Russia to let banks cut back reporting results

AFP, *Moscow*

Russia's central bank announced Sunday it was allowing lenders in the country to reduce the frequency of their financial disclosures, a measure it said was necessary to mitigate sanctions fallout.

Moscow has been hit with a damaging package of financial and cultural penalties by Western countries in the wake of Russia's military incursion into Ukraine.

The central bank in recent days has taken unprecedented measures, including capital controls, to shore up the struggling economy and the ruble.

"The Bank of Russia decided to temporarily reduce the volume of publication of financial statements of credit institutions," it said in a statement on its site.

"This was done to limit the risks of credit institutions associated with the sanctions imposed by Western countries."

It added, however, that financial institutions would still be required to submit reports to it, a step it said would "make it possible to fully exercise effective supervision over their activities and analyse the sector."

Puma closes its stores in Russia

AFP, *Frankfurt*

The German sports company Puma said Saturday it would temporarily shutter its shops in Russia, following other retailers and businesses in suspending their operations after the invasion of Ukraine.

The outfitter, based in Herzogenaurach in Germany, said in a statement it had "decided to suspend operations of all its stores in Russia", after a similar announcement earlier on Saturday by the Spanish clothing giant Inditex, owner of Zara.

Pots, used for cooking rice and making puffed rice, stacked for sale at wholesale for Tk 25 a piece in Barishal's Bakerganj upazila. A whole community of artisans is engaged in the profession in Moheshpur village, shaping clay by hand before drying it in the sun and baking it in outdoor ovens overnight. Retail prices in markets around the country, including Dhaka, Cumilla, Noakhali and Khulna, can reach as much as Tk 70. The photo was taken at the end of last month.

PHOTO: TITU DAS

Lack of data, research behind rural knowledge gaps: experts

STAR BUSINESS REPORT

There are huge knowledge gaps on rural issues including its transformations and agricultural potentials due to a lack of up-to-date data and adequate research, said experts yesterday.

These gaps should now be reduced to turn those areasinto the future drivers of Bangladesh's growth, they told a webinar on "How rural is rural Bangladesh?" organised by the Power and Participation Research Centre (PPRC).

PPRC Executive Chairman Hossain Zillur Rahman said there were many untapped potentials in rural areasthat should be focused on.

He said there was a big knowledge gap on rural transformations. "I think it is very important for researchers to come back to restudy rural dynamics. We need new analysis to determine the emerging middle class in the rural areas," he said.

Besides, studies should be conducted on other areas, such as on determining the quality and contributions of rural infrastructure and potentials of agriculture, Rahman said.

He said there was also issues of the political and economic powers in rural areas. The private sector is joining to this end, enabling rural transformation as a whole new actor, he said.

Rahman said the studies should also be focused on how the private sector was faring and what were their dynamics. "I think understanding these issues is very essential," he said.

He said farmers have a different connotation and presence in India. "Even they have a big presence in politics. But there is no affiliation of farmers in our country for the contemporary period," he said.

"So there is an issue regarding the socio-political-economic category. I think it is an important issue of the knowledge gap," he said.

Rahman said there was huge untapped potentials in the rural context. "To tap the resources, we have to connect. Scientists, policymakers and investors –all have to come together," he said.

"We need to rethink rural sector as the future growth driver. It seems this is the time to rethink the issue. It (rethinking) may be happening at the field level but not at the policy level as much yet," he said.

Highlighting other issues that need to be addressed, he said there was a lot of talk but the dots were not being connected. "I think we should have a collective agenda to get the potential of the rural through appropriate research and articulation," he said.

Taking part in the discussion, Geof Wood, professor emeritus of international development at the University of Bath in the UK, said he completely agreed that there was a serious knowledge gap on different rural issues.

MA Sattar Mandal, professor emeritus at Bangladesh Agricultural University; Ahsan Khan Chowdhury, chairman and chief executive officer of Pran-RFL Group, and faculty members Sanjida Akter of the University of Dhaka and Abul Hossain of Green University also spoke as panel discussants.

Holtmann IFC's new country manager

STAR BUSINESS DESK

The International Finance Corporation (IFC), a member of the World Bank Group, has appointed Martin Holtmann as the new country manager for Bangladesh, Bhutan and Nepal.

Based in Dhaka, Holtmann will focus on developing new opportunities for private sector investments and increasing IFC's impact investments as the region recovers from the impacts of Covid-19.

He succeeds Wendy Werner, who has taken on a new role as IFC's country head in India, after successfully serving as the Bangladesh, Bhutan and Nepal country manager for a six-year term, a press release said.

Holtmann, a German national, joined the IFC in 2007.

He worked as a lead financial specialist at the Consultative Group to Assist the Poor in the World Bank, and as managing director of a consulting firm in the private sector before joining the IFC.

"Martin's background experience will be invaluable as the IFC deepens its work in Bangladesh, Bhutan and Nepal," said Hector Gomez Ang, regional director for South Asia at the IFC.

"I am very pleased to be working in Bangladesh, Nepal and Bhutan. These countries have shown remarkable resilience in the face of strong economic headwinds and fiscal pressures and I look forward to redoubling IFC efforts to create markets and promote sustainable development," said Holtmann.

TVS Raider motorcycle now in Bangladesh

STAR BUSINESS DESK

TVS Motor Company, an Indian multinational automotive company that manufactures two-wheelers and three-wheelers, launched its feature-rich TVS Raider in the 125cc segment for young customers in Bangladesh.

It has an LCD digital speedometer, 3Vi-Touch Start, animalistic LED headlamp and first-in-segment under-seat storage, a press release said.

"For our millennial and digitally native Gen Z customers, we have consistently introduced products with best-in-class features and superior technology. I am certain that young customers in Bangladesh will admire the distinctive ride character of the TVS Raider," said HG Rahul Nayak, head of international business at TVS Motor Company.

"Bangladesh's Gen Z is ready for TVS Motor's power-packed, stylish and the true 'Wicked Ride' that is the TVS Raider," said J Ekram Hussain, managing director of TVS Auto Bangladesh Ltd.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank (MTB), and Kamal Quadir, chief executive officer of bKash, jointly launched a 24-hour digital management service for the latter's distributors at the bank's corporate head office in Dhaka recently. Chowdhury Akhtar Asif, additional managing director of MTB, Md Khalid Mahmood Khan, deputy managing director, Mohammad Nazmul Hossain, group chief financial officer, Khalid Hossin, head of digital banking division, Ali Ahmmed, chief commercial officer of bKash, Mohammad Azmal Huda, chief product and technology officer, and Moinuddin Mohammed Rahgir, chief financial officer, were also present.

PHOTO: MTB

Kazi Akram Uddin Ahmed, chairman of Standard Bank, presides over the bank's 355th board meeting at the MCCI building in Dhaka recently. Ferdous Ali Khan, vice-chairman of the bank, Kamal Mostafa Chowdhury, Ferozur Rahman, Md Monzur Alam, SAM Hossain, Mohammed Abdul Aziz, Mohammed Shamsul Alam, Gulzar Ahmed, Md Zahedul Hoque, Mohammed Yousuf Chowdhury, Kazi Khurram Ahmed, AKM Abdul Alim, Md Abul Hossain, directors, Najmul Huq Chaudhury, Golam Hafiz Ahmed, independent directors, and Khondoker Rashed Maqsood, managing director, were present.

PHOTO: STANDARD BANK

Global banks face

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exit is not possible for a financial services firm," said Dan Awrey, a professor at Cornell Law School who specializes in financial regulation.

Under normal circumstances, banks would not be able to exit a country without the consent of its regulators and central bank. They would also need a willing buyer to take control of their loans and other commitments, experts say.

"You can't just unilaterally walk away from lending commitments and other types of financial claims," said Awrey.

"There's somebody on the other side and that will make it much more complicated."

Of particular concern was an order from the Kremlin dated March 1, prohibiting rouble lending and credit to persons of foreign states that commit unfriendly acts, one banking source said.

Banks would need to work out the implications of that for their operations and whether it prohibited overseas companies in Russia–from countries that sanctioned Moscow – from accessing rouble credit facilities, which would deal a blow to them being able to operate in the country, that source said. The source questioned whether foreign banks could continue to operate in Russia given the circumstances.

Global banks are also trying to figure out how the US sanctions on the Russian Central Bank may affect related infrastructure and market plumbing, and are being very cautious where they identify a nexus with the central bank, according to two US-based industry sources. That could also make global banks reluctant to transact in roubles.

Sanctions have effectively ended any realistic chance of global banks selling Russian assets, said one senior banking source who asked not to be named. That leaves winding down assets or writing them off as the only viable options, the source said, which would involve a financial hit.

One option being assessed is whether banks could be sued by clients in Russia if they walk away from commitments, that banking source said.

Some banks could look to keep skeleton operations in Moscow, rather than pulling out entirely, the same source said. That would avoid the complication of having to re-apply for a banking license and build a business from scratch in the future.

US banks with Russia operations declined comment or did not respond to comment.

Citigroup, the US bank most heavily exposed to Russia, is already experiencing how difficult it is to leave.

War in Ukraine

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ports and airports closed and damaged, and many roads and bridges damaged or destroyed.

"While it is very difficult to assess financing needs precisely at this stage, it is already clear that Ukraine will face significant recovery and reconstruction costs," it said. The board was expected to consider Ukraine's request for \$1.4 billion in emergency financing as early as next week.

Ukraine also has \$2.2 billion available through June under an existing stand-by arrangement, the IMF said last week.

Moldova and other countries with close economic ties to Ukraine and Russia were at "particular risk" of scarcity and supply disruptions, the IMF said.

It said IMF staff were actively discussing funding options with Moldova, which has requested an augmentation and rephasing of its existing \$558 million IMF loan programme to help meet the costs of the current crisis.

Stocks tumble

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by BD Thai Food, CAPM IBBL Mutual Fund, RN Spinning Mills, and Jute Spinners.

Shurwid Industries shed the most, dropping 7.19 per cent, followed by Sunlife Insurance, Bangladesh Shipping Corporation, Prime Insurance, and Bangladesh General Insurance.

The Chittagong Stock Exchange (CSE) also dropped yesterday. The Caspi, the main index of the port city bourse, dropped 127 points, or 0.65 per cent, to hit 19,444 by the end of the day.

Among the 274 traded stocks, 85 rose, 158 fell and 31 remained unchanged.

Md Omar Faruk Khan, additional managing director of Islami Bank Bangladesh Ltd (IBBL), inaugurates the bank's Business Development Conference for Dhaka East Zone, Dhaka Central Zone and corporate branches of Dhaka City at the Institution of Diploma Engineers Bangladesh in Dhaka recently. Md Altaf Hossain, deputy managing director of the bank, and Md Maksudur Rahman, senior executive vice-president, were present.

PHOTO: IBBL