



A myriad of flowers and pinwheels made of coloured paper, cloth and plastic are being sold for as little as Tk 10 per piece by a vendor some 150 kilometres away from his Narail home at Bhabanipur village in Barishal's Bakerganj upazila marking spring festivities in rural areas, when fairs are all too common. The photo was taken at the end of last month.

PHOTO: TITU DAS

# War-fuelled inflation adds to Europe's cost of living crisis

REUTERS, Lisbon

Already struggling with rising living costs, Europeans now face an even deeper hit to their livelihoods as the conflict in Ukraine pushes fuel and food prices higher and threatens to undermine a fragile economic recovery.

The surging price of crude oil on world markets has led to the biggest ever weekly jump in gasoline prices at some service stations around Europe, pushing them in some cases above 2 euros for a litre (\$8.25/gallon) of unleaded fuel.

"The problem is not the price it will be tomorrow, but how much it (gasoline) will cost 15 days from now, we think that it is going to cost much more. I think bad times are ahead of us," 76-year-old Madrid pensioner Alejandro Oterino said.

That fear of prices spiralling out of control is precisely what the European Central Bank must allay at its meeting on Thursday.

ECB chief Christine Lagarde will aim to prove it can keep a lid on euro-area inflation that had already leapt to a

higher than expected 5.8 per cent ahead of Russia's invasion of Ukraine.

"There is a natural pressure on central banks to keep (inflation) expectations low via communication but at the same time they risk losing credibility," said Gunther Schnabl, economics professor at Leipzig University.

In Portugal - western Europe's poorest country with 10 per cent of the population on a minimum wage of 705 euros - motorists have been rushing to fill tanks before any more price hikes come in. A diesel car with a 50-litre tank costs 91 euros to fill up.

"If the prices keep rising, I might have to resort to social services to eat and drink," said 56-year-old Uber driver Antonio Dias in Lisbon.

"If this continues it will not make sense to continue doing this type of work," he said, urging the government to cut fuel taxes which currently amount to some 50 per cent of gasoline end-prices.

Knock-on impacts are being felt already. Teresa Soares, who sells

food products to restaurants in the Portuguese capital, said she had no alternative to her car for making deliveries, so would just have to shoulder the extra cost on her business.

"If this was my private car, I would probably put it aside and not drive it," said Soares, 53.

German motoring organisation ADAC estimated that diesel prices had spiked a massive 28 per cent in six days from March 1. Heating oil prices are also rising as homeowners are stepping up purchases of the oil, still used by many Germans to heat their houses.

"Many users fear supply bottlenecks due to the war between Russia and Ukraine and are now filling their (heating oil) tanks while we are still in winter, which they usually don't do," it said.

For now, increases in the end-prices of food have been less dramatic. But with Ukraine and Russia both exporters of grain, and Russia a major supplier of fertilisers, concern is growing that this will add to inflationary pressures as the war goes on.

Some Spanish supermarkets including market leader Mercadona are restricting sales of sunflower oil, which mostly comes from Ukraine, after detecting what the ASEDAS supermarket sector body called "atypical consumer behaviour".

Spain's Agriculture Ministry urged calm and said there were no shortages for now. The fear now is that this will hit consumer spending even harder, especially among the low-income households who fared worst during pandemic lockdowns in which they did not benefit from furloughs or faced other hits to their livelihoods.

In Britain, the Resolution Foundation think tank estimated the conflict would lead to wider inflation, shaving 4 per cent off the real level of typical household incomes over the coming year, the sharpest fall in nearly half a century.

Italy's Economy Ministry said in a report on Monday that "the surge in energy prices and the consequent rise in inflation represent a strong risk for citizens' economic wellbeing."

## Tarek Reaz new Padma Bank MD

STAR BUSINESS DESK

Padma Bank yesterday witnessed the appointment of a managing director and chief executive officer for a three-year term.

The appointee, Tarek Reaz Khan, had been serving Mutual Trust Bank as deputy managing director and chief operating officer, said a press release.



He obtained his master's degree in marketing from the University of Dhaka and started his professional career with Beximco Group as a management trainee officer in 1994.

He joined Standard Chartered Bank as a trainee officer in 1997 and also served Premier Bank and Bank Alfalah Bangladesh in his 27-year career.

## Walton launches panel for welfare of female staff

STAR BUSINESS DESK

Walton has formed a panel to ensure welfare and rights of female employees and maintain an environment conducive to promoting women and securing their retention in employment in collaboration with their male peers.

The "Diversity and Inclusion" panel is titled "Female Involvement in Versatile Empowerment" and comprises over 100 female employees, said a press release.

The panel's formation was announced by Golam Murshed, managing director of Walton Hi-Tech Industries, at Walton's Dhaka corporate office marking International Women's Day 2022 on Tuesday.

Nazrul Islam Sarker, Amdadul Haque Sarker, Eva Rezwana, SM Shoyeb Hossain Nobel and Humayun Kabir, deputy managing directors of Walton; Mohammad Rayhan, chief executive officer of Plaza Trade, SM Zahid Hasan and Shahinoor Sultana Rekha, senior executive directors; Azizul Hakim, executive director, and Shahana Akhter, deputy executive director, were present.

## Germany calls on OPEC to increase oil output

AFP, Frankfurt

German Economy Minister Robert Habeck on Tuesday issued an "urgent appeal" to OPEC oil producers to ramp up output following a spike in prices and supply fears due to the Ukraine crisis.

Habeck called on top oil producing nations to "increase production in order to create relief on the market".



Safiul Alam Khan Chowdhury, managing director of Pubali Bank Ltd, cuts a cake to celebrate the International Women's Day 2022 at the bank's head office on Tuesday. Mohammad Ali, additional managing director, Zahid Ahsan, Mohammad Shahadat Hossain, deputy managing directors, and Ismat Ara Huq, general manager of human resources department, were present.

PHOTO: PUBALI BANK LTD

## Hard-rock Oil prices surge as US bans Russian

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The state-run company could not even attain 1.65 million tonnes of rock annually.

The annual rock production was around 8.23 lakh tonnes in 2019-20 while 10.17 lakh tonnes were procured in fiscal 2020-21, as mentioned in MGMCL's annual report.

Md Habibur Islam, assistant secretary of the Bangladesh Economic Association, said such a trend among dealers would ultimately affect the country's development work.

Besides, end-users would opt for alternative sources from other countries like Bhutan and India, which is cheaper and not better in quality, he added.

Abu Daud Mohammad Fariduzzaman, managing director of MGMCL, refused to comment on the issue and instead asked this correspondent to send him a snap of his accreditation card.

"I will talk after getting it," he said.

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The rise in oil prices pulled the rug out from under a rebound in European and US equity prices.

While London managed to squeak out a gain of 0.1 per cent, Frankfurt ended the day flat and Paris shed 0.3 per cent.

Meanwhile on Wall Street, the Dow was down 0.6 per cent in late morning trading.

Commodity prices also felt the effects of the growing isolation of Russia.

The London Metal Exchange suspended trade in nickel after the base metal spiked to a record \$101,365 per tonne as Russian supply concerns sparked sharp volatility.

Nickel is used to

make stainless steel and batteries for electric vehicles.

"Russia is one of the leading global exporters of this commodity and with the potential of incoming sanctions directed towards western countries, the market could see a significant supply shock in the short term which could lead to even further price increases until the situation is stabilised," said Walid Koudmani, chief market analyst at xtb online trading platform.

Nickel prices have risen from around \$20,000 per tonne in January, he noted, putting huge pressure on manufacturers.

Gold rose as high as \$2,069.25, a level unseen since August 2020.

The Ukraine crisis comes just as uncertainty was rising owing to surging prices caused by a spike in demand for oil, tight supplies and pandemic-induced supply chain snarls, among other things.

Markets remain fearful of stagflation -- a vicious mixture of low economic growth and elevated inflation.

"There are fears we are heading for a period of stagflation in the eurozone given the energy crunch and the region's exposure to Russia," noted ThinkMarkets' Razaqzada.

Europe gas reference Dutch TTF fell 6.5 per cent to 212.35 euros per megawatt hour on Tuesday, one day after striking a record 345 euros.

## Oil price hike to slash growth for big importers: World Bank

REUTERS, Washington

Persistent high oil prices prompted by Russia's invasion of Ukraine could cut a full percentage point off the growth off large oil-importing developing economies like China, Indonesia, South Africa and Turkey, a World Bank official said on Tuesday.

Indermitt Gill, the bank's Vice President for Equitable Growth, Finance and Institutions, said in a blog posting that the war will deal further setbacks to growth for emerging markets already lagging in recovery from the Covid-19 pandemic and struggling with a range of uncertainties from debt to inflation.

"The war has aggravated those uncertainties in ways that will reverberate across the world, harming the most vulnerable people in the most fragile places," Gill said.

"It's too soon to tell the degree to which the conflict will alter the global economic outlook."

Some countries in the Middle East, Central Asia, Africa and Europe are heavily reliant on Russia and Ukraine for food, as the countries together make up more than 20 per cent of global wheat exports.



Arif Quadri, managing director of United Commercial Bank (UCB), launched a banking segment dedicated for women titled "UCB AYMA" at its Dhaka corporate head office on Tuesday marking International Women's Day 2022. Syed Faridul Islam, additional managing director, and N Mustafa Tarek, Md Abdullah Al Mamoon, Mohammed Habibur Rahman, Md Shah Alam Bhuiyan and ATM Tahmiduzzaman, deputy managing directors, were present.

PHOTO: UCB



Md Quamrul Islam Chowdhury, managing director of Mercantile Bank Ltd (MBL), and Md Kazim Uddin, chief executive officer of National Life Insurance Company Ltd, exchange signed documents of an agreement over getting credit insurance facilities, at the bank's head office in Dhaka on Tuesday. The deal will enable MBL credit cardholders to enjoy life insurance coverage up to Tk 5 lakh. Morshed Alam, chairman of the bank, and Probir Chandra Das, senior executive vice-president of the insurer, were present.

PHOTO: MERCANTILE BANK