A seller arranges stoves made of cement at Rohitpur in Keraniganj. Selling for Tk 200 to Tk 300 a piece, these stoves are a popular alternative to earthen stoves which lose shape and have to be remade if they come in contact with water. The photo was taken recently.

PHOTO: AMRAN HOSSAIN

Saudi prince faces dilemma over Russia and China

REUTERS, *Riyadh*

The United States and Britain are ramping up pressure on Saudi Arabia to pump more oil and join efforts to isolate Russia, while Riyadh has shown little readiness to respond and has revived a threat to ditch dollars in its oil sales to China.

British Prime Minister Boris Johnson flew into the world's biggest crude oil exporter on Wednesday, a day after US security adviser Brett McGurk arrived with a US delegation.

Saudi Arabia and its neighbour the United Arab Emirates, which are among just a handful of producers with spare capacity, have snubbed Western calls for more crude to cool red-hot prices and have stuck to an OPEC+ supply pact with Russia and others.

Crown Prince Mohammed bin Salman, the kingdom's de facto ruler, has faced sharp Western criticism over the 2018 murder of Saudi journalist Jamal Khashoggi, Riyadh's human rights record and the Yemen war.

US President Joe Biden has, so far, refused to deal directly with the prince, who is widely known as MbS.

With US-Saudi relations at a low point, MbS has responded by strengthening ties with Russia and China, even though the kingdom still has close security ties with Washington. McGurk and other US officials met senior Saudi officials on Tuesday, pressing them to pump more oil and find a political solution to end the war in Yemen, where Saudi-led forces are battling the Iran-backed Houthi group, two sources said.

"You would be wrong if you think Washington would give up on these two files," one of the two sources, who is familiar with the discussions, told Reuters. A senior US administration official said McGurk was in the Middle East "discussing a wide range of issues, including Yemen", but declined to elaborate. The British prime minister, meanwhile, described Saudi Arabia and the UAE as "key international partners" in the effort to wean the world off Russian hydrocarbons and put pressure on Russian President Vladimir Putin after Moscow invaded Ukraine. But Abdulkhaleq Abdulla, a prominent Emirati political analyst, said Johnson should not expect much. "Boris will go back empty handed," he wrote on Twitter.

The Saudi government did not immediately respond to a Reuters request for comment on the US and British visits.

For now, Saudi Arabia has shown no sign of abandoning an oil supply pact forged between the Organization of the Petroleum Exporting Countries and allies, including Russia, which has seen the group known as OPEC+ hiking oil output only gradually.

At the last OPEC+ meeting on March 2 - less than a week after Russia invaded Ukraine and as the West ratcheted up sanctions on Moscow - ministers dodged the Ukraine issue in talks and swiftly agreed to stick to existing policy.

Meanwhile, Riyadh has signalled it wants closer ties with Beijing by inviting Chinese President Xi Jinping to visit this year. The Wall Street Journal said Saudi Arabia was in talks to price some crude it sells to China in yuan.

"If Saudi Arabia does that, it will change the dynamics of the forex market," said a source with knowledge of the matter, adding that such a move - which the source said Beijing had long requested and which Riyadh threatened as far back as 2018 - might prompt other buyers to follow.

The Saudi energy ministry declined to comment, while state oil giant Saudi Aramco did not respond to a request for comment. One diplomat said Riyadh was turning to "old threats" to push back at the West, although the diplomat and others say any shift to the yuan would face practical challenges, given crude is priced in dollars, the Saudi riyal is pegged to the greenback and the yuan does not boast the same role as a reserve currency.

Commercial Bank of Ceylon group MD to arrive in Dhaka today

STAR BUSINESS DESK

S Renganathan, group managing director of the Commercial Bank of Ceylon PLC, is scheduled to visit Bangladesh today.

Renganthan will attend business conclaves both in Dhaka and Chattogram, said a press release. In addition, he will be presiding over the bank's Annual Staff Conference over its Bangladesh operations.

According to the lender's website, over the period of last 16 years of operation in Bangladesh, the bank has expanded its network to 11 branches, 2 specialised OBU sections in Dhaka (Gulshan) and Chittagong (CEPZ) and 6 SME centres.

Unique products and services, superior service quality and efficient and customised solutions to the requirements of corporate and personal banking customers are hallmarks of the successful stride of CBC in Bangladesh, it said.

Ukraine war to halve Germany's growth: think tank

AFP, *Berlin*

Russia's invasion of Ukraine will have a heavy impact on the German economy, cutting its 2022 growth forecast by almost half to 2.1 percent, economic institute IfW said Thursday.

"Without the strong post-pandemic boost, German economic output would be in recession in the current year," said IfW vice president Stefan Kooths.

The war on the edge of the European Union will cost Germany some 90 billion euros in output for this and next year, said the IfW, the first to issue a forecast since Russia's assault began on February 24.

"The Ukraine shock will delay the return to pre-coronavirus pandemic levels in the second half," it said, adding that production capacities will not be fully utilised up to the end of the year as supply chains are broken and demand disrupted.

The German economy was previously forecast to grow by four percent this year.

At the same time, Europe's biggest economy will have to battle a sharp leap in consumer prices that could reach up to 5.8 percent -- a level not seen since German reunification.

Energy prices have leapt since war broke out, forcing the first German companies to take drastic action like idling their plants while consumers are faced with hefty power bills.

Fed raises interest rate

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reopened, inflation has roared back, with prices for gasoline, food, cars and rents pushing the consumer price index to a four-decade high.

Powell said supply chain issues were worse and more long lasting than expected, and acknowledged that "inflation is likely to take longer to return" to the Fed's two-percent goal.

Blaming the "elevated" inflation on "supply and demand imbalances related to the pandemic, higher energy prices and broader price pressures," the statement said "ongoing increases" in the policy rate will be "appropriate."

Markets are expecting a total of seven rate hikes this year, and while the committee typically moves in quarter-point steps, Powell said it could be more aggressive if needed.

"If we conclude that it would be appropriate to raise interest rates more quickly, then then we'll do so," he said.

Kathy Bostjancic of Oxford Economics said "the heightened uncertainty surrounding the full economic and market impact from the Russia-Ukraine war led policymakers to start conservatively."

"However, the Fed's revised interest rate dot plot and inflation forecasts signal the FOMC overall is in a very hawkish mood, as it is very determined to lower inflation," she said in an analysis.

PHOTO: REUTERS/FILE

Powell warned that in addition to higher global oil and commodity prices, "the invasion and related events may restrain economic activity abroad and further disrupt supply chains, which would create spillovers to the US economy."

But he said there is little chance of a recession in the next year, noting that "the American economy is very strong and well positioned to handle tighter monetary policy."

The FOMC also released new quarterly economic projections, showing members of the committee raised their median inflation forecast for the year to 4.3 per cent from 2.6 per cent previously, and slashed the growth estimate to still-strong 2.8 per cent from 4.0 per cent.

While the median forecast was for the Fed's interest rate to end the year at 1.9 per cent, members were split, with nine still expecting the level to be below two percent, and seven expecting a higher rate.

One member of the committee, the resolutely hawkish St Louis Fed President James Bullard, dissented from the vote, arguing for a half-point increase as the first step in the tightening cycle.

Powell also said the committee made progress on the next phase of its inflation fight: reducing the stockpile of assets the central bank built up in its effort to pump liquidity into the economy during the pandemic's worst months.

The first step in reducing the balance sheet holdings, including Treasury debt and mortgage-backed securities, could come as soon as the next policy meeting in May, he said.

Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, addresses a Business Development Conference for the Chattogram region at The Peninsula Chittagong on Wednesday. Muhammad Qaisar Ali, additional managing director, JQM Habibullah and Md Nayer Azam, deputy managing directors, and Mohammed Shabbir and Md Maksudur Rahman, senior executive vice-presidents, were present.

PHOTO: ISLAMI BANK BANGLADESH

Driving change: the knowing-

FROM PAGE B4

The next question was: Do you know how to resolve it? Some 69 per cent said 'yes', 26 per cent said 'may be' and the remainder said 'no'.

The third question was: How successful is your organisation in solving the problem (on a five-point scale where 1 being very successful and 5 being very unsuccessful)? The response was a "Neutral" 44 per cent, "Very Successful to Successful" 37 per cent and "Unsuccessful" 19 per cent.

When asked about the reasons for such deviation, the respondent cited various reasons, including top down decision-making approach, comfort zone, team alignment, knowledge sharing culture and laziness.

It's evident from the above that if all of us successfully convert our knowledge and available information into result-oriented action, the performance of the organisation as well as our own productivity may reach a level that may have a significant impact on the country's GDP.

Knowing-Doing gap is a common phenomenon across the world. If we really want to take a lead at the global stage with our limited resources, it is important to bridge the gap between knowing and doing at all levels from politics, the government sector, the private sector down to the individual level.

I believe this single cultural transformation may lead to the emergence of a "Shonar Bangladesh".

The author is a telecom and management expert.

Moscow sets out new controls on foreigners trading Russia assets

REUTERS, *London/New York*

Russia has set out strict rules for foreigners seeking permits to buy and sell Russian securities and real estate, a client memo by Citigroup showed, as details emerge of new state controls on investment in response to Western sanctions.

Russia temporarily stopped foreigners dumping Russian assets this month, saying it wanted to ensure decisions were considered and not driven by political pressure, as sanctions have intensified after Moscow's invasion of Ukraine.

Funds with tens of billions of dollars in exposure to Russia have been awaiting details on new restrictions they will face as they seek to offload assets.

The invasion, which Moscow calls a "special military operation", triggered an exodus of international firms and has largely cut off Russia's economy from the rest of the world.

The Russian authorities published Decree 81 this month that stipulates that any transaction between Russians and foreign counterparties requires permission from Russia's Government Commission for Control of Foreign Investment.

Effectively this meant foreign investors, who had acquired Russian stocks and bonds without restrictions, were left stuck with those holdings while the economy lurches from an enticing oil-rich investment destination to a financial pariah.

Russia has now laid out details of the application process for foreigners seeking to trade assets and which will restrict trading to those granted permits, the Citigroup memo says.

The process requires foreign investors wanting to buy and sell Russian assets to provide detailed information up front in order to obtain a permit to trade.

"Russian authorities have announced the order for obtaining permits to carry out operations determined by Decree 81. An authorised body empowered to take decisions on the issuance of permits has been established," the memo says.

It says an application and related documents must be submitted to the Russian finance ministry, in the Russian language, containing "information on the purpose, subject, content and essential conditions of the transaction."

Applicants must also disclose full information on beneficiaries and beneficial owners, the memo says.