

FUNDS RECEIVED BY 25 FIRMS FROM CLIENTS

(Transactions fell after July last year as BB started supervision)

March to June of '21
Tk 6,050cr

Jul 1 to Oct 14 of '21
Tk 500cr

MONEY STUCK AND RECOVERED

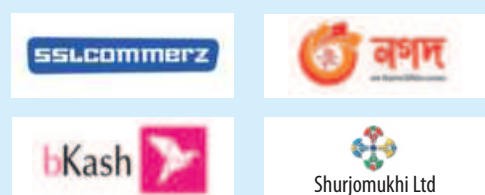
Tk 561cr was stuck with different gateways as of January

Clients so far recovered
Tk 56cr from gateways

CONTROVERSIAL PLATFORMS



PAYMENT MADE MOSTLY THRU



SOURCE: BB AND COMMERCE MINISTRY

SCAMS IN 25 E-COMMERCE FIRMS

Ponzi schemes brought them Tk 6,050cr in just 4 months

AKM ZAMIR UDDIN and MAHMUDUL HASAN

Twenty-five controversial e-commerce platforms in Bangladesh were deluged with orders worth a staggering Tk 6,050 crore in just four months last year under Ponzi-like schemes that lured unsuspecting customers on the back of hefty discounts.

It came after the central bank carried out a comprehensive assessment exposing the sheer scale of scams that rattled the booming digital commerce segment.

Usually, e-commerce and Facebook-based traders in Bangladesh see monthly transactions of Tk 500-550 crore. But it rose to Tk 6,050 crore for the 25 firms alone between March and June last year, according to the report of the Bangladesh Bank.

The BB has so far identified 25 e-commerce platforms that are involved with the scams, including Evaly, E-orange, Qoom, Dhamaka, Aladinerprodip, Sirajganj Shop, Alesha Mart and Dalal Plus, which received the money from clients through payment gateways and banks.

The platforms ran the operations that can be likened to the Ponzi scheme, an investment fraud method that pays existing clients with funds collected from new ones.

The fraudulent practices prompted the central bank to instruct banks, mobile financial services (MFS), payment service providers and payment system operators on June 30 last year to clear the payments in favour of e-commerce shops after clients get the delivery of the products.

Usually, e-commerce and Facebook-based traders in Bangladesh see monthly transactions of Tk 500-550 crore. But it rose to Tk 6,050 crore for the 25 firms alone between March and June last year

The move was aimed at preventing fraudulent e-commerce platforms from embezzling money.

The order caused the transactions level to plummet: the transactions at the 25 platforms dipped to Tk 506 crore between July 1 and October 14 last year.

Many affected customers have not received products despite making the payments in advance. This handed a blow to the e-commerce sector, which was growing at a breakneck speed before the anomalies came to the fore. The e-commerce sites chiefly received

money from customers through payment gateways such as Software Shop Ltd (SSL), Nagad, Foster Corporation, bKash and Shurjomukhi Ltd.

After the BB move, Tk 561 crore got stuck with the payment gateways.

Affected clients have got back around Tk 56 crore since January 24 in refunds after the commerce ministry and the central bank took an initiative to release funds from the payments gateways.

Between March and June last year, the e-commerce platforms received funds amounting to Tk 2,746 crore from clients through SSL.

Some Tk 89 crore was stuck with the company as of January 31. It refunded around Tk 15 crore from January 24 to March 15 to clients.

Yesterday, SSL didn't respond to The Daily Star's request for comments.

Between March and June, clients paid Tk 1,840 crore through Nagad. Currently, about Tk 20 crore is stuck with the MFS, data from the BB showed.

The e-commerce companies received Tk 829 crore through Foster Corporation during the four-month period. On January 31, some Tk 383 crore was stuck with the gateway. It transferred Tk 42 crore to clients as of March 15.

Another Tk 352 crore was received by the platforms through bKash, the largest MFS in Bangladesh. Of the sum, about

Tk 5 crore is now currently stuck with the company.

A commerce ministry official says the refund process is complex as many individual clients have made the payments through bank accounts and MFS providers even for the products purchased in a single order.

The balance at an MFS account is capped at Tk 3 lakh, so a user can't surpass the limit while purchasing any item.

"So, we have to verify whether the clients have already received the products," the official said.

"The biggest-ever transactions involving frauds have eroded customers' confidence in the e-commerce sector," said AKM Fahim Mashroor, chief executive officer of Bjobs.com and AjkerDeal.

The platforms might have delivered products against only a small number of orders, he said, adding that a majority of them have not been refunded.

"Had the Directorate of National Consumer Rights Protection taken strict measures on time, the scams could have been contained much earlier."

Mashroor thinks that there is little scope for the affected customers to get back funds since the platforms ran a business model that cater to existing clients by taking money from the new ones.

Amend EPZ labour law by 2023: EU

REFAYET ULLAH MIRDHA

A high-profile European Union (EU) delegation yesterday demanded that a labour law meant for export processing zones (EPZs) be amended by 2023 instead of 2025 for Bangladesh to be eligible for a new Everything But Arms (EBA) scheme.

There is one labour law in the country ensuring freedom of association to workers of factories outside of the EPZs while another EPZ labour law enables unionism for workers of factories inside EPZs under a "Workers Participation Committee".

However, the EU demanded that there be a uniform law for all workers. The EPZ labour law was first supposed to be amended by December last year. Then Bangladesh sought to do it by 2025.

The EBA provides least developed countries (LDCs) duty-free, quota-free access for all

READ MORE ON B3



A farmer tends to his wheat plants in Kashipur village of Dinajpur recently. Bangladesh produced 10.29 lakh tonnes of the grain in fiscal year 2019-20, according to the Bangladesh Bureau of Statistics. The US Department of Agriculture forecasts 11.3 lakh tonnes for marketing year 2021-22. It adds that production is gradually decreasing as farmers convert their land to cultivate alternative crops that provide higher economic returns such as potato, vegetables, and Boro rice.

PHOTO: KONGKON KARMAKER

Cut complexities for greater Japanese investment: experts

STAR BUSINESS REPORT

Japanese investors in Bangladesh are facing six issues when conducting business in the country due to complicated regulations, according to the Centre for Policy Dialogue (CPD).

Japanese investors have to endure a complex repatriation process for profits, convoluted customs procedures, delays in export and import shipments, lack of skilled IT professionals, inadequate internet connectivity and difficult foreign exchange regulations, said Syed Yusuf Saadat, a research fellow at the CPD.

There are currently more than 310 Japanese companies operating in Bangladesh with total investments of around \$400 million.

Saadat made these comments during a presentation on "Bangladesh-Japan partnership for the next development journey" organised by the CPD at The Westin Dhaka yesterday.

The CPD suggested ensuring a simple process for foreign investors to access low-interest working capital loans from domestic lenders and to make it easier for local enterprises to get international loans.

The civil society think-tank said an adequate number of officials should be employed in customs for handling freight, and the customs authorisation system should be digitalised.

Following Bangladesh's graduation from a least-developed country, the country will need to increase its economic diversification, skills and productivity, it added.

Addressing the event, Planning Minister MA Mannan alleged that corruption has increased in line with the increase in development activities.

"We would like to eliminate it but as a democratic country, we need to take time to change the rules and regulations in this regard," Mannan said while terming the corruption as cancer.

However, he ruled out the possibility of corruption at higher levels.

Regarding the potential of a free trade agreement with Japan, the planning minister said it would be meaningful and fruitful for both countries, and the commerce ministry is working on it.

Ito Naoki, Japan's ambassador to Bangladesh, said increasing the ratio of foreign direct investment to the country's gross domestic product is critical.

"And to attain that, we expect further progress in the ease of doing business," he added.

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Robi tops losers' chart for low dividend

STAR BUSINESS REPORT

Robi shares shed the most among those of listed companies yesterday as investors reacted sharply to the second largest mobile phone operator announcing a 5 per cent cash dividend for 2021.

At Dhaka Stock Exchange (DSE) Robi shares fell 3.59 per cent to Tk 34.9, the lowest point to be reached since February 1, from Tk 36.2 the previous day.

Bangladesh Shipping Corporation came second. Its share declined 2 per cent.

This is the first full-year dividend declaration by Robi Axiata for shareholders.

The company provided dividend for the first time, so investors should be happy but they expected better than what it declared at the end, said stock investor Abdul Mannan.

Hopefully its profit will grow faster and then it will be able to give higher dividends. But, most of the stock investors invest for a short time and they were in the mood to sell shares, he added.

The mobile phone operator said its earnings per share rose 3.2 per cent to Tk 0.34 in 2021 from Tk 0.33 the previous year.

READ MORE ON B3

STOCKS	
DSEX	CSCX ▼
Flat 6,765.58	0.02% 11,890.53

COMMODITIES	
Gold ▲	Oil ▲
\$1,920.91 (per ounce)	\$97.92 (per barrel)

CURRENCIES			
	USD	EUR	GBP
BUY TK	85.05	93.15	110.52
SELL TK	86.05	96.95	114.32

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.86% 56,816.65	▲ 1.64% 25,762.01	▲ 1.7% 3,290.90	▲ 3.48% 3,170.71

Al-Arafah in Tk 500cr investment deal with Unique Hotel

STAR BUSINESS DESK

Al-Arafah Islami Bank has signed a Tk 500 crore investment agreement with Unique Hotel and Resorts.

Farman R Chowdhury, managing director of Al-Arafah Islami Bank, and Mohammad Noor Ali, managing director of the hotel, signed the agreement at Sheraton Dhaka on Tuesday, said a press release.

Salim Rahman, chairman of Al-Arafah Islami Bank, Abu Naser Md Yeahea, vice chairman, and Abdus Samad Labu, Mohammad Abdus Salam, Badiur Rahman, Mahbubul Alam, Md Enayet Ullah, Ahamedul Hoque, Niaz Ahmed, Mohammad Emadur Rahman, Liakat Ali Chowdhury, Md Anwar Hossain, Md Harun-Ar-Rashid Khan, Md Rafiqul Islam and Md Amir Uddin Senior, directors, were present.

Khondaker Showkat Hossain, adviser of Unique Group, Gazi Md Shakhawat Hossain, and Mohammad Golam Sarwar, directors of the Unique Hotel and Resorts, were also present.



In an inspiring effort to make a few extra bucks for the family off recycling, Munni Begum knits a floor mat out of wool unraveled from old jumpers. In a chat with this photojournalist while waiting to see a doctor at Shibbari More in Khulna city last Sunday, Munni shared how she turned a hobby into a skill. She can now weave a product in just two days and sell it for Tk 250 apiece, that too within her locality of Paikgachha upazila some 65 kilometres away. According to a 2020 BBC report, an estimated 92 million tonnes of textiles waste is created globally each year and the equivalent of a rubbish truck full of clothes ends up in landfill sites every second.

PHOTO: HABIBUR RAHMAN

EDUCATION DURING PANDEMIC

53pc RMG workers' children deprived of online class: study

STAR BUSINESS REPORT

The South Asian Network on Economic Modeling (Sanem) yesterday said 53 per cent of the garment workers surveyed in a recent study by the non-profit research organisation reported that their children were not provided any online classes amid the Covid-19 pandemic.

As per the findings published yesterday, the figures make it clear that not all schools have the capacity to arrange online classes.

In addition, it was found that the quality of the online classes delivered has been reportedly low.

Of the 1,280 respondents, 31 per cent with children attending online classes described those classes as being not at all effective or ineffective while only 18 per cent found them effective or very effective.

Meanwhile, roughly 52 per cent of the remaining respondents expressed uncertainty about the effectiveness of

online classes.

Sanem conducted the survey in collaboration with Microfinance Opportunities from January 13-23 this year as a part of its Garment Worker Diaries project. Among the respondents, 76 per cent were female.

The survey explored the challenges faced by the children of garment workers amid the ongoing coronavirus pandemic.

It also tried to dig into the issue of Covid-19's impact on further education by asking respondents about their children's access to online classes, inconveniences faced to attend classes, their effectiveness, and the recovery of lost learning opportunities.

The lockdowns and school closures during the pandemic affected 36.5 million students in Bangladesh. This had far-reaching implications, such as learning loss, school dropouts, and even child labour and child marriage.

According to the United Nations

Educational, Scientific, and Cultural Organization, remote learning cannot fully compensate for the lack of face-to-face education.

Moreover, the existing digital divide exacerbated the inequality in access to education during the pandemic.

This is further evinced by the fact that 24 per cent of the respondents with male children and 21 per cent of those with female children said their kids are yet to recover from the learning loss.

The survey also asked if their children would resume studying when schools reopen. Alarming, 9 per cent of the households having school-going children reported that either some of their children or all of them would not continue their studies.

The causes of dropouts include the fact that they are no longer able to bear the cost of education or their children got involved in economic activities and are not in a position to return to their studies.

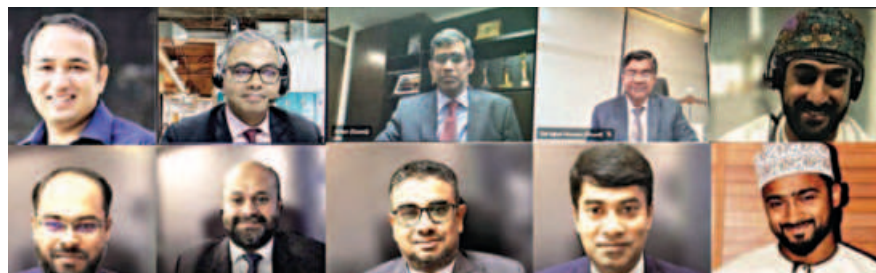
Higher gas prices boost US retail sales

AFP, Washington

Rising costs for gasoline caused US retail sales to grow in February, according to government data released Wednesday, though the expansion was slightly below expectations.

Retail sales rose 0.3 per cent last month, the Commerce Department said, less than January's 4.9 per cent increase, which was revised up sharply from the 3.8 per cent initially reported.

Much of February's spending increase was caused by business at gas stations, where sales rose 5.3 per cent, the biggest gain in any category.



Md Arfan Ali, president and managing director of Bank Asia Ltd, and Ahmed Faqir Al Bulushi, chief banking officer of Bank Muscat in the Sultanate of Oman, virtually joined the signing ceremony of a syndicated unsecured term loan facility worth \$25 million to help exporters and importers access reliable and reasonable terms and conditions for trade finance recently.

PHOTO: BANK ASIA

Bank Asia in Bank Muscat's syndicated loan deal

STAR BUSINESS DESK

Bank Asia recently signed an agreement over a syndicated unsecured term loan facility for \$25 million arranged by Bank Muscat based in the Sultanate of Oman.

It is the first secured overnight financing rate (SOFR)-based syndication term loan facility in Bangladesh, said a press release.

The agreement will allow Bank Asia to avail a long-term funding to help

exporters and importers access reliable and reasonable terms and conditions for trade finance alongside ensuring liquidity and stability to the system.

Md Arfan Ali, president and managing director of Bank Asia, and Ahmed Faqir Al Bulushi, chief banking officer of Bank Muscat, joined the virtual signing ceremony. Md Zia Arfin, senior executive vice-president and head of international division at Bank Asia, along with other senior officials of the two organisations were present.



United Commercial Bank (UCB) organised an "Audit and ICC Conference 2022" at a Dhaka hotel on Monday to create a culture of compliance and mitigating financial risks. Akhter Matin Chaudhury, chairman of audit committee at the UCB, Aparup Chowdhury, independent director, Arif Quadri, managing director, and Mohammed Khorshed Alam and ATM Tahmiduzzaman, deputy managing directors, were present.

PHOTO: UCB

All systems go

FROM PAGE B4

economic expansion can stay on track even as inflation is driven lower.

Fed Chair Jerome Powell, speaking to lawmakers in Congress earlier this month, said he felt it was "more likely than not that we can achieve what we call a soft landing ... which is get inflation back under control without a recession."

But he also acknowledged the central bank was in uncertain terrain, perhaps more reminiscent of the high-inflation days of the 1970s than of the weak inflation environment that has conditioned monetary policy since the early 1990s.

"We haven't faced this challenge in a long time," Powell said in testimony before the US House of Representatives Financial Services Committee. "But we all know the history and we all know what we need to do."

The new projections due to be issued alongside the policy statement at 2 pm EDT (1800 GMT) will show just how aggressive officials think they may need to be, and whether policymakers see the target federal funds rate rising to the sort of restrictive levels that could actually crimp the economy and increase unemployment.

Since the 2007-2009 financial crisis and recession, the Fed has penciled in those sorts of restrictive policies only once, in response to former President Donald Trump's run-up of deficit spending in 2017 and 2018, but rates never rose that high before the economy started to buckle.

Inflation is now the motivation. The Fed's preferred gauge of price pressures is currently increasing at an annual rate that is triple the central bank's 2% target, and the environment of war, rising energy costs, and climbing wages has drawn parallels to the 1970s and early 1980s when the Fed pushed the economy into recession to break the cycle.

If the Covid-19 pandemic led to unpredictable economics, developments in Europe have made the situation almost Byzantine when it comes to forecasting.

The price of US West Texas Intermediate crude, for example, rose about 33 per cent to \$123 a barrel in the days following Russia's February 24 attack on Ukraine. On Tuesday, it had fallen back to about \$95 a barrel, near where it was before the war.

But that decline was driven largely by new coronavirus-related lockdowns in China that could cause economic problems of their own - including more inflation.

The situation "couldn't be worse for the Federal Reserve, which is already chasing inflation for the first time since the 1980s. The disruptions we are seeing are adding fuel to a well kindled inflation fire," wrote Diane Swonk, chief economist at Grant Thornton. Powell "will be walking a tightrope, balancing the need to raise rates and rein in a more systemic rise in inflation with the need to avert a meltdown" if the central bank is seen raising rates so fast it might risk a recession, she added.

US to help construct cold storages

STAR BUSINESS REPORT

The United States Department of Agriculture (USDA) will provide financial and technical support to Bangladesh for constructing cold storages in the country.

A delegation of USDA led by Megan Francis, agricultural attaches of the US embassy in Dhaka, gave the assurance in a meeting with Agriculture Minister Muhammad Abdur Razzaque at the secretariat yesterday.

Besides, they will provide refrigerated vehicles for the transport of agricultural products and cold chains in Bangladesh, said a press release of the ministry.

In the meeting, Razzaque said the government is determined to increase the export of agricultural products and add value.

"We have taken various initiatives to that end. Work is underway to set up a world-class packing house and accredited lab on two acres of land in Purbachal. The US Department of Agriculture can assist us in building the packing house and setting up the accredited lab," the minister said.

The USDA is currently implementing a \$26 million project named "Bangladesh Trade Facilitation Project".

The four-year project will mainly work to increase the quality and export of agricultural products in Bangladesh until 2025.

Iraq wants to buy mango, potato, vegetables

STAR BUSINESS REPORT

Middle Eastern country Iraq wants to buy mango, vegetables and potato from Bangladesh.

Abdulsalam Saddam Mohisen, chargé d'affaires of Iraq embassy in Dhaka, said this in a meeting with Agriculture Minister Muhammad Abdur Razzaque at the secretariat in Dhaka yesterday.

Besides, a memorandum of understanding (MoU) would be signed between Bangladesh and Iraq to enhance the cooperation in the agriculture sector, Razzaque said after the meeting.

To this end, a draft will be formulated soon, he said.

Razzaque said discussions have been held on how to enhance Iraq's bilateral relations with Bangladesh further.

He said Iraq usually import agricultural products from India and Turkey.

"The economic situation in Iraq is good now. They have expressed interest in signing a memorandum of understanding (MoU) for cooperation in the agricultural sector."

They (Iraq) want to take vegetables, mango and potato from Bangladesh.

"We can export potatoes," the minister said.

In the meeting, Mohisen lauded the success of agricultural development in Bangladesh, according to a press release of the ministry.



Rupali Chowdhury, managing director of Berger Paints Bangladesh, cuts a ribbon to inaugurate an "Experience Zone" on Chatterswari Road in Chattogram yesterday. Md Mohsin Habib Chowdhury, senior general manager for sales and marketing, Abul Kasem Mohammad Sadeque Nawaj, general manager for marketing, Nazrul Islam, divisional sales manager, and Shabbir Ahmad, head projects prolinks experience zone, were present.

PHOTO: BERGER PAINTS BANGLADESH



Abdur Rahman, deputy managing director of AB Bank, and Md Sharfuddin Newaz, general manager (in-charge) of Radisson Blu Dhaka Water Garden, exchanged signed documents of an agreement at the former's head office on Sunday over discounts at the hotel for a year.

PHOTO: AB BANK

Grower markets remain

FROM PAGE B4

Under the new initiative, the DAM will set up three tomato processing factories with each in Rangpur, Dinajpur and Panchagarh this year.

Shahin Alam, district marketing officer of the DAM in Rangpur, says Noorjahan Enterprise, a small-scale business entity, has expressed its intention to use the

growers' market near the local truck stand to process and pack export-oriented potatoes.

ATM Ershad Alam, district marketing officer of the DAM in Nilphamari, says talks are underway with a number of small agro-based entrepreneurs.

The agency is going to ink an agreement with a nut-processing factory and a group that makes

nutritious food.

Arif Hossain, the owner of the nut-processing plant, says modern facilities at the growers' markets would be useful to run agro-based small enterprises.

"Farmers will be able to sell products directly at fair prices and unemployed growers will get jobs during the lean period."

REASONS BEHIND ANOMALIES

- Lack of strict monitoring
- Weak corporate governance
- Low paid-up capital
- Lenient punishment

If stockbrokers fail to ensure safety of investors' funds, their confidence in the market will go down.

SHIBLI RUBAYAT UL ISLAM
chairman of BSEC

RECOMMENDATIONS

- Enhancing good governance
- Introducing digital wallet
- Developing uniform back-office software
- Letting DSE verify bank accounts of brokers
- Building investors' awareness
- Strengthening monitoring
- Improving internal control system



ROGUE BROKERS ON THE PROWL

BROKERS THAT EMBEZZLED FUNDS

(Since 2020)

TAMHA SECURITIES

Tk 142cr

BANCO SECURITIES

Tk 66cr

CREST SECURITIES

Tk 48cr

Protect investors' funds to shore up their confidence

BSEC tells stock brokers

STAR BUSINESS REPORT

Stockbrokers in the county should ensure proper monitoring of their own activities as the continued misuse of investor funds could lead to poor confidence in the market, according to top officials of the Bangladesh Securities and Exchange Commission (BSEC).

The commission is working to raise investor confidence by presenting the stock market as a vibrant place for investment, said Prof Shibli Rubayat-Ul-Islam, chairman of the BSEC.

But if stockbrokers fail to ensure the safety of investor funds, they will not be able to remain confident in the market, he added.

Islam's comments came during an awareness programme, styled "Strengthening Security of Fund and Securities of Investors", organised by the Dhaka Stock Exchange (DSE) on Tuesday at the head office of the premier bourse.

"The brokers should be more cautious with investor funds than they are with their own money," the BSEC chairman said.

He went on to say that as the BSEC's main purpose is to monitor the market situation, its efforts to penalise

wayward stockbrokers are not often shared with the media even though five intermediaries have already been penalised for breaching rules.

"We don't want to create any hassle in the brokers' office, so it would be better if they ensure their own monitoring and the Dhaka bourse will also work hard to this end," Islam said while speaking as chief guest.

"If any stockbroker misuses investor funds, then it affects the whole market and all of our endeavours become meaningless," he added.

With this backdrop, the BSEC chairman ordered all stockbrokers to follow the rules and regulations in place. He then assured that the commission would always help resolve any problem that rises in the stock market.

The market needs to register higher turnover for stockbrokers to see increased business, but this is only possible when investor confidence is stable.

Islam also asked the DSE to bring in blockchain technology as the use of modern equipment could help reduce the number of irregularities.

"People in Bangladesh have massive funds and since our savings tools are not

generating adequate returns, the stock market has huge potential to attract these funds," said Md Abdul Halim, a commissioner of the BSEC.

"So, if they have enough confidence then the market will be flooded with huge investment," he added.

Besides, it is much better for ensuring the safety of investor funds when stockbrokers properly maintain regulatory compliance.

"You [stockbrokers] know the pain of getting caught by regulators when breaching rules, so you should strengthen your own internal control," Halim said.

The BSEC wants to make life easier for compliant intermediaries, but all of them are now under pressure due to the actions of a few bad people, he added.

Three stockbrokers embezzled investor funds worth about Tk 256 crore in the last one-and-a-half years.

Of the total amount, Tamha Securities embezzled Tk 142 crore, Banco Securities siphoned off Tk 66 crore and Crest Securities defrauded investors of Tk 48 crore.

"This is a matter of concern for us as these types of activities are the main reasons behind low confidence

in the stock market," said Md Eunusur Rahman, chairman of the DSE.

The culprits behind the embezzlement are travelling around with their own cars but the victims are in a tight corner and even struggle to run their livelihoods due to poor regulatory framework.

Shuvra Kanti Choudhury, managing director of Central Depository Bangladesh Ltd (CDBL), said that if brokers can strictly avoid executing any trade without the investors' order, then the problem will reduce.

"They should strengthen their internal control system so that no one can break the securities rules and misuse investor funds," he said.

Richard D Rozario, president of DSE Brokers Association of Bangladesh, said stockbrokers should enhance monitoring on their own to reduce all the errors because it can hit their own goodwill.

Although market turnover rose to the Tk 2,000-crore level for a few days, it is now back down to the Tk 600-crore level again. "So our business became tougher," he said.

Tarique Amin Bhuiyan, managing director of the DSE, also spoke.

VAT on edible oil only 5pc now

STAR BUSINESS REPORT

The National Board of Revenue (NBR) yesterday cut value added tax (VAT) at imports of edible oil to 5 per cent from 15 per cent in line with the government's decision to reduce the indirect tax to give some relief to consumers.

With the cut, consumers will have to pay only 5 per cent VAT in the value chain of soybean oil and palm oil, imported to meet domestic demand.

Amid public outcry for surging prices of the edible oil, slow delivery by mills, stocking by a section of traders, the government on March 14 removed 15 per cent VAT at production and 5 per cent VAT at the trading stage.

However, refiners said the cut would not give relief to consumers to a great extent unless the VAT at imports is reduced substantially.

Md Shafiqul Ather Taslim, director of TK Group's finance and operations, said consumers may get Tk 16-17 prices benefit at Tk 168 for each litre of bottled oil following the reduction of VAT at the import stage.

There will be an effect on prices from tomorrow and the day after tomorrow. In the case of bottled oil, consumers will have to wait until Sunday evening as offices and factories will remain closed in the next three days, he said.

On March 14, the NBR removed 15 per cent VAT at production and 5 per cent VAT at the trading stage of refined soybean and palm oil.

Retailers in the markets of Dhaka city sold each litre of soybean oil at Tk 165-Tk 170 from Tk 165-Tk 170 yesterday, according to Trading Corporation of Bangladesh.

The NBR said it cut VAT on refined soybean oil, crude soybean oil, crude palm oil and other refined palm oil to 5 per cent and the reduced VAT rate would remain valid until June 30, 2022.

Ensure eco-friendly development: analysts

STAR BUSINESS REPORT

The government should take up an effective plan to ensure eco-friendly development and reshape current growth to one that is sustainable, analysts said yesterday.

The authorities should identify why some Bangladesh Bank-financed plans are not working effectively and destroying the environment constantly, they said.

The analysts believe green finance incentive systems will work best if relevant ministries and state-owned companies collaborate.

The comments came at a virtual discussion on "Incentives for Green Finance and Investment" organised by the Policy Research Institute of Bangladesh (PRI) in collaboration with World Bank Group.

The disbursement of Bangladesh Bank's climate funds was not done correctly as people still do not know of the advantages of green financing, said Ahsan H Mansur, executive director of the PRI and chairman of Brac Bank.

Mashrur Rahman, economic affairs adviser to the prime minister, underscored the necessity of coordination among all ministries to ensure sustainable green development.

Amend EPZ labour law

FROM PAGE B1
products except arms and ammunition to the world's largest trade bloc. It was launched in 1971 with a view to bringing a balanced economic order worldwide.

Earlier, the visiting EU delegation expressed concerns over the amendment delay.

The demand for expediting the amendment process came at a meeting with Commerce Secretary Tapan Kanti Ghosh in Dhaka on Tuesday night.

In the unscheduled meeting, the delegation also said the EU was assessing whether compliance to human and labour rights laws were in tune with the new EBA conditions.

The EU has been working on a new Generalised Scheme of Preferences proposed under the EBA for the LDCs for 10 years starting from 2024.

"We have asked the EU for considering Bangladesh's proposal for amending the EPZ labour law by 2025," said Md Abdur Rahim Khan, joint secretary to the commerce ministry.

"A lot of progress has already been made for the

amendment," said Khan, who was present at the meeting.

He also said a draft copy of the amendment has already been sent to the law ministry for vetting before it was placed in parliament for the final approval.

Besides, rules of the general labour law may be amended by June this year, he said.

The government has been working to recruit a good number of inspectors for the Department of Inspection for Factories and Establishment to strengthen monitoring, said Khan.

Bangladesh also demanded that the EU facilitate trainings for industrial police for enhancing improvements to work environments in industrial areas, he added.

Commerce Secretary Tapan Kanti Ghosh said Bangladesh has made laudable progress in executing the action plan to be eligible for the EBA.

However, meetings could not be held regularly for the timely amendment of the EPZ labour law for the pandemic, he said.

"So we asked the EU delegation to consider

deferring the amendment to be done by 2025," Ghosh also.

Moreover, there has been good progresses regarding Bangladesh ratifying ILO Convention 138, amendment to rules of the labour law and elimination of child labour from different sectors, except that of garments, Ghosh also said.

The delegation held meetings with senior officials of the ministries of labour, commerce and foreign affairs to assess the progress of the reforms as per their action plan.

The team included Jordi Curell Gotor, director for international affairs, Directorate General for Employment, Social Affairs and Inclusion, and Benedikt Bunker, policy officer, Directorate General for Employment, Social Affairs and Inclusion, European Commission.

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 delegation.

Cut complexities

FROM PAGE B1
Naoki suggested that local industries must be more diversified and went on to say that introducing new technologies is necessary for productivity growth while workforce development is also essential.

"Young and talented Bangladeshis should be ahead of the curve in regards to innovation," the Japanese ambassador said.

He believes the expansion of foreign direct investment in Bangladesh, particularly from Japan's private sector, will help the country address those challenges.

Naoki said regulatory and structural reforms should continuously move forward.

"We hope the government will take up the issues that Japanese companies face, including delays in customs clearance, various taxations, restrictions on the telegraphic transfer of import payments, discrimination of export incentives between domestic and foreign companies, and improvement of the business environment in export processing zones and special economic zones."

According to the Japanese ambassador, the Dhaka Mass Rapid Transit (MRT) Line 6 will start commercial operation in December while the Japanese Economic Zone in Araihaazur will soon be ready for investment.

Prof Rehman Sobhan, chairman of the CPD,

said there are a number of major development projects in Bangladesh that are being funded by Japan.

He hoped that Japan will remain involved with the local energy sector and climate change issue as well.

Asif A Chowdhury, president of the Japan-Bangladesh Chamber of Commerce and Industry, alleged that corruption has increased at an alarming rate along with the implementation of a number of development projects.

He also suggested giving attention to improving the ease of doing business situation to attract more FDI from Japan.

Yuho Hayakawa, chief representative of the Japan International Cooperation Agency in Bangladesh, said the country is important to Japan for three reasons - the strong bond between the two countries, the fact that Bangladesh needs development projects to reduce poverty, and its stable policies.

Hayakawa added that Bangladesh is the top Japanese official development assistance receiver in the world. Moderated by Fahmida Khatun, executive director of the CPD, Kazi Nabil Ahmed, a member of parliament, Shahabuddin Ahmed, the ambassador of Bangladesh to Japan, Kenta Goto, professor of economics at Kansai University, and Khondker Golam Moazzem, research director of the CPD, also spoke at the event.

UK imposes stiff import tariffs for Russia

AFP, London

The UK on Tuesday added over 370 more prominent Russians and entities to its sanctions list and hiked tariffs on a swathe of imports from vodka to steel, and banned exports of luxury goods in retaliation for Moscow's invasion of Ukraine.

The government announced a new wave of asset freezes and travel bans for 350 people and 23 Russian entities. The oligarchs sanctioned on Tuesday have a combined fortune of over 100 billion pounds (£20 billion euros).

Foreign Secretary Liz Truss said the earlier the sanctions now extended to 51 oligarchs and their families, as well as Russian President Vladimir Putin's "political allies and propagandists".

"Working closely with our allies, we will keep increasing the pressure on Putin and cut off funding for the Russian war machine," she said.

Among those added to the sanctions

list were Mikhail Fridman and Petr Aven, who are already subject to European Union sanctions, and who this month stepped down from the LetterOne investment fund they co-founded, and Alfa Bank founder German Khan.

Former prime minister and president Dmitry Medvedev, Kremlin press secretary Dmitry Peskov, and his foreign ministry counterpart Maria Zakharova were also placed on the list. The UK has been accused of being slow to act against Russian interests compared with its near neighbours in the EU. Oligarchs previously targeted with travel bans and asset freezes include Chelsea Football Club owner Roman Abramovich, as well as Putin and his foreign minister Sergei Lavrov.

The UK has meanwhile severed ties with Russian banks, grounded planes and stopped ships from using its ports, and plans to phase out Russian oil imports by the year-end.

Robi tops losers' chart

FROM PAGE B1
Its profit after tax stood at Tk 180 crore at the end of 2021, up 16 per cent from Tk 155 crore in 2020 when the number of shares was calculated on a weighted average basis as Robi got listed at the end of 2020.

With a majority owned by Malaysia-based Axiata Group Berhad, Robi said it

expanded both its mobile and data subscriber base in 2021.

The mobile operator recorded Tk 8,142 crore in revenue in 2021, up 7.6 per cent the previous year. Its data revenue grew faster than voice revenue during the year, said Robi in a statement.

Robi's earnings before interest, taxes, depreciation

and amortization (EBITDA) rose 2.7 per cent to Tk 3,308 crore in 2021.

"We are happy to see our growth strategy consistently working in the market. Robi made the highest revenue growth for the third consecutive year in 2021," said Robi Acting Chief Executive Officer and Chief Financial Officer M Riyaz Rasheed.

Oil rises back above \$100

REUTERS, London

Oil rose almost 3 per cent on Wednesday, back above \$100 a barrel, recovering from a decline in the previous session as concern eased about slowing demand in China, although signs of progress in Russia-Ukraine peace talks limited gains.

Ukraine's president said the positions of Ukraine and Russia were sounding more realistic, but more time was needed. read more Russia's foreign minister said some deals with Ukraine were close to being agreed.

US airlines see strong travel recovery after Omicron

AFP, New York

Major US carriers lifted their revenue forecasts Tuesday as a faster-than-expected travel recovery from the latest Covid-19 wave mitigates the drag from higher jet fuel costs.

American Airlines, Delta Air Lines, United Airlines and Southwest Airlines all offered similar appraisals of market conditions in presentations at an investment conference Tuesday.

American now expects first-quarter revenues to be down 17 per cent compared with the 2019 period, after previously projecting a drop of as much as 22 per cent.

"The improvement in revenue is expected to more than offset the increases in fuel and other expenses in the quarter," American said in a securities filing.

Delta Air Lines reported "strong spring and summer travel demand" as

"The improvement in revenue is expected to more than offset the increases in fuel and other expenses."

it lifted its revenue forecast for the first quarter of 2022.

Southwest Airlines used similar language to describe booking trends, while United Airlines said that "in the period following the peak in Covid-19 case counts associated with the Omicron variant in January 2022, demand for travel has exceeded the company's previous expectations."

But higher jet fuel costs in light of spiking crude prices act as a counterweight to the improved travel outlook.

Delta now projects fuel prices of \$2.80 a gallon, up from its prior range of \$2.35 to \$2.50. American and United also warned of a hit from fuel.

Rising fuel costs, along with aircraft delivery delays, were a factor in United's move to trim its overall flight capacity in 2022.

Southwest proved an exception since the carrier's hedging program locked in fuel costs when prices were lower. As of March 10, the program amounted to an asset of \$883 million based on current prices for the commodity.



The Notun Bazar NCDP Wholesale Market in the sadar upazila of Nilphamari has been shuttered for years as farmers and wholesalers did not use it for their lack of knowledge about modern marketing systems. The market was set up to help growers receive fair prices for their produce. The photo was taken recently.

PHOTO: EAM ASADUZZAMAN

Grower markets remain idle, govt draws new plan

Will now turn them into hubs for small agro entrepreneurs in Rangpur

EAM ASADUZZAMAN, Nilphamari

The government has initiated a move to transform the growers' markets in Rangpur into hubs for small agro entrepreneurs since they have been lying idle for more than a decade owing largely to farmers and wholesalers' lack of interest and a propaganda carried out by a vested group.

The markets, established in 2008 with the financial support from the Asian Development Bank (ADB) and the government under the North-West Crops Diversification Project (NCDP) of the agriculture ministry, had aimed at allowing growers to process and sell products at a fair price, thus eliminating middlemen.

Of the 29 markets in Rangpur, Dinajpur, Gaibandha, Nilphamari, Kurigram, Lalmonirhat, Thakurgaon and Panchagarh in the division, 24 were dedicated to growers so that they can sell their produce in the retail market and the rest five were for wholesale markets where farmers can sell their crops.

In the markets, there are separate areas for sorting, grading, washing and packaging crops, holding auctions, warehouses, and training centres. But the markets were abandoned within a couple of years of their launch, as farmers, mostly illiterate, did not accept the modern marketing concept.

Farmers' lack of awareness about the benefit of the markets, propaganda carried out by the middlemen who feared they would lose control over the markets, and little awareness-raising campaigns by the government rendered them useless.

Dewan Kamal Ahmed, president of the

Nilphamari Growers Markets Managing Committee, and the mayor of Nilphamari municipality, says the markets were introduced without making farmers aware of the handling process and benefits, so they failed to achieve expected outcomes.

Mistrust and vested interest of the

The markets were established in 2008 with the financial support from the Asian Development Bank and the government under the North-West Crops Diversification Project of the agriculture ministry

members of the market management committee also stood in the way of popularising the markets, he said.

Belal Hossain, president of the Nilphamari Boro Bazar Wholesalers Association, says most of them were confused since the introduction of the markets as they are used to running independent businesses and prefer a free atmosphere where they can compete with other traders.

"We had thought that we had to follow a number of rules and regulations to run operations in the growers' markets. So, we didn't accept the concept."

Emdadul Haque, a farmer in Hasimpur village in Dinajpur, says a few influential people told them that they had to pay a higher charge to use the markets.

"We were concerned. So, we avoided the markets."

Atiar Rahman, president of the Nilphamari District Unit Krishok Samity, described the awareness campaigns run by the concerned government department inadequate.

"So, the vested quarter had been able to carry out propaganda against the markets successfully."

Officials of the Department of Agricultural Marketing (DAM) under the agriculture ministry say there is no government funds for the maintenance of the markets as the NCDP project ended long ago.

Anwarul Huque, divisional deputy director of the DAM in Rangpur, said, "We had launched a number of programmes to make farmers interested in the growers' markets but we did not get the expected results."

During a visit to a number of growers' markets in Nilphamari and Rangpur recently, it was found that quilt is being made in one of the markets, while a TV repair shop was set up in another, as the local offices of the DAM leased them out at a very nominal price to prevent the structures from decaying for persisting non-use.

As farmers hesitated to accept the modern marketing method, the DAM could not allow the markets to remain unutilised for long, according to Huque.

Now, the agriculture ministry is set to undertake a fresh programme to turn the markets into hubs for agro-based entrepreneurs.

"We have decided to promote small agro-based entrepreneurs. This will ultimately benefit farmers as they will be able to sell their produce at the hubs at a fair price," Huque said.

READ MORE ON B2

Stocks remain flat for third day

STAR BUSINESS REPORT

The domestic stock market has remained flat for three straight days now as many investors are still shaky about buying shares.

The DSEX, the benchmark index of the Dhaka Stock Exchange, remained unchanged at 6,765 points yesterday.

The stock market witnessed three consecutive flat sessions as investors were active on both sides of the trading fence ahead of the year-end corporate declarations for 2021, International Leasing Securities said in its daily market review.

Among the sectors, banks rose 0.8 per cent, pharmaceuticals and chemicals edged up 0.4 per cent, and food and allied appreciated 0.3 per cent.

The investors' attention was mainly concentrated on IT (14.6 per cent), textile (13.8 per cent) and miscellaneous (10.8 per cent).

At the DSE, 119 stocks advanced, 228 declined and 33 remained unchanged.

Turnover dropped 21 per cent to Tk 837 crore, down from Tk 1,065 crore the previous day.

Beximco Ltd was the most traded stock with shares worth Tk 62 crore changing hands while BDCOM Online, Aamra Technologies, GBB Power, and Bangladesh Shipping Corporation followed with Tk 39 crore, Tk 23 crore, Tk 19 crore, and Tk 17 crore respectively.

Gemini Sea Foods topped the gainers list, rising 8.78 per cent, followed by Sunlife Insurance, Apex Foods, Bangladesh Industrial Finance Company, and RN Spinning Mills.

Robi Axiata shed the most, dropping 3.59 per cent, while Bangladesh Shipping Corporation, and Alif Industries dropped 2 per cent each.

Similarly, Eastern Insurance and Bangladesh Thai Aluminium lost 1.98 per cent and 1.97 per cent respectively.

The Chittagong Stock Exchange (CSE) fell yesterday as the Caspi, the main index of the port city bourse, edged down by three points to hit 19,821. Among 301 traded stocks, 82 rose, 192 fell and 27 remained the same.

All systems go for Fed's liftoff of interest rates

REUTERS, Washington

The Federal Reserve on Wednesday will close the door on its ultra easy pandemic-era monetary policy and step up the fight against stubbornly high inflation with the first in what is likely to be a series of interest rate hikes this year.



The shift, beginning with an expected quarter-percentage-point increase in the US central bank's benchmark overnight interest rate, has been in the works since last fall and has already driven up the cost of home mortgages and other key types of credit in anticipation of what the Fed will do to curb prices that are rising at their fastest pace in 40 years.

Yet the urgency surrounding the Fed's policy meeting this week has intensified because inflation has shown no signs of easing and may even rise further on the back of Russia's invasion of Ukraine, which fueled an oil price spike this month.

The precise language of the Fed's new policy statement and the details of updated quarterly economic and interest rate projections will provide the first concrete guidance about how all that has influenced policymakers, and in particular whether it has rattled faith that the

READ MORE ON B2

Russia teeters on brink of historic default

REUTERS, London

The economic cost of Russia's assault on Ukraine was fully exposed on Wednesday as Vladimir Putin's sanctions-ravaged government teetered on the brink of its first international debt default since the Bolshevik revolution.

Moscow was due to pay \$117 million in interest on two dollar-denominated sovereign bonds it had sold back in 2013. But the limits it now faces making payments, and talk from the Kremlin that it might pay in roubles - triggering a default anyway - meant even veteran investors were left guessing at what might happen.

One described it as the most closely watched government debt payment since Greece's default at the height of the euro zone crisis. Others said an emergency 'grace period' that allows Russia another 30 days to make the payment could drag the saga out.

"The thing about defaults is that they are never clear cut and this is no exception," said Pictet emerging market portfolio manager Guido Chamorro.

"There is a grace period, so we are not really going to know whether this is a default or not until April 15," he said referring to the situation if no coupon payment is made. "Anything could happen in the grace period."

A Russian government debt default was unthinkable until what Putin called a "special military operation" in Ukraine began in late February.

It had nearly \$650 billion of currency reserves, coveted investment-grade credit ratings with S&P Global, Moody's and Fitch, and was raking in hundreds of millions of dollars a day selling its oil and gas at soaring prices.



Pedestrians cross the road as skyscrapers of the Moscow International Business Centre are seen in the background in Moscow.

PHOTO: REUTERS/FILE

IEA cuts oil demand outlook, fears Russia supply shock

AFP, Paris

The International Energy Agency cut its world oil demand forecast for 2022 on Wednesday, warning that sanctions against Russia over its invasion of Ukraine could spark a global supply "shock".

"Faced with what could turn into the biggest supply crisis in decades, global energy markets are at a crossroads," the IEA said in a monthly report.

"While it is still too early to know how events will unfold, the crisis may result in lasting changes to energy markets," said the Paris-based agency, which advises developed countries.

Russia, the world's biggest exporter of oil, has been hit with a slew of international sanctions over the war in Ukraine, which sent oil prices soaring.