



Pumpkins harvested from fields being piled up on a road in Sreenagar upazila of Munshiganj for sale over 40 kilometres away at Dhaka's markets. Farmers sell each kilogramme for Tk 15 to Tk 18 to wholesalers, who then charge retailers Tk 20 to Tk 24. Consumers end up paying Tk 40 to Tk 50 for the same at kitchen markets. The photo was taken last week.

PHOTO: SAJJAD HOSSAIN

War, inflation threaten world economy

AFP, Paris

The world economy's fragile recovery from the Covid-induced crisis is now threatened by Russia's war in Ukraine and soaring commodity prices.

Here are four questions regarding the risks to global GDP:

"The war happened right at a time when Europe and the US had a recovery that was going really well. Projections in Europe were among the highest ... (in) the last 20 years," said Jacob Kirkegaard, resident senior fellow with the German Marshall Fund of the United States in their Brussels office.

In just two weeks, the war has had a "material impact" on the economy, European Central Bank chief Christine Lagarde said Thursday, revising the growth outlook for the eurozone to 3.7 per cent for 2022, from 4.2 per cent forecast in December.

The war and sanctions, which include a US ban on Russian oil imports, are raising prices of energy and other key commodities like wheat, fertilisers and

metals to surge, International Monetary Fund chief Kristalina Georgieva said.

That comes "on top of already high inflation," Georgieva said.

"We got through a crisis like no other with the pandemic. We are now in an even more shocking territory."

Credit rating agency S&P has cut its projection for global growth this year to 3.4 per cent – a decline of 0.7 percentage points over its earlier forecast due to the expected slump in Russia's sanctions-hit economy and rising energy costs.

Moreover, the cost of hosting Ukrainian refugees and budgetary aid will cost the European Union 175 billion euros (\$192 billion), economist Jean-Pisani Ferry from the Paris-based Bruegel Institute think-tank said.

"I don't think that global economy will go into a recession," said Kirkegaard. But he warned of the threat from stagflation – persistently high inflation combined with high unemployment and stagnant demand.

Inflation has been rising worldwide

for a year -- due to Covid-linked disruptions in supply chains, leading to a spurt in the prices of raw materials which have raised production costs.

The war has sent oil and gas prices soaring, threatening to worsen inflationary pressure.

Federal Reserve Chair Jerome Powell told the US Congress that every \$10 hike in oil prices would impact growth by 0.1 percentage points and add 0.2 percentage points to inflation.

The United States recorded 7.9 per cent inflation in February -- a new 40-year high.

"We are facing an oil shock, a gas shock and an electricity shock. This has never happened together," said Thomas Pellerin-Carlin, director of the Jacques Delors energy institute.

Apart from oil and gas, other key commodities have been affected, with prices of aluminium, nickel and wheat skyrocketing.

Russian President Vladimir Putin on Thursday warned of inflationary pressures worldwide as a result of the

Western sanctions on his country.

Several key industries have already been hit, with several steel plants in Spain shutting down due to high energy prices. Millions of households are finding it more expensive to travel, heat their homes and bring food to the table.

"The price of bread went up enormously" since the war began, said Omar Azzam, a Cairo resident, referring to a 50 per cent hike in a country which is the world's top wheat importer.

French President Emmanuel Macron warned Friday that Russia's attack on Ukraine will "deeply destabilise" food supplies in Europe and Africa as some of the world's most fertile agricultural land goes unplanted.

If production strategies in other countries aren't adjusted "several African countries will be affected by famines within 12 to 18 months precisely because of the war," he warned.

Nations launched huge stimulus programmes to prevent their economies from crumbling after the pandemic emerged in 2020.

Matiur made DMD of Prime Bank

STAR BUSINESS DESK

Prime Bank recently witnessed the promotion of Sheikh Matiur Rahman to the post of deputy managing director.

The promotee has been with Prime Bank as senior executive vice-president and head of treasury division previously, a press release said. He started his banking career with Islami Bank Bangladesh Ltd as a probationary officer in 1989.



He was the chairman of the Technical Committee of the Bangladesh Foreign Exchange Dealers Association in 2021.

Matiur obtained his Honour's and Master's degrees in finance from the University of Dhaka.

Mercantile Bank, Partex Star Group sign deal over 'MyCash' use

STAR BUSINESS DESK

Mercantile Bank has recently signed an agreement with Partex Star Group to collect sales proceeds of Partex Star Group Complex-1's concerns through online banking and mobile financial service "MyCash".

Adil Raihan, deputy managing director of Mercantile Bank, and Mostafa Kamal, chief financial officer of Partex Star Group, signed the agreement at the bank's head office in Dhaka, said a press release.

Md Quamrul Islam Chowdhury, managing director of the bank, was present.

Shamim Ahmed, Hasne Alam and Md Mahmood Alam Chowdhury, deputy managing directors, Ashim Kumar Saha and Mohammad Iqbal Rezwan, senior executive vice-presidents, Tapash Chandra Paul, chief financial officer, Tapon James Rozario, assistant vice-president, AKM Ahasanul Haque, chief operating officer of Partex Star Group, Rakib Ahmed, business controller of Partex Cables, and Shah Alam Monshi, head of business at Partex Furniture Industries, were also present.

Venezuela could add 400,000 bpd to oil output

REUTERS, Caracas

Venezuela's oil output could rise by at least 400,000 barrels per day (bpd) if the United States authorizes requests by state-run PDVSA's partners to trade Venezuelan crude, the country's petroleum chamber said on Friday.

The increase would allow the OPEC member's oil production, which in January averaged 755,000 bpd according to official figures, approach some 1.2 million bpd, said the president of Venezuela's Petroleum Chamber, Reinaldo Quintero.

Granite mining suspended

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Officials of the Maddhapara company said the situation had stemmed from a global supply shortage of explosives and so mining activities would resume as soon as possible.

A general manager of the company said they have been working to procure explosives for the last six months but have so far failed for various reasons.

For example, a tender was floated thrice in the last six months but they did not receive any response from potential bidders.

Company authorities even officially contacted different explosive manufacturing companies

in countries like India and Thailand.

And although Thailand eventually agreed to supply explosives, they are charging double the previous rate, he added.

The Maddhapara company requires about Tk 5 to Tk 6 crore worth of explosives annually.

"A shipment of explosives is supposed to arrive at the Chattogram port any day after March 21," said Abul Taleb Farazi, a general manager of the Maddhapara company.

"We are quite hopeful about resuming our activities within a couple of weeks," he added.

Granite and other

rock extracted by the Maddhapara company have high demand among local construction companies as they are of a higher quality yet cheaper than the materials that could be imported from countries like India and Bhutan.

The Maddhapara company extracts around 1 million tonnes of rock each year from three mines against an annual production target of 1.65 million tonnes, which could not be achieved since the company began operations in May 2007.

The extracted materials are sold to construction companies through 93 appointed dealers.

Russia seeks

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according to a statement shared by Russia's embassy in India late on Friday.

"We are interested in further attracting Indian investment to the Russian oil and gas sector and expanding Russian companies' sales networks in India," Novak told Indian Minister of Petroleum and Natural Gas Hardeep Singh Puri. The United States this week banned Russian oil imports and Britain said it will phase them out by year end, decisions expected to further disrupt the global energy market, where Russia is the second-largest exporter of crude.

Indian state-run companies hold stakes in Russian oil and gas fields, while Russian entities including Rosneft (ROSN. MM) own a majority stake in Indian refiner Nayara Energy. Some Indian companies also buy Russian oil.

Russia expects both countries to continue cooperation on civilian nuclear power, including building new units at a nuclear power plant in the south Indian town of Kudankulam, Novak said.

it will be consumed as well since there is demand in the market," said Rezwanul Haque Reza, manager of the mill. In Bangladesh, 2.5 lakh to 3 lakh tonnes of mustard seeds are imported every year, and about 1 lakh tonnes of oilseed is produced in the country.

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

Mustard growers rejoice

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Mohammad Raju, manager of a grocery shop in the Thakurgaon town, says the consumption of mustard oil has increased fast.

His shop used to sell a 25-kg container of the oil in a month a few months ago whereas it is selling five times more currently.

Mohammad Lebu, a seed trader in Atwary bazar

in Panchagarh, says he has been involved in the trade for about 12 years but he has not seen such a price of mustard during the harvesting period.

Last year, Arani Mustard Oil Mill in Thakurgaon produced 80,602 kgs oil by extracting 210 tonnes of seed, up from 69,677 kgs oil from 190 tonnes.

"Even if we produce more

US, allies to end normal trade

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States as permanent normal trade relations (PNTR), requires countries to guarantee one another equal tariff and regulatory treatment.

Stripping Moscow of the designation, granted in December 2012, would allow Biden to impose steep tariffs on Russian goods or restrict imports.

The president also announced a ban on imports of Russian vodka,

diamonds and seafood into the United States.

Later in the day, the US Treasury announced a raft of new sanctions targeting "elites and business executives who are associates and facilitators of the Russian regime."

These include family members of Putin's spokesmen, board members of sanctioned bank VTB and 12 members of the lower house of the Russian parliament.

The latest trade sanctions cap several rounds of measures intended to sever Russia's economic and financial ties with the rest of the world over its invasion of Ukraine.

They have included banning Russian oil imports, seizing the assets of billionaires tied to Putin, and freezing the nation's stockpile of cash. Together, the moves have already pushed Moscow to the brink of a debt default.



Md Arfan Ali, president and managing director of Bank Asia, receives the International Finance Corporation's Best Bank Partner for Climate Trade in South Asia award from Allen Forlemu, regional industry director of FIG Asia Pacific at the IFC, in Dhaka recently.

PHOTO: BANK ASIA

Bank Asia awarded IFC's best bank partner for climate trade in South Asia

STAR BUSINESS DESK

Bank Asia has recently been awarded the "Best Bank Partner for Climate Trade in South Asia" by the International Finance Corporation (IFC), a member of the World Bank Group, in recognition of its efforts in reducing

environmental externalities and risk perceptions with investing in green finance.

Allen Forlemu, regional industry director of FIG Asia Pacific at the IFC, handed over the award to Md Arfan Ali, president and managing director of Bank Asia, in Dhaka, a press release said.

Martin Holtmann, country manager for Bangladesh, Nepal and Bhutan at the IFC, SM Iqbal Hossain, deputy managing director of Bank Asia, and Md Zia Arfin, senior executive vice-president and head of int'l division, along with other officials of both organisations were present.



ABM Mokammel Hoque Chowdhury, managing director of Union Bank, virtually inaugurates the bank's Chatmohar sub-branch in Pabna recently. Md Habibur Rahman, additional managing director of the bank, Hasan Iqbal, Md Nazrul Islam, deputy managing directors, and Md Sharif Mahmud Sarkar Sonju, principal of Chatmohar Mohila Degree College, were present.

PHOTO: UNION BANK