

primebank.com.bd

GROW BIG

with Prime MSME Banking



The rise in food prices has compelled many people to turn to the trucks of state-run Trading Corporation of Bangladesh to buy essential items at rates that are lower than the market prices. Food inflation facing the poor is more than twice the official figure, said a think-tank yesterday. The photo was taken from the capital's Mohammadpur area recently.

PHOTO: PRABIR DAS

Suspend transactions with Russian banks

SWIFT asks Bangladeshi lenders

AKM ZAMIR UDDIN

Global payments messaging network SWIFT has asked Bangladesh's banks to suspend transactions with seven Russian lenders since they are facing sanctions from the United States and the European Union over Moscow's invasion of Ukraine.

The Bangladesh Bank yesterday also asked banks to remain cautious in their dealing with their Russian counterparts to avoid punitive measures from the western nations and financial entities in case of violations of any global sanction.

Agrani Bank yesterday received an instruction from SWIFT to suspend all transactions, from March 12, with the seven Russian banks that are facing the sanction, said a top official of the state-run Bangladeshi lender.

The development came after the EU said it was excluding seven Russian banks from the SWIFT (Society for Worldwide Interbank Financial Telecommunication).

The banks are VTB, Bank Otkritie, Novikombank, Promsvyazbank, Bank Rossiya, Sovcombank and VEB.

READ MORE ON B3

Food inflation for poor twice the official data

Sanem says BBS figures don't reflect reality

STAR BUSINESS REPORT

Food inflation facing the poor and the marginalised in Bangladesh is more than twice the official figure since the national statistical agency relies on an old base year that does not reflect reality, said the South Asian Network on Economic Modeling (Sanem).

The official figures of inflation don't reflect the real scenario of the stress of the marginalised households in the wake of the price hikes, it said.

"Officially reported food inflation figures are grossly underestimating the actual food inflation faced by financially marginalised households in Bangladesh," said Selim Raihan, executive director of the think-tank.

He made the comments while virtually releasing a study report on "Do the official inflation figures in Bangladesh reflect the actual inflation faced by the marginalised households in Bangladesh?" yesterday.

In January, food inflation in the urban and rural areas was 4.85 per cent and 5.94 per cent, respectively, according to the

Bangladesh Bureau of Statistics (BBS).

However, Sanem's estimate suggests that the marginalised households are facing food inflation rates that are more than two times the officially reported food inflation rates.

The study used the detailed and disaggregated data of the nationwide survey of 10,500 households conducted by the Sanem and the General Economics Division of the Planning Commission in 2018.

The monthly point-to-point food price indices and food inflation rates were calculated based on the retail price data collected by the Department of Agricultural Marketing, the agriculture ministry, and the Trading Corporation of Bangladesh (TCB).

According to the Sanem study, in January, food inflation was 11.36 per cent in the urban areas and 11.21 per cent in the rural areas.

The study showed the average food consumption is 61.13 per cent of the total consumption expenditure of the urban marginalised household groups and 65.36 per cent of the total

consumption expenditure of the rural household groups under consideration.

These are much higher than the shares of the food expenditure used by the BBS in their Consumer Price Index (CPI) calculation, which is 45.17 per cent for the urban areas and 58.54 per cent for the rural areas.

"Inflation is the cruellest tax on the marginalised people," said the Sanem.

The poor can't cut down on necessities and are the hardest hit by the soaring prices of essentials as they rely on the necessary food items, according to the study.

"The policymakers need to address this concern with utmost priority," said Raihan, a professor of economics at the department of the University of Dhaka.

The Sanem said it was difficult to understand why the BBS is still using the 2005-06 Household Income and Expenditure Survey (HIES) data to derive the weights of the items in the consumption baskets whereas the latest HIES 2016 data has been available since 2017.

It is quite reasonable to argue

READ MORE ON B3

INDO-BANGLA SEC-LEVEL TALKS TODAY

Govt to seek removal of anti-dumping duty on jute

REFAYET ULLAH MIRDHA

Bangladesh will again urge India to withdraw the anti-dumping duty (ADD) on locally produced jute and jute goods during a commerce secretary-level meeting between Dhaka and New Delhi today.

The export of jute and jute goods has been performing poorly over the past few years since the Indian government imposed the ADD ranging between \$19 and \$352 per tonne on Bangladesh's jute yarn, hessian and bags.

The ADD was implemented from January 2017 for five years.

Bangladesh's exports are faring well while the global supply chain continues to recover from the severe fallouts of Covid-19 but one of the most promising sectors, namely jute, is failing.

For instance, between July and February of the current fiscal year, the export of jute and jute goods fell by 7.34 per cent to \$799.42 million. India was a major export destination for Bangladesh's jute and jute goods before it imposed the ADD.

"Our main demand in the meeting is to remove the ADD from Bangladesh's jute and jute goods in Indian markets," said Tapan Kanti Ghosh, senior secretary to the commerce ministry of Bangladesh.

Ghosh is now in New Delhi to join his Indian counterpart, BVR Subrahmanyam, in the commerce secretary-level meeting.

The Comprehensive Economic Partnership Agreement (CEPA), which both sides want to sign, will not be high on the agenda.

This is because both Bangladesh and India have already discussed the CEPA issues at the study level last year, Ghosh added.

READ MORE ON B3

STOCKS	
DSEX ▼	CSCX ▼
0.04%	0.14%
6,696.52	11,746.37

COMMODITIES	
Gold ▲	Oil ▲
\$1,936.85	\$113.33
(per ounce)	(per barrel)

CURRENCIES				
	USD	EUR	GBP	CNY
BUY TK	85.05	93.54	113.12	13.22
SELL TK	86.05	97.34	116.92	13.90

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 0.66%	▲ 0.70%	▲ 0.29%	▼ 0.08%	
55,102.68	26,577.27	3,253.65	3,481.11	

Insurance sector rebounds strongly

SUKANTA HALDER

The insurance industry rebounded strongly in 2021 after getting hit by the coronavirus pandemic thanks to the contraction of excessive commission to agents and digitisation of services.

Total gross premium of life and non-life insurance grew 8.45 per cent year-on-year to Tk 14,392 crore in 2021, according to the Insurance Development and Regulatory Authority (IDRA).

However, premium fell 0.89 per cent to Tk 13,271 crore in 2020 due to pandemic. One company's data was excluded due to a lack of data and most of the data for the year 2021 was unaudited.

The unaudited data of 2021 may differ from the audited data and one insurer in 2021 (non-life) has been excluded as data is not available. For 2020, two insurance companies data are unaudited (life insurers), says the IDRA.

"Our regulatory authority IDRA has taken several steps to develop this sector. As before, there was a matter of commission. It was a matter of giving and taking. It is now totally under control," said Zharna Parul, company secretary of the Paramount Insurance Company Limited.

She said the IDRA has come down to the field strong enough to control the matter. The IDRA is also supervising and that's why the portfolio has grown.

In 2012, the IDRA issued a circular barring insurance companies from paying more than 15 per cent of the premium as commission to their agents.

However, most insurers disregarded the directive, prompting the regulator to issue a notice in late 2019, instructing them to comply for the sake of the sector's welfare.

READ MORE ON B2

AT A GLANCE

Gross premium of life, non-life ins rose **8.45%** in last one year

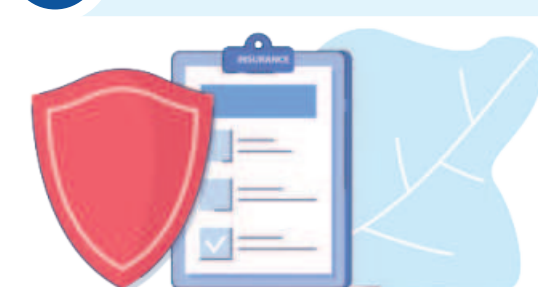
It grew to Tk **14,392cr** in 2021 from Tk **13,271cr** a year ago

Insurance industry contributes only **0.4%** to GDP

In Bangladesh, there are 33 life insurance companies

46 non-life ins companies active

49 are listed with stock market



Govt to buy 30,000 tonnes of fertiliser from Russia

STAR BUSINESS REPORT

The government is going to purchase 30,000 tonnes of Muriate of Potash (MoP) fertiliser from Russia as the third lot of its contract to buy 2.70 lakh tonnes of the crop production input from the world's largest fertiliser exporter.

The Cabinet Committee on Government Purchase, chaired by Finance Minister AHM Mustafa Kamal, yesterday approved the proposal to purchase MoP at a cost Tk 150 crore from Russia's JSC Foreign Economic Corporation "Prodintorg".

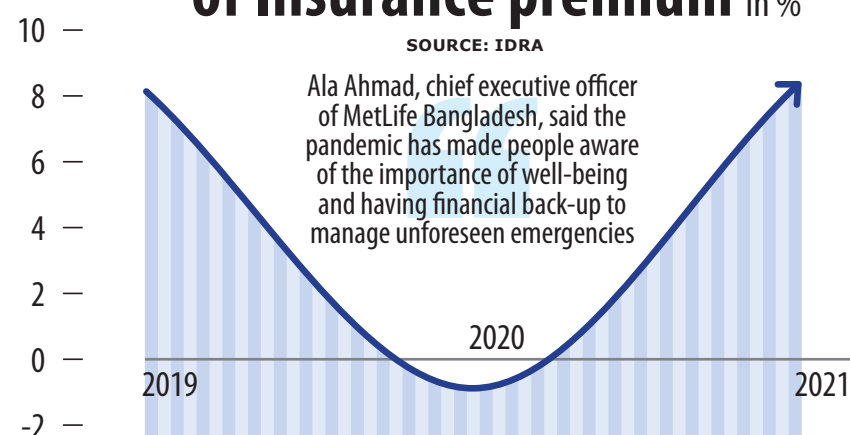
The decision comes at a time when Moscow is facing economic sanctions by western countries after Russia's invasion of Ukraine.

"We have a good relationship with Russia.

READ MORE ON B3

GROWTH RATE of Insurance premium In %

SOURCE: IDRA



StanChart donates medical oxygen plant to Ctg hospital

STAFF CORRESPONDENT,
Ctg

Standard Chartered Bank has donated a pressure swing adsorption (PSA) medical oxygen generation plant to Chattogram Maa-O-Shishu Hospital (CMOSH) in Agrabad of the port city yesterday.

The total installed capacity of the plant is 436 litres/minute, a press release said.

"The stark realities of Covid-19 had laid bare the fault lines in our communities. Throughout the challenges faced during the pandemic, at Standard Chartered we have made it our mission to stand beside communities across Bangladesh, supporting both lives and livelihood with a range of interventions," said Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

"We would like to express our gratitude to Standard Chartered Bank for coming forward and donating an oxygen generation plant for our Covid-19 unit," said Prof MA Taher Khan, president of CMOSH.

Bitopi Das Chowdhury, head of corporate affairs, brand and marketing at Standard Chartered Bangladesh, Mahbubul Alam, president of Chittagong Chamber of Commerce and Industry, and Prof Wazir Ahmed, director of the Institute of Child Health at CMOSH, were present.

Turkey's inflation surges to 54pc

AFP, Istanbul

Turkey's annual inflation rate in February hit a two-decade high, data from the statistics agency showed Thursday, amid President Recep Tayyip Erdogan's unorthodox policies to cut interest rates and a weakening currency.



The census, which provides complete data on the overall population and its composition, is vital for formulating policies. PHOTO: STAR/FILE

No more hurdles to population census

REJAUL KARIM BYRON and
MD ASADUZ ZAMAN

After twice rejecting proposals to buy 3.95 lakh tablet computers for the Bangladesh Bureau of Statistics (BBS), the government yesterday granted approval to this end so that the statistical agency can conduct the population and housing census which was set to begin three years ago.

The Cabinet Committee on Government Purchase, chaired by Finance Minister AHM Mustafa Kamal, gave clearance to the proposal to buy tablets for about Tk 448 crore from Walton Digi-Tech Industries Ltd, said Zillur Rahman, additional secretary of the cabinet division.

The proposal was approved following all the relevant regulations.

"We will start the census as soon as possible. We will sit all at the beginning of next week to prepare a plan to begin the census," Planning Minister MA Mannan told The Daily Star.

The activities for the census will start after getting the go-ahead from the Prime Minister, he said.

The census, which provides complete data on the overall population, its composition, workforce, density, housing and other socio-economic indicators, is

vital for formulating proper economic and other policies.

The BBS last published a population census report in 2011 that estimated Bangladesh's population at 15.17 crore.

It said the population growth rate was 1.37 per cent. Currently, Bangladesh's population is around 17 crore.

In 2018, the BBS had prepared a master plan to carry out the census on January 2-8 in 2021 in order to publish a preliminary report by July last year.

Accordingly, in October 2019, the Executive Committee of the National Economic Council approved a Tk 1,761 crore project for the population and housing census to take place every 10-year.

However, the tendering process to buy logistics for the census got delayed in the aftermath of the coronavirus pandemic.

In June last year, the BBS floated the first tender. Eight firms had bought bidding documents but only two local companies, which manufacture and assemble electronic items, took part in the bidding.

Later, the technical evaluation committee of the BBS picked the second-lowest bidder after the lowest bidder was disqualified. But the selection by the BBS was rejected "for not following due procedure" and the purchase committee

on August 25 asked the agency to re-tender to buy the tablets.

In December last year, the purchase committee once again turned down the BBS tender proposal quoting a lack of details in the proposal.

In response to a query, Finance Minister Kamal said two local companies had participated in bidding to supply the tablets and the government was trying to verify the information.

In the first week of January this year, Planning Minister Mannan said that many "shadow forces" were working from behind the scenes to delay the purchase of tablets that would be used in conducting the country's population census.

Mohammad Mainul Islam, professor of the department of population sciences at the University of Dhaka, said it is already too late to conduct a census which would provide updated data for proper policy framing and intervention.

"Researchers and policymakers need updated data to understand the real picture," Islam said.

"As the census takes place throughout the country, it is mostly accepted. Census data is needed for holistic policy framing and so, it should start as soon as possible," he added.

Summit Alliance handling cargo at Muktarpur terminal

STAR BUSINESS DESK

With pioneering, timely and cost-effective service, Summit Alliance Port Ltd (SAPL) facilitated Bangladesh's spinning mills and the ready-made garment (RMG) sectors by providing a much-needed alternative logistics solution for their vital industrial raw material, especially break-bulk raw cotton from India.

The inland river route from Kolkata to Muktarpur provides an unparalleled safe passage for the raw cotton cargo throughout the year that is a guaranteed and time-bound option which is not possible on the traditional sea route for container shipments or via land ports.

A total of 3,536 tonnes of break-bulk raw cotton consignments have been received at SAPL Muktarpur Terminal from India while 18 other cotton carrying vessels are in the pipeline.

In 2021, Bangladesh imported 8.5 million bales of cotton weighing approximately 1.85 million tonnes and this figure is projected to cross 9 million bales in the current year due to the strong rise in demand for yarn and fabrics from local RMG exporters.

"This new service by SAPL Muktarpur Terminal comes at a time when the Bangladeshi raw cotton importers who are finding it challenging to import from traditional sources such as Central Asia, Brazil, the US and West Africa due to the disruption in global supply-chain, unavailability of containers and historically high freight-rates. As a result, the market demand for raw cotton from India has increased tremendously in the last few years," said Jowher Rizvi, managing director of SAPL.

"We are supporting the industries by providing alternative and environmentally sustainable sourcing while avoiding regular congestion at the land ports," he added.

Aarong Dairy Sales Conference 2022 held

STAR BUSINESS DESK

Brac Dairy and Food Project yesterday organised Aarong Dairy Sales Conference 2022 for the company's sales representatives at International Convention Center, Bashundhara in Dhaka in order to carry out their business activities smoothly.

The conference ended with a daylong business discussion, question and answer session, lunch, performance awards, raffle draw and cultural programme, a press release said.

"We are working hard to meet the daily nutritional needs of every family in the country. Already it is proved that the people of the country love our products and they have belief in Aarong Dairy products," said Mohammad Anisur Rahman, senior director of Brac Dairy and Food Project.

Joydeep Santra, general manager for operations, and Mehedi Hasan, assistant general manager for sales, were present.

Philippines to revive nuclear power to replace coal

REUTERS, Manila

Philippine President Rodrigo Duterte has signed an executive order to include nuclear power in the country's energy mix, as authorities prepare for the phasing out of coal-fired power plants and after earlier efforts failed due to safety concerns.

The February 28 order, made public on Thursday, could be a major milestone for an economy which suffers seasonal power outages and high electricity prices but will concern opponents of the move.

Signed three months before Duterte ends his single six-year term, the order also directs an inter-agency panel to look into reopening the mothballed Bataan Nuclear Power Plant (BNPP).

"The national government commits to the introduction of nuclear power energy into the state's energy mix," it stated. Energy Secretary Alfonso Cusi has backed nuclear power and said it could help alleviate supply issues and high costs.

Duterte said nuclear power would be tapped as a viable alternative baseload power source as the Philippines seeks to retire coal plants to help meet climate goals.

Previous attempts to pursue nuclear energy in the Philippines were halted over safety concerns, but the new plan is anchored to a proposal to revive BNPP, built in response to an energy crisis during the rule of the dictator Ferdinand Marcos.

Commodity prices at multi-year

FROM PAGE B4

Australia's ANZ raised its short-term target for oil to \$125 a barrel, adding that supply shortages could see further upside.

In industrial metals, LME aluminium rose 2.3 per cent to an all-time high of \$3,650 a tonne, while nickel climbed over 4 per cent to \$26,935 a tonne as traders tried to factor in the loss of supply from the third-largest producer of both metals.

For grains, Russia and Ukraine were projected to account for 28.5 per cent of global wheat exports in 2021, according to the US Department of Agriculture, so global wheat prices have jolted higher to try to accommodate a big drop in

supplies from both counties.

Chicago wheat futures are up nearly 40 per cent in the past month, and have climbed to 14-year highs of \$11.34 a bushel.

Russia and Ukraine also account for 19 per cent of corn exports and 80 per cent of exports of sunflower oil, which competes with soyoil and palm oil.

Malaysian palm oil prices hit record highs of 6,950 ringgits a tonne on Thursday, while US soyoil hit its highest since 2008.

Newcastle coal futures have also been on a blistering run since sanctions were slapped on the third-largest exporter, surging to a record \$440 a tonne this week, up 100 per cent from a month ago.



Mohammad Ali, managing director (current charge) of Pubali Bank Ltd, presides over the bank's virtual conference titled "Discussion with the feeding branches: challenges and opportunities" with the participation of 490 branch heads, all regional managers, division heads of head office and senior executives on Wednesday. Zahid Ahsan and Mohammad Esha, deputy managing directors, were present. PHOTO: PUBALI BANK LTD

Insurance sector

FROM PAGE B1

Subsequently, in a meeting with the Bangladesh Insurance Association in 2019, insurance companies collectively agreed to follow the order in a bid to keep the sector alive.

Many companies offered as high as 60 per cent of the premium as commission to secure business, which hurt profits of the insurers, according to industry insiders.

Ala Ahmad, chief executive officer of MetLife Bangladesh, said the pandemic has made people aware of the importance of well-being and having financial back up to manage unforeseen emergencies.

He said financial associates say that now more people are interested to consider insurance for financial protection.

Ahmad said this increased interest in insurance coupled with access and ease of premium payment through online channels has helped drive the upward trend of premium collection.

In 2019, life and non-life insurance total gross premium is Tk 13,389 crore. On the other hand, it decreased in 2020 to come in at Tk 13,271 crore.

In addition, it grew in 2021 and turned into Tk 14,392 crore.

When Covid-19 was there, the situation was one of a kind.

"Again, when the Covid-19 situation improved, there was another kind. Apart from this, a kind of trade that was going on in the commission earlier is closed," said Sheikh Kabir

Hossain, president of the Bangladesh Insurance Association (BIA).

He said due to some other reasons, the gross premium growth of the insurance industry in 2020 was highly negative.

The IDRA has made some laws and some issues digitised. Due to which the situation has changed. Things will get better ahead, Hossain added.

According to the business standard and insurance information institute, in 2020 the insurance industry contributes only 0.4 per cent to Bangladesh's growing gross domestic product (GDP).

There are 33 life insurance and 46 non-life insurance companies active in the country. Of them, 49 are listed with the stock market.

Jack of all trades but master

FROM PAGE B4

With premium pricing, the product/company should be able to recover not only the cost of investment but also extract good profit! Individuals also need to work the same way to create their own identity in the job market.

On the other hand, the job market during the pandemic may well justify that being a generalist might not be such a bad thing after all. The record-breaking economic downturn in the last two years has brought a huge number of businesses like

travel and hospitality to a standstill, which has led to a surge in redundancies. The current trends are definitely refreshing the importance of being the jack of all trades!

In order to grow, one cannot rule out the importance of being a jack of all trades. However, it is, at the same time, equally important to amplify the importance of having a unique identity (master of one), be it the product leader or the corporate leader.

The author is a telecom and management expert.



Sachimi Hussain, vice-chairperson of Rangs Electronics Ltd, and Beanus Hussain, deputy managing director, jointly inaugurate the company's new showrooms and "Shadhinota Offer Campaign" for its customers with discount in all ranges of Sony-Rangs products at a showroom in Lalmatia, Dhaka on Wednesday. The products from renowned brands like Sony, Electrolux, Kelvinator, LG and others will be available at the showroom. PHOTO: RANGS ELECTRONICS LTD



Workers are seen stacking sacks of fly ash on the cargo bed of a truck after unloading the raw material of cement from ships docked at Majhir Ghat in Chattogram. The picture was taken recently.

PHOTO: RAJIB RAIHAN

Competition choking small cement makers

Industry insiders say

JAGARAN CHAKMA

Rising freight rates globally for demand recovery and supply disruptions as well as an increase in transport costs locally owing to a hike in diesel prices have made it difficult for small-scale cement manufacturers to compete in Bangladesh.

"Small-scale cement makers are facing acute competition from their more established counterparts as there is over-manufacturing in the industry," said Syed Kamruzzaman, company secretary of Aramit Cement.

The company currently has a low production capacity and so its main market is restricted to Chattogram and its adjoining districts.

"If we expand our market, it would not be commercially viable," he said.

Regarding the recent market scenario, Kamruzzaman said sales fell slightly in the last quarter due to a lower number of orders.

With this backdrop, he alleged that the Bangladesh Cement Manufacturers Association (BCMA) is a practically non-effective organisation as it does not play

its due role in favour of cement makers. "The shipping cost was \$17 per tonne just a month ago and it has since increased to \$24 per tonne," Md Alamgir Kabir, president of the BCMA, said on February 15.

This has had factories doling out more money for production, the BCMA said in a statement, adding that it would not be possible for cement makers to sustain losses for a long time.

A senior official of Royal Cement, on condition of anonymity, said since large manufacturers want to grab the market, small manufacturers are struggling to survive.

He alleged that the BCMA decides to adjust prices to ensure their survival but large manufacturers do not follow the decision as they are capable of running their business at a minimum profit margin. However, the same is not possible for small manufacturers.

Nine large companies — Shah Cement, Bashundhara Cement, Fresh Cement, Premier Cement, Seven Rings Cement, Crown Cement, LafargeHolcim Bangladesh, HeidelbergCement Bangladesh, and Akij Cement Company

— collectively control 85 per cent of the domestic market.

The remaining 15 per cent is catered to by other manufacturers, said the official. Mohammed Amirul Haque, managing director of Premier Cement, said manufacturers will have to make commercial adjustments as shipping costs are increasing.

Regarding the sufferings of small-scale manufacturers, he suggested improving their business strategy and reducing production costs.

However, he does an issue with the struggles of small-scale operations as they entered the sector to do business but have seemingly done so without conducting any research beforehand.

Haque sees a good future for the cement sector as consumption will increase in rural areas along with rising urbanisation and economic development.

Md Shahidullah, managing director of Metrocem Cement, said small manufacturers are facing difficulties to keep their businesses afloat due to high competition in the industry.

If small manufacturers intend to

continue operations, they will have to increase their capacities through investment or mergers with other manufacturers.

"My business is an example as it is at the point where we would need to merge to survive. However, I will not merge. Instead, I will try to run it at any cost," he added.

Despite the industry's growth, Bangladesh is still one of the lowest consumers of cement products in the world with per capita cement use standing at 200 kilogrammes.

There are 37 active cement factories in Bangladesh with a combined annual production capacity of 58 million tonnes against the local demand of 33 million tonnes.

Annual consumption stood at about 33.4 million tonnes in the fiscal year of 2020-21 and is forecast to increase by high single digits in the current fiscal year.

According to the annual report of LafargeHolcim Bangladesh, construction activities have returned to normalcy across the country with most projects and the individual housebuilder segment picking up pace.

Investors across the globe can take Sonali Bank's online service

STAR BUSINESS REPORT

Investors from anywhere in the world can now open an account at any branch of Sonali Bank through the one stop service portal of Bangladesh Investment Development Authority (Bida).

Bida and Sonali Bank jointly launched the online banking service for the investors at the office of the investment authority in Dhaka on Wednesday.

"We have 1,229 branches across the country. All of them are connected online. This service can be availed from all the branches through the one stop service platform of Bida," said Md Ataur Rahman Pradhan, chief executive officer and managing director of Sonali Bank.

Investors will be able to access more investment services from their home with the addition of the two new services to the Bida's OSS portal, Mohsina Yasmin, executive member of the Bida, said at the programme.

Bida is working towards providing maximum investment services to the investors and it has already come up with 57 services of 18 organisations.

Investors have to pay a service charge to take service from Bida's portal now, but the services will be available for free in two to three years, she said. Md Abdul Hamid Mian, chief revenue officer of Dhaka North City Corporation, also spoke.

JUTE SECTOR

Govt to honour 11 individuals, organisations

STAR BUSINESS REPORT

The textiles and jute ministry plans to honour 11 individuals and organisations for their contribution to increasing production and export of jute and jute products, said a statement from the ministry.

"The awards will be given for their contribution towards the achievement of development targets of the government through research in jute sector development, reduction of dependence on jute seed imports, self-sufficiency in jute seed production and increase in production and export of jute products," said Textiles and Jute Minister Golam Dastagir Gazi at a press meet ahead of the National Jute Day 2022.

The textiles ministry will celebrate the National Jute Day on March 6 to promote jute cultivation, increase the use of jute and jute products in domestic and international markets and highlight the bright potential of the golden fibre, Gazi said at the briefing at the ministry in Dhaka yesterday.

A three-day exhibition on diversified jute goods will take place from March 6 on the premises of the Jute Diversification Promotion Centre in Dhaka.

Food inflation for poor

FROM PAGE B1

that the food habits of the people in Bangladesh, both poor and non-poor, have changed over the years since 2005-06.

"However, changes in food habits are not addressed while calculating the CPI by the BBS," said the Sanem.

"More importantly, the CPIs calculated by the BBS, hardly reflect the inflation faced by the low-income households in Bangladesh, both in the urban and rural areas."

The average consumption baskets used by the state-run agency to calculate the CPIs are not truly representative of the consumption pattern of many low-income households.

The Sanem identified seven factors for the price of food items: supply-demand mismatch; relative price change and additional pressure on demand; disruption in the supply chain; non-competitive market and

weak monitoring; rise in import cost; rising food prices in the world market; and rise in fuel prices.

The study said Covid-19 affected income and employment, creating new poor and increasing vulnerability. "Even the recovery process is disrupted due to inflationary pressure," Prof Raihan said.

For faster recovery from the Covid-19 impacts, the Sanem suggested proper assessment of the market's demand and supply situation.

It called for expansion of the social protection coverage to include the old and new vulnerable population and involving all stakeholders in the market monitoring.

Prof Raihan said they identified eight marginalised groups in Bangladesh that are vulnerable to food insecurity due to the increase in the price of essential food items.

In the urban areas, the

groups are ready-made garment workers, day labourers, rickshaw/van-pullers, and small traders.

In the rural areas, these groups include landless farmers, day labourers, rickshaw/van-pullers, and small traders.

Addressing the programme, Bazul Haque Khondker, chairman of the Sanem, said the long queue of low-income people in front of the trucks of the TCB selling essentials at subsidised rates proves that the price of food increased abnormally.

He suggested implementing the social safety net programmes properly to address the marginalised people's distresses.

Sayema Haque Bidisha, research director of the Sanem, said the actual inflation in rural areas is higher than in urban areas.

"The lower-income people spend more of their income on food consumption."

Govt to seek removal

FROM PAGE B1

Bangladesh and India have been conducting studies to ink the agreement to facilitate bilateral trade and investment between the two countries.

India is Bangladesh's second-largest import destination after China with annual imports from the neighbouring nation amounting to more than \$8 billion through formal channels.

On the other hand, Bangladesh exports goods worth nearly \$1.5 billion each year to India via formal channels.

Dhaka will also urge New Delhi to accept the

testing certification of the Bangladesh Standards and Testing Institution (BSTI) to increase shipments to India, Ghosh said.

In addition, the issue of transporting goods via railway between the two countries will be discussed.

"Our main target is to increase the export and import of goods to and from Indian markets as we see the country as a market with big potential for us," Ghosh added.

India wants improvement of the infrastructures at land ports along with the bordering areas of both countries to facilitate trade.

Bangladesh has been enjoying duty-free access to India for all goods except 24 alcoholic and beverage items under the South Asian Free Trade Agreement since November 2011. As a result, exports to Indian markets have been growing steadily.

However, the shipment of garment items has been facing a 12.50 per cent countervailing duty as the Indian government wants to protect its domestic market by levying the duty.

Bangladesh shipped garment items worth \$365.95 million in the July-December period, up 58.07 per cent year-on-year.

China to focus on boosting slowing economy

AFP, Beijing

A property downturn, slowing economy and war in Ukraine loom large over this week's annual convening of China's legislature, with policymakers expected to focus on shoring up faltering growth.

The rubber-stamp parliament starting Saturday in Beijing gathers some 3,000 members of the National People's Congress (NPC) for highly choreographed meetings over bills, budgets and personnel changes.

The ruling Communist Party uses the opportunity to tout its achievements while also setting the country's economic blueprint and GDP target for the year ahead. Much of the NPC's agenda is unknown until during — or even after — the multi-day meeting, with many sessions taking place behind closed doors.

Govt to buy 30,000 tonnes

FROM PAGE B1

We always take fertiliser from them. It's nothing new. If Russia won't give us the product for any reason, we have to find alternative sources.

Until then, we will stick to the earlier decision," Finance Minister AHM Mustafa Kamal told the media after the meeting.

"We have taken decision with the hope that the war will not prolong. It will end soon," he said.

"If the payment is not possible through SWIFT, we will pay by the currency

SWAP, and consider it along with other alternative ways," Kamal added.

The Bangladesh Agricultural Development Corporation under the agriculture ministry inked the deal with the Russian agency in October 2021 to buy 2.70 lakh tonnes of MoP in order to meet part of the domestic requirement for the crop production input.

Growers used 7.98 lakh tonnes of MoP in the last fiscal year out of the total application of 52 lakh tonnes of fertiliser

in the fiscal year 2020-21, according to the agriculture ministry.

Asked about oil prices, Kamal said that everybody knows why oil prices increase.

The government always gives subsidies in this sector and tries to impose a part of the increasing portion on the consumer.

The government needs to pay huge subsidies as a result.

The line ministries should publish how much subsidies are needed, he added.

FROM PAGE B1

The banks have been given 10 days to wind down their SWIFT operations.

The US has recently announced sanctions on four large Russian banks, including VTB and Sberbank.

The sanction prompted VEB to ask its Bangladeshi counterparts, including Agrani Bank and Sonali Bank, to suspend transactions through the SWIFT.

Agrani Bank has ordered its branches not to carry out any transactions with the bank.

Officials of Sonali Bank yesterday informed the BB that VEB had requested it to avoid any transaction for the time being.

Sonali Bank is settling transactions to import

equipment for the Rooppur Nuclear Power Plant through a Russian lender.

Bangladesh signed its biggest-ever contract worth \$12.65 billion with Russia's state-run atomic energy company in 2015 to build the plant to generate 2,400 megawatts of electricity.

Md Ataur Rahman Proddhan, managing director of Sonali Bank, did not respond to The Daily Star's request for comment.

SWIFT is set to disconnect the seven banks from its network on March 12, as required by EU regulations.

This means Bangladesh's banks would be unable to do business with the Russian lenders either directly or through a third party under the relationship management

application (RMA).

The BB held a meeting with the top officials of the commercial banks yesterday.

Md Serajul Islam, spokesperson of the central bank, said that the BB asked local banks to remain alert in settling transactions with Russian lenders.

He, however, did not give any idea about the types of cautionary measures that banks will have to put in place.

Bangladesh has decided to follow an impartial stance about Russia's ongoing diplomatic tension with the US, the EU, Japan, Australia and some other countries over the invasion of Ukraine.

Under the circumstances, the central

bank is observing the situation cautiously, said a number of BB officials.

Local banks have to follow the USA Patriot Act to maintain banking relationships with the US banks, said senior officials of commercial banks.

Under the Act, Bangladeshi banks can't do banking with the lenders that face an embargo imposed by the US government.

They will face punitive measures if they try to do banking with the sanctioned banks through RMA.

A bank can run banking through a third lender in order to settle foreign exchange business with a foreign nation if they want to avoid direct banking operations. But banks still

face punitive measures from the US in such cases, bankers say.

A BB official says that local banks would not be able to do business with the seven Russian banks due to the sanction imposed on the banks' SWIFT operations.

Bilateral trade between Bangladesh and Russia is worth more than \$1 billion, with exports from Bangladesh standing at \$665 million in the last fiscal year.

The country mainly exports apparel items, paper yarn, footwear and textile articles and imports cereals, minerals, chemical products, and fertiliser.

A major portion of the bilateral trade is carried out through third parties, said a BB official.



Growers and traders use boats and trawlers to bring farm products to the Boithakata floating market on the Belua river in Pirojpur. They rely on the twice-a-week haat to sell their goods. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

Banking on floating market to trade farm products

People in 3 upazilas benefit from the century-old haat

HABIBUR RAHMAN, Pirojpur

The Boithakata floating market on the Belua river in Pirojpur has transformed into a major centre for wholesalers as many people directly depend on the century-old market as their primary means of trade.

Considered the biggest floating market in the southern part of the country, it has connected Nazirpur and Nesarabad upazilas under Pirojpur district and Barishal's Banaripara upazila and it is spread around one kilometre of the river under Nazirpur upazila.

It sits twice a week: on Saturdays and Tuesdays.

The people of the three upazilas directly rely on the market for selling their goods to wholesalers. They bring their produce in boats or engine-run trawlers.

Local businessmen also bring products to the market from other parts of the country. People from distant areas also come to the market to buy seasonal goods.

Though the floating market remains active throughout the year, it is more crowded during the winter season when the vegetables produced in the marshland and the saplings of vegetable plants grown on floating seedbeds become available.



Rice, puffed rice, coconut, straw, eggs, poultry and other products are also sold there.

Before the sun rises, people with goods loaded in small boats rush to the market. By 11am, they return home after finishing their trading activity.

None can exactly say when the market was established. But locals guess the age of the market is not less than a century.

"I have come to the market from my childhood," said 70-year-old local farmer Md Abul Kalam Akan, adding his father, as well as grandfather, also used to come to the market to sell goods.

Another septuagenarian Mohammad Younus says the market was established on a small scale initially and has expanded with the passage of time.

Now the market has transformed into a major business centre where products worth more than Tk 30 lakh are sold on every haat day, according to businessmen.

The sales cross Tk 1 crore when watermelon, mango and pumpkin hit the market, said Md Masud Rana, general secretary of the bazar management committee.

After buying products from the

market, businessmen transport them to districts such as Barguna, Patuakhali and Barishal.

"Depending on seasons, we buy fruits, including mangoes, guavas, jujubes and watermelons and vegetables such as potatoes and pumpkins from different areas of the country and sell them here," said Imam Hossain, a wholesaler.

Md Abdur Rashid, a businessman, says they sell locally produced rice in the market as it is the biggest market in the area.

"We can sell all types of products in the market easily," said Abdul Khaleq, also a businessman.

According to Md Kamal Hossain, a wholesaler, several thousand people,

Considered the biggest floating market in the southern part of the country, it has connected Nazirpur and Nesarabad upazilas under Pirojpur district and Barishal's Banaripara upazila

including growers and wholesalers, rely on the market to make a living.

"The market plays the most important role in the economy of our area."

Jack of all trades but master of none one

MAHTAB UDDIN AHMED

During my childhood, I was quite accustomed to seeing my parents' unhappy reaction to my somewhat consistent poor performance in school. There was very little I could do to fulfil their wishes as I was too busy mastering skills in sports, namely, football, cricket, badminton, swimming, chess and what not!

With all her hopes dashed for my future as a good student, my rather progressive-minded mother even tried to make me a gymnast! When one stretches his time to so many areas of sports, one is likely to end up being a jack of all trades without being a master in one.

The saying, "jack of all trades, master of none" is often used on a negative note. Picking a specific skill and learning to master it is believed to be more important to a successful career, than being able to turn your hand on several tasks.

Going back two decades to my Unilever days, I wanted to move one of my colleagues who happened to be a bright accountant to a management accounting role as part of his job rotation to ensure a better career. But he refused the opportunity citing that the financial accounting role is essential to every organisation while the management accounting role is limited to a few multinational companies.

I thought such a conservative approach is a major barrier to becoming a transformational leader in today's world. Being a master of one as opposed to Jack of all trades is often mistakenly considered 'future proofing' one's career!



The saying, "jack of all trades, master of none" is often used on a negative note. Picking a specific skill and learning to master it is believed to be more important to a successful career, than being able to turn your hand on several tasks

Be it our personal time or limited corporate resources, we are constrained by many factors. Hence, it is important to allocate resources smartly to ensure that you or your product or your company is known for one quality. It gives you a unique identity in the minds of people.

Let's take the example of the telecom sector.

There are four critical parameters that users consider: network, price, innovative products and services. In Bangladesh, as far as public perception goes, a market leader must first have a great network (coverage); second, least priced; third, the best in 4G; and fourth, high data speed. But if we look at the existing telecom leaders, are they best in all these parameters? The answer is no because it is practically not possible.

If an operator wants to ensure good network quality (coverage, speed etc.), it has to ensure massive capital investment. Similarly, low prices would significantly dent the profitability. Focusing on both is bound to weaken the balance sheet.

How to solve this puzzle of trying to be master of one while being jack of all trades in an organisation then?

Be very clear on what distinct position you want to create for your company/product/brand. The best in quality would have to be allowed to charge a premium. If one wants to create a product like Rolex, the company needs to disproportionately invest in state of the art research and development and factory coupled with advertisement.

READ MORE ON B2

Commodity prices at multi-year highs

REUTERS, Singapore

Commodity markets extended their bull runs on Thursday, with aluminium, coal and palm oil all hitting new records while crude oil and wheat scaled multi-year highs as Russia's invasion of Ukraine disrupted global raw material flows.

Russia's stature as a top supplier in oil, gas, metals, grain and shipping markets has meant that the harsh sanctions applied to several Russian entities following Moscow's invasion of Ukraine has upended several critical resource supply chains.

Aluminium prices on the London Metal Exchange have gained 30 percent this year, while US wheat futures have surged 25 per cent this week alone as markets attempt to price in the impact of a potential loss of Russian supplies if the international community rolls out additional punitive measures against Moscow.

The United States is preparing a sanctions package targeting more Russian oligarchs as well as their companies and assets, two sources familiar with the matter said on Wednesday, as Washington steps up pressure on Russian President Vladimir Putin.

Brent crude oil rose above \$118 a barrel for the first time since February 2013 as buyers grappled with financing and shipping issues that have paralysed purchases from the third-largest oil producer this week.

Brent crude futures were trading up 3.4 per cent at \$116.79 a barrel, as of 0631 GMT.

"Russia's invasion of Ukraine spells further turmoil for global energy markets already reeling from extreme price volatility over the past two years," said Sam Reynolds, an energy finance analyst with the Institute for Energy Economics and Financial Analysis, (IEEFA).

READ MORE ON B2



A worker checks rolls of sheet aluminium at a factory in Huaibei, in China's eastern Anhui province.

PHOTO: AFP/FILE

Fitch, Moody's slash Russia's sovereign rating to junk

REUTERS

Ratings agencies Fitch and Moody's downgraded Russia by six notches to "junk" status, saying Western sanctions threw into doubt its ability to service debt and would weaken the economy.

Russia's financial markets have been thrown into turmoil by sanctions imposed over its invasion of Ukraine, the biggest attack on a European state since World War Two.

The invasion has triggered a flurry of credit rating moves and dire warnings about the impact on Russia's economy. S&P lowered Russia's rating to junk status last week.

It also prompted index providers FTSE Russell and MSCI to announce on Wednesday that they will remove Russian equities from all their indexes, after a top MSCI executive earlier this week called Russia's stock market "uninvestable".