



**A potter makes clay items at Maheshpur's Pal Para of Barishal's Bakerganj upazila for sale around the country, including Dhaka, Noakhali, Khulna and Cumilla. The photo was taken recently.**

PHOTO: TITU DAS

# Ukraine economy could collapse if war drags on: IMF

AFP, Washington

The government in Kyiv continues to function, the banking system is stable and debt payments are viable in the short term, but the Russian invasion could plunge Ukraine into a devastating recession, the IMF said Monday.

The Washington-based crisis lender also warned the war could have broader repercussions, including by threatening global food security by causing prices to rise and hampering the planting of crops, especially wheat.

At a minimum, the country would see "output falling 10 per cent this year, assuming a prompt resolution of the war," the IMF said in an analysis of the economy in the wake of the Russian invasion.

Though the lender warned of "massive uncertainty" around the forecasts, it said if the conflict is prolonged, the situation will worsen.

Citing wartime data for conflicts in Iraq, Lebanon, Syria and Yemen, the IMF said the "annual output contraction could eventually be much higher, in the

range of 25-35 per cent."

The country's economy grew 3.2 per cent in 2021 amid a record grain harvest and strong consumer spending.

But in the wake of the Russian invasion on February 24, "the economy in Ukraine dramatically changed," said Vladyslav Rashkovan, alternate executive director for Ukraine on the IMF board.

That includes the destruction of hospitals, schools and houses as well as "tens of kilometers of roads, and countless objects of critical infrastructures," the official said in a statement.

Oleg Ustenko, economic adviser to Ukraine's President Volodymyr Zelensky, last week estimated the damage at \$100 billion so far.

Despite the destruction, the government and banks in the country have continued to function, Rashkovan said, and as of March 1, the country held foreign reserves of \$27.5 billion, "which is sufficient for Ukraine to meet its commitments," according to a statement dated March 9.

The IMF, which last week approved a \$1.4 billion emergency aid program for Ukraine, said "debt sustainability does not appear to be at risk" in the short term, although there are "very large" uncertainties.

Beyond the human and economic losses in the country, the IMF cautions about the likely spillovers from the war to the global economy.

Since the conflict began, the prices of energy and agriculture have soared worldwide, and the fund warned they could worsen, fueling rising inflation.

"Disruptions to the spring agriculture season could also curtail exports and growth and imperil food security," the report said.

The initial impact will be on prices, which would also push costs of other food like corn higher, according to the IMF.

Ukraine and Russia are considered agricultural breadbaskets because they are among the largest wheat exporters in the world, and an extended conflict could hit global food supplies if farmers are unable to plant.

"War in Ukraine means hunger in Africa," IMF Managing Director Kristalina Georgieva said Sunday on CBS.

UN Secretary-General Antonio Guterres warned Monday that the world must act to prevent a "hurricane of hunger and a meltdown of the global food system."

"This war goes far beyond Ukraine. It is also an assault on the world's most vulnerable people and countries," Guterres told reporters in New York.

The UN World Food Program in a report Friday cautioned that countries that rely heavily on imported grain will also feel the pain, including "hunger hotspots such as Afghanistan, Ethiopia, Syria and Yemen."

World Bank President David Malpass on Monday urged consumers to avoid hoarding flour and gasoline, which will only make matters worse.

And he said producers in advanced economies like the United States and Canada "have substantial potential for supply increases that can soften this blow."

## Fahmida made member of UNCTAD's high-level advisory board

STAR BUSINESS REPORT

Fahmida Khatun, executive director of the Centre for Policy Dialogue, has been made a member of the high-level advisory board on the productive capacities index (PCI) of the United Nations Conference on Trade and Development (UNCTAD).

UNCTAD secretary-general has already invited her to join as a member of the advisory board on PCI, Centre for Policy Dialogue (CPD) said in a press release on Monday.

UNCTAD launched PCI as a practical tool to help member states to monitor and benchmark their progress and achievements in building new and enhancing existing productive capacities over time, and their potential to achieve the Sustainable Development Goals (SDGs).

The PCI advisory board will advise UNCTAD on its research and policy-oriented agenda related to productive capacities, including expansion of policy and institutional frameworks, further development and refinement of the methods, according to the press release.

The advisory board will also work in collaboration with academia, policy makers, statisticians and experts working on related programmes and endeavours, it said.



## FBCCI, Bangladesh Business Council, Dubai ink a deal

STAR BUSINESS DESK

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Bangladesh Business Council, Dubai have signed a memorandum of understanding (MoU) in a bid to expand business opportunities.

Md Jasim Uddin, president of the FBCCI, and Mohammad Mahtabur Rahman, president of the Bangladesh Business Council, Dubai, signed the agreement at Al Haramain Group's office in Dubai recently, a press release said.

"FBCCI will provide all necessary assistance to promote the business sectors of Bangladesh," Jasim said.

Professor Shibli Rubayat-Ul-Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC), Md Ayub Ali Babul, senior vice-president of the council, Md Saifuddin Ahmed, general secretary, and Md Raja Mallick, vice president, were present.

"It is possible to do business in Dubai from anywhere in the world, so it is essential to set up a trade centre in Dubai," BSEC chairman said.



**Abdul Hai Sarker, chairman of Dhaka Bank Ltd, cuts a ribbon to inaugurate "Dhaka Bank Mujib Corner" at the lender's head office premises in Dhaka yesterday. ATM Hayatuzzaman Khan, founder vice-chairman of the bank, Reshadur Rahman, director, Emranul Huq, managing director, and Abu Jafar, additional managing director, were present.**

PHOTO: DHAKA BANK

## Dhaka Bank opens Mujib Corner

STAR BUSINESS DESK

Dhaka Bank inaugurated the "Dhaka Bank Mujib Corner" to mark the birth centenary of Bangabandhu Sheikh Mujibur Rahman in the month of independence.

Abdul Hai Sarker, chairman of the bank, cut a ribbon to open the corner at the lender's head office in Dhaka yesterday, a press release said.

ATM Hayatuzzaman Khan, founder vice-chairman of the bank, Reshadur

Rahman, Mohammad Amirullah, Mohammad Hanif, directors, Khondokar Mohammad Shahjahan, Aminul Islam, former directors, Emranul Huq, managing director, Mohammad Abu Jafar, additional managing director, AKM Shah Nawaj, AMM Moyeen Uddin and Mostaque Ahmed, deputy managing directors, Akhlaque Rahman, senior executive vice-president, and Arham Masudul Huq, chief executive office of Dhaka Bank Foundation, were present.

## Bank Asia launches 'Neelima' for women entrepreneurs

STAR BUSINESS DESK

Bank Asia launched "Neelima", a platform for the development of women entrepreneurs, on the occasion of International Women's Day 2022 at the bank's corporate office in Dhaka on March 8.

The event was graced by the presence of Zakia Rouf Chowdhury, executive vice chairperson of Rangs Group, as chief guest, Tania Nusrat Zaman, director of Bank Asia Ltd, and Shamim Ara Khanom, managing director of Voice Breeze Bangladesh Ltd, as special guests.

Neelima is a platform under which training, advice and credit facilities will be provided to women entrepreneurs, a press release said.

Credit facilities under Neelima include working capital and long-term loans for business expansion at a minimal cost.

The borrowers under Neelima will also receive incentives for successful repayment of credit facilities.

Women entrepreneurs can avail the services of Neelima through 129 Bank Asia branches and the bank's expanded network of more than 5,000 agent points all over Bangladesh.



**Zakia Rouf Chowdhury, executive vice chairperson of Rangs Group, Tania Nusrat Zaman, director of Bank Asia Ltd, and Shamim Ara Khanom, managing director of Voice Breeze Bangladesh Ltd, inaugurate Bank Asia's 'Neelima', a platform for the development of women entrepreneurs, at the bank's corporate office in Dhaka on the occasion of the International Women's Day on March 8.**

PHOTO: BANK ASIA



**Gazi Golam Ashria, chairman of Jamuna Bank Ltd, inaugurates the bank's electronic KYC (e-KYC) platform to enter the digital age at the lender's head office in Dhaka recently. Redwan-ul-Karim Ansari, director of the bank, Mirza Elias Uddin Ahmed, managing director, AKM Atiqur Rahman and Mohammed Fazlur Rahman Chowdhury, deputy managing directors, were present.**

PHOTO: JAMUNA BANK

## Investors see

FROM PAGE B4

rate was recently at its highest level since May 2020, while another closely-watched short-term funding stress gauge, the spread between the US three-month Libor and the overnight index swap rate was at a similar high. Volatility in stocks, currencies and US Treasury yields has also spiked.

In another potential red flag, Barclays on Monday suspended sales of two products linked to crude oil and market volatility, which some saw as a sign of

lack of liquidity.

Among the assets investors have been cutting are emerging markets bonds, which saw \$3.54 billion in net outflows last week, the biggest reduction since April 2020. Treasuries, meanwhile, saw some \$5.4 billion in inflows in the past nine weeks, according to BofA Global Research.

Mike Vogelzang, Chief Investment Officer at CAPTRUST in Boston, said his firm had taken "aggressive action" in response to the Ukraine

crisis to reduce the risk profile of its portfolios. That included cutting equity exposure and selling mortgages and a number of corporate bonds, replacing them with highly liquid short-term US Treasuries.

"We're worried about a potential liquidity scare on a global stage," he said. "We were significantly underweight US Treasuries to our benchmarks for years now, and so we really filled that bucket up and reduced the illiquidity potential in our portfolios."