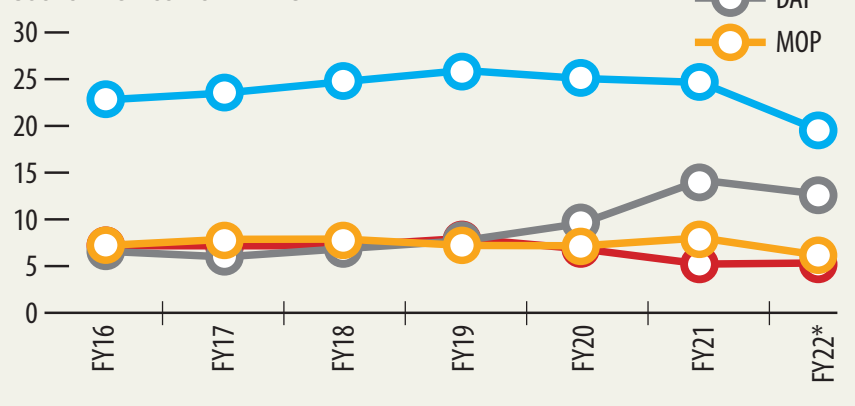
Growers also increased the application of Muriate of Potash (MoP) by 10 per cent to 7.98 lakh tonnes in the last fiscal year from 7.26 lakh tonnes in 2015-16, according to data from the agriculture ministry.

The application of urea has remained almost unchanged, with analysts saying this trend indicates a more balanced use of fertiliser. "This is good for crop yields," said ANM Shawkat Ali, a former food adviser to the caretaker government.

During 2020-21, the overall use of subsidised fertilisers amounted to 52 lakh tonnes. Of this amount, the application of urea was 24.63 lakh tonnes, up 8 per cent from five years ago. The use of Triple Superphosphate

Fertiliser use by type

(in lakh tonnes); *As of Feb 15, 2022
SOURCE: AGRICULTURE MINISTRY



(TSP) dropped 28 per cent to 5.22 lakh tonnes during the period.

Producers mainly apply chemical fertilisers to produce dry season crop, such as boro rice. Between July 1 and February 15 this fiscal year, the overall use of subsidised fertilisers stood at 43.56 lakh tonnes.

Ali said the use of DAP and MoP was

previously low because of higher prices. So, growers used more urea considering its comparatively cheaper cost.

To cut this dependence on urea, the government started reducing the price of non-urea fertilisers, namely TSP, DAP and MoP, from 2009.

"So, farmers got a huge boost after the government hiked the subsidy for

the input and slashed prices to Tk 16 per kilogramme in 2019-20 from Tk 25 per kg earlier," said a senior official of the agriculture ministry.

"As a result, the use of DAP jumped, indicating that we are moving towards more balanced fertiliser use," he added.

Data on boro rice production from the Bangladesh Bureau of Statistics showed that the yield per hectare has grown considerably since 2015-16.

Anwar Faruque, a former agriculture secretary, said the use of fertilisers has become much more balanced and as a result, soil health improved and led to increased yields. The government provided Tk 7,420 crore as subsidies for fertilisers in 2020-21 to keep crop production costs low and encourage growers.

The government has allocated Tk 9,500 crore in the current fiscal year to provide the input at reduced prices.

The amount of subsidy is likely to be Tk 28,000 crore by the end of the fiscal as prices of fertiliser soared abnormally in 2021, Agriculture Minister Muhammad Abdur Razzaque said recently. For example, prices of DAP doubled to \$601 per tonne in 2021 from \$312 the previous year, according to World Bank Commodities Price Data.

Japan in step with G7 over sanctioning Russia

THE YOMIURI SHIMBUN/ANN

Japan will in principle take concerted action with the Group of Seven nations in imposing economic sanctions on Russia if that nation invades Ukraine, The Yomiuri Shimbun has learned.

"We reconfirmed our cooperation through a candid exchange of views [on the situation in Ukraine]," Foreign Minister Yoshimasa Hayashi told reporters online on Saturday. Hayashi was in Germany to attend the G7 foreign ministers meeting.

When Russia annexed the Crimean Peninsula in southern Ukraine in 2014, relations between Tokyo and Moscow were good, with then Prime Minister Shinzo Abe and Russian President Vladimir Putin frequently holding talks.

The United States and the European Union imposed economic sanctions on Russia at the time, but Japan implemented only minor measures, including the suspension of negotiations on easing visa requirements, as it had high hopes for the resolution of the northern territories issue.

In light of the criticism from Europe and the United States at the time, as well as the current stagnation in peace treaty negotiations — including those related to the northern territories — the Japanese government will likely consider taking more effective measures this time than it did following the annexation of the Crimean Peninsula.

Japan will "choose feasible sanctions based on the current circumstances of the two countries while cooperating with the G7," a senior Foreign Ministry official said.

The government's current stance reflects changes in the regional situation in Asia.

Thailand's economy rebounds in Q4

AFP, Bangkok

Thailand's economy rebounded in the fourth quarter of last year on the back of rising exports and the easing of coronavirus restrictions that allowed tourists to return, senior officials said Monday.

The 1.9 per cent on-year expansion was more than double what was forecast and marked a strong bounce after a 0.2 per cent contraction in the previous three months.

For the whole year the economy grew 1.6 per cent, according to the National Economic and Social Development Council, and also beat expectations.

South East Asia's second largest economy was hit with a 6.1 per cent contraction in 2020 — its worst economic performance since the 1997 Asian Economic Crisis.

The NESDC said it saw growth of 3.5-4.5 per cent this year as tourism picks up and government spending kicks in.

Council secretary general Danucha Pichayanan said reopening the border to fully vaccinated foreign tourists in November had made some impact.

Oil rises as tight market looks to Russian-Western diplomacy

REUTERS, London

Oil prices rose slightly on Monday as fresh diplomatic efforts to resolve the Ukraine crisis provided some relief from supply concerns that have kept oil prices near \$100 a barrel.

Brent crude futures rose 25 cents, or 0.3 per cent, to \$93.79 a barrel at 1000 GMT. US West Texas Intermediate (WTI) crude futures rose 35 cents, or 0.4 per cent, to \$91.42 a barrel.

French President Emmanuel Macron said on Monday that US President Joe Biden and Russian President Vladimir Putin had agreed in principle to a summit over Ukraine but the Kremlin said there were no immediate plans for a meeting.

US markets will be closed on Monday for the Presidents Day holiday.

"A potential reduction of Ukraine tensions ... has seen some sellers emerge in oil in Asia," OANDA analyst Jeffrey Halley said.

European Commission President Ursula von der Leyen said Russia would be cut off from international financial markets and denied access to major exports needed to modernise its economy if it invaded Ukraine.

"If a Russian invasion takes place, as the US and UK have warned in recent days, Brent futures could spike above \$100/bbl, even if an Iranian deal is reached," Commonwealth Bank analyst Vivek Dhar said in a note.

Meanwhile, ministers of Arab oil producing countries said on Sunday that OPEC+ should stick to its current agreement to add 400,000 barrels per day (bpd) of oil output each month, rejecting calls to pump more to ease pressure on prices.

Price gains have also been limited by the possibility of more than 1 million bpd of Iranian crude returning to the market.

Iranian foreign ministry spokesman Saeed Khatibzadeh said "significant progress" had been made in talks to revive Iran's 2015 nuclear agreement on Monday after a senior European Union official said on Friday that a deal was "very, very close".

Analysts said the market remained tight and any addition of oil would help, but prices would remain volatile in the near term because Iranian crude is unlikely to return until later this year.



The e-CNY app is seen on a smartphone at the Main Media Center in Beijing on Saturday.

PHOTO: THE YOMIURI SHIMBUN/ANN

China's digital currency push faces uphill battle

THE YOMIURI SHIMBUN, The Japan News/ANN

At Beijing Winter Games venues, China's digital currency has been designated as an official payment method.

China has been putting an emphasis on promoting the use of this digital yuan, or e-CNY.

To pay in the digital currency, the official smartphone app or a physical e-CNY card can be used.

China is trying to show off to the world that the country's digital currency is in the stage of practical use, but private smartphone payment systems are already widespread within the country, making it difficult to expand use of e-CNY.

"It feels the same as using WeChat Pay or other such systems," said a 21-year-old

female university student Saturday who volunteered for the Beijing Olympics, referring to a popular smartphone payment system in China.

She had just bought Olympic goods with digital yuan at an official shop in the Main Media Center in Beijing.

To pay via the official app, users need to select a bank that supports the e-CNY service, then register their mobile phone number and password, before charging the digital yuan in advance. Payment is completed with a scan of their QR code at the register.

The physical e-CNY card has been recommended for foreign visitors in China for a short time who do not have ID issued by China nor bank accounts in the country. Users of the card scan

their passport at a designated automatic exchange machine and insert foreign currency to receive the card charged in e-CNY. Then they just tap the card to pay.

In October 2020, China's central bank, the People's Bank of China, started a pilot program involving the public. Currently, the programs are underway in 12 cities, including Beijing and Hebei Province's Zhangjiakou, where Winter Games venues are situated.

China, however, is struggling to increase the number of e-CNY users. The cumulative amount of digital yuan transactions was 87.5 billion yuan (about ¥1.6 trillion) at the end of 2021, but this was only 0.02% of the transaction value of mobile payment services in 2020.

US plans to cut ties with targeted Russian banks if Ukraine is invaded

REUTERS, Washington/New York

President Joe Biden's administration has prepared an initial package of sanctions against Russia that includes barring U.S. financial institutions from processing transactions for major Russian banks, three people familiar with the matter said.

The measures, which would only be implemented if Russia invades Ukraine, aim to hurt the Russian economy by cutting the "correspondent" banking relationships between targeted Russian banks and US banks that enable international payments.

While US authorities have said banking restrictions would be part of a package of possible sanctions, the administration's plan to cut correspondent banking ties — which underpin global money flows — has not previously been reported.

The United States will also wield its most powerful sanctioning tool against certain Russian individuals and companies by placing them on the Specially Designated Nationals (SDN) list, effectively kicking them out of the US banking system, banning their trade with Americans and freezing their US assets, the same sources said.

The White House and Treasury Department declined to comment.

The sources said the package could change up to the last minute and it was unclear who the targets would be. However, they believe top Russian financial institutions including VTB Bank, Sberbank, VEB, and Gazprombank are possible targets.

Experts consulted by Reuters said that while the correspondent banking tool lacks the punch of an SDN designation, which freezes a bank's assets, they could still deal a meaningful blow to the target banks by making it difficult to transact in US dollars, the global reserve currency.

Much of global trade is transacted in dollars.

It is unclear whether Russian banks would be added to the SDN list, but both types of sanctions could hit Russia hard.

"Since a significant number of global trade transactions are in US dollars this is a sanction with bite, but without the more complicated and deadly sanction of being placed on the SDN list and having all assets in the US or in the hands of US persons frozen," said Washington lawyer Kay Georgi, who specializes in international trade.

Sources noted that the administration could exempt certain transactions from the restrictions if deemed necessary.

The Biden administration has been threatening tough banking sanctions against Russia for weeks in a bid to deter Russian President Vladimir Putin from invading Ukraine.

Kuwait Airways signs \$6b deal with Airbus

AFP, Kuwait City

Kuwait Airways announced Monday an expanded \$6 billion deal with Airbus for 31 planes, restructuring an agreement reached in 2014.

The deal comes after what the airline labelled occasionally "heated" negotiations following probes over allegations of kickbacks surrounding the initial order.

"We have managed to agree on a monumental restructuring that will position Kuwait Airways in a much stronger place to succeed for the next 15 years," company chairman Ali Al-Dukhan told a news conference.

The new agreement, which adds three new aircraft to the existing order of 28, includes nine Airbus A320neo, six A321neo, three A321neoLR, four A330-800neo, seven A330-900neo and two A350-900.

The new agreement, which adds three new aircraft to the existing order of 28

Al-Dukhan said the reshaped deal, aimed at giving the airline greater flexibility after the travel industry was rocked by the coronavirus pandemic, now carried a "total value of about \$6 billion".

"Although corrections were made in 2018, the deal needed further corrections to suit Kuwait Airways' future, especially with the need to transition and become more flexible in a post-Covid aviation industry," he said.

Negotiations took place against the backdrop of bribery allegations that cost Airbus billions of dollars in settlement fees in other countries in 2020.

"As we initiated the negotiations, we knew we were already the underdogs going in as 40 per cent of the deal's value had already been paid and the delivery had started," Al-Dukhan said.



Workers are seen shovelling coal for transport at Gubrakura land port in Haluaghat upazila of Mymensingh. The decade-old customs station has long been used to import coal and stone from neighbouring India. The photo was taken recently. PHOTO: COLLECTED

Land ports in Mymensingh set to become fully operational

Could change economic scenario in the region

AMINUL ISLAM, from Mymensingh

The Gubrakura and Karaitali land ports in Haluaghat upazila of Mymensingh that connect Bangladesh with India are yet to become fully operational despite being opened about 10 years ago.

However, the authorities say they hope the port-related development works will end by April this year, enabling the two customs stations to facilitate bilateral trade.

"We will inaugurate the ports by May-June," said Md Alamgir, chairman of the Bangladesh Land Port Authority.

Former Shipping Minister Shajahan Khan officially opened the land ports on September 15, 2012.

Since the 1990s, Gubrakura and Karaitali have been considered as land customs stations for the sole purpose of importing coal and stone from India, local businessmen said.

But the land ports, located 57 kilometres from Mymensingh town, have huge potential to boost economic activities in the region, they added.

According to a revenue official, traders have so far imported more than

100,000 tonnes of coal through the ports since December last year, earning the government around Tk 22.50 crore.

Development work on the two customs stations involving more than Tk 67 crore was initiated in July 2018 with a scheduled completion date of June 2020. However, the ongoing coronavirus pandemic forced the authorities to extend the project duration by two years to June 2022.

Local traders have long been urging for the development of sufficient infrastructure, such as wide roads, warehouses, yards, weighbridges, and administrative buildings at the land ports to boost trade.

This includes building a four-lane highway from the land ports to Mymensingh to ensure quick and easy transport of both import and export items.

If the land port becomes fully functional, the government and the people, especially in this area, would be benefited as economic activities will see a boost, creating more jobs in the process, traders said.

Some 300 regular importers are currently engaged in importing coal through the Karaitali and Gubrakura land ports.

"If operations begin in full swing, we will be able to import not only coal and stone, but also limestone, chemical fertilisers, fruits, spices, china clay, timber, mustard, rice, and so on," said Ashoke Sarker Apu, secretary of the Haluaghat Exporters and Importers Group.

Besides, the completed ports would facilitate the export of garments, cement, melamine, ceramics, cosmetics, juice, frozen and dry fish, and other packaged food items to India and Bhutan as well, he added.

"For a while now, local traders have been clamouring for immigration and export facilities at the ports, which, if introduced, would increase the government's revenue manifold," said Shahidul Islam, a coal trader.

Traders also demanded direct bus services from Dhaka to Guwahati in India's Assam to make it easier to visit the region and other connecting states, such as Meghalaya and Tripura.

Md Sajedul Karim, superintendent of customs, VAT and excise for the Mymensingh Circle-2, says if bilateral trade is boosted through the ports, there would be huge scope for the government to earn more revenue throughout the year.

Germany to enter recession due to virus

AFP, Frankfurt

The Bundesbank said on Monday the latest wave of the coronavirus pandemic risked pushing the German economy — Europe's largest — into a technical recession before staging a recovery from the second quarter.

After gross domestic product shrank by 0.7 per cent in the last quarter of 2021, "overall economic output could again sink noticeably in the first quarter of 2022, before picking up speed again in the spring," the German central bank said in its monthly economic report.

Pandemic restrictions were mostly to blame for the drop, the Bundesbank said, with measures "hitting some service sector branches hard".

Manufacturing, meanwhile, continued to report "serious" problems with a lack of raw materials and components, as well as a shortage of labour.

"The pick-up in industrial production, however, suggested a certain easing" in the supply situation at the end of 2021, the central bank said.

A recession is technically defined as two consecutive quarters of economic contraction.

Germany's European neighbours have seen their economies recover more strongly from the initial impact of the pandemic.

Germany registered 2.8 per cent growth in 2021, while France surged ahead with growth of seven per cent.

Turkey woos foreign firms

AFP, Istanbul

There is a silver lining to Turkey's currency crisis and the global supply chain crunch: The country is becoming an attractive alternative at the gates of Europe for foreign firms.

Turkey is seizing on its geographic advantage to woo companies as the skyrocketing cost of sea freight and pandemic-related disruptions to supply chains push some European companies to reduce their dependence on Asia.

President Recep Tayyip Erdogan, whose policies have contributed to the lira's plunge, has promoted a new slogan for exports: "Made in Türkiye", using the country's language instead of the internationally-known "Made in Turkey".

But his vision must overcome concerns about Ankara's complicated relationship with the European Union, the independence of the judiciary and political uncertainty ahead of elections next year. Nevertheless, Turkey's exports reached a record \$225.4 billion last year, with a target of \$300 billion in 2023.

"Many international companies are taking action to supply more from Turkey," Burak Daglioglu, head of the Turkish presidency's investment office, told AFP. He said the country offers automakers or textile companies a "competitive talent pool, sophisticated industrial competencies, well-developed services industries, perfect geographic location and state-of-the-art logistic infrastructure."

China sanctions Lockheed, Raytheon again

REUTERS, Beijing

China has placed Lockheed Martin Corp and Raytheon Technologies Corp under sanctions over arms sales to Taiwan, the government said on Monday, at least the third time it has announced punishments against the US companies.

The sanctions are countermeasures against the two companies over a \$100-million Feb. 7 arms sale that "undermined China's security interests, seriously undermined China-US relations and peace and stability in the Taiwan Strait", foreign ministry spokesman Wang Wenbin said at a regular news briefing.

Beijing views the self-ruled island of Taiwan as a breakaway province that must accept Chinese sovereignty and has never renounced the use of force to achieve that goal.

"In accordance with the relevant stipulations in China's anti-foreign sanctions law, the Chinese government has decided to take countermeasures on the infringing acts of Raytheon Technologies and Lockheed Martin," Wang said. "Both are military enterprises that have long participated in US arm sales to China's Taiwan region."

Russia seeks to regulate cryptocurrencies

AFP, Moscow

The Russian finance ministry said Monday it had submitted draft legislation regulating cryptocurrencies, including client identification and a cap on investments.

Russia is one of the world's top crypto-mining nations and authorities have for years criticised cryptocurrencies over fears they can be used for illegal activities and called for regulation. In January, the central bank proposed an outright ban on cryptocurrencies but the finance ministry has been pushing to regulate the sector to help attract investment.

"The proposed changes are aimed at creating a legal market for digital currencies with the establishment of rules for their circulation and the circle of participants," the ministry said in a statement.

Under the bill, cryptocurrencies would be permitted only as an investment instrument. Foreign cryptocurrency exchanges will also have to obtain a license in Russia, among other proposals.

"Operations involving the purchase or sale of cryptocurrency will be possible only if the client is identified," the finance ministry also said, a move that would put an end to anonymity, a key principle of the crypto world.

Tk 1,059cr project

FROM PAGE B1

"I think the industry will soon start using 5G for Internet of Things, robotics and artificial intelligence. 5G will be needed hugely in economic zones and hi-tech parks as well."

The world has entered into the 4th Industrial Revolution and Bangladesh doesn't want to miss it, according to the minister.

The project will improve

and expand BTCL's optical fibre transmission network to provide uninterrupted telecommunication and modern broadband internet facilities, said Md Rafiqul Matin, managing director of the company.

"Demand for internet is increasing day by day, and it will help us meet the growing consumption."

Bandwidth sold by BTCL has risen to 475 gigabytes

per second from 137 GBPS in 2019, according to Matin.

The fund of the project will be used to procure and install telecommunication and electrical equipment and establish 146 underground optical fibre cable links with a combined length of 3,144 kilometres.

One Jeep, two double cabin pickups and 20 motorcycles will also be bought, said the proposal.

Invest to develop

FROM PAGE B1

faced food shortages is now self-sufficient in food production.

"Now Bangladesh wants to make agricultural production and food security sustainable through innovation of climate-smart technology."

The AIM for Climate is a joint venture between

the United Arab Emirates and the United States. It was officially launched at the 26th United Nations Climate Conference in Glasgow of Scotland last year.

The objective of the five-year initiative is to increase investment, research and expansion of cooperation in the innovation of

climate-smart agricultural technology and food systems to address the adverse effects of climate change.

Initially, \$4 billion has been invested. At present, 36 countries, including Bangladesh, and 75 non-governmental organisations are partners of the platform.

Nagad-linked investors desperate

FROM PAGE B1

The third application filed on January 20 changed the proposed NBFI's name to Nagad Finance Ltd, which sought to conduct "small value lending" and provide MFS.

The applicant was Muhammad Farid Khan, who was shown to be the chairman of both Amar Fintech and Nagad Finance. He is also the vice-chairman of the Summit Group of Companies.

His son Farhan Karim Khan was shown to be a director of Amar Fintech and Nagad Finance. Another director was Rubel Ahsan.

All three are members of US-based Amar Capital LLC.

The managing director of Amar Fintech and Nagad Finance was shown to be Rahel Ahmed. He is currently the chief executive officer and a director of Nagad Ltd, formerly Third Wave Technologies Ltd, which has been running BPO's Nagad brand of MFS.

The Daily Star contacted Farid Khan on January 3 this year following the first proposal submission.

On January 5, he said they had not taken any decision yet to reapply. He said the proposed NBFI is not a part of Summit Group, which has businesses in the areas of communication, trading, energy, power, and shipping.

Farid did not respond to a request for comment following the submission of the third proposal. He, in his application,

stated that Rahel was the contact person for any information or clarification about Nagad Finance.

Contacted in early February for an explanation on the similarity in the names of Nagad Ltd and Nagad Finance, Rahel, said he did not know about any relationship.

He declined to comment further.

Nagad Ltd Managing Director Tanvir A Mishuk, on being contacted on December 27, said he did not have any clear idea about the Amar Fintech application.

In an email on February 8, he said there was an "inter-relationship" between Nagad Ltd and Nagad Finance.

"However, the relationship between the two institutions can't be disclosed right now," he said.

He declined to disclose the involvement of the directors of Nagad Ltd in the proposed NBFI since the company has not been formed yet.

"We will clear it soon after getting the regulatory clearance," he said.

Why is Nagad Ltd at the centre of discussion

Nagad is an MFS brand of the BPO. It is being run through Third Wave Technologies Ltd, which renamed itself as Nagad Ltd in February last year allegedly without informing the BPO.

Currently, it is one of the largest MFS in

Bangladesh with over five crore clients. But all it has to show for as its licence is a BB letter giving interim approval.

Since Nagad's inception in 2019, the letter has been issued four times extending the validity period, the most recent being in September last year.

As per the BB, the BPO is supposed to form a subsidiary company to run the MFS in a model similar to a public-private partnership. Nagad Ltd is scheduled to hold 49 per cent of the shares while the BPO the rest.

How will Nagad Finance run business

Nagad Finance said a "100 per cent digital financial institution" would be set up.

The institution will roll out an MFS, owning 51 per cent of the shares, to disburse microloans or run small value lending verifying repayment capabilities through a fintech-based alternative credit rating method.

The entity will also issue debit and prepaid cards.

Nagad Finance also seeks to disburse remittances sent by expatriate Bangladeshis. The proposed non-bank does not want to set up any branch, opting to serve solely through a digital platform.

BB stance on the proposal

Contacted, Md Serajul Islam, the BB's spokesperson, told The Daily Star, that the central bank has reviewed the third

application.

In the previous two application cancellations, BB said only banks or their subsidiaries were permitted to operate MFS as per laws.

No MFS is permitted to give out loans. But it can act as a channel for banks to lend small amounts of money.

An MFS provider is only permitted to settle small payments such as fund transfers, utility bill payments, subsidy disbursements, cash-in and cash-out and top-ups.

For an NBFI to run microcredit operations, the MRA's approval is needed, observed the BB.

But the BB on February 15 revised its MFS regulations, allowing the NBFIs, alongside banks, to run MFS by forming subsidiaries.

Financial Institutions Act 1993 states that NBFIs can disburse long-term loans but only for specific sectors, including industries, farming, housing and the stock market.

Regarding the issue, Serajul said the financial institutions law would also have to be amended if any NBFI wants to provide MFS by forming a subsidiary.

On why the central bank revised the regulation, he said the BB has widened the scope for MFS operation.

Asked whether it was to entertain Nagad Finance's application, he said the regulation would be applicable for all.



Workers are carrying out last-stage tasks of the long-awaited Joydevpur-Elenga Highway project as the initiative is set to complete by December this year. Finally, the project cost might stand at Tk 6,168 crore.

PHOTO: MIRZA SHAKIL

JOYDEVPUR-ELENGA HIGHWAY

Long-awaited project to complete finally

REJAUL KARIM BYRON, MD ASADUZ ZAMAN and MIRZA SHAKIL

After repeated revision of deadlines and costs, the long-awaited Joydevpur-Elenga Highway project is finally nearing completion and even at a slightly lower expenditure.

In order to complete some last stage tasks, the project, however, will be placed today at the meeting of the Executive Committee of the National Economic Council (Ecneec).

According to the planning ministry's revised project proposal, the project cost will be Tk 6,168 crore, a decrease of Tk 46 crore from the previous estimate.

The Roads and Highways Department (RHD), the implementation agency, will, however, seek an extension of the deadline for the fifth time, to December 2022 from June this year.

Talking to The Daily Star, Md Mamun-Al Rashid, a member of the planning commission, said, "The project work is almost complete. The deadline has been extended to carry out some last-stage tasks."

He said that despite the delay, the construction has been fine.

The project was undertaken in 2013 to enable smooth communication between Dhaka and the northern part of Bangladesh via the Bangabandhu Bridge. But the delay in completing the project on time has caused immense suffering to the people who

use the road.

However, the project is a typical example of how poor planning can drive up costs and cause implementation delays.

The upgradation of the 70-kilometre road to a four-lane highway was scheduled to be completed by March 2018 at a cost of Tk 2,788 crore. The fourth revision saw the expenditure go up to Tk 6,214 crore and the tenure extend to June 2022.

A government report cites a lack of advanced planning in the development project proposal (DPP) for the project. Had it been better planned, the cost of land acquisition, in particular, and other expenses would have been much lower.

It was specifically a failure not to carry out the feasibility study properly as well as prepare the DPP without following the study and identifying the elements of the project initially, said an assessment report of the Implementation Monitoring and Evaluation Division in 2018.

The report mentioned the delay in land acquisition and relocating existing utility lines, non-implementation of environmental impact assessment, lack of planning in procuring goods, slow pace of construction work, and absence of measures to control overweight as other weaknesses of the project.

In the proposed revision, the expenditure has been cut by Tk 46 crore.

The project was undertaken in 2013 to enable smooth communication between Dhaka and the northern part of Bangladesh via the Bangabandhu Bridge. But the delay in completing the project on time has caused immense suffering to the people who use the road

"Some components have seen an increase in expenditure and others have seen a decrease. The shelving of foreign trips due to the coronavirus pandemic has seen the cost drop by Tk 4.5 crore," said Rashid.

Khan Ahmed Shuvo, president of the Tangail Chamber of Commerce & Industry, and a lawmaker, said thanks to the full operation of the important highway, the road communication system in this part of the country would be greatly improved and trade and commerce would be expanded.

"It will also be easier to transport goods from different districts to the capital."

The cost of the project titled

"Acquiring land and relocating utility service lines for widening the Dhaka-Sylhet-Tamabil highway" has doubled. The project will be placed at the Ecneec meeting as well.

The Tk 3,885 crore project was taken up in 2018. And in October 2018, the Ecneec approved the project to acquire 986.47 acres of land and relocate utility service lines. However, the authorities need another 396 acres of land, according to the revised proposal.

So, the implementing agency will seek a revision of the cost to Tk 7,975 crore and an extension of the deadline by two years to December 2023.

The aim of the project is to complete the legwork in advance as these issues often cause delays so that the expansion work can start as soon as separate projects are approved.

Two separate projects have already been taken up by the RHD to turn the Dhaka-Sylhet and the Sylhet-Tamabil highways into dual carriageways with separate lanes for slow-moving vehicles involving Tk 20,500 crore, funded by the Asian Development Bank and the Asian Infrastructure Investment Bank.

The projects are likely to face delays as the revised project for clearing the land will end in June 2023 and cost 105 per cent more money.

"The project cost has gone up as more land has to be acquired to fix the alignment of the highways," Rashid said.

Bangladesh, Australia discuss potential for more cooperation

DIPLOMATIC CORRESPONDENT

Bangladesh recently discussed the possibility of cooperating with Australia to explore offshore gas and renewable energy sources as a part of the country's effort to ensure energy security and address the challenges of climate change.

The two countries also exchanged views on the Indo-Pacific considering the growing interest in the region while reaffirming the importance of freedom of navigation for the shared prosperity and security of all within the area.

Bangladesh Foreign Minister AK Abdul Momen and his Australian counterpart Marise Payne shared this conviction at a bilateral meeting held on the sidelines of the Munich Security Conference-2022 in Munich, Germany on Sunday, the foreign ministry said in a statement.

They said both countries have the scope to further enhance and diversify their trade and economic cooperation, especially with the signing of the Trade and Investment Framework Arrangement last year.

In 2019-20, Bangladesh and Australia's bilateral trade volume was worth more than \$2.6 billion, which is set to grow in the coming days.

During the meeting, Momen urged Payne to jointly explore ways to increase the volume and content of bilateral trade.

The two ministers discussed the possibility of organising a visit by a business delegation, focusing on pharmaceutical exports from Bangladesh.

The Australian foreign minister expressed interest in exporting wool for Bangladesh's apparel industry, the second largest in the world.

Momen requested Australia to provide skills training to increase job creation in Bangladesh's renewable energy sector.

He then reiterated his suggestion to introduce direct flights between the two countries, particularly for the convenience of Bangladesh expatriates living in Australia.

Momen urged Australia to continue working on finding durable solutions to the Rohingya humanitarian crisis.

Payne assured Momen of her country's abiding commitment to this end.

Nickel prices soar on Russia tension

AFP, London

Nickel surged Monday to the highest price in more than 10 years, driven by simmering Ukraine-Russia tensions and tight supplies.

The industrial metal forged \$24,610 per tonne – the highest level since 2011 – in late morning deals on the London Metal Exchange.

Marex broker Al Munro said nickel was "benefitting from the threat to Russian production" in an already tight market with demand up as economies reopen from pandemic lockdowns.

The price of the industrial metal, a key raw material in the manufacturing of stainless steel, has soared by nearly 20 per cent since the start of the year.

"The Ukraine crisis continues to hang over metals prices," said Commerzbank analyst Daniel Briesemann.

However, he cautioned that aluminium and palladium prices had not risen to the same extent as nickel.

Russia is one of the world's largest producers of nickel, and of both aluminium and palladium.

"The nickel market still appears to be very tight" with stockpiles falling, Briesemann said.

Luxury sector undaunted by Covid, soaring inflation

AFP, Paris

The pandemic and soaring inflation have done nothing to take the shine off luxury brands, from Louis Vuitton to Gucci and Cartier, as the sector hiked prices to notch up stellar profits.

The world economy began to recover from the pandemic last year but the rebound has been accompanied by rising inflation, with prices for raw materials and energy soaring.

But luxury good makers can respond by hiking their prices and actually look more desirable to their customers.

"Our advantage over many other companies and groups is a certain price flexibility, i.e. we have the means to react to inflation," LVMH chief executive Bernard Arnault told reporters.

UBS analysts estimate that top brands such as Louis Vuitton, which is owned by industry leader LVMH, have raised their prices two and a half times higher than the inflation rate over the past 20 years.

Indeed, "pricing power remains one of the key characteristics of the luxury goods industry," UBS analysts wrote in a research note.

LVMH bagged a record 64 billion euros (\$72 billion) in sales and 12 billion euros in net profit last year, both exceeding pre-pandemic levels.

The French company also owns a broad range of spirits, perfume, jewellery and cosmetics products.

Kering – which owns Gucci and Yves Saint Laurent – also beat its pre-Covid levels to book a net profit of 3.2 billion euros on sales of 17.6 billion euros, the group reported on Thursday.



Shoppers wearing facemasks fill Cologne's main shopping street, Hohe Strasse (High Street), in Cologne, Germany.

PHOTO: REUTERS

Euro zone recovery regains pace

REUTERS, London

The euro zone economic recovery regained momentum this month as an easing of coronavirus restrictions gave a boost to the bloc's dominant service industry, a survey showed, but consumers faced prices rising at a record rate.

As the Omicron coronavirus variant swept across Europe some governments reimposed measures to contain its spread, but with large swaths of the population now vaccinated many of those measures have been eased. IHS Markit's Flash Composite Purchasing Managers' Index, seen as guide to overall economic health, jumped to a five-month high of 55.8 in February from 52.3 in January.

"The surge in the euro zone flash Composite PMI for February suggests activity is recovering well from the pandemic-related weakness over the winter," said Andrew Kenningham at Capital Economics.