

Star BUSINESS

Stocks suffer worst decline in 4 months Investors rattled by Russia-Ukraine crisis

STAR BUSINESS REPORT

Stocks in Bangladesh slumped to a more than four-month low yesterday as investors went for massive selloffs after the Russian invasion of Ukraine sent global oil prices higher and rattled global markets.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), tumbled 1.57 per cent as it lost 109 points to close the day at 6,839. This was the steepest single-day decline since October 25, when it plunged 120 points, or 1.72 per cent.

Losers outnumbered gainers with 326 stocks declined, 30 advanced and 21 did not see any price movement.

"As the Russian military operation in

Markets in Hong Kong, Tokyo, Shanghai, Seoul, Sydney, Singapore, Taipei, Jakarta and Wellington all fell

Ukraine has already hit the international oil market, it spooked the sentiment of the investors. The fear is intensifying that the listed companies will also be impacted because of the higher oil prices," said Mir Ariful Islam, chief executive officer of Sandhani Asset Management.

Oil prices jumped on Thursday, with Brent crude, the world benchmark, climbing above \$105 a barrel for the first time since 2014, as the invasion exacerbated concerns about the disruptions in the global energy supply.

Global stocks plunged as well.

All the European stocks opened with 2.5 per cent to 4 per cent lower.

Markets in Hong Kong, Tokyo, Shanghai, Seoul, Sydney, Singapore, Taipei, Jakarta and Wellington all fell.

In India, the 30-share pack Sensex tumbled 4.72 per cent and the broader NSE Nifty tanked 4.78 per cent.

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Imported white peas, called "anchor daal" in Bangla in local markets, being packed into sacks from a vessel at Majhir Ghat in Chattogram's Sadarghat for transport to markets. The pulse was selling for Tk 48 to Tk 50 per kilogramme in markets of Dhaka yesterday, according to the Trading Corporation of Bangladesh. Escalating tensions between global crop heavyweights Russia and Ukraine are likely to force buyers to seek alternative shipments, driving up world food prices already near multi-year highs, Reuters recently quoted analysts and traders as saying. The photo was taken recently.

PHOTO: RAJIB RAIHAN

Businesses fear ripple effect of Russian invasion of Ukraine

REFAYET ULLAH MIRDHA, SUKANTA HALDER and AKM ZAMIR UDDIN

With oil prices hitting above \$100 in the wake of Russia's invasion of Ukraine, local businesses yesterday feared that the war would have a ripple effect on their domestic and international operations as both countries are major suppliers of agricultural commodities.

Entrepreneurs said the cost of doing business will go up substantially because of the increase in freight rates after oil prices crossed a 14-year high in international markets, according to Reuters.

Besides, the global supply chain has already been impacted by the coronavirus fallout for the past two years but this war will only exacerbate the situation.

The shipment of products by both air and sea will also likely be affected because of the war in Europe, Bangladesh's biggest export market.

The conflict may also badly impact the prices of some basic commodities, industrial raw materials and industrial machinery as both Russia and Ukraine are major sources for these items.

Some bankers said the crisis may also affect the banking sector as major international trading partners have already banned

Bangladesh's bilateral trade in million US\$; Data compiled by FBCCI

	Export	Import
With Russia		
FY17	465	466
FY18	485	630
FY19	548	653
FY20	487	782
FY21	665	482
With Ukraine		
FY17	13	399
FY18	21	319
FY19	23	343
FY20	20	523
FY21	27	321

some banks from conducting transactions with Russia.

Bilateral trade between Bangladesh and Russia is worth nearly \$1 billion while two-way trade with Ukraine amounts to about \$350 million.

Interestingly, Bangladesh's trade balance with both countries is tilted towards the country due to the heavy concentration of apparel items.

On the other hand, Russia and Ukraine are major sources of Bangladesh's wheat, cotton, and industrial materials and machinery.

"Our business, especially the export of apparel, will be affected. However, the magnitude of the impact on exports depends on how long the war continues," said Faruque Hassan, president

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Timely, accurate fiscal data crucial for policymaking Experts tell CPD event

STAR BUSINESS REPORT

The delayed release and inaccuracy of fiscal data in Bangladesh ultimately hurts the public as it prevents the government from providing adequate support, according to the Centre for Policy Dialogue (CPD).

"It may be due to the lack of precise and timely fiscal data that the government cannot effectively utilise its available fiscal space," said Towfiqul Islam Khan, senior research fellow of the CPD.

This means that the government may be forced to adopt a relatively conservative approach when extending budgetary allocations to help combat any crisis, such as the ongoing Covid-19 pandemic and rising commodity prices, he added.

Khan made these comments while presenting a study on "Fiscal data in Bangladesh: Issues and Challenges" yesterday.

There are four fundamental dimensions of fiscal data: availability, accessibility, agility (promptness), and accuracy.

The research showed that when it comes to Bangladesh, the accuracy of fiscal data continues to be a major concern due to inconsistencies in the reports from national data suppliers.

In terms of availability, the major concerns begin with the absence of several key fiscal indicators followed by inadequate levels of disaggregation.

"So, the actual expenditure on social protection, subsidies, cash transfers, and projects under the Annual Development Programme should be reported on a monthly basis," Khan said while disclosing their findings at a dialogue, styled "Challenges of Improving Fiscal Data for Policymaking in Bangladesh".

The dialogue was organised by the CPD in partnership with The Asia Foundation, Bangladesh at the Sheraton Dhaka in the capital's Banani.

Debapriya Bhattacharya, a distinguished fellow of the CPD, said fiscal data plays a critical role

READ MORE ON B2

STOCKS	
DSEX ▼	CSCX ▼
1.57%	1.57%
6,839.44	11,999.25

COMMODITIES	
Gold ▲	Oil ▲
\$1,969.75 (per ounce)	\$99.06 (per barrel)

CURRENCIES				
	USD	EUR	GBP	CNY
BUY TK	85.05	94.96	114.30	13.23
SELL TK	86.05	98.76	118.10	13.91

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 4.72%	▼ 1.81%	▼ 3.45%	▼ 1.70%	
54,529.91	25,970.82	3,276.06	3,429.96	

Fast-track projects lag in making info public

TUHIN SHUBHRA ADHIKARY

Only three out of eight fast-track projects in Bangladesh have dedicated websites for public information and those too contain no updated information on their progress.

The remaining five are mentioned on the websites of their implementing agencies. Just one of them regularly updates information.

All websites provide some basic information about the projects. But most do not provide information pertaining to procurement and expenditure.

Experts say people have a huge interest in these major infrastructure projects, including that over the construction of the Padma bridge and metro rail line, for the potential they bear in changing the country's landscape once complete.

And public access to vital information, especially about the funding and expenditure of the projects, is essential to ensure transparency and accountability, they added.

"Projects like these are undertaken in the public interest and with public money. So, the people have the right to know all relevant information," Transparency International Bangladesh Executive Director Ittekkharuzzaman told The Daily Star on Saturday.

He said people have the right to know about project rationales and intended outcomes and detailed itemised budgets, including funding sources.

They should also be informed of the project approval, implementing agency selection and procurement contracting processes, social and environmental impact assessments, he said.

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FAST-TRACK PROJECTS

Project name	Dedicated website	Implementing agency's website	Updated data on physical progress	Updated data on financial progress	Availability of procurement data
Padma Multipurpose Bridge	✓		✗	✗	✗
Padma Bridge Rail Link	✓		✗	✗	✗
Ctg-Cox's Bazar Rail Link	✗	✓	✗	✗	✗
MRT Line-6	✗	✓	✓	✗	✓
Rooppur Nuclear Power Plant	✓		✗	✗	✗
Matarbari Coal-Fired Power Plant	✗	✓	✗	✗	✗
Payra Sea Port	✗	✓	✗	✗	✗
Rampal Power Plant	✗	✓	✗	✗	✗

Banks asked to make shock recovery plan

STAR BUSINESS REPORT

Bangladesh Bank yesterday asked banks to draw up a recovery plan so that they can take time-befitting moves to resolve any downside risk emanating from default loans, liquidity crisis and some other factors.

The guideline will help banks avert catastrophic losses by a substantial extent, said a Bangladesh Bank official.

Every bank will have to prepare the plan and submit it to the central bank within January every year.

But the first recovery plan will have to be submitted by June 30 this year with prior approval from the board of directors of the respective banks.

A bank will have to identify a list of credible options that it can adapt to restore its financial strength.

The central bank mentioned a good number of downside risks, which

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Gold bid, stocks dumped further

REUTERS, Hong Kong

Russia's invasion of Ukraine saw investors scrambling for the safety of gold and the protection of inflation hedges as weeks of brinkmanship came to a head on Thursday.

While market participants had been bracing for some form of aggression on Russia's part, Thursday's attack that brought explosions even in the Ukrainian capital of Kyiv, and across the country, made the war real for market participants.

Trader playbooks seemed to change from one that was built around the possibility of a diplomatic resolution to the crisis, to what had at one point been a tail-risk, or extreme, scenario.

"It looks pretty clear that they are moving toward Kyiv, which was always one of the worst case scenarios, because we now have a long night ahead of us trying to understand how bad this gets, and what sanctions get put up," said Chris Weston, head of research at brokerage Pepperstone in Melbourne.

"There are no buyers here for risk, and there are a lot of sellers out there, so this market is getting hit very hard."

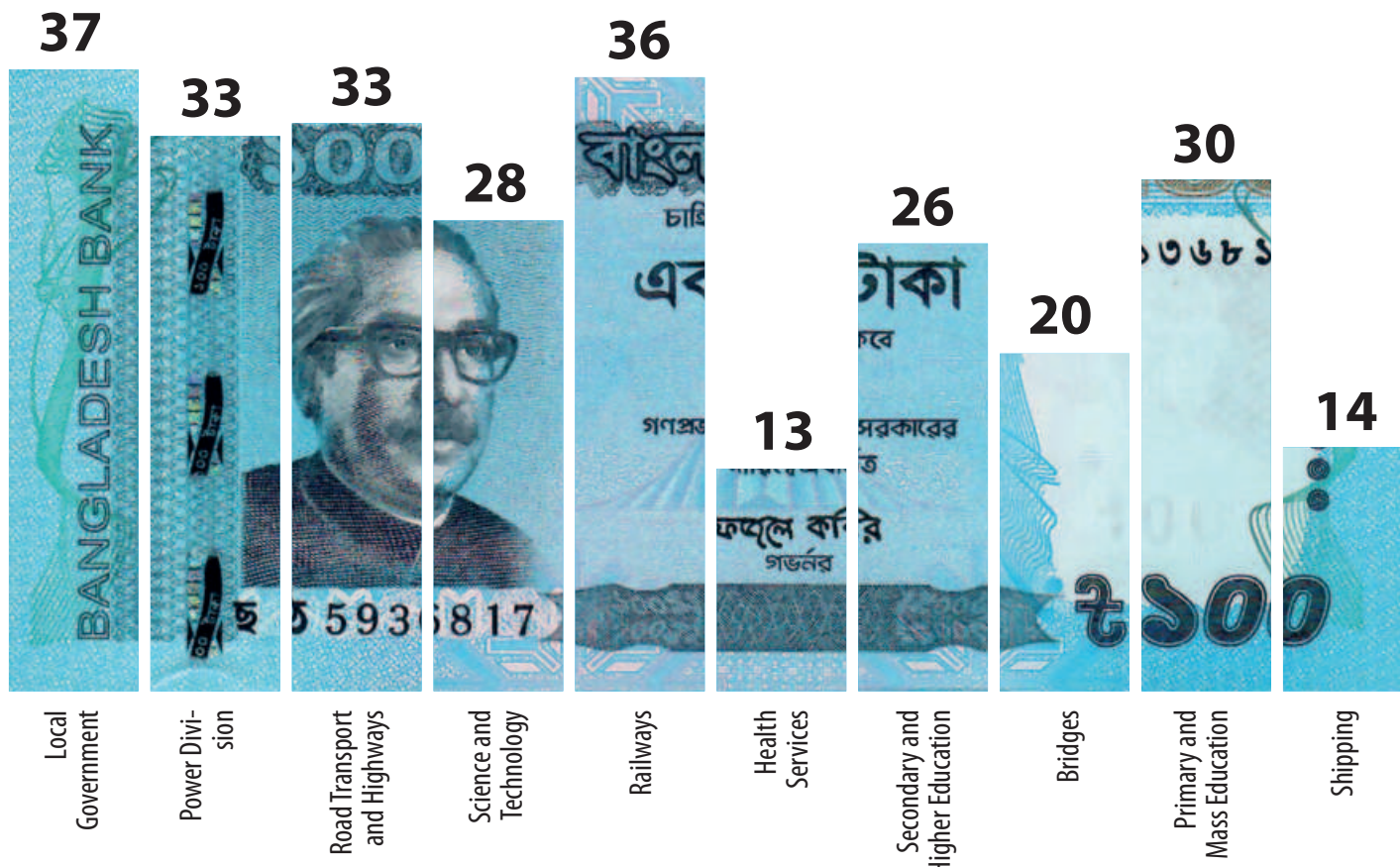
Gold prices jumped to their highest in more than a year as stock markets and futures on their indexes fell. Oil prices surged past \$100 a barrel for the first time since September 2014.

Nasdaq futures fell sharply, and suggested the US tech-heavy index was on track to confirm being in a bear market - down 20 per cent from its recent high.

"Whether there will be a full-blown war or not, the simple strategy is to bet on a spike in inflation," said Yuan Yuwei, a Chinese hedge fund manager at Water Wisdom Asset Management.

Implementation of ADP by top 10 ministries and divisions

in (%); SOURCE: IMED



Development spending rising

REJAUL KARIM BYRON and
DWAIPAYAN BARUA

Development spending in Bangladesh rose 17 per cent year-on-year in the first seven months of the current fiscal year, highlighting the momentum in the economic recovery from the pandemic-induced slowdown.

Though the second wave of Covid-19 hit the country during the second quarter of 2021 prompting the government to impose a countrywide lockdown, the situation started improving from the beginning of the current fiscal year leading to the quick resumption of economic activities.

As a result, the government managed to spend Tk 71,532 crore from its ADP budget in the July to January period, which was Tk 61,048 crore in the same period a year ago, according to data from the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry.

As of January, the ministries and divisions spent 30.21 per cent of the total ADP allocation of Tk 236,793 crore set aside to carry out development activities during the current fiscal year, against 28.45 per cent spent in the same period in FY21.

Planning Minister MA Mannan told reporters on Tuesday that ADP implementation has seen an increase by 2 percentage points so far in the current fiscal year compared to the previous fiscal year.

"ADP implementation has increased in the country at a time when the rest of the world is struggling," he said.

Although the implementation marked a rise, the spending is still below the pre-pandemic stage. In the first seven months of FY20, the period before the pandemic, the ministries and divisions were able to spend 32.07 per cent of the development budget.

The average monthly ADP spending in the seven months of FY22 has been Tk 10,218 crore. This means ministries and divisions will have to expend more than Tk 33,000 crore on average in each of the five remaining months to hit the ADP target, a goal that an official of the planning ministry says will be impossible to hit.

So, the government is planning to slash the target in the revised ADP next month, he said.

According to the monthly progress report of the IMED, the implementation of both government funds and project assistance increased.

In the seven-month period, the implementing entities managed to spend 31.27 per cent of the government funds, versus 29.22 per cent registered in the same period in the last fiscal year.

The implementation of the project assistance was 28.75 per cent in the July-January period, compared to 28.39 per cent a year ago.

Despite ongoing health crisis, the health services division has been one of the worst-performing divisions as it could spend Tk 1,713 crore from July to January, which accounted for only 13.18 per cent of the total allocation of Tk 13,000 crore.

Other low-performers include the shipping ministry, which achieved 14.46 per cent of the spending target.

The bridges division implemented 19.91 per cent of the budget and the Prime Minister's Office 21.93 per cent of the allocation. Of the 15 largest recipients, the industries ministry was the top performer in the first seven months as it implemented 62.75 per cent of its allocation.

The housing and public works ministry spent 39.84 per cent of the allocation, the local government division 36.50 per cent, the railway ministry 36.10 per cent and the water resources ministry 34.48 per cent.

Working together

FROM PAGE B4

that all the stakeholders show equal enthusiasm and work together to realise the benefits of this technology.

Initiatives by the governments and the operators are good starting. Further steps need all the stakeholders to collaborate as 5G network will require huge infrastructure. If all the stakeholders join hands and invest, then the cost of production and maintenance for 5G networks will fall. As a consequence, customers will benefit from affordable devices and high-quality services.

Investment and engagement by all

stakeholders are very vital as this is the efficient way to reduce the cost necessary for 5G deployment.

Looking at Europe and countries like France, Germany, England, Japan, China and also Bangladesh, we can see that governments have invested time and effort into creating a supportive regulatory environment. The categorised targets have been like mainly to being compatible with the international standardisation process, streamlining procedures to allow timely infrastructure deployments and spectrum availability, stimulating experimentations, adapting telecommunications and sectoral regulations to 5G

needs.

Bangladesh has recently launched 5G. State-owned telecom operator Teletalk has deployed 5G networks initially. The government has plans to gradually roll out an advanced 5G network at the district level for mass adoption.

Apart from public usage, the 5G network will have tremendous impacts at the industry level. Market mavens and tech experts are calling for greater actions from industry stakeholders to realise the full potential of the 5G network for expediting growth. As per the government's roadmap, the other operators of Bangladesh are also going for spectrum bidding in 2022.

All eco-partners need to collaborate closely to develop a supportive and developing environment and nurture business opportunities while ensuring safety at all levels. For example, the use cases in transportation (e.g. autonomous driving) and healthcare (e.g. remote surgery) will need a collaborative approach involving multiple partners within the traditional telecom industry and beyond.

On the other hand, a collaborative effort of industry associations, research institutes, operators, equipment vendors, and other industry players will help efficiently

realise the full potential of the 5G network.

Bangladesh has abundant human resources, a peaceful development environment, stable economic growth, and good digitalisation and telecom infrastructure. I believe that in the future, under the guidance of the government, the Digital Bangladesh will surely make greater achievements and everyone can be a beneficiary of this advanced network. And Huawei will be always there for building a fully connected, intelligent Bangladesh.

The author is the president of Huawei for the Asia Pacific region.



British High Commissioner to Bangladesh Robert Chatterton Dickson poses for a photograph after visiting a factory of Fair Electronics Ltd, a subsidiary of Fair Group in Shibpur, Narsingdi recently. Teresa Albor, partner of Dickson, Shahriar Rouf, head of IT at the British High Commission, Khalid Gaffar, acting head of trade and investment, Mahtalat Mahboob, executive assistant to the high commissioner, and Maj Gen (retd) Hamid R Chowdhury, adviser of Fair Group, were present.

PHOTO: FAIR GROUP

Timely, accurate fiscal data

FROM PAGE B1

for not only from the perspectives of accountability and transparency for the country's development process but also for policymaking.

"We talked about data deficits, then anarchy and now we are talking about data blindness. Things which are happening in the recent past are totally within data blindness," he added.

Data blindness is present in almost all facets of Bangladesh's economy, whether it concerns the price of petroleum and electricity, the overall subsidy policy or future investments, including mega projects.

With this backdrop, Bhattacharya questioned if there is a lack of political will in the collection of

fiscal data for any reason. "Is there any apprehension to publish the data as the information might create a catastrophe on the political or administrative aspect?" he asked.

"So, it is important to look into whether there is any apprehension from either the planning ministry or the finance ministry to provide relative information on the narrative of the development being portrayed," Bhattacharya said.

Data on state-owned enterprises is very crucial since people get various services, such as water, electricity and gas utilities, from them.

"Since these services are given by the monopoly of state-owned enterprises, we need to get their

financial statements to understand the logic behind price hikes," said Zahid Hussain, former lead economist at the World Bank's Dhaka office.

On the one hand, Dhaka WASA says that production costs are higher than prices being paid while on the other, there has been news that WASA has been making hefty profits over the years.

"So, there is something here we do not know about. One thing is that there could be accrual profit, but there is no proper cash flow since there are outstanding bills," Hussain said.

The problems created by outstanding bills cannot be solved by price hikes because that would mean people who pay their bills would be burdened by those who do not.

But if the balance sheets of state-owned enterprises are available on time, think tanks and research bodies like the CPD would be able to analyse them and infer the logic behind any given price hike.

"The balance sheets of state-owned enterprises are given in pieces. Besides, the actual data remains un-updated," he added.

Prof Rehman Sobhan, chairman of the CPD, said data quality would be maintained if the generated data is derived from the needs of primary users, such as the finance ministry and policymakers.

However, the majority of demand for changes in data quality comes from outside the government, which is a critical weakness as the driver of change should come from within.

Stocks suffer

FROM PAGE B1

Amid the selling spree, turnover on the DSE rose 18 per cent to Tk 1,050 crore yesterday.

Beximco Ltd was the most traded stock with its shares amounting to Tk 89 crore transacted. Orion Pharmaceuticals saw a turnover of Tk 37 crore, Bangladesh Shipping Corporation Tk 29 crore, Dragon Sweater and Spinning Tk 26 crore, and Olympic Industries Tk 21 crore.

Pacific Denims topped the gainers' list as it rose 9.91 per cent. Crown Cement was up 9.86 per cent, Nurani Dyeing advanced 8.45 per cent, Evince Textile increased 4.80 per cent, and Dragon Sweater and Spinning gained 4.7 per cent. Imam Button was the

worst-performing issue on the day, giving up 6.81 per cent. Yeakin Polymer lost 6.69 per cent, ADN Telecom was down 6.36 per cent, Apex Spinning slipped 6.21 per cent, and Union Insurance declined 5.98 per cent.

"The stock market witnessed a massive fall due to the worldwide turmoil," said International Leasing Securities Ltd in its daily market review.

The investors are getting worried about the tension between Russia and Ukraine. Meanwhile, oil and gas prices surged in the international market on the fears that the Ukraine-Russia crisis may disrupt supplies across the world, it said.

The Chittagong Stock Exchange also slumped.

Oil's journey

FROM PAGE B4

The potential for conflict to interrupt supply added more pace to a rally underpinned by a recovery in demand that has been faster than oil producers can match.

Worldwide oil consumption last year outstripped supply by about 2.1 million bpd, according to the International Energy Agency, and will surpass 2019 levels this year.

Oil suppliers had to drain inventories to meet demand, and consumer nations are pleading for companies like Shell to drill more.

"If you go back to the days of whale oil, oil has been a story of boom and bust," said Phil Flynn, senior analyst at Price Futures Group in Chicago.

IDLC savings schemes available on bKash

STAR BUSINESS DESK

People can access IDLC Finance's digital savings services through their bKash accounts, a scope that would allow customers to save from anywhere in Bangladesh.

They can start IDLC's monthly savings schemes of different terms and amounts in just two minutes without any hassle of papers and forms, a press release said.

They can avail of savings schemes in monthly instalments of Tk 500, Tk 1,000, Tk 2,000 and Tk 3,000 starting from a minimum period of two years to a maximum of four years.

The savings instalments will be automatically transferred from the bKash account to IDLC Finance on a specific date of each month.

"The opportunity to save small amounts of money without any hassle will help all save money. This will bring good for the economy and improve the living standard of people," said Ali Ahmed, the chief commercial officer of bKash.

"The service of IDLC and bKash will play a vital role in the structural transformation of the country's economy and fulfil the dream of Digital Bangladesh," said Syed Javed Noor, deputy managing director of IDLC.

Customers can withdraw the savings amount through the bKash app at any stage after three months of opening the scheme and cash out the full amount, including interest, without any charge upon the maturity of the schemes.

One simply needs to click on the "savings" (in bank and financial institution) icon from the home screen of the bKash app to open a savings account with IDLC. Around 90,000 customers availed the savings schemes, amounting to Tk 14 crore since the inception of the service in September.

Of the customers, 64 per cent availed the service for future purposes, 25 per cent to ensure the financial security, 6 per cent to bear educational expenses and the remaining 5 per cent for other purposes.

AUTO COMPONENT MARKET IN BANGLADESH

Market size in 2021:
Tk **1,500cr**

Annual growth rate:
10-12%

Market size tripled since 2010

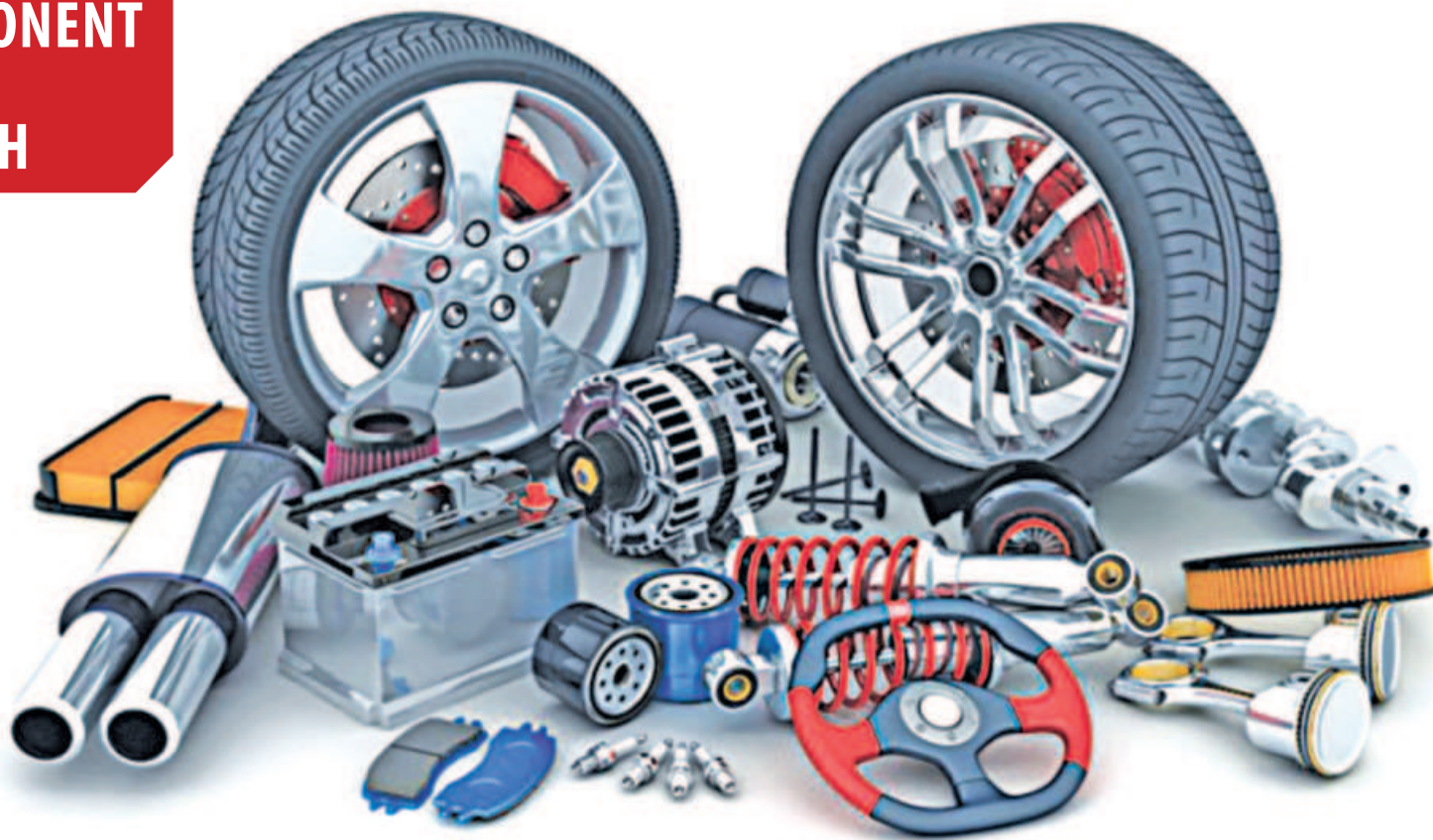
At least **200** traders import auto parts

Indian automakers dominate market for

Commercial vehicles

CNG-run three-wheeler

Two-wheeler



European wheat prices hit record high after Ukraine invasion

AFP, Paris

The price of wheat smashed its previous record high in European trading on Thursday as Russia invaded Ukraine, putting a question mark on the future of exports from two of the world's biggest producers of the key commodity.

Wheat soared to 344 euros (\$384) a tonne, far above its previous record of 313.5 euros recorded late last year, said Edward de Saint-Denis of the brokerage firm Plantureux & Associates.

It later fell back to around 320 euros a tonne. The price of corn meanwhile shot up to 304 euros a tonne.

Agricultural commodities are usually much less volatile than stocks or oil, but have recently seen spectacular spikes and drops provoked by Russia's looming invasion of Ukraine.

The stakes are especially high for wheat, with Russia being the world's top exporter and Ukraine the fourth, according to estimates by the US Department of Agriculture (USDA).

The consequences for agricultural markets of Russia's invasion of Ukraine on Thursday, which provoked threats of broad sanctions against Moscow from the West, are still difficult to predict.

"It is totally unprecedented," said Sebastien Poncet, an analyst with the French consultancy Agritel. "When we see that there are explosions in Odessa, which is the main Ukrainian port, we must assume there will not be much grain loaded there today," he said.

When Russia annexed the Crimea peninsula in 2014, then backed pro-Moscow separatists in Ukraine's east, prices rose by 15-20 per cent, before falling back after four to five months.

Indian auto parts makers see opportunities aplenty

JAGARAN CHAKMA

Ayush Jain, managing director of Delhi-based automotive component manufacturer Kube Autotech Pvt, had no idea about the growing aftermarket sales in Bangladesh.

Participating at a daylong "India-Bangladesh Auto Component Show" at the InterContinental Dhaka in the capital yesterday opened the doors to many possibilities for him.

Kube Autotech has been supplying brake shoes to 15 two-wheeler makers in India for the past 25 years.

"I concentrated on the local supply in India as the market is very big and has over a dozen two-wheeler manufacturers. So, I did not think about export," said Jain.

He sees a bright future for exporting goods to Bangladesh, saying that a number of auto component retailers had contacted him showing interest in directly importing goods.

The fair, jointly organised by the Bangladesh Automobiles Assemblers and Manufacturers Association (BAAMA) and the Automotive Component

Manufacturers Association of India (ACMA), showed prospects to others too.

Himanshu Chhabra, deputy manager of Makino Automotive, India, said he provided all kinds of wheel solutions and provided supplies to all two and three-

"It's important to move locally to produce automobile components to make the country's transport sector dynamic. And now it is the best time to start,"

wheeler makers in India.

He said Makino Automotive has been exporting aftermarket components to Bangladesh for over a decade and they have two distributors who import components worth crores of taka per year.

"We want to expand the market in Bangladesh and it is possible... the market size is growing rapidly as more vehicles are being purchased by the people of

Bangladesh than before," he said.

The growing demand for aftermarket auto components is noticeable due to the increasing number of automobiles, he said.

He, however, was yet to take a decision on whether he would manufacture his products here.

Anshul Khari, senior manager (export) at Minda Corporation, said they participated in the fair to explore the market in Bangladesh.

He said a number of had people contacted him, showing interest in importing components to Bangladesh.

Market exploration was also in the mind of Abdul Hussain, export sales manager of Mumbai-based auto component manufacturer AECO Engineering Company.

Talking to The Daily Star, Abdul Matlub Ahmad, president of the BAAMA, said the aim of the fair was to generate interest in both foreigners and locals in investing in manufacturing auto components in Bangladesh.

"It's important to move locally to produce automobile components to make the country's transport sector dynamic. And now it is the best time to start," he said.

Dalal Plus refunds Tk 17.74 lakh

STAR BUSINESS REPORT

Tk 17.74 lakh were provided in refunds to 10 customers yesterday over the non-delivery of goods by e-commerce platform Dalal Plus in spite of orders being placed through payments in advance.

Some Tk 34.06 crore of Dalal Plus customers is stuck with different payment gateways over the same issue.

Such platforms had mushroomed since mid-2020, taking advance payments pledging discounts of as much as 70 per cent to 80 per cent.

They all ended up failing to provide neither the products nor refunds.

The number of such unscrupulous e-commerce platforms is believed to be 16 while the amount awaiting return to customers is Tk 3,000 crore.

Since July 1, the advance payments have remained in escrow accounts of the gateways of payment service providers, payment system operators, and mobile financial service providers as per a Bangladesh Bank directive.

Escrow is the use of a third party, which holds an asset or funds before they are transferred from one party to another. The third party holds the funds until both parties have fulfilled their contractual requirements.

Addressing yesterday's refunding initiative organised by the commerce ministry on its premises, Additional Secretary AHM Shafiquzzaman recommended Dalal Plus return all of the money as soon as possible.

It is expected that the other companies will also fast ensure the return for their customers, he said.

Platforms Qoom and Alesha Mart earlier started their own refunding process.

US rolls out new steps to bolster supply chains

AFP, Washington

US President Joe Biden's administration is set to roll out Thursday new steps to boost domestic production of key materials and address supply chain problems that have contributed to soaring prices over the past year.

The plan includes new financing for ports, small manufacturers and exporters, as well as steps to increase competition in the meat industry.

The moves come on top of previously announced steps to bolster domestic production of critical computer chips that have become symbolic of the pandemic-induced shortages.

"Supply chain resilience is now an enduring national priority," as well as a "national security" issue, a senior administration official told reporters.

The programs, which span multiple agencies and will be announced later this week, include \$10 billion in funding from the US Treasury Department to leverage loans to small manufacturers.

Fast-track projects lag

FROM PAGE B1

"Such information also needs to be regularly updated in tandem with the progress in project implementation," Iftekaruzzaman said.

The lack of public access to such information is contradictory to the basic principles of democratic accountability and good governance, as well as the provisions of proactive disclosure under the Right to Information Act 2009, he added.

This correspondent went through all the websites on Saturday and found that most do not provide such information.

The Padma Multipurpose Bridge Project, which involves building a 6.15-kilometre bridge over the Padma river at a cost of Tk 30,193 crore, has its own dedicated website and some basic information.

But it does not have any updates on the financials while all it has to show for the construction's progress are some photos and videos.

The website does not contain any information regarding procurement.

The Mass Rapid Transit (MRT) Line 6, the country's first-ever metro rail project, encompasses establishing rail connectivity between Uttara and Motijheel.

Although the project does not have a dedicated website, Dhaka Mass Transit Company, the agency implementing the project, publishes reports on the physical progress regularly on a monthly

basis.

The website has some procurement-related information but does not contain updates on the financials.

The Chattogram Cox's Bazar rail link project was undertaken to incorporate Cox's Bazar into the country's rail network by extending a 100km rail track from the port city.

The Tk 1,852 crore project does not have any website. Bangladesh Railway, the project's implementing agency, occasionally publishes monthly progress reports of all projects it has undertaken, including this one.

The latest report is from December last year.

Although the progress report carries physical and financial progress, the website does not contain any other detail of the project.

The 2,400MW Rooppur nuclear power plant, the single largest project undertaken in Bangladesh, is being constructed in Pabna.

The Tk 113,092 crore project has a dedicated website that contains a toolbar titled "project progress". But it does not offer any information regarding the progress.

The website contains some information about contracts but does not give anything over its financials.

Another project is constructing a 1,200MW coal-fired power plant in Matarbari of Cox's Bazar at a cost of Tk 51,854 crore. It

does not have any website.

The website of the implementing agency, Coal Power Generation Company Bangladesh, provides information on the physical and financial progress up to December last year.

But it does not give details on the financials of the contracts. However, unlike any other project, audit reports of the past four years have been uploaded on the website.

The project on the construction of a 1,320MW coal-fired power plant in Rampal of Bagerhat at a cost of Tk 16,000 crore does not have any website.

The website of Bangladesh India Friendship Power Company, the implementing agency, has some basic information but updates on the physical and financial progress could not be found.

Users have to share an email address and the mobile number to access some tabs, making availing information difficult.

The government is implementing two projects worth Tk 8,356 crore that would facilitate another project over building a seaport in Payra of Patuakhali, which was initially planned to be a deep seaport but changed last year.

The projects do not have any website. The website of the Payra Port Authority, the implementing body, only uploaded a progress report for May 2021. There is no information about the contractors or contract figures.

Afzal Hossain, project director of the Padma rail link project, said he would give necessary instructions to officials concerned to update the information.

"Updated information is supposed to be there," said Shahiqul Islam, director of the Padma Multipurpose Bridge Project. "Okay, I will see."

"We had started work for developing the website but the individual responsible for it passed away suddenly, causing the delay," said Mofizur Rahman, director of the Chattogram-Cox's Bazar rail link project.

"Our website is now at the trial stage and we will launch it soon."

Abul Kalam Azad, director of the Matarbari coal-based power plant project, said, "As all other coal-powered projects have been cancelled, the website of Coal Power Generation Company Bangladesh is actually our website."

Rezaul Karim, who served as the deputy director of the Rampal power plant project till February 17 and is now working at Bangladesh Power Development Board, a partner of the company that is implementing the project, said he would talk with the officials concerned to update the website.

He claimed that the website contained information on the physical and financial progress up until January. But this correspondent found information on only the physical progress, that too up till December last year.

Businesses fear ripple

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of the Bangladesh Garment Manufacturers and Exporters Association.

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, echoed the same.

"Primarily, we will lose the Ukraine market as it is a war-hit country. There is a possibility of losing business in its neighbouring countries as well," Khokon told The Daily Star.

He said local businesses will enter another unstable era because this new global crisis comes amid their recovery from the severe fallout of Covid-19.

Importers said nearly one-third of the global wheat supply comes from Russia and Ukraine.

The two countries also supply a good amount of maize, rapeseed, canola, sunflower oil and pulses, and Bangladesh depends on imports to meet its domestic requirement for such commodities.

Already, oil prices broke above \$100 per barrel while the prices of wheat, soybean seeds, crude soybean and palm oil for future delivery also surged in global markets.

Local importers said they reduced the number of shipments from Ukraine and Russia in recent years and increased purchases from India because of convenience in transport.

Still, though, Bangladesh will likely face higher prices for grains as prices have shot up amid rising tensions.

"Suppliers are not taking orders for delivery from the region while pending supplies have also become uncertain," said a commodity importer preferring anonymity.

Exporters in India are also quoting higher prices, he added.

Abdul Bashar Chowdhury, chairman of Chattogram-based BSM Group, said not only Bangladesh, but the impact of the war between Russia and Ukraine would fall on the whole world as

both countries are major suppliers of food grains and other commodities. "Definitely, there will be an impact on commodity markets and costs as suppliers in other countries have already increased prices," he said, adding that the crisis has made commodity markets other than that of food grains volatile as well.

"All have increased prices," said Mostafa Kamal, chairman and managing director of Meghna Group of Industries, citing that an Indian supplier hiked wheat prices by \$10 to \$305 per tonne.

"It appears that there is no respite from high prices of edible oil," he said. Palm oil prices are now between \$1,600 and \$1,700 per tonne while the cost of soybean oil has skyrocketed to nearly \$1,800 per tonne from \$700 to \$800 earlier.

"No one has witnessed such high prices of edible oil. I do not understand. I have been in business

since our independence, but I have never seen such high prices in my life," Kamal added.

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, said many North Atlantic Treaty Organisation members import goods from Bangladesh and so, those exports may be affected.

Rahman went on to say that Russia is one of the country's largest foreign investors in various sectors.

AK Azad, chairman of Ha-Meem Group, said Russia's military operation in Ukraine will disrupt global gas and oil supplies.

Because of the rise in oil and gas prices, the cost of sales will increase and there will be a big impact on business, said Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry.

About 47 per cent of Bangladesh's exports go to EU member countries. If all of Europe is considered, the amount of shipments makes up about 55 per cent of the country's total exports.

"If the war escalates, movement of ships and air flights will be shut and there will be a major impact on global food security," Islam added.

The US, alongside Britain and EU countries, has already imposed sanctions on several Russian banks, which will have a negative impact on Bangladesh's financial sector as well. Emranul Huq,

managing director of Dhaka Bank, said the country's banking sector might not be able to do business with corresponding banks in Russia due to the latest embargoes imposed.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said the financial sector would not face any major problems since Bangladesh's bilateral trade with the two warring nations is not significant.

Banks asked

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may subsequently create a major shock for banks.

For instance, declining profitability, decrease in revenuesources, the sudden withdrawal of deposits, decrease in capital ratios and deterioration of asset quality can put an adverse impact on the financial health of lenders.

If banks timely address the issues by way of having the recovery plans in place, they can avoid any dire consequence related to their financial health, explained the BB official.

The central bank asked the management of banks to reassess or verify the recovery plan at least annually in response to any probable shock that may hit the lenders' financial health.

Banks' boards are responsible for overseeing their recovery planning process.

The board will review and approve the recovery plan at least annually, and as needed to address significant changes made by the management.

GDP can't be only indicator of development

Says Wahiduddin Mahmud

STAR BUSINESS REPORT

Not only the GDP growth rate, but also peoples' wellbeing and the existing environmental situation should be considered as the indicators of development, said Wahiduddin Mahmud, a noted economist, yesterday.

The former professor of economics at the Dhaka University made the comment while giving a public lecture at an online event titled "Economics Crossing Boundaries: Possibilities & Constraints" at the Fourth Bangladesh Economics Summit organised by the Economics Study Center.

If entrepreneurship grows strongly, the economy may develop even if there is a moral problem, disparity and corruption, Prof Mahmud said.



Women weave floor mats from hogla leaves, a species of aquatic grass, at Modhubhanga village of Pirojpur's Nazirpur upazila. They can make four mats a day, each around seven feet long and more than five feet wide, that sell for between Tk 60 and Tk 80 per piece in the local wholesale market. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

Small income, big contribution

Women make floor mats from leaves to support families

HABIBUR RAHMAN, Pirojpur

Getting up from bed early in the morning, Sabitri Halder goes to her backyard and takes a seat on the floor to weave floor mats from hogla leaves, a species of aquatic grass.

She keeps working until the sun gets hotter. In the afternoon, she again gets back to make the items.

Like her, at least 2,000 women from low-income families in five unions in the district's Nazirpur upazila produce floor mats from hogla leaves grown in the marshland.

"Almost every house in our village make mats from hogla leaves," said Sabitri, a resident of Modhubhanga village of Gaokhali union in the upazila.

After doing all the household chores and taking care of the family members, several women sit together to make the mats. They can weave four mats a day.

Each mat is around seven feet long and more than five feet wide.

In the local wholesale market, each floor mat is sold for between Tk 60 and Tk 80, allowing an artisan to make a profit of Tk 130-150 a day.

This source of income helps the artisans meet family expenses such as paying for their child's tuition fees and buying clothes for family members.

In order to make floor mats, weavers have to buy the leaves from wholesalers or collect them on their own from the marshland.

"We buy one bundle of hogla leaves at Tk 110-120," said weaver Mamata Halder. Weavers can make four mats from a bundle of leaves.

Artisans remove the backside of them



to make them soft. After the weaving is complete, they have to make the border, said Radha Halder, another weaver.

She says the male members of families also come to their aid, buying the leaves from the market and selling the floor mats. Female students also help their mothers in making mats.

"Before going to school in the morning, a girl can make one mat," said Rekha Halder, also a weaver.

After returning from school or college, they also sit with their mothers in the afternoon. But as the educational institutions remain closed, they help their mothers almost all day.

Traders buy floor mats from weavers in the villages and sell them at the only wholesale market in the upazila located in Gaokhali bazaar, which sits every Saturday

and Tuesday.

Weavers also sell floor mats in the haat themselves after carrying them either in small boats or three-wheelers. Wholesalers buy and supply them to various parts of the country through water vessels.

On every haat day, about 20,000 pieces of floor mats are sold, according to wholesaler Md Belayet Hossain.

Floor mats are used in construction sites, at religious institutions and public gatherings, he said, adding that the business has been experiencing its worst period due to the coronavirus pandemic for the last two years.

Although long hours spent to make mats leave artisans with back pain and troubled sleep, weaver Nomita Halder, said with a smile: "We are happy to contribute to the family."

Working together essential for a better 5G ecosystem

SIMON LIN

The whole world is waiting to embrace the Fourth Industrial Revolution. Countries and industries that are already on the track of huge digital transformation will be able to cash in on the potentialities of the 4IR. At such a time, an advanced network like 5G will open up new windows of opportunities for the industries and economies in a greater sense as 5G can accelerate digitalisation across different sectors.

Based on the three pillars – Enhanced Mobile Broadband, Ultra-reliable and Low-latency Communication (URLLC), and Massive Machine-type Communications – 5G will present itself as a huge opportunity for others. These will help network customers, industrial users, and businesses with enhanced capacities and enable them to connect huge numbers of devices for a more efficient system.

5G is expected to enable up to \$12 trillion of economic output in 2035, which will represent about 4.6 per cent of the global output. Moreover, 5G will also play a significant role in realising the long-term objective of reducing our carbon footprint and conserving natural resources.

However, certain industries will definitely be the core beneficiaries of this advanced technology as it will expedite digitalisation across those sectors. These include telecommunications, media and entertainment, manufacturing, transportation, and public services.

The Digital Bangladesh will surely make greater achievements and everyone can be a beneficiary of this advanced network

Currently, the telecom industry is facing lots of technical problems, many of which could be minimised with a 5G network. Superfast Fixed Wireless Access will be another field of opportunity that will help the government take broadband access to even rural people since 5G will enable speeds up to 1 Gbps. According to Huawei White Paper, the 5G Fixed Wireless Access market will grow to almost \$50 billion by 2026.

There is also an opportunity that annual mobile media revenues will double in the next 10 years to \$420 billion in 2028. On the other hand, the manufacturing industry will undergo massive changes owing to the advent of 5G since this advanced network will enable more efficient production lines (e.g., with machine vision and high definition video for managing processes), automated guided vehicles in factories (e.g., autonomous transportation) and machine control, with the latency of less than 5 milliseconds using URLLC. However, enhancements to 5G technology will be vital for achieving ultra-low latency and ultra-high reliability in the manufacturing industry.

The governments will have greater implications of 5G for its citizens to improve public services.

At the moment, the costs for healthcare services are rising, up from 8.5 per cent of total GDP in 2000 to over 10 per cent in 2016. Sectors like this can experience a total overhaul with the help of 5G, which will ultimately help cross-sections of people avail better services at affordable cost.

Taking the greater possibilities and endless opportunities of 5G into account, it is imperative

READ MORE ON B2

Oil's journey from worthless in the pandemic to \$100 a barrel

REUTERS

In July 2020, just a few months after the Covid-19 pandemic started to spiral out of control, Shell CEO Ben van Beurden declared world oil demand may have passed its peak - all but condemning his company's core business to eventual obscurity.

"Demand will take a long time to recover if it recovers at all," he told reporters after the Anglo-Dutch energy company reported a sharp drop in second quarter profit.

Van Beurden wasn't alone in his gloomy view. Like much else during the pandemic, what was happening in fuel markets was unprecedented.

Demand had fallen so sharply as people stopped travelling, the oil industry simply couldn't cut production fast enough to match it.

Worse, the fall in demand came as Russia and Saudi Arabia - the two most powerful members of the OPEC+ group - were locked in a supply war that flooded markets.

There was so much oil there was nowhere to put it, and in mid-April 2020 the price of a barrel of West Texas crude went below \$0 as sellers had to pay get rid of it.

But less than two years later, the predictions of Van Beurden and others about oil's demise look premature.

Benchmark Brent crude futures hit \$100 a barrel on Wednesday for the first time since 2014 as Russian President Vladimir Putin ordered military operations in Ukraine.

READ MORE ON B2



A maze of crude oil pipes and valves is pictured during a tour by the Department of Energy at the Strategic Petroleum Reserve in Freeport, Texas.

PHOTO: REUTERS

EU unlikely to cut Russia off SWIFT for now

REUTERS, Brussels

The European Union is unlikely at this stage to take steps to cut Russia off from the SWIFT global interbank payments system as it works on a new package of sanctions against Moscow for its action against Ukraine, several EU sources said.

The foreign ministers of the Baltic states, once ruled from Moscow but now members of NATO and the EU, called on Thursday to stop Russia's access to SWIFT.

Other EU member states are reluctant to make such a move because, while it would hit Russian banks hard, it would make it tough for European creditors to get their money back and Russia has in any case been building up an alternative payment system.

"Urgency and consensus is utmost priority at the moment," said an EU diplomat.