



Trawlers loaded with paddy are seen docked at a floating market on the Sandhya river in north Nazirpur of Barishal's Banaripara upazila. Traders from adjoining Barguna, Patuakhali, Bhola and Pirojpur districts come to the market, which sits on Saturdays and Tuesdays every week, to sell paddy. However, rising fuel costs could put a damper on the market's activities.

PHOTO: TITU DAS

Opec+ powerless as Ukraine conflict pushes up prices

AFP, London

The OPEC+ cartel of top oil producers at their monthly meeting on Wednesday are likely to be powerless to rein in prices, which have soared above \$100 after member Russia's invasion of Ukraine.

With some members failing to meet their monthly production quotas, the group is not expected to be able to control the wild swings in oil prices, analysts say.

"Only Saudi Arabia and the UAE, and maybe Kuwait would be able to increase production in the short-term," Tamas Varga from PVM Energy told AFP.

But group leader Saudi Arabia reiterated at the start of this year its policy of strict adherence to the terms of OPEC+ agreements and the quotas agreed in them.

It confirmed its commitment to the OPEC+ agreement with Russia on Sunday, according to the Saudi Press Agency, as Moscow faces international criticism over the Ukraine conflict.

Crown Prince Mohammed bin Salman during a conversation with French President Emmanuel Macron "affirmed the kingdom's keenness on the stability and balance of oil markets and the kingdom's commitment to the OPEC+ agreement," the agency added.

While Saudi Arabia is seen as the kingpin of the 13 OPEC member states, Russia is the major player among the 10 other countries that make up OPEC+.

The 23 countries will gather via teleconference on Wednesday, facing prices not seen since 2014.

They will aim to live up to their mission of "stabilisation of oil markets", particularly at this time of "extreme oil price volatility", according to Stephen Brennock, analyst at PVM Energy.

Between December and January, OPEC members boosted their production by 64,000 barrels per day (bpd), reaching a total of some 27,981 million bpd, according to the organisation's last monthly report.

But this is far below the target of a 400,000-bpd increase that the group

has been aiming for since May 2021, when it embarked on a gradual re-opening of the taps to accompany the global economic recovery after the shock of the first waves of Covid-19.

"Covid has hit African economies the hardest and Nigeria and Angola have struggled to keep up investment in infrastructure with both existing and new wells," Edward Moya, analyst at Oanda, told AFP.

"Years of underinvestment and political instability have lent themselves to severely limited spare capacity in the likes of Nigeria, Angola, and Libya," according to analyst Han Tan from Exinity.

OPEC's latest report says that Congo and Equatorial Guinea produced much less than expected in January.

Since May 2021, the level of crude produced by OPEC members has been just shy of 750,000 bpd under the authorised limit.

According to Carsten Fritsch, quoted in an analysis from Commerzbank, the gap will only widen unless Saudi Arabia

and other countries with spare capacity step in with increased production.

"Right now, there is seemingly no desire to ease market conditions either, with producers capitalising on high prices which they don't deem to be overly harmful for the economy after years of very low prices," Craig Erlam at Oanda told AFP.

Wednesday's meeting also takes place at a key moment for negotiations to revive the 2015 Iran nuclear deal which are widely expected to come to a head in a matter of days.

The deal provided sanctions relief for Tehran in return for strict curbs on its nuclear programme but has been disintegrating since former US president Donald Trump withdrew from it in 2018 and reimposed sanctions, including on Iran's oil exports.

If an agreement were to be found and could "unlock the Iranian exports in the coming weeks, that would add some 800,000 barrels of extra supply per day," Ipek Ozkardeskaya, analyst at the Swissquote bank, told AFP.

Export policy order for 2021-24 gets nod

STAR BUSINESS REPORT

The cabinet yesterday approved the draft Export Policy 2021-2024 with the aim to almost double Bangladesh's export earnings to \$80 billion from \$45 billion within the period by facilitating shipments of diversified, non-traditional goods and labour based products.

The policy prepared for three years also aims to bolster the shipment of high-value products by ensuring standards and compliance as well as encouraging modern, sustainable and green technologies, according to the draft policy prepared by the commerce ministry.

"The policy was prepared to cope with the upcoming challenges that will emerge after the country's graduation from the least developed country category," said Cabinet Secretary Khandker Anwarul Islam during a media briefing after the cabinet meeting.

He said the policy has given emphasis on product diversification, identification of priority products, expansion of export industries, and making trade and investment easier to boost exports.

Special importance was also given to devise the strategy for the 4th Industrial Revolution, economic diplomacy to expand markets, and bring dynamism in exports.

The draft policy gives priority to the ICT and services sectors, e-commerce, e-governance, and women as well as small entrepreneurs engaged in export-oriented industries.

To attain the goal, the draft said steps will be taken to identify areas of cooperation among government chambers and related agencies.

Specific, time-bound plans will be taken to achieve the targets, it added.

In addition, commercial missions abroad will be tasked with branding products made in Bangladesh. They will be given specific export targets and their performances will be evaluated, the draft policy said.

Walton announces Digital Campaign Season-14

STAR BUSINESS DESK

Walton yesterday declared its countywide 'Digital Campaign Season-14' to provide faster and best after-sales service to customers through online automation following the success in the previous seasons.

Under the new campaign, customers might get sure cashback of up to Tk 10 lakh or crores of free products purchasing Walton fridge, television, air conditioner, washing machine, microwave oven, blender, gas stove, fan and rice cooker.

The campaign and customer benefits were announced at a programme held at Walton corporate office in Dhaka yesterday, said a press release.

Abul Bashar Howlader, additional managing director of Walton Hi-Tech Industries PLC, and Nazrul Islam Sarker and Eva Rezwana Nilu, deputy managing directors, were present.

Insurance claim settlement rate

FROM PAGE B1

"The main reason is the lack of proper claim evaluation," said Sheikh Rakibul Karim, chief executive officer (CEO) of Guardian Life Insurance Limited.

Many companies still have manual systems so a settlement gap remains in the sector but the positive thing is that some firms that now operate with automated systems can settle claims quickly.

"So, the number of claims settled recently rose compared to previous years," he added.

Besides, the IDRA has helped improve the local insurance sector through various drives and other measures since its inception.

As a result, the claim settlement ratio has been rising over the years and in turn, so too has the peoples' confidence.

From 1973 to 1990, life and non-life claims worth Tk 790 crore were submitted. Of this amount, Tk 424 crore, or 53 per cent, was paid out. Now, the claim settlement ratio stands at 78 per cent, the IDRA data shows.

"However, the global standard for claim settlements is 97-98 per cent," Karim said while suggesting that if the regulator enhances its monitoring, then insurance companies would try to ensure better claim settlement.

In the case of Guardian Life Insurance, the claim settlement rate has been about 97 per cent for the last four years but the insurer wants to make it

even better, he added.

"The claim settlement rate is not good enough in our country due to various types of corruption in the companies," said Md Jalalul Azim, managing director and CEO of Pragati Life Insurance Limited.

The regulator also could not play a proper role in improving the situation of claim settlements, he added.

Claim settlement rates of all insurers should be improved further to increase confidence among the people as it should be above 90 per cent.

There is a rule to pay the claims within 90 days but many companies show a lack of professionalism in disbursing settlements.

Recently, the Bangladesh Insurance Association (BIA) and the IDRA have been making sincere efforts to this end.

As a result, the claim settlement rate has improved a bit from what it was just five years ago, Azim added.

Sheikh Kabir Hossain, president of the BIA, said the insurance sector was once neglected and so, the settlement rate was also lower.

"I don't see it [78 per cent settlement rate] as bad. Instead, it is good thing that the settlement is now much higher than what it was previously," he said.

Until the enactment of the insurance law in 2010, a British law governed the sector.

"When our insurance sector will be automated fully, all claims and achievements will become

higher," added Hossain, also chairman of Sonar Bangla Life Insurance.

In 1973, the total premium of the insurance sector was Tk 11.90 crore and it rose to Tk 5,317 crore in 2008.

In the last year, the collective insurance premium soared to Tk 14,392 crore, as per IDRA data.

On the other hand, Md Main Uddin, professor and chairman of the department of banking and insurance at the University of Dhaka, said a 78 per cent claim settlement rate is not a good one.

"The picture bears the feeling that the insurance sector has not developed. If clients are powerful, then the companies do not bother much with the claim. If not, then they make delays," Uddin added.

Ala Uddin Ahmad, chief executive officer of MetLife Bangladesh, said digitisation makes the process of settling claims easier.

"So now, we allow our clients to pay their premiums digitally. What's more, they can even submit claims online," he said.

MetLife Bangladesh settled insurance claims of Tk 1,792 crore in 2021.

To make its services more convenient and trustworthy for customers, the company has started using artificial intelligence for the online submission of insurance claims.

As a result, customers can now receive their claims within three days upon uploading the correct documents.

"Sometimes, the process is complete within three

hours and can clients get their money back digitally without having to be present at our office," Ahmad said.

"Such activities increased peoples' satisfaction and confidence," he added.

Digitalisation in claim settlement may be an example in the industry to boost confidence among people.

Although the claim settlement rate rose in the life and non-life insurance sector, around 22 per cent of claims are still refused, which is the main cause for low confidence in the sector.

Shamima Nasrin, senior assistant vice-president of Prime Insurance Company, said an information gap is the main reason for claims not being settled or taking too much time.

"People in our country do not cooperate with insurance companies because they do not have a positive idea about insurance. But to settle claims, the customers need to be honest as well," she said.

There is also a reluctance in many insurance companies to hire surveyors.

In addition, the insurers often do not convey the proper terms and conditions to customers.

So, the insured misunderstands the risk or scope of coverage and then claim what they are not entitled too.

"They assume that the company is refusing to settle the claims but sometimes, the reality is that they expect claims on uninsured matters," Nasrin added.

Russia scrambles

FROM PAGE B4

"A bank run has already started in Russia over the weekend ... and inflation will immediately spike massively, and the Russian banking system is likely to be in trouble," said Jeffrey Halley, Asia-based senior market analyst at OANDA.

Nomura analysts said the fresh reprisal measures by the West against Russia is likely to have wider global implications.

"These sanctions from the West are likely to eventually hurt trade flows out of Russia, which will also hurt the growth outlook of Russia's key trading partners including Europe and lead to greater inflationary pressures and risk of stagflation, we think," the analysts wrote.

CORRECTION

In a report with the headline "Air Alliance opens UPS retail point in Chattogram" published yesterday (February 28), the name of UPS was mistakenly written as "uninterrupted power supply" in place of "United Parcel Services". We regret the inadvertent error.

Air Alliance Ltd, the local authorised service contractor of UPS in the US, the world's largest package delivery company, has opened a new UPS retail point in Chattogram city.

This is the company's first UPS retail point for customers in the port city and fourth in the country overall, offering packaging, shipping and other international and express business services.



Mohammad Ziaul Hasan Molla, deputy managing director of Bank Asia Ltd, receives Intellectual Property Protection Award 2020 from Sabiha Parveen, chairman of copyright board and additional secretary of the Ministry of Cultural Affairs, at the latter's head office at Sher-e-Bangla Nagar in Agargaon, Dhaka recently.

PHOTO: BANK ASIA LTD

Bank Asia wins Intellectual Property Protection Award 2020

STAR BUSINESS DESK

Bank Asia Ltd has recently been awarded the "Intellectual Property Protection Award 2020" by the Bangladesh Copyright Board for its conscious and responsible role in the protection of intellectual property.

The bank has been awarded as the only financial institution of the country in the copyright category, a press release said.

Mohammad Ziaul Hasan Molla,

deputy managing director of Bank Asia Ltd, received the award from Sabiha Parveen, chairman of the Copyright Board and additional secretary of the Ministry of Cultural Affairs, at the latter's head office at Sher-e-Bangla Nagar in Agargaon, Dhaka last week.

Zafar Raja Chowdhury, registrar of copyright at the Bangladesh Copyright Office, and AKM Shahidul Alam, assistant vice-president of Bank Asia Ltd, were present.

Oil soars as Russian energy supply fears intensify

REUTERS, London

Oil prices jumped on Monday as Western allies imposed more sanctions on Russia and blocked some Russian banks from a global payments system, which could cause severe disruption to its oil exports.

Brent crude rose \$4.82, or 4.9 per cent, to \$102.75 by 1028 GMT after touching a high of \$105.07 a barrel

in early trade. The Brent contract for April delivery expires on Monday. The most active contract, for May delivery, was up \$4.74 at \$98.86. US West Texas Intermediate (WTI) crude was up \$4.62, or 5 per cent, at \$96.21 after hitting \$99.10 in early trade. "Growing concerns about disruptions to Russian energy supplies are pushing oil and gas prices up sharply," said Commerzbank analyst Carsten Fritsch.