

## Oil nears \$100

AFP, London

Oil prices surged close to \$100 per barrel Tuesday as major crude producer Russia prepared to send troops into two breakaway regions of Ukraine, sparking Western nations to ready economic sanctions against Moscow.

After heavy falls at the open, European stocks edged into positive territory, as the Kremlin said it remained open to all diplomatic contact over Ukraine. Asian stock markets had earlier ended their sessions with heavy falls.

Brent North Sea crude oil reached \$99.50 per barrel, the highest level in seven years.

At around 1115 GMT, it pulled back to just below \$98, still a gain of around 2.5 per cent compared with late Monday.

The intensifying crisis between Russia and Ukraine has raised concerns about the supply

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disruptions that would ensue as sanctions look set to cripple Russia, the world's second largest oil exporter and the world's top natural gas producer," noted Victoria Scholar, head of investment at Interactive Investor.

German Chancellor Olaf Scholz said he was suspending the Nord Stream 2 pipeline project with Russia in response to Moscow's recognition of breakaway regions Donetsk and Luhansk.

Ukrainian President Volodymyr Zelensky had demanded an immediate halt to the project, set to pipe Russian natural gas to Germany via the Baltic Sea.

Zelensky said Russia must be punished for its recognition Monday of Ukraine's two separatist-held regions with "immediate sanctions" that include "the complete stop of Nord Stream 2".

It comes as the United States, Britain and the European Union prepared to launch economic sanctions on Russia.

"Our response will be in the form of sanctions, whose extent the ministers will decide," EU foreign policy chief Josep Borrell said. Russia's recognition of the breakaway regions of Ukraine will meanwhile "strongly increase" economic uncertainty for the EU, the bloc's economic commissioner Paolo Gentiloni said.

## TOURISM SECTOR IN BANGLADESH

Contribution to GDP 3.02%

Share of tourism in total employment: 8.07%

## DEMAND FROM OPERATORS

Tax exemptions to compensate losses

Scrap provision for mandatory coronavirus testing within 48 hours before flights

Simplify the visa process

Introduce apprenticeship programmes to create skilled workforce



## Waive tax on imported goods, services

Hotel, motel, resorts and guesthouse owners say at FBCCI meeting

## STAR BUSINESS REPORT

The owners of hotels, motels, resorts and guesthouses in Bangladesh yesterday demanded tax waivers on the goods imported and services rendered by their businesses in order to develop the local tourism sector and attract more foreign travellers.

Owners currently have to pay a huge amount of duty to import the equipment and products used by their businesses, and value-added tax on services rendered.

They raised this demand at a meeting of the standing committee on hotel, motel, resorts and guest house development of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

The meeting was held at the FBCCI office in Dhaka's Motijheel.

"We pay a huge amount of duty to import the products and equipment required to ensure modern facilities for foreign tourists," said Mohammed Hakim Ali, owner and chief executive officer of Hotel Agrabad in Chattogram.

Besides, the tourism sector has to pay 37 per cent income tax, which hampers the sector's development.

"As the ongoing Covid-19 pandemic has almost destroyed the hospitality



industry, we, the owners, demand tax exemptions to compensate our losses," Ali added.

In order to attract more foreign tourists to Bangladesh, members of the standing committee demanded the provision for mandatory coronavirus testing within 48 hours before a flight be removed.

They also called for simplifying the visa application process.

While speaking to The Daily Star, Santus Kumar Deb, associate professor of the Department of Tourism and Hospitality Management at the University of Dhaka, said the lack of branding of hotels and resorts in Bangladesh is holding back growth in the country's tourism sector.

To address the issue, he suggested using digital promotions such as social media to attract foreign tourists.

According to Deb, there is a tariff imbalance in Bangladesh as overpricing of items and room tariffs at hotels, motels, resorts, and guesthouses creates barriers for the sector.

Besides, there is a lack of a standard structure for the sector, he added.

Joining the meeting virtually, FBCCI Senior Vice President Mostofa Azad Chowdhury Babu said: "Hotels, motels and guesthouses were among the most affected businesses amid the pandemic-induced economic downturn."

He said the industry plays an important role in earning foreign exchange.

He urged the standing committee to find out the

problems and possible solutions in the sector and submit it to the FBCCI in the form of a proposal.

He said the matter would be discussed by the policy-making body of the government considering the proposal.

Khabir Uddin Ahmed, chairman of the committee, said at least three of the 17 Sustainable Development Goals (SDGs) are directly involved with the tourism sector.

Other goals are also indirectly dependent on the development of tourism. So, in order to achieve the SDGs by 2030, the tourism industry must be developed, he added.

Syed Moazzem Hossain, a director of the FBCCI, called for ensuring quality services for tourists at reasonable prices at hotels and resorts.

At the same time, he suggested more apprenticeship programmes to create skilled manpower.

Mohammed Mahfuzul Hoque, secretary general of the FBCCI, said the organisation has been giving due importance to the development of tourism.

Co-chairs of the committee, Khandaker Ruhul Amin, Taofiq Uddin Ahmed, Mohiuddin Helal, AHM Aminul Islam Bhuiyan, Md Mahbub Alam, Mohammad Jahangir Alam, and Md Mehdi Amin Chowdhury were also present at the meeting.

**With more than 29 million households, Bangladesh has a great market potential for Bondhu Chula. With 67 per cent of households using more than one stove, this could increase the total number of stoves to more than 50 million**

## Time to raise awareness about benefits of Bondhu Chula



NAZNEEN AHMED and MD ZABID IQBAL

In a recent report, The Daily Star presented the success story of several small-scale entrepreneurs producing and marketing improved cook stoves (ICS), commonly known as Bondhu Chula (Friend Stove).

The Bangladesh Council of Scientific and Industrial Research (BCSIR) innovated the environment-friendly Bondhu Chula in the early 1980s, which is designed to let out the smoke produced during cooking through a long pipe in the air outside in such a way that anyone in or outside the kitchen would not be affected by the smoke.

Moreover, no heat would be felt in the kitchen. The stove would also be more fuel-efficient as it would require 50 per cent less firewood and also less cooking time. Besides, since the stove would not cause any smoke inside the kitchen, there would not be any stains from the smoke on the kitchen walls, doors and windows.

To what extent have the expected benefits of Bondhu Chula been actually realised?

To generate empirical evidence on this issue, the Bangladesh Institute of Development Studies (BIDS) carried out field research on the impact of Bondhu Chula. Zabid Iqbal and I jointly conducted the study.

Propensity score matching, a quasi experiment econometric method, was applied using the 2018 household survey data of the BIDS that collected information from 600 users of Bondhu Chula and 396 users of traditional cook stoves.

It was found that about 90 per cent of the study households depend on fuelwood for their energy need for cooking, whether they use Bondhu Chula or not. Other fuels used by both groups of households included tree leaves, hay or jute cake, dung and wooden powder.

Except for cow dung, the energy consumption was much less among households using Bondhu Chula compared to the households using traditional cook stoves. This indicates the efficiency of Bondhu Chula in terms of fuel need. The efficiency of Bondhu Chula in fuel use was also observed by comparing the energy use of households before and after the installation of Bondhu Chula.

The pertinent statistics showed that energy use significantly dropped after the installation of Bondhu Chula. This was observed for all types of fuel used by Bondhu Chula users.

From these results, one can conclude that the use of Bondhu Chula significantly lowers biomass energy consumption. One can also infer that this reduction of energy use significantly reduces air pollution and deforestation because 91 per cent of the sampled households used fuelwood for the purpose of cooking and the sources of fuelwood were mainly trees.

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## Escalating Russia-Ukraine crisis ripples through markets

REUTERS, London

Stock markets tumbled on Tuesday while bonds and commodities rallied after Russian President Vladimir Putin ordered troops into the breakaway regions of eastern Ukraine.

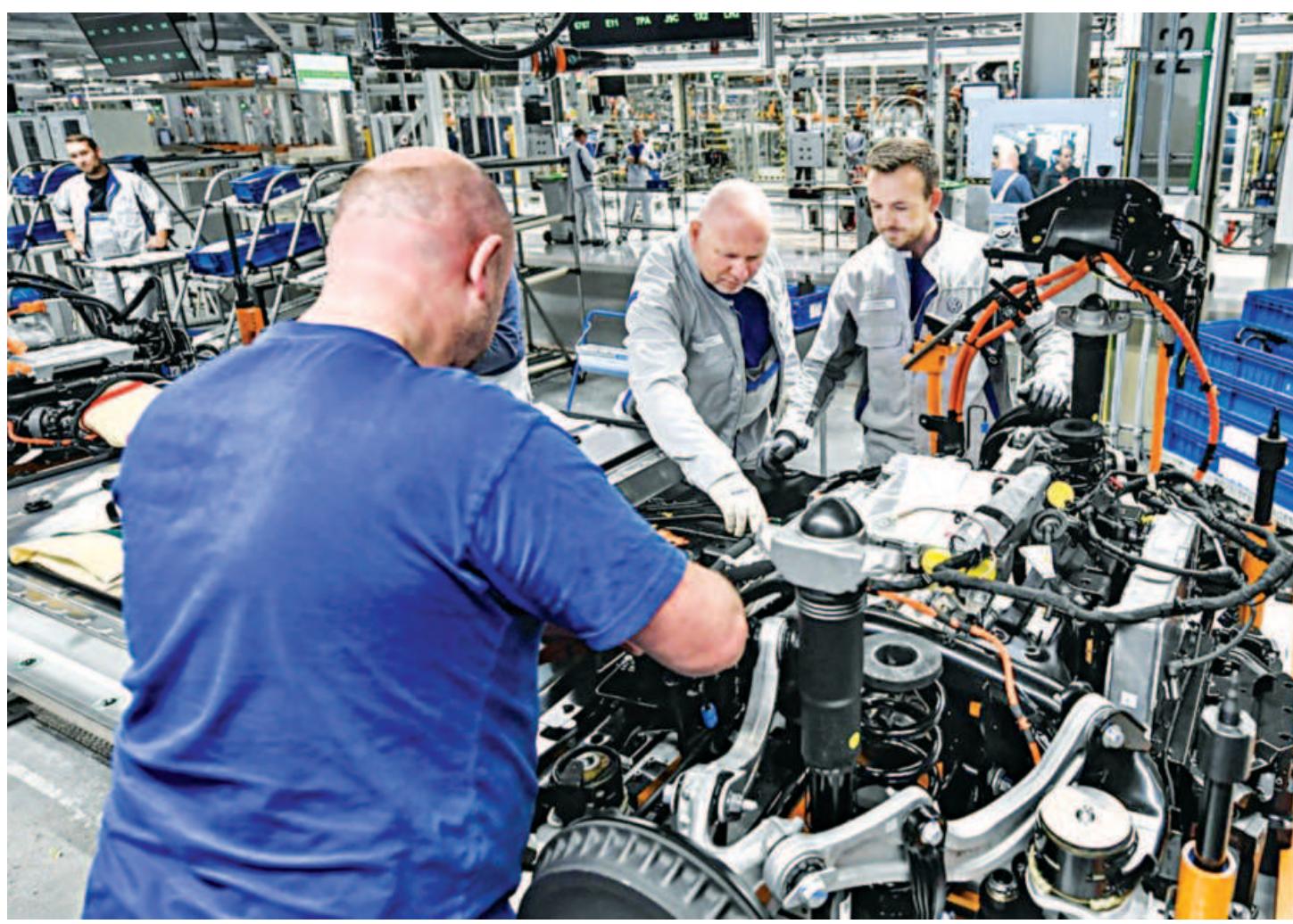
Below is reaction from analysts and asset managers to the latest events: "The short-term market reaction will depend on the extent of sanctions imposed by the West. Western leaders have two options a 'modest' approach, trying to signal de-escalation (what markets 'want' to see) or a firmer approach, recognising that allowing Putin to dismantle Ukraine piece by piece will still achieve his end goal, over a longer timeframe."

"EU ambassadors are meeting today to discuss their plan for sanctions...The US response is probably more important. This boils down to whether this is termed 'an invasion' or not. Blinken is still scheduled to meet Lavrov in Geneva on Thursday."

"While we believe it is too early to make a final assessment on what Monday's events may mean for the course of events, we remain of the view that the severe risk case we described earlier -- including fighting and a prolonged interruption of Russian energy exports -- still represents a tail risk at this stage."

"Allocations to commodities and energy stocks are an attractive option to help investors hedge portfolio risks. Energy prices would likely rise in the event of an

READ MORE ON B2



German business confidence rose to 98.9 points from 96 in January, with companies reporting an improvement in their expectations for the near future.

**German business confidence rises in Feb**

AFP, Frankfurt

The German business climate improved again in February, survey data published Tuesday showed, despite the aggravation of the crisis in Ukraine and persistent supply chain issues.

The Ifo institute's closely watched indicator rose to 98.9 points from 96 in January, with companies reporting an improvement in their expectations for the near future.

"The German economy is betting on an end to the Covid-19 crisis," Ifo president Clemens Fuest said after the government indicated it would roll back most of health restrictions designed to contain the pandemic by the end of March.

High case numbers around the turn of the year depressed domestic demand, hitting services particularly hard, and were a factor behind the economy shrinking in the last quarter of 2021.