

## 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 all hotel room rent and helicopter services, at the bank's head office in Gulshan-2, Dhaka on Monday.

PHOTO: MIDLAND BANK