

## Russia scrambles to contain sanctions fallout

AFP, Moscow

Black market fears, problems with online payments and the looming spectre of inflation – Russian officials are scrambling to deal with the effects of sanctions imposed on Russia over its military intervention in Ukraine.

On the streets of Moscow, there is little sign of panic – restaurants are open and busy during an extended state holiday that will last through March 8 when the country marks International Women's Day.

But at ministries and banks, there is growing concern over economic fallout that has seen giant international companies flee Russia and questions raised over the health of the banking sector.

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

The national currency has shed around a quarter of its value against the US dollar since what the Kremlin has dubbed “a special military operation” in Ukraine began on February 24.

The tanking ruble has revived memories of financial turmoil of the 1990s, when millions of Russians saw their savings evaporate due to currency devaluation and soaring inflation.

For the moment, ensuring basic goods remain affordable and abundant is a key target for authorities.

The trade and industry ministry on Saturday raised alarm over cases of essential foodstuffs being purchased “in a volume clearly larger than necessary for private consumption... for subsequent resale,” pointing to an emerging black market.



As women are one of the key drivers of the impressive economic growth of the country, banks should take initiatives so that women entrepreneurs get loans without any hassle, experts say.

PHOTO: PALASH KHAN

# Give collateral-free loans to women entrepreneurs

Analysts urge banks at EBL roundtable

## STAR BUSINESS REPORT

Banks should take initiatives to give collateral-free loans to women entrepreneurs by simplifying the loan application process, analysts said yesterday.

They came up with the recommendations at a roundtable on “Financial Inclusion for Women's Economic Empowerment”, organised by Eastern Bank Ltd (EBL) to celebrate International Women's Day.

Rokeya Kabir, member secretary of the Bangladesh Nari Progati Sangstha, said that money is being plundered from banks in Bangladesh and the amount of bad loans is increasing.

She questioned why female entrepreneurs have to meet stringent requirements to get loans of just Tk 10-15 lakh.

“Women are one of the key drivers of the country's ongoing development, which is why banks should take the initiative to disburse loans without any hassle for female entrepreneurs,” Kabir added.

Sadiq Ahmed, vice chairman of the Policy Research Institute of Bangladesh, said a gender gap prevails in many countries, but it is surprisingly high in

Bangladesh.

According to the World Bank's Findex 2017, Jordan had the highest gender gap out of the 140 countries surveyed with 30 per cent while Bangladesh and Turkey were close behind with 29 per cent.

However, the spread of the ICT revolution is expected to help close the gender gap in access to financing through the lower cost of mobile financial services, Ahmed added.

Ali Reza Iftekhar, managing director of EBL, said there are almost eight million businesses in Bangladesh.

Of the many deterrents for female entrepreneurship in Bangladesh, possibly the biggest stumbling block is the glaring gender gap in financial inclusion due to socio-cultural constraints, lack of control over decision-making and low digital-technology literacy.

Nuzhat Anwar, acting country manager for Bangladesh, Bhutan and Nepal of the IFC, said the highly complex loan application process of banks in the country discourages women entrepreneurs from availing loans.

Jayendu De, country representative of the International Monetary Fund, said

Bangladesh should also learn from global experiences to solve the issue of female entrepreneurs.

Nazneen Ahmed, country economist of the United Nations Development Programme in Bangladesh, said that both the central bank and commercial banks should take initiative to conduct financial literacy programmes for female entrepreneurs.

At the event, EBL also launched a banking product called the “EBL Mastercard Aqua Women Prepaid Card”. This is the first product of its kind to be exclusively geared towards Bangladeshi women aged 18 years and above.

As such, this financial solution can be used by female entrepreneurs, students, service holders, and women from all other walks of life.

Among others, Md Habibur Rahman, chief economist of Bangladesh Bank, Md Abul Bashar, executive director, Rupali Chowdhury, managing director of Berger Paints Bangladesh, Nihad Kabir, director of the Metropolitan Chamber of Commerce and Industry, and Ziaul Karim, a senior executive of EBL, addressed the event.

## Sajeeb Wazed Joy wins Bangladesh Innovation Award

### STAR BUSINESS DESK

Sajeeb Wazed Joy, ICT affairs adviser to the prime minister, was awarded the Nation Brand Award at the “4th Bangladesh Innovation Award-2022” for his outstanding contribution to turning Digital Bangladesh into a reality.

Organised by the Bangladesh Innovation Conclave (BIC) website, Innovation Hub, Innovation Charter and Lal Shobujer Agrajatra Platform, the award recognised 38 innovations, comprising 18 winners and 20 honorary awards, among 250 nominees at the grand ballroom of Le Meridien Dhaka on Sunday, a press release said.

“The government is working collaboratively with the private sector to bring innovation, emerging solutions and new opportunities for the people of Bangladesh. So, for the next phase of development and collective progression, there is no alternative to innovation,” said Salman F Rahman, private industry and investment adviser to the prime minister.

Building an innovation ecosystem will be the tool to achieve self-sufficiency in the future, said Zunaid Ahmed Palak, state minister for ICT.

“We must move forward with innovation. Innovation must facilitate all civic services,” said Atiqul Islam, mayor of the Dhaka North City Corporation.

Mustafa Osman Turan, Turkish ambassador to Bangladesh, and Shariful Islam, founder of the BIC, were present.

## German industrial orders rise

AFP, Frankfurt

Incoming orders to German industry increased again in January, official figures published Monday showed, as the government warned of economic disruption from the war in Ukraine.

Orders rose 1.8 per cent on the previous month, having climbed three per cent in December, according to seasonally adjusted figures from the federal statistics agency Destatis.

The indicator, which can give a foretaste of industrial production, was 7.3 per cent higher in January than in the same month last year.

The war in Ukraine, however, heralded “extremely high uncertainties for the future development of demand”, the German economy ministry said in a statement.

Industrial bottlenecks, aggravated by the conflict, meant it was “uncertain” producers would be able to make up the backlog of orders which built up over the course of 2021, the ministry said.

Shortages of raw materials and components, which grew as the year wore on, hampered production in Europe's largest economy last year.

In January, domestic orders fell significantly by 8.3 per cent, while demand from within the euro area fell by 2.6 per cent.

Order growth instead came from outside the eurozone, with the incoming volume increasing by 17 per cent.

## Women making a mark in digital

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F-commerce has created jobs for about four lakh women across the country.

In another positive development, highly-educated women are returning home after quitting jobs at top global companies to launch their own start-ups with the hope of helping solve problems facing people with the power of technologies.

One of them is Maliha M Quadir, who worked at top companies such as Morgan Stanley, Standard Chartered and Nokia before founding Shohoz in 2014. Currently, the start-up is the largest online ticket destination in Bangladesh.

Ambareen Reza co-founded Foodpanda in 2013 and her leadership as the CEO helped the firm become the number one food delivery platform in the country.

But she had to face countless challenges in every step of her life, whether it's work, academic or personal life.

“Choosing to be a woman entrepreneur in Bangladesh leaving my job in Australia wasn't a popular decision with my family and friends,” she says. It is the perseverance that helped her get through all the challenges.

“I am a problem solver and at every step of my way, I try to be objective, solve the problem at hand and move on.”

“But when I look

back, I think facing and overcoming those challenges helped me become more resilient.”

Now, Ambareen spearheads multiple operations and initiatives with the goal of making online delivery more accessible to customers and ensuring a smooth customer experience.

According to her, in the future, businesses will start analysing data and use machine learning and artificial intelligence to make business decisions.

As such, young women should make headway in the field of STEM (Science, technology, engineering and mathematics) and prepare themselves to take on challenging roles in the fast-paced professional world.

After serving as the managing director of Microsoft Bangladesh, Myanmar, Nepal, Bhutan and Laos, Sonia Bashir Kabir has emerged as a technology entrepreneur after founding SBK Tech Ventures.

“It is my dream to empower women so that they embrace technologies since that is the only way we will be able to democratise technology.”

To start with, she thinks, Bangladesh needs to address the challenge of women being left behind.

“Digital inclusion is a joint responsibility of men and women, and exclusion has joint risks.”

The perception that

technology is not for women or girls also has to change.

“We need to expose them to STEM and empower them as the leaders of the future,” Sonia said.

“We also need to ensure that they create the technologies that help us avoid the replication of old gender stereotypes and inequalities in the digital space.”

She stressed accelerating gender parity and increasing women's economic participation worldwide.

“Political leaders, policymakers and business leaders globally are aware of the urgent need to empower women.”

The new digital landscape will provide female entrepreneurs with the flexibility to start businesses with a small investment and have access to markets globally.

“In order to encourage women entrepreneurs, an ecosystem needs to be built where women are inspired, encouraged and rewarded for leveraging technology and embracing entrepreneurship,” Sonia said.

Ambareen urges young women to take part in accelerator programmes and business competitions to enhance business acumen.

Farhana's message to women and girls: “Keep up your goal no matter what obstacles you face. And don't give up. It's your life.”

## Stocks tank

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in the DSE eroded by Tk 21,852 crore, or 4 per cent, shows the DSE data.

At the DSE, seven stocks advanced, 364 declined and eight remained unchanged.

Turnover rose 13.6 per cent to Tk 740 crore.

Beximco remained the stock to be traded the most, with shares worth Tk 41 crore changing hands, followed by Bangladesh Shipping Corporation, British American Tobacco Bangladesh, Orion Pharma and Fortune Shoes.

BDCOM Online topped the gainers' list, rising 9.75 per cent, followed by Tamijuddin Textile Mills, ADN Telecom, Dutch-Bangla Bank, and ICB AMCL Sonali Bank Limited 1st Mutual Fund.

Meghna Condensed Milk Industries shed the most, dropping 10 per cent, followed by Aramit Cement, Vanguard AML Rupali Bank Balanced Fund, Apex Spinning and Knitting Mills and Jute Spinners.

A merchant banker said stock market volatility was common for any part of the world economy alongside political turbulence.

But people holding stocks of good companies should not panic, he said, expressing hope that the problems would soon dissipate.

Chittagong Stock Exchange (CSE) also tumbled yesterday. The CASPI, the main index of the CSE, fell 455 points, or 2.31 per cent, to reach 18,989 at the end of the day.

Among the 294 stocks to undergo trade, 19 rose, 254 fell and 21 remained the same.

## Mustard oil dearer

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might not supply the product to him at all given the tight supply situation.

The delivery of mustard oil from the dealer has already dropped by a quarter compared to three weeks ago, according to Zakir.

Monwar Hossain, owner of Yasin General Store in the same kitchen market, says he sold a litre of mustard oil of Suresh brand at Tk 300 a month ago.

“Now the price is Tk 400,” he said, adding that the dealer has cut the supply in half.

He says many times dealers do not want to supply the product. “Then we have to request them.”

Robin Khan, a private job holder, says a week ago, he bought loose mustard oil at Tk 170 a litre directly from a small processor in the capital's

Mohammadpur.

The price has gone up to Tk 200 just after the price of soybean oil started rising, he said.

Although the soybean oil market is completely import-dependent in Bangladesh, mustard oil is produced locally in most cases.

Every year, 2.5 lakh to 3 lakh tonnes of mustard seeds are imported, and about 1 lakh tonnes of oilseed is produced in the country. One kilogramme of oil can be obtained from the processing of 2.5 kgs of seed.

Currently, the annual demand for mustard oil stands at 1.5 lakh tonnes.

The price of mustard oil has surged at a time when the main harvesting season of the crop is going on.

Faria Yasmin, business director of ACI Foods and Commodity Business, says there is a shortage of edible

oil and oilseed owing to the global supply crunch caused by the Russian-Ukraine war.

“This has also created pressures on the locally produced oil. There is a gap between demand and supply.”

She said the import cost of edible oils has gone up. “The increase is being felt everywhere.”

Traders say the price of mustard seed has rocketed to Tk 3,600-3,700 per maund from Tk 1,800-2,000 a month earlier.

The surge in the price of mustard oil has deepened woes for the low and middle-income people, who are already struggling to afford essential items, not only just soybean oil.

Loose soybean oil retailed at Tk 160-170 a litre in the kitchen markets in Dhaka yesterday,

up from Tk 145-150 a month ago, according to data from the state-run Trading Corporation of Bangladesh.

A five-litre container of branded oil sold for Tk 790 to Tk 830, up from a range of Tk 730 to Tk 760.

Monir Hossain, a ride-share driver living in the capital's Mirpur area, says: “We, the consumers, are now in a very difficult situation.”

“Those who run businesses don't care about ethics. They only care about profit. So, whenever they get any chance, they raise prices.”

He says seven-eight months ago, he could return home after the day's work with Tk 1,500-1,600 after all the daily expenses.

“Now it has come down to Tk 800-900 as the cost of living has increased a lot.”

## FBCCI for 15pc VAT waiver

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The whole business community cannot take the blame for the dishonesty of a small group of unscrupulous traders, he added.

He strongly recommended edible oil sellers to stick to government-fixed rates and not hoard the cooking oil to do brisk business.

If anybody is found guilty of any malpractice in edible oil sales, the FBCCI might not lend support as the government is ready to take stern action against them, he said.

The businesspeople should help the government in the upcoming Ramadan by keeping market prices of

basic commodities stable, he also said.

Importers, millers, refiners, wholesalers and leaders of different trade bodies participated in the discussion.

Biswajit Saha, director for corporate and regulatory affairs of City Group, said the current discussion might indicate that there was a crisis of edible oil in Bangladesh but in reality that was not true.

His said his company was supplying between 2,000 and 2,500 tonnes of cooking oil to distributors every day.

He apprehended that some people might be hoarding cooking oil in fear of further price hikes

ahead of Ramadan.

Contradicting Saha's statement, Golam Mawla, president of Wholesale Edible Oil Businessmen Association, said the wholesalers have to wait for five days to six days to avail the supply of oil from the factories.

Every day the wholesalers have to pay Tk 3,000 as demurrage to each truck awaiting the oil supply, he said.

If any truck ends up waiting for six days, the wholesalers have to pay Tk 18,000 as the demurrage, which inevitably has an impact on prices of edible oil at the retail level, Mawla said.

Md Shafikul Ather Taslim,

director of TK Group's finance and operations, said currently the government receives between Tk 25 and Tk 26 as tax on every litre of edible oil, which was fixed through the national budget last year.

But by this time, prices of edible oil have gone up in the international markets which had a ripple effect on the national markets, he said. The government may suspend the tax collection for the time being to prevent the price from escalating in the markets, he added.

The FBCCI will again sit in a discussion on the edible oil issue on March 12 to know the latest situation, said Uddin.