

star

BUSINESS

Behind Every Successful Woman Is She, Herself.

Happy Women's Day!

Prime Bank

Neera



A tanker berthed at a dolphin jetty by the Karnaphuli river in Chattogram yesterday to unload fuel oil.

PHOTO: RAJIB RAIHAN

Runaway energy prices raise alarm

MD NAZRUL ISLAM and ASIFUR RAHMAN

The runaway fuel oil and gas price in the international markets has already hit Bangladesh's foreign exchange reserves and intensified pressures on the exchange rate amid the escalation of imports at higher prices.

What is worse, the situation has stoked concerns that the country's energy security may come under threat if the current trend of fuel oil and gas persists, officials, and experts warned yesterday.

The warning came as oil price rocketed to a 14-year high of \$139 per barrel on Monday, handing a blow to an import-dependent country like Bangladesh as it could derail the country's recovery from the coronavirus pandemic.

Bangladesh Petroleum Corporation (BPC) spent \$17 million to import a consignment of 30,000 tonnes of diesel in January. As the international market has become volatile due to the Russia-Ukraine war, the same amount of oil is now costing the country \$39 million.

In order to keep the fuel supply uninterrupted, BPC imports four consignments of diesel every month.

An analysis of the Asia-Pacific/Arab Gulf Market Scan (Platts) reports shows that the freight-on-board price of diesel was at \$87.95 per barrel on January 3. On Monday, it rose to \$156.03.

The price of octane stood at \$114.28 per barrel in the world market and went up to \$142.60 on March 6. As a result, the BPC's daily loss on diesel and octane has hit Tk 62 crore.

This is because diesel accounts for 73 per cent of the fuel oil used in Bangladesh. Due to the high consumption of diesel, the amount of losses is also high.

"We are observing the situation. I am updating the higher level about this twice a day," BPC Chairman ABM Azad told The Daily Star.

"We have no plans or proposals for the price adjustment of energy products. The government will take the decision in this regard."

All types of fuel products in the world market are now costlier because of the pandemic-induced supply disruption, recent demand recovery and the latest woes added by the Russian-Ukraine war.

The BPC has opened letters of credit (LCs) with state-owned banks to import diesel, but the

banks are struggling to make the payments in US dollars. The LC has been opened for diesel imports next April.

"If the Russia-Ukraine war prolongs, the price of fuel oil will reach a level that many countries will not be able to afford," said an official of BPC.

The state-run corporation has funds that would allow it to import fuel oil for two months.

AK Enamul Haque, a professor of economics at the

"The government should watch for a month to see if the war ends. If the war does not stop, it will be a disaster. We will have problems too."

State-run Rupantarita Prakritik Gas Company Ltd under Petrobangla is worried about surging prices of liquefied natural gas (LNG) internationally.

Last week, Asian spot LNG prices rose, buoyed by concerns over Russian supply to Europe

fuel. Since then, RPGCL waited until January to see whether prices decline. It bought the last consignment at \$29 per mmBtu.

Officials said Petrobangla planned to buy 20 consignments of LNG during the current fiscal year of 2021-22. So far, it has purchased 11 consignments.

"But we have no money in our coffer to buy the next consignment. We have already spent all our subsidies given by the government and the money we received from the Energy Security Fund of the Bangladesh Energy Regulatory Commission," said an official seeking to remain unnamed.

"If we want to import the next consignment, we will need extra money from the government."

Petrobangla wrote a letter to the BEERC to re-fix the pipeline gas price on February 5. The commission will hold a public hearing on March 21.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, says there is a huge dependency on gas import while dependency on oil import is a hundred per cent.

"Oil is a commodity that has contagious effects in all cases when its price goes up."

READ MORE ON B3



East West University, says rising energy prices give a warning that higher inflation is on the way, not only in Bangladesh but also across the globe.

"We should take preparation for that."

He says the petroleum sold by BPC now were purchased previously. "Subsidy burden may widen when we will buy petroleum at the current prices," Prof Haque said.

as buyers shun Russian gas and LNG in response to its invasion of Ukraine, reports Reuters.

The average LNG price for April delivery into north-east Asia was estimated at \$40.5 per metric million British thermal units (mmBtu), up \$3, or 8 per cent from the previous week.

Bangladesh bought LNG at \$37 per mmBtu in October, the highest price it has paid so far for the super-chilled

Women take lead in f-commerce

SHAHRIAR RAHMAN and TANZID SAMAD CHOUDHURY

Since the Covid-19 pandemic crippled many businesses and impacted livelihoods of thousands, many were forced to resort to alternative means of income including exploring alternative channels.

Facebook-based business or f-commerce seemed to be a viable means of income in these perilous times. Individuals, particularly women, took this as an opportunity to start new businesses or grow their existing ones. According to Meta, women owned 70 per cent of Facebook-based businesses opened since the pandemic began and there has been an increase of more than 65 per cent in Instagram businesses owned by women.

This information was made public in a press

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WOMEN IN F-COMMERCE

Women own 70% of Facebook-based businesses opened during pandemic

Women-led businesses rose 65% in Instagram during the time

Since 2021, 40% of Facebook groups about entrepreneurship have been created by women

Women account for half of f-commerce business owners in Asia Pacific

SOURCE: META

CHALLENGES

Resistance from family, friends

Lack of cooperation from suppliers and delivery platforms

Cyberbullying

ADD TO CART

WOMEN OWN 70% OF FACEBOOK-BASED BUSINESSES OPENED DURING PANDEMIC

WOMEN-LED BUSINESSES ROSE 65% IN INSTAGRAM DURING THE TIME

SINCE 2021, 40% OF FACEBOOK GROUPS ABOUT ENTREPRENEURSHIP HAVE BEEN CREATED BY WOMEN

WOMEN ACCOUNT FOR HALF OF F-COMMERCE BUSINESS OWNERS IN ASIA PACIFIC

GLOBAL SCENARIO

Globally, women-led small businesses faced more closure than men-led businesses

20% of women-led businesses and 16% of men-led businesses reporting closures

SOURCE: GLOBAL STATE OF SMALL BUSINESS REPORT

Current account deficit hits all-time high

AKM ZAMIR UDDIN

Bangladesh's current account deficit hit an all-time high of \$10 billion in just the first seven months of the ongoing fiscal year due to the escalation of trade deficit and dwindling remittances.

The large shortfall in the current account will only widen further because of the ongoing pressure on the foreign exchange reserve and exchange rate between the US dollar and taka, economists said.

The previous highest deficit in the current account was \$9.56 billion in FY 2017-18, data from Bangladesh Bank showed. The deficit was \$4.57 billion last fiscal year.

A current account deficit occurs when the total value of goods and services a country imports exceeds the total value of goods and services it exports.

The increasing trend of trade deficit, which stood at nearly \$18.7 billion between the

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Stocks can't fall over 2pc

New circuit breaker takes effect

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has lowered the circuit breaker limit to 2 per cent from 10 per cent in order to curb the free-fall of stocks amid the war between Russia and Ukraine.

Prof Shaikh Shamsuddin Ahmed, a commissioner of the BSEC, said the regulator decided to lower the limit for a short period as the market is being battered by external circumstances.

"The facility will not continue for a long time as it will be lifted after the market situation improves," he said while speaking with journalists at his office yesterday.

Although the stock market index returned to a positive trend yesterday, it plummeted by 297 points in the previous four trading days. This sent the index to its lowest position in more than seven months, according to data from the Dhaka Stock Exchange (DSE).

Apart from lowering the circuit breaker limit, the regulator ordered an investment of Tk 100

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IMF for more BB independence

AKM ZAMIR UDDIN

Strengthening Bangladesh Bank's independence and autonomy is key to enabling it to strictly enforce the current prudential regulations in the banking sector, said International Monetary Fund (IMF).

With increased vulnerabilities, financial sector risks pose a drag on medium-term growth prospects, the Washington-based multilateral lender agency said in a report on Monday.

The report has been prepared based on Article 4 consultations between the IMF and Bangladesh government last December.

During an Article IV consultation, an IMF team of economists visits a country to assess economic and financial developments and discuss the country's economic and financial policies with government and central bank officials.

The multilateral lender also underscored the need to fortify corporate governance in banks, including by strengthening the role of independent directors.

The central bank should follow the classification and provisioning requirements in

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STOCKS			
	DSEX ▲	CSCX ▲	
	0.27% 6,474.28	0.15% 11,414.18	

COMMODITIES			
	Gold ▲	Oil ▼	
	\$2,015.48 (per ounce)	\$129.92 (per barrel)	

CURRENCIES				
	\$ USD	€ EUR	£ GBP	¥ CNY
BUY TK	85.05	91.57	111.53	13.23
SELL TK	86.05	95.37	115.33	13.91

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.10%	53,424.09	▼ 1.71%	▼ 1.22%	▼ 2.35%
		24,790.95	3,148.86	3,293.53

City Bank, Greenland Equities ink partnership agreement

STAR BUSINESS DESK

City Bank Ltd and Greenland Equities Ltd recently signed a strategic partnership agreement in order to bring more investments into the capital market.

Sheikh Mohammad Maroof, additional managing director of City Bank, and M Rajib Ahsan, managing director of Greenland Equities, signed the agreement at the bank's head office in Dhaka, a press release said. Tahsin Haq, head of cash management and custodial cluster of the bank, was present.

Sheltech Brokerage, ZAGTrader PLC sign deal

STAR BUSINESS DESK

Sheltech Brokerage Ltd signed an agreement with ZagTrader PLC, a UAE-based IT company, at Envoy Tower in Dhaka's Panthapath recently.

Under the agreement, the IT company will provide order management system to Sheltech Brokerage to facilitate its customers to access an automated trading platform for executing transactions with the Dhaka Stock Exchange, a press release said.

Tanvir Ahmed, managing director of Sheltech Group, Moin Uddin, director of Sheltech Brokerage, and Mesbah Uddin Khan, chief executive director, attended the ceremony.

Shaikh Wahid, managing director of Leads Corporation Ltd, and Anisur Rahman Khan, chief marketing officer, were present as local representatives of ZagTrader PLC.



Oil-storage tanks are seen from above in Carson, California on April 25, 2020 after the price for crude plunged into negative territory for the first time in history on April 20.

PHOTO: AFP/FILE

What would a US ban on Russian oil mean for the world?

REUTERS, London

The possibility that the United States might ban Russian oil imports has triggered a surge in Brent crude to almost \$140 a barrel, its highest level since 2008.

Russia is the world's top exporter of crude and oil products combined, at around 7 million barrels per day (bpd) or 7 per cent of global supply.

Such a ban would be unprecedented, turbocharging already sky-high prices and risking inflationary shock.

Here are some of the likely consequences of a ban: Western governments have not directly sanctioned Russia's energy sector but some customers are already shunning its oil to avoid becoming entangled in legal troubles later.

JP Morgan predicts oil could hit a record \$185 a barrel by the end of 2022 if disruption to Russian exports lasts that long, although along with most analysts polled by Reuters the bank expects a yearly average price below \$100.

The last time oil prices were above \$100 was in 2014 and levels reached on Monday were not far shy of a peak of more than \$147 hit in July 2008.

That is a steep climb from two years ago, when a coronavirus driven demand slump

saw a barrel of West Texas crude at below \$0 as sellers had to pay to get rid of it.

"A prolonged war which causes widespread disruption to commodity supplies could see Brent moving above the \$150 a barrel mark," Giovanni Staunovo, commodity analyst at UBS, said.

With natural gas prices hitting all-time highs, soaring energy costs are expected to push inflation above 7 per cent on both sides of the Atlantic in the coming months and eat deep into households purchasing power.

As a rule of thumb, every 10 per cent rise in the oil price in euro terms increases euro zone inflation by 0.1 to 0.2 percentage point.

Since January 1, Brent crude is up around 80 per cent in euros. In the US, every \$10 per barrel rise in oil prices increases inflation by 0.2 percentage point.

In addition to being a major supplier of oil and gas, Russia is also the world's largest grains and fertilisers exporter and a top producer of palladium, nickel, coal and steel.

The bid to exclude its economy from the trading system will hit a wide range of industries and add to global food security fears.

A ban on Russian oil would further

slow the nascent global recovery from the coronavirus pandemic.

Preliminary calculations by the European Central Bank (ECB) suggest that war could cut euro zone growth by 0.3 to 0.4 percentage points this year in a baseline scenario and 1 percentage point in case of a severe shock.

In the coming months, there is a high risk of stagflation, or little to minimal growth coupled with high inflation.

However, further, euro zone growth is likely to remain robust, even if commodity prices prove a drag.

In the US, the Fed estimates that every \$10 per barrel rise in oil prices cuts growth by 0.1 percentage point, though private forecasters see a more muted impact.

In Russia, the damage is likely to be large and immediate. JPMorgan estimates that its economy will contract by 12.5 per cent from peak to trough.

For the US Federal Reserve, the inflationary impact has already proved too great and its Chair Jerome Powell has said that interest rates need to rise this month, piling pressure on borrowers.

For the ECB, the urgency of policy action is less acute as the labour market still enjoys spare capacity and there is little home-grown inflation.

Towards seamless border

FROM PAGE B4

such as the Benapole, Bhomra, Burimari and Akhaura.

Six land ports are operated by private operators at places like Banglabandha, Birol, Hilli, Bibir Bazar, Teknaf and Sonamosjid. Besides, 11 land ports are under development. Benapole is the country's biggest land port, followed by Burimari and Bhomra.

Similarly, Myanmar has 14 border posts dealing with trade and passengers with China, Thailand, India, Lao PDR and Bangladesh.

Nepal's NITDB (Nepal Intermodal Transport Development Board) manages the country's dry ports, ICDs and ICPs. It has 30 border crossing points with India and China. To date, two ICPs were completed at Birgunj and Biratnagar. Two more ICPs at Nepalgunj and Bhairahawa are under construction.

Bhutan has four major trade routes: Phuentsholing, Gelephu, Sandrup Jongkhar and Samtse. Phuentsholing is the largest route. The country has also set up a dry port in Phuentsholing.

In times of crisis, trade facilitation measures minimise the physical interactions at the border-crossing processes. Expediting standard formalities for the movement of goods not only reduces the time spent in physical interactions but also makes space and time for additional controls and sanitary measures required in light of Covid-19. India's ICP model offers many important lessons to other

South Asian and Bay of Bengal countries as well as countries in the African continent.

There are many challenges in border connectivity.

Porous borders pose several non-traditional security threats such as illegal migration and informal trade, illegal flows of drugs, arms and ammunition smuggling. Many border posts face inadequate infrastructure in controlling the trade flows such as poor road connectivity and telecommunication, absence of banks and foreign exchange, manual handling of customs and cargoes, no electronic scanning of goods, and inadequate warehouses.

Another major threat to border connectivity is the lack of efficient customs operations, including a lack of transparency of procedures for inspection and informal payments. Many South Asian and Bay of Bengal countries do not have adequate legislation in managing border posts and no single agency to look after border management. A regional process for collaborative border management is yet to happen.

India's LPPI provides a wide range of security equipment like handheld metal detectors, door frame metal detectors, barriers and rotary mirrors, which discourage manual frisking and verification by security forces at land ports. Additionally, the LPPI is in the process of enhancing and upgrading cross-border

infrastructure at land borders by providing access and surveillance control systems, full-body truck scanners for non-intrusive scanning and radiation detection equipment at its ICPs which shall considerably reduce dwell time at ports.

The application of digital technologies such as the Radio Frequency Identity (RFID) and the Electronic Cargo Tracking Management System (ECTS) in cargo management and artificial intelligence and robotics will strengthen the security, safety and connectivity at borders and beyond. The coordinated borders will also instil new momentum to building border economic zones (BEZs). Thailand offers many important lessons in BEZs.

The BIMSTEC Master Plan for Transport Connectivity, which has many border connectivity projects, is ready for implementation. Time is ripe for working towards coordinated border management.

A regional consultative process for border management in the Bay of Bengal region may be taken up. The Asean has adopted a framework known as the Asean Border Management Cooperation Roadmap to improve policy and practical collaboration to address transnational crime at and along borders.

The author is a professor of the Asean-India Centre, Research and Information System for Developing Countries, New Delhi. Views are the author's own.

EBL, Mastercard launch 'Aqua Women Prepaid Card'

STAR BUSINESS DESK

Eastern Bank and MasterCard recently launched an "Aqua Women Prepaid Card" at a roundtable on financial inclusion for women's economic empowerment at the bank's Dhaka head office yesterday marking International Women's Day.

The card comes with offers for women in shopping at grocery and clothing outlets, dining, salons, jewellery shops and e-commerce portals, said a press release. Other benefits include dual currency facility, global access to funds, exclusive buy-one-get-one hotel stay offers and dining and lifestyle offers at over 5,500 partner outlets in Bangladesh.

Ali Reza Itekhhar, managing director of Eastern Bank, Syed Mohammad Kamal, country manager of MasterCard Bangladesh, Habibur Rahman, chief economist, Abul Bashar, executive director of Bangladesh Bank, Nazneen Ahmed, country economist of UNDP, Rupali Chowdhury, managing director of Berger Paints, and former MCCI president Barrister Nihad Kabir were present.

Chevron, Save the Children mark 13-year partnership

STAR BUSINESS DESK

Chevron Bangladesh and Save the Children celebrated their long partnership to promote access and increase basic educational outcomes for marginalised children through Shikhon programme through an event titled "Dissemination Program of SHIKHON Tracer Study and Celebrating 13 Years of Partnership" held at Lakeshore Hotel in Gulshan, Dhaka recently.

The Shikhon project, a collaboration between Chevron and Save the Children, has reached more than 21,000 people and provided access to primary education to more than 4,000 at-risk, out-of-school children since 2008, a press release said.

For the past 13 years, it has been a critical safety net and springboard to success for local children.

Shah Shamim Ahmed, associate professor of the Institute of Education and Research at the University of Dhaka, presented the findings of the Tracer Study on the Shikhon programme at the event.

Eric M Walker, president of Chevron Bangladesh, Muhammad Imrul Kabir, corporate affairs director, Shahin Islam, project director of Shikhon at Save the Children, and Md Abdul Halim, director of the Institute of Education and Research at the University of Dhaka, attended the programme.

FAO regional confce begins

Four areas of regional cooperation to be discussed

STAR BUSINESS REPORT

The 36th Regional Conference for Asia and the Pacific of the UN's Food and Agriculture Organization (FAO) began in Dhaka yesterday focusing on four areas of regional cooperation, including a sustainable agri-food system.

Addressing the inaugural session of the conference, FAO Assistant Director-General Jung-Jin Kim highlighted the areas for regional cooperation to be focused on in the conference.

Priority would be given to sustainable agri-food system for improved production, improved nutrition, safeguarding the environment and life, sustainable use of natural resources, conserving biodiversity, and building a climate-friendly agri-food system, he said.

The government convened the four-day conference in a hybrid modality with the participation of 43 FAO member states in Asia and the Pacific.

FAO Director-General QU Dongyu also joined the conference in person.

Md Sayedul Islam, secretary of the agriculture ministry, inaugurated the first two-day session of the conference for senior officials and agriculture secretaries at InterContinental Dhaka. The agriculture secretary was elected president for the session.

In his inaugural speech, Islam said agriculture in Asia and the Pacific is facing a major challenge of climate change.

"It will also have a huge impact on agriculture in Bangladesh. In this context, the conference will expand the field of exchange of knowledge, technology and experience among member countries and enhance mutual cooperation," he added.

Islam went on to say that hosting the conference in Bangladesh in the year of "Mujib Borsho" is a milestone in the country's agricultural development.

While talking about the arrangements for this event amid the Covid-19 pandemic, FAO Assistant Director-General Kim said this edition of the regional conference is unique. It is the first time the FAO has convened a regional conference in Asia and the Pacific in a hybrid mode.

"I am hopeful that also sends a signal that while Covid-19 is still with us, we are slowly emerging from its grip," he added.

On the first day, delegates from FAO member states discussed regional and global policies, and regulatory matters.

Among different issues, including the state of food and agriculture in the region in light of the Covid-19 pandemic, actions to promote climate-resilient agri-food systems, setting up inclusive digitalisation in agricultural value chains and identifying one health priority, were discussed yesterday.

The secretary-level session of the conference will end today while the agriculture minister-level session will take place on March 10-11.



Zakia Rouf Chowdhury, executive vice-chairperson of Rangs Group, Tania Nusrat Zaman, director of Bank Asia, and Shamim Ara Khanom, managing director of Voice Breeze Bangladesh, cut a cake to celebrate International Women's Day 2022 organised by Bank Asia at Bank Asia Tower in Dhaka yesterday.

PHOTO: BANK ASIA

Bank Asia celebrates International Women's Day 2022

STAR BUSINESS DESK

Bank Asia celebrated International Women's Day 2022 at Bank Asia Tower in Dhaka yesterday with the slogan "Let Her Lead".

Zakia Rouf Chowdhury, executive vice-chairperson of Rangs Group, attended the programme as chief guest, while Tania Nusrat Zaman, director of

Bank Asia, and Shamim Ara Khanom, managing director of Voice Breeze Bangladesh, as special guests, said a press release.

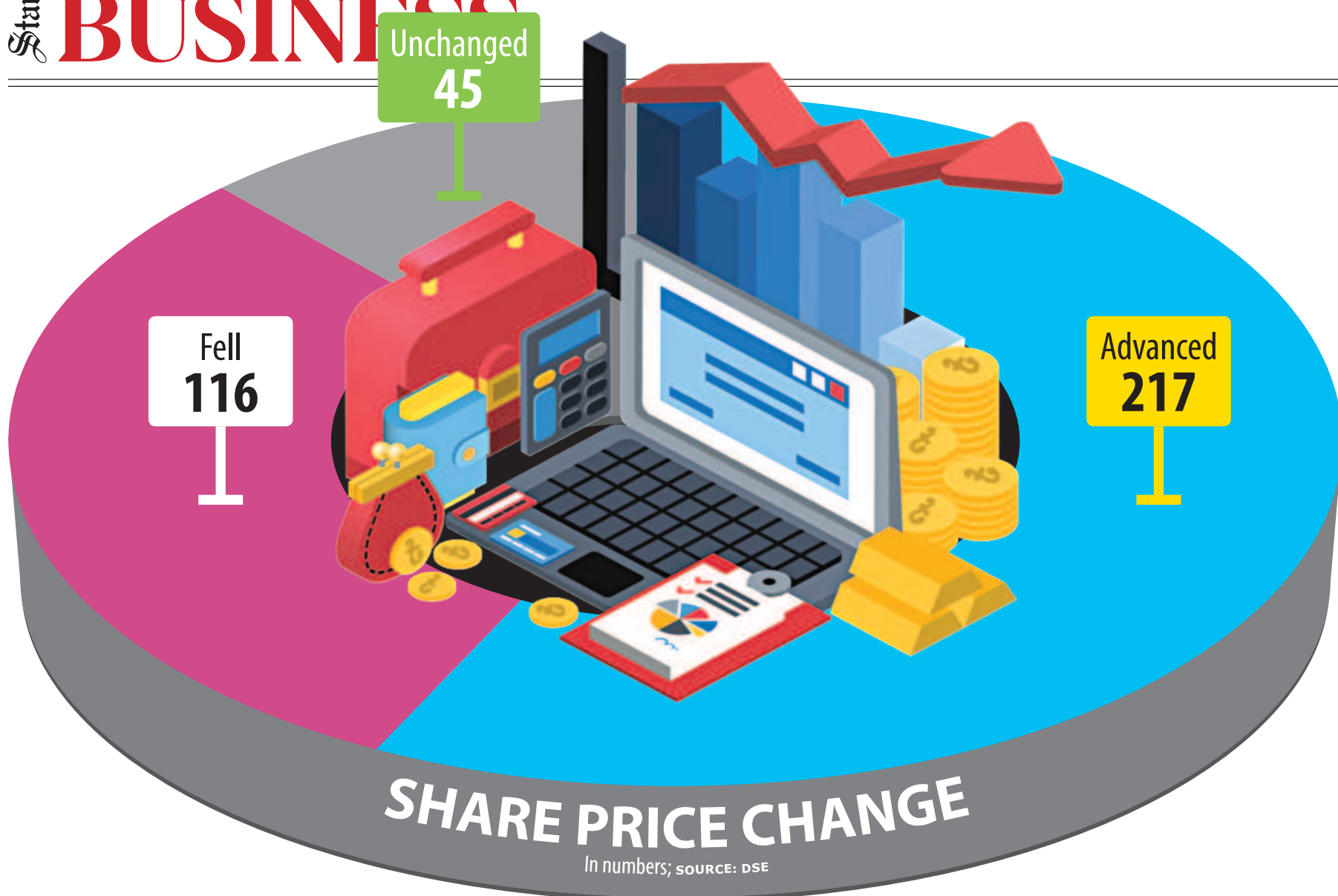
The logo of "Neelima", a platform focusing on products and services for female entrepreneurs, was unveiled.

Md Arfan Ali, president and managing director of the bank, and other officials were present.



Md Ridwanul Hoque, executive vice-president of Midland Bank Ltd, and Jewel Khan, additional managing director of BCL Group, exchange signed documents of a memorandum of understanding on discounts on all hotel room rent and helicopter services, at the bank's head office in Gulshan-2, Dhaka on Monday.

PHOTO: MIDLAND BANK



Stocks show signs of recovery

Investors buoyed by BSEC decision to lower circuit breaker

STAR BUSINESS REPORT

The domestic stock market showed signs of recovery yesterday after news broke that the Bangladesh Securities and Exchange Commission (BSEC) would take steps to curb the recent falling trend.

The market was in a volatile state for the first two hours of the trading session but it ultimately settled down when the BSEC's decision became known.

As such, the DSEX dropped 138 points within one hour of trading before the benchmark index of the Dhaka Stock Exchange bounced back by 17 points, or 0.27 per cent, to close at 6,474.

Besides, the BSEC's decision to lower the circuit breaker limit to 2 per cent from 10 per cent in order to curb the freefall of stocks amid the war between Russia and Ukraine was welcomed by investors.

For example, Shuvo Rahman, a general stock investor, said the move would help slow the downward trend of stocks in the country and so, he feels better about the market's prospects.

"If the fall reduces, then investors will regain confidence and invest further," he added.

However, a merchant banker feared that the market may become illiquid due to this decision if buyers feel unsafe with the prices as share prices could fall slowly as a result.

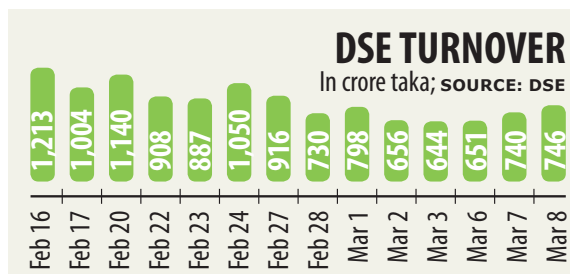
"This is a short-term policy to tackle the market fall, but it cannot save it in the long-run," he said, adding that foreign investors in the domestic market will feel shakier now because they want a free-float market.

And although foreign investment is comparatively

low in Bangladesh, this may negatively impact the index as they hold stocks of well-performing companies and have a higher influence on the index.

Turnover at the country's premier bourse rose to Tk 746 crore yesterday while it was Tk 740 crore a day earlier.

Beximco Ltd was the most traded stock with shares worth Tk 59 crore changing hands followed by Bangladesh Shipping Corporation, Beacon



Pharmaceuticals, Square Pharmaceuticals, and British American Tobacco Bangladesh.

The stock market bounced back after four days of a sharp fall as investors regained their confidence based on the decision taken by the BSEC to cut the circuit breaker to 2 per cent, International Leasing Securities said in its daily market review.

Among the sectors, cement rose 2.5 per cent, services and real estate edged up 2 per cent and ceramics ascended 1.8 per cent while tannery dropped 0.9 per cent, food and allied shed 0.9 per cent and

general insurance fell 0.7 per cent.

Investors' attention was mainly concentrated on pharmaceuticals and chemicals (16.3 per cent), miscellaneous (12.4 per cent) and textiles (12.3 per cent). According to a merchant banker, the ups and downs in the domestic stock market are a result of changes in the global economy, which is in a tough spot right now due to high oil prices.

"So, the fall of the index was not unexpected as the oil market has become jittery," he said, adding that some investors still take risks in such situations by investing their funds.

Not one stock market regulator in the world has yet taken any steps to curb the market fall, but the markets can rebound on their own strength.

"But as the number of general investors in our market is higher, its strength is lower. With this backdrop, the regulator became concerned to boost it," the merchant banker said.

At the DSE, 217 stocks advanced, 116 declined and 45 remained unchanged. BD Thai Food topped the gainer list, rising 9.84 per cent, followed by Sun Life Insurance, BDCOM Online, Envoy Textiles and Intech Ltd.

Reliance Insurance shed the most, dropping 6.12 per cent, followed by BD Finance, Vanguard AML Rupali Bank Balanced Fund, Pragati Insurance, and Aramit Cement.

The Chittagong Stock Exchange also rose yesterday. The Caspi, the main index of the port city bourse, rose 28 points, or 0.15 per cent, to 19,018 at the end of the day.

Among the 274 traded stocks, 137 rose, 116 fell and 21 remained the same.

WOMEN IN CMSME

Experts call for enabling environment

STAR BUSINESS REPORT

An enabling environment for women entrepreneurs in cottage, micro, small and medium enterprises (CMSMEs) is essential for ensuring sustainable progress in Bangladesh's economic development, according to various experts.

Their comments came yesterday at an event celebrating International Women's Day, jointly organised by the United Nations Development Programme (UNDP), UN Women and UN Capital Development Fund (UNCDF).

The event, which was an initiative of the "WING: Women's Empowerment for Inclusive Growth" project, was held in presence of officials from several financial institutions operating in Bangladesh.

"We must ensure an enabling environment for women who are in CMSMEs if we want to see sustainable progress in the country's economic development," said Sudipto Mukerjee, resident representative of UNDP Bangladesh.

He informed that the WING project is working

with the government, financial institutions, and local women to help Bangladesh achieve the Sustainable Development Goals by 2030. "In most cases, women entrepreneurs are not aware of the financial services available, how to access them and how to leverage them for sustaining their business," said Diya Nanda, deputy country representative of UN Women.

So, it is critical to have gender-responsive policies that identify gender-specific needs to work with women in CMSMEs, she added.

Nanda underscored the need to build up the technical capacity of female entrepreneurs, especially on digital tools.

"We need to change the mindset of female entrepreneurs along with bank officials so that they understand the need of proper documentation, keeping transaction records and having a bank account or mobile financial service wallet for access to credit," said Md Jaker Hossain, general manager of the SME and special programmes department of Bangladesh Bank.

Anne Van Leeuwen, an ambassador of the Kingdom of the Netherlands to Bangladesh, was present as chief guest. Leeuwen said her government is interested in a stable and economically strong Bangladesh, where plenty of jobs opportunities are available, high value goods are produced and business opportunities are found everywhere.

"Facilitating access to finance for female entrepreneurs is a win-win for both the businesses and financial institutions," she said.

Besides, encouraging and including half the population, i.e. women, in economic activities can only increase the country's economic potential and expedite the country's journey to a middle-income nation, Leeuwen added.

IMF for more BB independence

FROM PAGE B1

line with Basel standards, including the treatment of rescheduled and non-performing loans (NPLs).

Between fiscal years 2009-10 and 2018-19, the NPL ratio increased steadily, despite high GDP growth, due to structural weaknesses, including in governance and legal infrastructure, compounded by lenient regulation, weak supervision and weak credit culture among some large influential debtors.

Reported NPLs do not fully reflect the extent of problem assets.

Stressed advances, which comprise NPLs, restructured and rescheduled loans, stood at 20.5 per cent of outstanding loans at the end of 2018, about double the NPL ratio at that time.

The current NPL data does not capture the

impact of policy relaxations introduced to counter the Covid-19 shock.

Default loans in Bangladesh's banking sector surged 16.38 per cent year-on-year to Tk 103,274 crore in 2021, showed data from the BB.

Identifying early signs of distress will help avoid large increases in NPLs after forbearance measures end, said the IMF.

It also mentioned some other factors that may create a roadblock to attaining expected economic growth.

"A slower than expected recovery in trading partners of Bangladesh, an increase in food and oil prices, and heightened risks from cyber-attacks are key external risks," it said.

The IMF praised Bangladesh's substantial economic development in its 50 years of independence.

From being one of the

poorest nations in 1971, Bangladesh successfully met the UN criteria to graduate from the category of least developed countries in February 2021.

Since 2010, per capita real GDP growth, averaging 5 per cent annually, has resulted in a steady decline in poverty, with increasing access to education and healthcare.

Following an export-oriented development strategy, Bangladesh has successfully transformed to a more manufacturing-based economy.

Despite significant progress, job creation has been slowing, inequality has been rising, and poverty reduction has been slower than during the previous decade.

Lack of education and skills remain the main hurdle for transitioning into the formal economy. Supply bottlenecks, especially in transport infrastructure, are

constraining growth.

The country's GDP growth is expected to pick up to 6.6 per cent in FY22, supported by a robust rebound in exports, continued implementation of the stimulus packages and accommodative monetary and fiscal policies.

As the external environment improves and the domestic vaccination programme progresses, growth is expected to reach 7.1 per cent in FY23.

The IMF reckons that headline consumer price index inflation was projected to rise to 5.9 per cent in fiscal year 2021-22, slightly higher than the BB's yearly target of 5.3 per cent.

As the economy picks up, non-food inflation is projected to edge up to 6.4 per cent, and food inflation is also expected to rise moderately due to higher international commodity prices.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, warned that the current account deficit may increase to \$20 billion by the end of this fiscal year if the government fails to control imports.

Russia's invasion of Ukraine will only deepen the crisis in days to come as it has already worsened the ongoing global supply chain disruption, he said.

"Depreciating the local currency against the dollar is a major tool for reducing import payments," Mansur added.

Current account deficit hits all-time

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months of July and January in FY2021-22, are one of the main reasons for the shortfall in the current account, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

"Remittances have not picked up yet, which has resulted in a large current account deficit," he added.

Between July and January, expatriate Bangladeshis sent remittances amounting to \$11.94 billion, down 19.88 per cent year-on-year.

The central bank should continue to inject the dollar to keep the exchange rate with the taka stable, he said.

However, this would reduce the country's foreign exchange reserve, Rahman said.

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Women take lead

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release by Meta celebrating Bangladeshi women coming together online to empower others and drive positive change on the occasion of International Women's Day 2022.

Nahian Ibnat Beg, founder of Trivents, started her event management business through Facebook and Instagram.

"We started around the pandemic and have used Facebook and Instagram ever since to showcase our designs and services. There were uncertainties but through our excellent service we are still able to keep on growing," she said.

Zerin Tasnim Khan, founder of 6 Yards Story, mentioned how she had to diversify her business to stay relevant during the pandemic.

"During the pandemic, we relied on our Facebook group to keep our business running. We tried to ensure quality local products through our platform for

the customers, including NRBs," said Sabera Anwar, founder, Go Deshi - Made in Bangladesh.

Meta, formerly known as Facebook, also informed that, since 2021, 40 per cent of Facebook groups about entrepreneurship in Bangladesh have been created by women.

According to a study by Halima Haque, an assistant professor at Jahangirnagar University, women entrepreneurs on Facebook had seen increased complexities dealing with the supply chain.

Moreover, research also illustrates how women in f-commerce had to undergo scrutiny, internal and external pressure, and cyberbullying. These had been echoed by many f-commerce entrepreneurs.

"Our business grew quite a few folds, but this growth was not easy," said Esrat Jahan Anika, owner of Zilbab Attire, a Facebook-based Islamic-wear seller.

"We had to deal with delivery platforms and suppliers. They initially tried to press higher costs as they thought we had no other option," she said.

"But they would not do that to a male relative of mine. Upon confronting them, they later lowered the price," said Anika.

However, industry experts say the challenges to growth of women-led businesses in f-commerce as well as e-commerce is growing in Bangladesh.

"It's true that women are doing well in f-commerce," said Mohammad Sahab Uddin, vice president, e-Commerce Association of Bangladesh (e-CAB).

"During the pandemic, women have taken up entrepreneurship and they have switched to online-based businesses," he said.

"The e-CAB community has 27 per cent women entrepreneurs, which goes to show that women are contributing fairly well in the economy," he added.

Stocks can't fall

FROM PAGE B1

crore in the stock market from the stabilisation fund in order to ensure higher liquidity in the market.

"The investment has already started," Ahmed said.

In June last year, the BSEC passed a rule that formed the market stabilisation fund using undistributed and unclaimed dividends of listed companies. The aim is to use the funds to

safeguard the interests of the stock market and general investors.

The BSEC commissioner went on to say that protecting investors is a key task of his organisation and so, they take many steps in this regard.

Lowering the limit and directing fund managers to pour in money from the stabilisation fund came in line with the same reason.

Some people spread

rumours concerning the war and its impact on the stock market.

"But we traced these people and have decided to take action against them," he said.

General investors should not pay heed to rumours, and instead analyse the reality behind the rumours before taking any investment decision.

"We have proper acts on market makers even though there are no such

entities in the country. If there were some market makers, they could help the market in such tough periods," Ahmed said.

"The Investment Corporation of Bangladesh also cannot play a proper role when the market falls, so the turnaround becomes slow," he added.

Mohammad Rezaul Karim, executive director and spokesperson of the BSEC, was present at the event.

control, he added.

"If not, the price will have to be increased by another fold. As the pressure of inflation increases, so will the pain of the people."

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, suggested the government borrow from the international agencies to clear soaring import bills.

"This will reduce fiscal pressure on the government as increasing administered prices of petroleum will be politically unpopular as it will stoke inflation."



Airliners at the Dhaka airport have been facing space shortage at the terminal and apron areas since the lone runway has remained closed from 12:00am to 8:00am every day from December 10 last year.

PHOTO: STAR/FILE

Wait for Fly Dhaka, Air Astra lengthens

New airlines not getting nod to operate flights for ongoing development activities at HSIA

RASHIDUL HASAN

The Civil Aviation Authority of Bangladesh (Caab) has decided not to grant permission to any new airlines to operate flights from Dhaka due to a shortage of space at the terminal and apron areas at the Hazrat Shahjalal International Airport (HSIA).

So, it is delaying the process to give air operator's certificate (AOC) to Air Astra and Fly Dhaka, two new private airlines, causing a delay for them to begin operating flights, M Mafidur Rahman, chairman of the Caab, told The Daily Star.

Aircraft at the country's biggest airport has been facing space shortage at the terminal and apron areas since the lone runway has remained closed from 12:00am to 8:00am every day from December 10.

The move is aimed at paving the way for the construction and expansion of taxiways for the two existing terminals.

The eight-hour suspension is already causing disruptions in flight schedule and passenger handling. Officials of various airlines operating to and from the HSIA say they are finding it very difficult to operate flights on time due to the prevailing situation.

Mismanagement and chaotic situation prevails everywhere at the airport, including inside and outside the terminal, airlines' check-in counters, immigration, baggage loading and unloading, and boarding bridges as the authorities have failed to ensure



Workers are busy constructing the third terminal of the Hazrat Shahjalal International Airport, scheduled to open in 2024.

PHOTO: RASHED SHUMON

facilities to cope the situation, they say. HSIA officials also admitted that they are struggling to deal with the tight new schedule.

Around 110 to 115 flights of 28 airlines are now operating to and from the HSIA, carrying 20,000 to 21,000 passengers during the reduced travel time.

Mafidur Rahman said amid the present situation, they are not giving permission to any new airlines to operate from the airport.

"Once the situation becomes normal

after the completion of the construction and expansion of the taxiways, we will consider the matter."

Fly Dhaka and Air Astra have already secured the no-objection certificate from the Caab. But they are yet to get the AOC.

Rahman says they have asked the two new airlines to go slow to complete formalities, including procurement of aircraft.

"We have already told them that they can operate flights in other domestic

destinations rather than in Dhaka."

Imran Asif, chief executive officer of Air Astra, which receive the NOC in November, says the process to lease three ATR 72-600 aircraft is at the final stage.

Anisul Islam Mahmud, a lawmaker of the Jatiya Party and managing director of Fly Dhaka, says they are waiting for the AOC.

The two new airlines will take the number of private operators in Bangladesh to four. US Bangla and Novoair currently operate flights.

Air Astra has unveiled the livery of its initial fleet of ATR 72-600 aircraft.

The warm yellow that Air Astra has chosen as the predominant colour to reflect the happiness and optimism that the airline wishes to bring forth in air travelling is boldly used on the livery, accentuated by the grey that reinforces the airline's attention to class and quality, according to the company.

Fly Dhaka Airlines Ltd aims to make flying accessible and affordable for all and to establish itself as a world-class airline. The company says it has the best professionals.

Led by Anisul Islam Mahmud, a reputed entrepreneur who has set up several industries, and with Mollah Fazle Akbar as its chief executive officer, the airline hopes to progress rapidly and hold a major position in Bangladesh's aviation industry.

Initially, Fly Dhaka will operate on the domestic routes before expanding to international destinations.

Towards seamless border connectivity in South Asia

PRABIR DE

In the South Asian region, borders are still the main culprit for the low level of integration. Freedom of movement of trade and transportation is limited in South Asia and the Bay of Bengal regions.

However, starting in the last decade, the change has started happening. Following the Bangladesh model, India has introduced massive reforms in border management since 2012. Border connectivity has helped mitigate disruptions since the start of the coronavirus pandemic.

Not only at the borders, South Asian and Bay of Bengal countries have also introduced several behind the border trade and transport facilitation initiatives.

A safe and secure border is the sine qua non for enhanced trade and integration in South Asia and the Bay of Bengal. Seamless transportation requires connected borders. Proper management of borders is vital for national security. But, managing borders is not an easy task. There are many challenges in the areas of coordination, diplomatic, security, legal, regulatory, boundary disputes, to mention a few.

Multilateral trade facilitation initiatives over the past decade triggered border development in South Asia. Two agreements are worth noting: first, the WTO Trade Facilitation Agreement (TFA), and, second, the United Nations Cross-border Paperless Trade Agreement (UN-CPTA).

The ratifications of the WTO TFA and UN-CPTA aimed at strengthening border connectivity through facilitating the electronic/paperless exchange of information along international supply chains. From South Asia, Bangladesh was the first country to ratify the UN-CPTA in 2021.

In order to encourage the cross-border movement of people and goods, some of the South Asian and Bay of Bengal countries have invested heavily in border connectivity (integrated check posts), transport (multimodal corridors) and trade facilitation (simplification of the trade procedures).

India, for example, has extended quite substantial resources for modernisation of border posts and streamlining border activities, particularly at the land borders, including aligning with the global practices. It has set up the Land Ports Authority of India (LPAI) through an Act in parliament in 2010 under the Ministry of Home Affairs.

So far, the LPAI has developed a total of nine ICPs: Attari, dealing with India's trade with Pakistan; Agartala, Petrapole, Srimantapur and Sutarkandi, all handling India's trade with Bangladesh; Raxaul and Joghani, both handling India's trade with Nepal; and Moreh, which deals with India's trade with Myanmar. There are 14 new ICPs coming and the total number of ICPs is likely to touch 24 by 2030.

Bangladesh, the pioneer in border connectivity, has a set of 10 land ports in operation, of which four land ports are operated by the Bangladesh Land Port Authority (BLPA),

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Managing borders is not an easy task. There are many challenges in the areas of coordination, diplomacy, security, legalities, regulatory affairs and boundary disputes

Ban on Russian oil import to double price to \$300 Moscow warns

REUTERS, Lviv

A Western ban on Russian oil imports may more than double the price to \$300 a barrel and prompt the closure of the main gas pipeline to Germany, Moscow warned on Monday, as talks on Ukraine hardly advanced amid efforts to agree on civilian safe passage.

Russia's invasion, the biggest attack on a European state since World War Two, has created 1.7 million refugees, a raft of sanctions on Moscow, and fears of wider conflict in the West unthought-of for decades.

Sieges and the bombing continued as Kyiv rejected possible humanitarian corridors to Russia and Belarus, but said some limited progress had been made on agreeing logistics for the evacuation of civilians.

Moscow would give the residents of the Ukrainian cities of Sumy and Mariupol the choice of moving elsewhere in Ukraine on Tuesday, setting a deadline in the early hours for Kyiv to agree, Russian news agencies reported. Seeking to ratchet up the pressure on Russian President Vladimir Putin, the United States said Washington and its European allies were considering banning Russian oil imports. Oil prices spiked to their highest levels since 2008.

"A rejection of Russian oil would lead to catastrophic consequences for the global market," said Russian Deputy Prime Minister Alexander Novak, saying the price could more than double to over \$300 per barrel.

US President Joe Biden held a video conference call with the leaders of France, Germany and Britain as he pushed for their support on the ban.



A Russian state flag flies on the top of a diesel plant in the Yarakta Oil Field, owned by Irkutsk Oil Company, in Irkutsk region of Russia.

PHOTO: REUTERS

WB approves extra \$489m for Ukraine

AFP, Washington

The World Bank on Monday approved an additional \$489-million package in support for Ukraine, to be made available immediately and dubbed "Financing of Recovery from Economic Emergency in Ukraine."

On March 1, the Washington-based institution announced it was preparing emergency aid worth \$3 billion for Ukraine, of which at least \$350 million were to be released immediately.

The board of directors decided to disburse a larger amount on Monday. "The package approved by the Board consists of a supplemental loan for \$350 million and guarantees of \$139 million," it said in a statement.

"The fast-disbursing support will help the government provide critical services to Ukrainian people," it said.