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100pc population comes under electricity coverage

STAR BUSINESS REPORT

Bangladesh has achieved yet another milestone as the government is set to announce that it has brought 100 per cent of the population under electricity coverage.

"Prime Minister Sheikh Hasina will announce it formally at a programme on March 21," Nasrul Hamid, state minister for power, energy and mineral resources, told reporters at a programme at the Bidyut Bhaban in Dhaka yesterday.

"We have already taken electricity to remote areas. All the homes except those under construction are reaping the benefit of electricity."

"We have taken electricity lines to the remote areas like Rangabali in Patuakhali and Hatia and Nijhum Dip in Noakhali," said Md Habibur Rahman, power secretary.

The achievement will put Bangladesh ahead of India and Pakistan, among the countries in South Asia, that have brought 98 per cent and 74 per cent of their population under electricity network, data from the World Bank showed.

Bangladesh has made impressive strides in the power sector in the last decade.

Installed power generation



capacity rocketed to 25,514 megawatts from 4,942MW in 2009, while the maximum power production rose to 13,792 MW, up four-fold from 3,268MW 13 years ago, data from the power

	2009	2022
Power plants	27	150
Generation capacity (in MW)	4,942	25,514
Highest generation (in MW)	3,268	13,792
Total transmission lines (in km)	8,000	13,213
Population with access to power (in %)	47	100
Per capita generation (in kilowatt-hour)	220	560

division showed. In 2009, only 47 per cent of the population had access to power. Per capita power generation more than doubled to 560 kilo-watt-hour from 220 kWh during the period, making a frequent power outage a thing of the past.

Experts hailed the achievement. While speaking to The Daily Star, M Tamim, an energy expert and a professor of the Bangladesh University of Engineering and Technology, described 100 per cent coverage as a major milestone for the country. "People have come under electricity coverage. This is a good achievement." Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said: "It is a major

"The economic success is not only seen in cities - it is also visible in rural areas," said Moazzem. Both Prof Tamim and Moazzem remind the challenges that lie ahead for the government. "Now, we will have to ensure an uninterrupted power supply. Electricity will also have to be affordable," Prof Tamim said. "Electricity has been taken to the people in the remote areas. If they can't afford it, then having the power network will not make any difference," he said. Moazzem said the government has been able to take electricity connections to the people, but the country is lagging when it comes to the availability of power.

"Availability of power is still low given the capacity," he said, referring to more than 40 per cent excess power generation capacity. He urged the government to bring down excess expenses that are being incurred in the form of capacity payments, for the operations of inefficient power plants and for the use of expensive fuels. In the coming decade, the government will have to attempt to move to renewable energy, cutting reliance on fossil fuel based power generation in phases. "We will have to make improvements in the areas of transmission and distribution systems as well," said Moazzem. The economist urged the government to reform the power sector policy, moving away from the emergency power supply laws to a competitive power system. Referring to a study of the Bangladesh Institute of Development Studies, Prof M Shamsul Alam, energy



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EU assessing rights progress for GSP

REFAYET ULLAH MIRDHA

A visiting European Union (EU) delegation yesterday wanted to know the causes for delays in the implementation of a few action plans for retaining the GSP to the EU markets under the trade bloc's Everything but Arms (EBA) initiative.

Of the nine national action plans, the EU delegation was satisfied in six areas and in the remaining three wanted to know the reasons for delays in implementation of the action plan, said Md Abdur Rahim Khan, who led the Bangladesh side in the technical committee meeting in Dhaka.

Khan said Bangladesh was supposed to implement International Labour Organisation (ILO) Convention 138, which was related to age limits of workers in the industry, in December last year.

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STOCKS	
DSEX	CSCX
0.02%	0.13%
6,763.93	11,863.78

COMMODITIES	
Gold	Oil
\$1,962.20	\$104.09
(per ounce)	(per barrel)

CURRENCIES				
	USD	EUR	GBP	CNY
BUY TK	85.05	92.63	110.18	13.13
SELL TK	86.05	95.43	113.98	13.80

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	1.68%	0.58%	0.54%	2.60%
	56,486.02	25,307.85	3,232.03	3,223.53

Tk 719cr unspent as foreign trips shelved

REJAUl KARIM BYRON and MD ASADUZZAMAN

Around Tk 719 crore in taxpayer money was unused in the last fiscal year because of the cancellation of foreign trips of government officials and the delay in tender processes, both owing to the coronavirus pandemic.

Of the unspent fund, Tk 67 crore was related to foreign aid-funded projects and Tk 652 crore was linked to government-run schemes, according to a report of the Implementation Monitoring and Evaluation Division (IMED).

The report, based on the implementation of the 2020-21 budget, was placed at a meeting of the National Economic Council on February 2.

Every year, officials from ministries and divisions make trips overseas, costing a large amount of taxpayers' money from both revenue and development budgets.

The government allocated nearly Tk 5,000 crore to meet the expenses of foreign trips of government officials for the fiscal years of 2019-20 and 2020-21, according to the finance ministry.

In some cases, project implementing agencies put in place provisions for foreign tours and include government officials even when they have nothing to do with the projects.

For example, three government officials went to the US and the UK using funds from a project of the Bangladesh Water Development Board in Cox's Bazar in February, although none of them was directly involved with the scheme.

The budgetary allocation aimed at facilitating foreign trips has risen every year due to the growing enthusiasm among the officials to travel abroad. But there has been criticism over their frequent tours as such trips yield no results on many occasions.

Prime Minister Sheikh Hasina herself has spoken against such trips on a number of occasions.

But it was the coronavirus pandemic that led to a significant drop in spending on foreign trips over the last two years as international travels came to a halt amid global travel bans and lockdowns across the world.

Many training programmes, workshops, study programmes, and seminars abroad have been postponed because of the global health crisis.

As a result, the Economic Relations Division could not spend Tk 7 crore from the foreign fund portion because of the cancellation of several academic programmes in Japan.

Similarly, nearly Tk 24 crore remained unused at the Statistics and Information Division in FY21, as it was unable to host seminars and training programmes, at home and abroad, due to the pandemic.

The unutilised amount for the Planning Division was Tk 7 crore, Tk 11 crore for the Finance Division and Tk 18 crore for the Social Welfare Division. IMED data showed

Tk 652 crore could not be spent from the government portion of the budget due to the cancellation of foreign trips and the delays in the tender process.

The Election Commission Secretariat could not use Tk 190 crore in FY21 as one of its projects aimed at foreign training came to a halt.

Similarly, the Chittagong Hill Tracts Affairs Ministry had Tk 137 crore unutilised, while the legislative and parliamentary affairs division could not spend the entire amount of Tk 1.63 crore.

In order to cut foreign trips amid lower revenue collection, the finance ministry, in FY21, suspended 50 per cent of this fiscal year's allocation for the foreign trips of public servants and ordered to abandon all routine tours.

The money can only be spent for emergency purposes and unavoidable circumstances, it said in a notice.

When contacted, Prof Shamsul Alam, state minister for planning, said, "It has been better that foreign trips cost less. It's a good sign. It should be carried on."

He thinks foreign trips are not always productive.

"To rein in expenditures, the authorities are scrutinising proposals carefully. If deemed unnecessary, we cancel proposals."

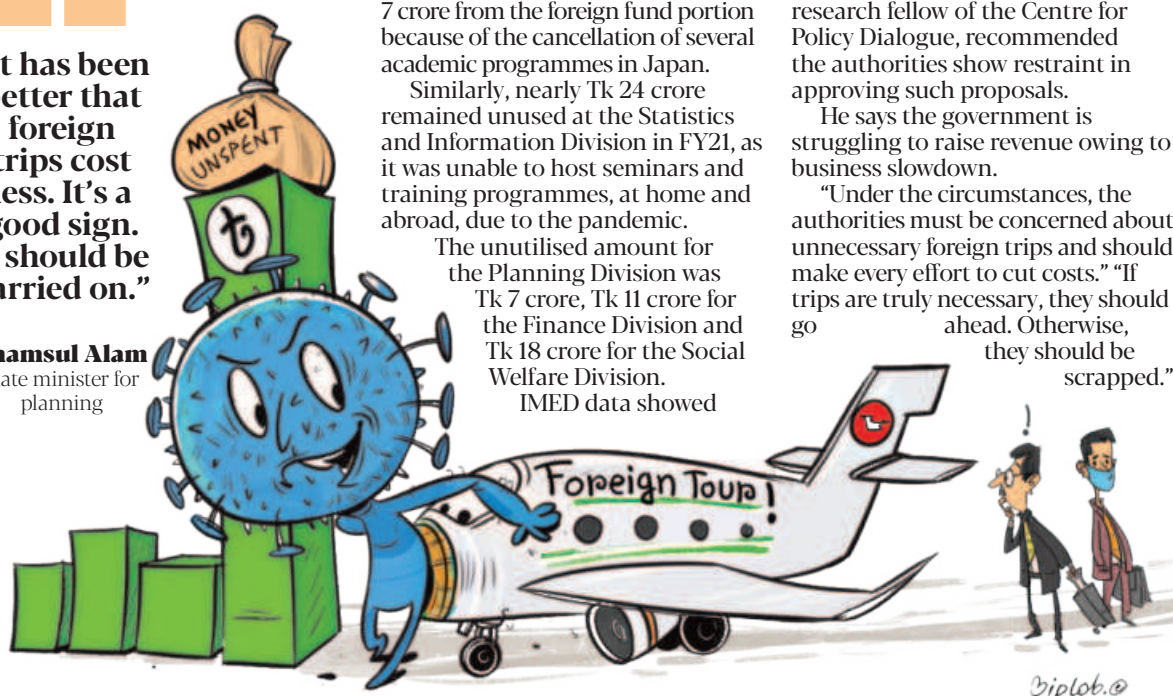
Towfiqul Islam Khan, a senior research fellow of the Centre for Policy Dialogue, recommended the authorities show restraint in approving such proposals.

He says the government is struggling to raise revenue owing to business slowdown.

"Under the circumstances, the authorities must be concerned about unnecessary foreign trips and should make every effort to cut costs." "If trips are truly necessary, they should go ahead. Otherwise, they should be scrapped."

“It has been better that foreign trips cost less. It's a good sign. It should be carried on.”

Shamsul Alam state minister for planning



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Akij Particle Board Mills wins innovation award

STAR BUSINESS DESK

Akij Particle Board Mills, a subsidiary of Akij Group, won Bangladesh Innovation Award 2022 in the category of "Best Innovation-Product Development" and "Best Innovation-SDG Inclusion" for the product 'Akij Lacquer Grade Board'.

Shahriar Zaman, marketing manager of Akij Particle Board Mills, and Golam Rabbani, assistant brand manager, received a crest of Bangladesh Innovation Award-2022 from Atiqul Islam, mayor of Dhaka North City Corporation, at Le Méridien Dhaka recently.

The programme, titled "For an Innovative Bangladesh" organised by Bangladesh Innovation Conclave recognised 38 innovations of the country, a press release said.

There were several limitations of regular particle boards as these could not be lacquered and engraved. But the Akij Board Product Development team came up with a solution by introducing new technology to produce boards made with wood chips from tree branches instead of logs.

Dollar steadies

REUTERS, London

The dollar slipped as European markets opened on Monday, but was still near a five-year high versus Japan's yen as investors braced for a busy week of major central bank meetings.

After uncertainty about the war in Ukraine prompted a market sell-off on Friday, stock markets rebounded on Monday and commodity prices edged back down.

Analysts attributed the revival of risk appetite to the fact that Russian and Ukrainian negotiators hinted at progress in peace talks.



Bangladesh has 70 ceramic mills that produce tableware, tiles and sanitary ware with an investment of Tk 13,500 crore while the sector is earning Tk 400 crore a year from exports.

PHOTO: STAR/FILE

Ceramic makers oppose raising gas prices

STAR BUSINESS REPORT

Ceramic manufacturers have urged the Bangladesh Energy Regulatory Commission (BERC) not to hike the prices of gases used for producing ceramic products in order to safeguard the local ceramic industry.

They placed this demand at a press conference organised by the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA) at the Dhaka Reporters' Unity in the capital yesterday.

"We would like to urge the BERC to not increase the gas prices so that Bangladesh's ceramic sector can contribute to implementing the government's vision 2041 to turn the country into a developed one," said Sirajul Islam Mollah, president of the BCMEA.

Mollah said that so far, the local ceramic industry has 70 ceramic mills producing tableware, tiles and sanitary ware with an investment of Tk 13,500 crore while the sector is earning Tk 400 crore from annual exports.

However, he said the entrepreneurs and five lakh people of the sector have been under the threat of closure owing to increasing the gas prices.

Mollah said that the entrepreneurs are facing the problem of continuous increases in the price of gas in this gas-reliant industry. As this industry is gas-driven, there is no opportunity to use any alternative fuel. In the last 10 years, the price of gas in the industry has increased by almost 100 per cent.

He said that gas used as fuel in the ceramic industry is considered as one of the raw materials which accounts for 11 to 12 per cent of the total production cost. As the price of gas increases, so does the price of the product itself.

However, due to competition with foreign products, the price of domestic products cannot be increased randomly. As a result, the producers have to face financial loss.

In this context, the BCMEA president requested the BERC not to increase the price of gas in the gas dependent ceramic (tableware, tiles and sanitary

ware) industry for the purpose of national economic progress as a partner in the implementation of the government's Vision 2041.

Irfan Uddin, general secretary of the BCMEA, said that according to information published by various media, Titas Gas Company has made a profit of over Tk 1,500 crore in the last four years.

Even after this, he does not think that the proposal to increase the price of gas again by making a demand for loss is unreasonable.

Earlier, about the price hike, Titas authorities promised to supply uninterrupted quality gas at appropriate levels to meet demand.

However, he said the reality is that Titas authorities have so far not been able to achieve uninterrupted quality of gas by maintaining the required gas pressure and quality.

Kutub Uddin Ahmed, adviser of the BCMEA, Moimul Islam, senior vice-president, Rashed Maimunul Islam and Abdul Hakin, directors, also made presentations on the occasion.

Women's leadership in listed firms rises: study

STAR BUSINESS REPORT

Bangladesh still tops the South Asia region in terms of women's leadership in listed companies, according to a new study of the International Finance Corporation (IFC) and Dhaka Stock Exchange (DSE).

The new figures showed there was an increase in the percentage of women who are independent directors of listed companies from 5 per cent in 2020 to 6 per cent despite the impact of Covid-19, which has disproportionately affected women, IFC said in a press release on Sunday.

"A 2020 IFC-DSE study showed at the time around 18 per cent of listed company board directors were women, which has remained the same. In terms of women on boards of listed companies, Bangladesh still tops the South Asia region," it said.

The findings were revealed at an event marking International Women's Day. The IFC, DSE, UN Women, and United Nations Global Compact organised the programme.

The IFC has partnered with the DSE, UN Women, and United Nations Global Compact for the seventh consecutive year to "Ring the Bell for Gender Equality".

While emphasising women's role in shaping a more equal future, the annual event also highlights how greater participation of women in the economy can spur sustainable and inclusive growth.

Speaking at the event, Nathalie Chuard, ambassador of Switzerland to Bangladesh, said, "As Bangladesh embarks upon its graduation from the LDC category, ensuring gender equality is all the more critical for a sustainable transition that leaves no one behind."

"As a committed and long-standing bilateral partner, Switzerland gives particular importance to gender equality and social inclusion in all of its engagements in Bangladesh," Chuard said.

Tarique Amin Bhuiyan, managing director of the DSE, said the DSE remained committed to closing the gender gap and promoting women's role in leadership, particularly in listed firms.

"Advancing women's roles in companies will not only create a more diverse leadership team but will also serve to help private sector companies create value, bring new ideas, boost transparency and promote inclusive growth."

Meanwhile, in a new joint report on, "How Exchanges Can Advance Gender Equality: Updated Guidance and Best Practice," the UN Sustainable Stock Exchanges (SSE) initiative and IFC identify three broad areas where exchanges can play a role in advancing gender equality, the press release said.

"Investing in women's economic empowerment is both the right thing to do and the smart thing to do as it sets a direct path towards gender equality, poverty eradication and inclusive economic growth," said Gitanjali Singh, head of the office at the UN Women Bangladesh.

"As Bangladesh embarks upon its graduation from the LDC category, ensuring gender equality is all the more critical for a sustainable transition that leaves no one behind."



Hassan O Rashid, managing director of Prime Bank, receives International Finance Corporation's the "2021 Best Bank Partner for Equipment Trade in South Asia" award from Allen Forlemu, regional industry director of financial institutions group for Asia and the Pacific at IFC, for its role in facilitating trade in emerging markets at the bank's head office in Dhaka recently. Martin Holtmann, country manager of IFC, Matthew Sander Hosford, principal banking specialist, Faisal Rahman, additional managing director of Prime Bank, and Shams Abdullah Muhaimin, deputy managing director, were present.

PHOTO: PRIME BANK



Morshed Alam, chairman of Bengal Group, cuts a cake to inaugurate Bengal Commercial Bank's first founding anniversary at the lender's head office in Gulshan, Dhaka recently. Tarik Morshed, managing director of the bank, was present.

PHOTO: BENGAL COMMERCIAL BANK

Most Asian markets hit by Ukraine fears, tech selloff

AFP, Hong Kong

Asian markets mostly fell Monday as traders track developments in the Ukraine war and diplomatic efforts to bring the crisis to an end while Hong Kong took a pounding after China placed Shenzhen into lockdown, fuelling a rout in the tech sector.

Oil prices dropped, providing some respite after they soared to a near 14-year high last week, though the commodity remains elevated around \$110 and keeping upward pressure on inflation.

Trading floors continue to be awash with uncertainty as Russia's war in Ukraine rages, with comments from Vladimir Putin that there were "positive developments" in talks with Kyiv unable to provide much support.

US National Security Adviser Jake Sullivan is due to meet senior Chinese diplomat Yang Jiechi in Rome later Monday, with Ukraine top of the agenda as the White House seeks help in bringing the crisis to a swift conclusion. Beijing has declined to directly condemn Moscow for launching its invasion, and has repeatedly blamed NATO's "eastward expansion" for worsening tensions between Russia and Ukraine, echoing the Kremlin's prime security grievance.

Investors are also nervously awaiting the Fed's latest monetary policy gathering, which is expected to end Wednesday with the bank announcing a quarter-point interest rate hike.

The US central bank is trying to walk a fine line between trying to rein in runaway inflation while also trying to support the world's biggest economy in the face of the war in Ukraine, which many fear could lead to another recession.



Solaiman Alam, chief digital and strategy officer of Grameenphone, launches Rabbitholebd's sports and entertainment streaming services for its customers through direct operator billing (DOB) in Bangladesh at GP House in Basundhara, Dhaka recently. GP users can enjoy the numerous web contents in the Rabbitholebd app by purchasing designated packages using their mobile airtime balance. ASM Rafiq Ullah, chief executive officer of Content Matters Ltd, Khairul Basher, head of communications at GP, and Kazi Hamidur Rahman, head of direct operator billing, were present.

PHOTO: GRAMEENPHONE



Uzma Chowdhury, director of corporate finance at Pran-RFL Group, receives a crest of the 2nd HSBC Business Excellence Awards from Tipu Munshi, minister for commerce, for its role in promoting Bangladesh and contributing to the sustainable growth of the economy during the challenging time caused by the coronavirus pandemic at the Radisson Blu Dhaka Water Garden on Sunday. Robert Chatterton Dickson, the British high commissioner to Bangladesh, Md Jashim Uddin, president of the Bangladesh Chambers of Commerce and Industry, and Amanda Murphy, head of commercial banking for South and Southeast Asia at HSBC, were present.

PHOTO: PRAN-RFL GROUP

European financial institutions turn

FROM PAGE B4 on Monday, with Ukrainian and Russian negotiators set to talk again after both sides cited progress, even though Russia attacked a base near the Polish border and fighting raged elsewhere. Russia calls its actions in Ukraine a "special operation". Britain's London Stock Exchange Group said late

on Friday it was suspending all products and services for all customers in Russia, days after suspending the distribution of news and commentary in the country following new laws in Moscow.

"LSEG confirms it is suspending all products and services for all customers in Russia, subject to any regulatory requirements,"

the company said in a statement.

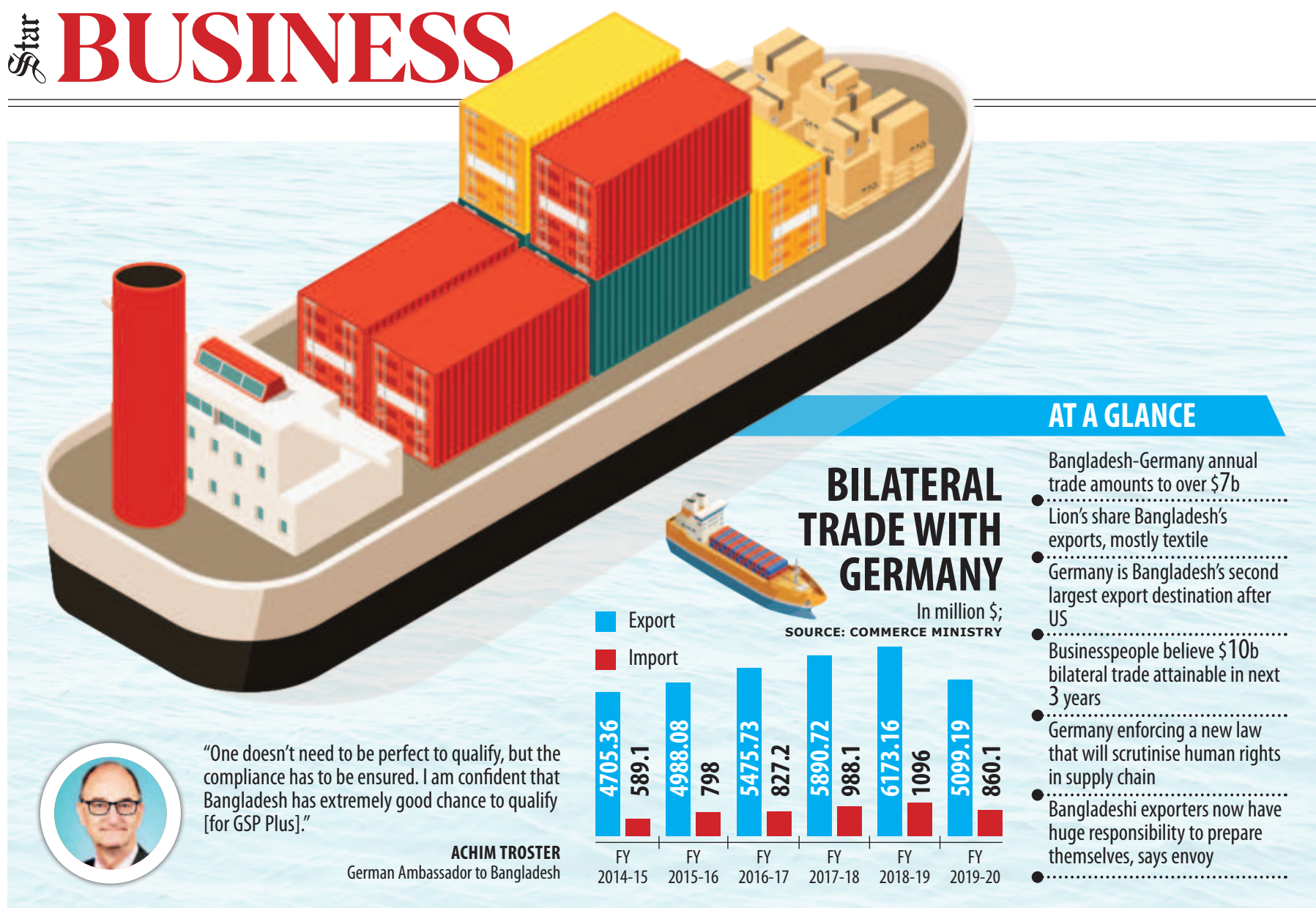
"We continue to support our employees in the region. We are also engaging with our customers outside Russia who depend on us for data and pricing information inside Russia. We are evaluating alternative options to continue providing these services."

Index provider FTSE Russell said on Monday it would delete four UK-listed, Russia-focused companies including Roman Abramovich's Evraz after many brokers refused to trade their shares.

Evraz along with Polymetal International, Petropavlovsk and Raven Property Group would be deleted from all FTSE's

indexes during the March review, it said in a statement.

FTSE Russell said it had received feedback from its External Advisory Committees and market participants that trading in the shares was "severely restricted" as brokers refused to handle the securities, hitting market liquidity.



AT A GLANCE

- Bangladesh-Germany annual trade amounts to over \$7b
- Lion's share Bangladesh's exports, mostly textile
- Germany is Bangladesh's second largest export destination after US
- Businesspeople believe \$10b bilateral trade attainable in next 3 years
- Germany enforcing a new law that will scrutinise human rights in supply chain
- Bangladeshi exporters now have huge responsibility to prepare themselves, says envoy

"One doesn't need to be perfect to qualify, but the compliance has to be ensured. I am confident that Bangladesh has extremely good chance to qualify [for GSP Plus]."

ACHIM TROSTER
German Ambassador to Bangladesh

Prepare for German human rights law for supply chains

Ambassador advises Bangladeshi businesses

DIPLOMATIC CORRESPONDENT

German Ambassador to Bangladesh Achim Troster has advised Bangladeshi companies to prepare for challenges that may arise from 2023 when a German law comes into effect for enhanced human rights protection in supply chains.

The new act on corporate due diligence in supply chain will mandate German companies to ensure that no human rights violations take place in their own business operations and supply chains.

"Therefore, Bangladeshi exports, supplying to German companies, now have huge responsibilities to prepare themselves, especially in light of adoption of this supply chain law," he said.

Troster was addressing 50th anniversary celebrations of diplomatic relations between Bangladesh and Germany organised by the Bangladesh-German Chamber of Commerce and Industry (BGCCI) at the Radisson hotel in Dhaka on Sunday evening.

He also spoke about future challenges

for Bangladesh turning ineligible for the Generalised Scheme of Preferences (GSP) once it makes the United Nations status graduation to a developing country in 2026. The European Union has provided a three-year grace period for the duty free market access.

The EU will then offer GSP Plus, another preferential trade facility, but that comes with conditions for ensuring labour rights, good governance, protection of the environment and human rights etc.

"One doesn't need to be perfect to qualify, but the compliance has to be ensured. I am confident that Bangladesh has an extremely good chance to qualify (for GSP Plus)," Troster said.

He said Bangladesh has progressed much in terms of infrastructure development and there has been political stability altogether, accelerating economic growth. These create new opportunities for strengthening bilateral cooperation, he said.

Trade between Bangladesh and Germany amounts to over \$7 billion, with Germany importing over \$6 billion

worth products, mostly textile. It is Bangladesh's second largest export market after the US.

The German envoy also spoke of the need for Bangladesh to harness new export opportunities.

Bangladeshi businesspeople said there was potential for the trade volume to reach \$10 billion in the next three years but stronger cooperation was required from both ends.

Metropolitan Chamber of Commerce and Industry President Saiful Islam said Germany was a leader in renewable energy and eco-friendly industries and could help Bangladesh, whose contribution in global carbon emissions was 0.4 per cent but was a major victim of climate change.

Also, the UN status graduation would translate to constraints in market access and concessional loans. Therefore, developed countries should share affordable green technologies, he said at the event moderated by BGCCI Executive Adviser and CEO Shahed Akhtar.

Incepta Pharmaceuticals Chairman and Managing Director Abdul Mukhtar

said German engineers have been making significant contributions to skills transfers to Bangladesh in the pharmaceutical sector.

He said his company, however, faces challenges in importing spare parts as it has to do it either from Singapore or India. It would be of much advantage if German companies have their outlets in Bangladesh. He sought the German embassy's support towards this end.

Bangladesh Ambassador to Germany Mosharrar Hossain Bhuiyan, who joined the event online, said he was in talks with German car manufacturers BMW and Mercedes who were eager to set up assembling plants in Bangladesh.

Foreign Minister AK Abdul Momen in a message read out by the ministry Director General (West Europe and EU) Faiyaz Murshid Kazi said the bilateral relations have reached a strategic depth, which would grow further in the coming days.

He sought Germany's help in improving technical skills of Bangladeshi workers and their recruitment in Germany.

Pharmas seek tax exemptions next fiscal year

STAR BUSINESS REPORT

The Bangladesh Association of Pharmaceutical Industries (Bapi) has urged the National Board of Revenue (NBR) to exempt tax deductions at source on various promotional and other expenses from fiscal year 2022-23 to encourage the export of medicine and increase the competitive capacity of the industry in the international market.

Ali Nawaz, chief financial officer (CFO) at Beximco Pharmaceuticals, presented the proposal on behalf of Bapi.

The association placed a few recommendations for the upcoming national budget of fiscal year 2022-23 during a meeting with National Board of Revenue Chairman Abu Hena Md Rahmatul Muneem at the latter's office in Dhaka yesterday.

Different types of expenses of the company arose for the creation of new markets, expansion of markets and legal and regulatory needs of the respective countries, said Nawaz.

He said physicians, individuals and organisations involved in the medical profession have to pay for organising various seminars and symposiums to introduce products.

In each country, doctors, hospitals and other related fields have to undertake sales development activities to introduce medicine. All these sales and marketing activities have to be paid for from related expenses, the association said.

The exemption is essentially necessary for the creation of new export markets and for the development of exports, they said

The exemption is essentially necessary for the creation of new export markets and for the development of exports, they said. If tax at source is applied on such expenditures, it will increase the cost of export and greatly reduce Bangladesh's competitiveness, they added.

The association says that according to the demand of the drug administrations of different countries, registration of pharmaceutical products requires submitting various study reports such as bioequivalence study reports, clinical trial reports and other research information.

Bapi said in many cases all these reports have to be outsourced.

In addition, in some cases, special quality control tests are required on the raw materials of the products, most of which cannot be done locally. Companies have to pay companies abroad to get these activities done.

NBR Chairman Muneem said, "We have announced various facilities from the NBR to take the pharmaceutical industry forward."

"Today (yesterday) we will consider all the issues that you have proposed. We will accept what is logical. I will add those in the coming budget," he added.

Pharmaceutical shipments from Bangladesh grew 22.21 per cent year-on-year in the first half of the current fiscal year on the back of continuous addition of anti-coronavirus drugs to the export basket, quality improvements and policy support.

EU assessing rights progress

FROM PAGE B1

Rahim, however, said the draft of a law on the ILO Convention 138 has already been sent to the law ministry for vetting with approval from the cabinet committee and it is expected that the parliament would pass it soon.

Moreover, the government has been trying to recruit an adequate number of inspectors for the Department of Inspection of Factories and Establishments (DIFE), he said.

Khan also said an export processing zone labour law was also scheduled to be amended as it was also in the law ministry for vetting with approval from the cabinet committee.

Bangladesh has also been working to implement the law to reduce violence against children, as per the condition of the EU, he added.

Bangladesh has been striving to make progress in improvements of labour and human rights to satisfy the EU for the continuation of the zero-duty benefit to the world's largest trade bloc.

The EU delegation is visiting Bangladesh to assess the progress of Bangladesh in amending labour and human rights laws and elimination of child labour from informal sectors as the EU was going to adopt the new GSP scheme from January 2024.

Jordi Curell Gotor, director for International Affairs in the Directorate General for Employment, Social Affairs and Inclusion, and Benedikt Bunker, policy officer, Directorate - General for Employment, Social Affairs and Inclusion, European Commission, have been holding meetings with senior officials of the ministries of labour, commerce and foreign

affairs to assess the progress of the reforms as per their supplied action plan.

Ivo Schutte, deputy head of Division, Asia and the Pacific-Regional Affairs and South Asia, European External Action Service, and Alessandro Tonoli, policy officer, Directorate - General for Trade, European Commission, are also in the EU delegation.

The delegation is also scheduled to hold meetings with Tapan Kanti Ghosh, senior secretary to the commerce ministry, tomorrow to express their opinion regarding the progress of the reforms.

The will also hold meetings with top government officials, leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and labour leaders to assess the progress in ensuring labour and human rights, Ghosh also said.

"We are also negotiating with the EU for availing the GSP Plus," he added.

In the proposed GSP Plus scheme, the EU said if the value of a particular garment item from a country eligible for duty-free export benefit under the bloc's EBA facility crosses 6 per cent of the total imported value of apparel, the zero duty facility will not be applicable for the product even if the GSP Plus status is granted.

As of 2019, the value of apparel imported from Bangladesh to the EU has already gone past the threshold and now stands at more than 9.74 per cent.

"We will talk with the EU so that they soften the condition for Bangladesh," Ghosh said.

The EU is the largest export destination for Bangladesh and more than 58 per cent of its exports is destined for the EU.

100pc population comes under

FROM PAGE B1

adviser and senior vice-president of the Consumers' Association of Bangladesh, says 10 to 15 per cent of people could not access electricity in many areas even though the areas were brought under electricity coverage in the past.

"The government has made electricity available for the population. Lifeline tariffs have been extended to provide power at concessional rates. Why are some people still failing to reap the benefit of the expansion in electricity coverage?"

Prof Alam says people still use kerosene to light lamps. "This is one of the indicators that say many people don't have access to electricity."

At the event, Nasrul Hamid said the prime minister would

inaugurate the 1,320MW coal-based power plant in Payra of Patuakhali on March 21.

The power plant will have less impact on the environment than a brick kiln. It will be a Bangladesh-China joint venture, he added.

The state minister said the government is incurring huge losses while importing fuel and liquefied natural gas (LNG) due to Russia's war against Ukraine.

"Bangladesh Petroleum Corporation is losing Tk 80 crore a day," he said, adding that the government is still trying to keep the price of fuel and gas stable even by providing subsidies.

"But if the loss widens, the government may change its decision."

Mentioning his recent visit to

Qatar, Hamid said they have given a proposal to Qatar to import 1.8 billion per million British thermal units (MMBTu) of LNG under a long-term agreement.

"The demand for power is increasing by 200MW every day. So, we have to raise the generation capacity based on the rising demand."

"Qatar will give its decision within a couple of days," he added.

About the capacity of power, Hamid said the gap between peak hours and off-peak hours is about 6,000MW.

"The demand for power is increasing by 200MW every day. So, we have to raise the generation capacity based on the rising demand."

Hamid said many experts criticised the government, arguing it is making capacity payments as it can't utilise the generation capacity.

"But this is part of the investment."

The 30 to 40 per cent reserved capacity is aimed at meeting power demand during peak hours and emergencies. "Otherwise, we will not be able to ensure uninterrupted electricity supply across the country," he said.

The developed countries such as the US and Japan maintain a 100 per cent additional capacity, he added.

IMF in Sri Lanka to discuss worsening economic crisis

AFP, Colombo

An IMF delegation was in Sri Lanka Monday for talks on the island's worsening economic crisis, with the public suffering through months of food, fuel and medicine shortages.

A lack of foreign currency has left traders unable to pay for vital imports in what authorities concede is the South Asian nation's worst financial crisis since independence from Britain in 1948.

Long queues outside gas stations and rolling blackouts have become the norm, while record inflation has caused serious hardship among the island's 22 million people by repeatedly pushing up the cost of groceries, transport and pharmaceuticals.

A senior staffer from the International Monetary Fund "will

hold talks" with President Gotabaya Rajapaksa and his brother, finance minister Basil Rajapaksa, a spokesman for the leader told AFP.

Sri Lanka's government is divided on seeking a bailout, but the international lender said it was "ready to discuss options if requested" in a Monday statement.

The IMF warned earlier this month that the country's \$51 billion foreign debt was "unsustainable", and called for a currency devaluation and higher taxes to revive its almost bankrupt economy.

Sri Lanka last week allowed the rupee to float, a move that saw the currency nosedive 25 per cent against the dollar and triggered a fresh wave of price increases. Fuel costs have risen by nearly 80 per cent since early February while food prices rose by a quarter according to January figures.

Russia gradually resuming Black Sea wheat exports

REUTERS

Russia is gradually resuming wheat exports from its Black Sea ports while navigation in the Azov Sea remains restricted, analysts said on Monday. Russia invaded Ukraine on February 24, calling its actions a "special military operation".

"Exports are ongoing from all the five Black Sea (grain export) terminals," IKAR agriculture consultancy said in a note. Prices for Russian wheat remain extremely volatile, IKAR said, adding that for wheat with 12.5 per cent protein content from the Black Sea ports they were at \$415 per tonne free on board (FOB) on March 11.

Sovecon, another consultancy, said that Russia's Black Sea terminals loaded 400,000 tonnes of wheat last week, and that vessels were going in and

out of the ports there. "Full navigation in the Azov Sea is still closed but some vessels are starting to pass through the Kerch Strait (to the Black Sea)," it added.

In the domestic market, Russian farmers started to refuse previously signed contracts amid strong demand from exporters and domestic buyers, Sovecon said. Russia's recent decision to suspend grain exports to some ex-Soviet countries is yet to be approved, but, Sovecon said, market participants already report unofficial restrictions for rail supplies of grain from Siberia to Kazakhstan.

Russian wheat exports are down by 45.4 per cent since the start of the 2021/22 marketing season on July 1 because of a smaller crop and an export tax that had been set at \$86.3 a tonne for March 16-22.

India may buy discounted Russian oil, commodities

REUTERS, New Delhi

India is considering taking up a Russian offer to buy its crude oil and other commodities at discounted prices with payment via a rupee-rouble transaction, two Indian officials said, amid tough Western sanctions on Russia over its invasion of Ukraine.

India, which imports 80 per cent of its oil needs, usually buys about 2 per cent to 3 per cent of its supplies from Russia. But with oil prices up 40 per cent so far this year, the government is looking at increasing this if it can help reduce its rising energy bill.

"Russia is offering oil and other commodities at a heavy discount. We will be happy to take that. We have some issues like tanker, insurance cover and oil blends to be resolved. Once we have that we will take the discount offer," one of

India, which imports 80 per cent of its oil needs, usually buys about 2 per cent to 3 per cent of its supplies from Russia

the Indian government officials said.

Some international traders have been avoiding Russian oil to avoid becoming entangled in sanctions, but the Indian official said sanctions did not prevent India importing the fuel.

Work was ongoing to set up a rupee-rouble trade mechanism to be used to pay for oil and other goods, the official said.

The officials, who both declined to be identified, did not say how much oil was on offer or what the discount was.

The finance ministry did not immediately reply to an email seeking comments.

Russia has urged what it describes as friendly nations to maintain trade and investment ties. India has longstanding defence ties with Russia and abstained from a vote at the United Nations condemning the invasion, although New Delhi has called for an end to the violence.

Russia's Surgutneftegaz allowed Chinese buyers to receive oil without providing letters of credit (LC) payment guarantees in order to bypass sanctions, sources told Reuters.



A farmer holds cotton produced at a field in Dhularkuti village in Phulbari upazila of Kurigram recently. Growers are happy as cotton farming has become profitable this year since they are getting 50 per cent higher price.

PHOTO: S DILIP ROY

Cotton growers in Rangpur beaming as prices rise

S DILIP ROY

Cotton growers in the Rangpur region are elated thanks to the increase in the price of the key textile raw material buoyed by rising demand, which is expected to encourage the farmers to expand acreage by manifold in the coming years.

According to the sources at the Cotton Development Board (CDB), 7,200 farmers in the eight districts of the division have grown cotton on 2,400 hectares of land this year. This is an increase from 6,600 farmers who grew the crop on 2,200 hectares last year.

Higher acreage and yield have pushed up output: Cotton production stood at 6,056 tonnes in 2021 and the government has targeted to produce 7,200 tonnes this year.

In terms of bales, the output of cotton fibre totalled 14,421 bales in 2021, whereas about 17,140 bales can be obtained from the crop produced this year. Some 480 pounds, or 218 kilograms, make a bale.

The increase in production has been driven by the price hike of cotton. Prices have been better in the last two years, both in global and local markets, and it is expected that the higher rate will continue in the near future as demand is rising.

In 2021, each maund, or 40 kgs, of cotton was sold at Tk 2,400 in the local market. The government has set the price at Tk 3,600 this year, up 50 per cent.

Hazrat Ali, a cotton farmer in Dhularkuti village in Phulbari upazila of Kurigram, has cultivated cotton on two

bighas of land.

He has got 11 maunds of cotton from one bigha and hopes to harvest the same amount from the remaining piece of land, whereas yield totalled 18 maunds last year. It costs Tk 10,000-Tk 11,000 to grow cotton in each bigha of land.

"Last year, I sold cotton at Tk 2,400 a maund. This year, I am selling it at Tk 3,600. We are benefiting from the higher yield and price," Ali said.

Thanks to the higher price, he plans to cultivate the crop on eight bighas of land in 2023.

Abdur Rahman, another farmer in the same village, received 18 maunds of cotton from 1.5 bighas of land this year. The production cost was Tk 17,000 in total. He has sold the crop at Tk 3,600 per maund.

He thanked the CDB for helping farmers to secure bank loans at a lower interest rate and extending assistance to grow the crop.

Rahman has also decided to expand cotton cultivation to five bighas next year. Nazrul Islam, a farmer in Barabari village of Lalmonirhat sadar upazila, had given up cotton cultivation as it did not fetch the expected profit. Now he has decided to return to cotton farming from next year as the price has gone up.

Azizul Haque, a cotton grower in Kurashferua village in Phulbari upazila, says they had not been able to make much of a profit from cotton cultivation in the past, but they are benefiting from the higher price this year.

He has produced 21 maunds of cotton on two bighas at a cost of Tk 22,000. He

has sold 15 maunds of the crop.

"If the price remains at the higher level, many farmers will be interested in cotton cultivation and will be able to play a key role in meeting the demand of the item in the country."

Bangladesh managed to produce nearly 1.76 lakh bales of cotton in the fiscal year of 2020-21, which is marginally down from 1.77 lakh bales the previous year, CDB data showed.

Local production accounts for nearly one per cent of the total annual consumption of the key textile raw material of 90 lakh bales. So, the rest of the demand is met through imports, costing Bangladesh about Tk 30,000 crore annually.

Lutfar Rahman, cotton unit officer of the CDB in Rangpur, says both cotton production and prices have increased.

"Farmers are keen on cultivating the crop thanks to the bank loan facility. We have also extended assistance to farmers on farming methods as well as technical support."

According to the official, the Rangpur region has a huge potential to grow cotton. "So, we are urging farmers to cultivate it," he said, adding that cultivation of cotton increases the fertility of the land.

Md Fazle Rabbi, chief of the CDB in Rangpur, says currently cotton farming is profitable, so farmers are interested.

"There is a possibility that cotton acreage will expand manifold next year. If cultivation goes up, the reliance on cotton imports will decrease and this will benefit the country and the farmers."

Govt-traders talks key to smooth commodity supply

Says executive director of ACI Logistics

MD ASADUZ ZAMAN

The government should immediately sit with businesses to ensure smooth commodity supplies to domestic markets, thereby containing inflationary pressure on common people, said Sabbir Hasan Nasir, executive director of ACI Logistics.

"The government should immediately sit with traders, especially those who are directly involved with imports and warehousing, and manufacturers to understand the actual market situation," he told The Daily Star in a phone interview recently.



Nasir made this call at a time when prices of various essential commodities are going up, forcing many people with limited and low income to ration consumption.

For example, the price of edible oil has shot up for multiple reasons such as a curb on exports by Indonesia and dry weather in the major soybean producing and exporting countries of Brazil and Argentina.

The ongoing Russia-Ukraine war further exacerbated the situation and some other commodities, namely wheat, started to become dearer locally as both countries are big global suppliers of the grain.

Bangladesh imports over three-fourth of its wheat and edible oil because of limited domestic production.

Nasir said Shwapno, one of the country's largest supermarket retail chains run by ACI Logistics, continues to closely monitor prices and put in the effort to keep product costs within an affordable range for consumers.

"We mainly focus on the middle-class people as we can bring them in at our prices and reduce the pressures on them. However, the whole thing is not in my hands as I am only a tiny part of the huge market," Nasir said.

"As a consumer centric brand, we always try to stay on the consumers' side while maintaining a balance with others," he added.

He said a quota had been brought about in the over 200 Shwapno stores to prevent panic buying of soybean oil.

"We have no other way than controlling panic buying," Nasir said.

The government recently conducted several drives across the country to prevent stockpiling of edible oil.

Nasir welcomed the initiative but urged for analysing the situation properly so that panic does not spread among traders.

He also urged the government to maintain conditions such that retail chains can make purchases of products at just prices.

He said when inflationary pressure arises for price hikes, non-brand retailers exhibit a tendency to be opportunistic, motivated by the scope of generating exorbitant profits in a short period of time.

For brands, business was to be embarked upon for the long term through the expansion of the customer base. Such situations also create the opportunity for them to gain customer confidence, he said.

"The government should immediately sit with traders, especially those who are directly involved with imports and warehousing, and manufacturers to understand the actual market situation."

European financial institutions turn their back on Russia

REUTERS, Frankfurt

Deutsche Bank reversed course and said it would pull out of Russia completely while the London Stock Exchange suspended all its services in the country as Western governments impose sanctions over the invasion of Ukraine.

Deutsche, which had faced stinging criticism from some investors and politicians for its ongoing ties to Russia, said late on Friday that it would wind down its business there.

The surprise move puts the German lender alongside major US banks Goldman Sachs and JPMorgan Chase, which exited Russia after the February 24 invasion, and will add to pressure on rivals to follow in severing ties.

Deutsche had argued that it needed to support multinational firms doing business in Russia. But on Friday evening in Frankfurt, the bank suddenly reversed course.

"We are in the process of winding down our remaining business in Russia while we help our non-Russian multinational clients in reducing their operations," Deutsche said.

"There won't be any new business in Russia." Insurer Zurich no longer takes new customers in Russia and will not renew existing business, a spokesperson told Reuters on Monday.

Asset managers have also said they will not make new investments in Russia and many Russian-focused funds have frozen due to the inability to trade following Western sanctions and counter-measures by Russia.

Diplomatic efforts to end the war were gearing up

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This Saudi Aramco file handout photo taken on February 11, 2018 shows its oil and gas facilities in Dhahran in eastern Saudi Arabia.

PHOTO: AFP/FILE

UK urges Saudi Arabia to raise oil output

REUTERS, London

British Prime Minister Boris Johnson is trying to persuade Saudi Arabia to increase its oil output, a senior minister said on Monday, following reports that Johnson would travel to the OPEC heavyweight this week.

Saudi Arabia and the UAE have so far snubbed US pleas to use their spare output capacity to tame rampant crude prices which threaten a global recession after Russia's invasion of Ukraine.

Saudi ties with the West are strained over a range of rights issues including the Yemen war and the killing of Saudi journalist Jamal Khashoggi in the Saudi consulate in Istanbul in 2018.

The Times newspaper said that Johnson would travel to Saudi Arabia this week to try to persuade it to increase output, citing sources that said he had built good ties with the country's leadership.