

Star BUSINESS



Two workers put stacks of papers at a wholesale shop in the Andarkilla area of Chattogram. The demand for the material is rising as in-person classes are being increasingly allowed. The photo was taken on Tuesday. PHOTO: RAJIB RAIHAN

Paper price hike hands fresh blow to education, printing

JAGARAN CHAKMA and SUKANTA HALDER

The education sector and the printing industry have been dealt a major blow no sooner had they begun to make a comeback from two-year long closures and business slowdown owing to the coronavirus pandemic.

Educational institutions in Bangladesh were largely closed since the outbreak of the virus in the country in March 2020. But as coronavirus caseloads have dropped sharply in recent weeks, the government is gradually allowing in-person classes.

Similarly, the printing industry that saw its business hit the rock bottom as demand fell is hoping for a strong revival as the economy is recovering strongly.

But the recent rise in paper price caused by the hike in paper pulp, the raw material, and the supply disruption caused by the Russian-Ukraine war, means parents, who are already under pressure for the increasing inflation, will find it difficult to afford the key

learning ingredient for their children, while the hope for a swift recovery for the printing industry may be dashed.

In the last three and a half months, the price of papers rose by a minimum of 31 per cent in Bangladesh.

The price shot to Tk 90,000 per tonne in the first half of March, up from Tk 70,000 in December, according to millers and traders.

"The printing industry is facing trouble as millers can't supply the paper on time on the excuse of raw material shortage," said Shahid Serneabat, chairman of the Printing Industries Association of Bangladesh (PIAB).

"With much difficulty, we were able to print school books and deliver them. But now, students need exercise books as schools and colleges are reopening."

He claimed some millers had received advance payment to supply printing and writing paper. Three to four months have passed, but millers are yet to supply the paper.

Serneabat also alleged that a number of businessmen import

papers using the bonded warehouse facility to use them in export-oriented products. Instead, they sell them in the local market at a profit of 20 per cent at the expense of the local printing industry.

"This is the major reason for the volatility in the paper market."

Of the mills, seven major companies – Akij Group, Amber Group, Bashundhara Group, Meghna Group, Partex Group, Creative Paper Mills, and Papertech Industries – manufacture quality papers.

MM Nurun Nabi, executive director of Partex Paper Mills Ltd, said the prices of pulp had

declined to \$650 per tonne before surging to \$850 per tonne recently.

Bangladesh mainly imports pulp from Indonesia, Brazil and Canada to make paper to meet the requirement of the domestic market as well as to export.

"Suppliers say there is a shortage," Nabi said.

He blamed the increased

freight cost for the fuel price hike amid the Russia-Ukraine war for the increase in the paper price.

"But we can't raise the prices faster like other sectors."

Tofayel Khan, a former chairman of the PIAB, buys a board used in packaging for Tk 3,600 whereas it was Tk 1,200 only three months ago.

Similarly, the price of art paper has surged 80 per cent due to the supply chain disruption, a direct impact of the war. Russia is also a major player in paper production.

The price might increase further due to the depreciation of the local currency against US dollars as imports are growing at a faster rate than exports.

An official of Pran-RFL Group, which makes exercise books by purchasing papers from local mills, said prices are gradually going up.

Currently, the company buys paper at around Tk 97,000 per tonne against Tk 68,000-Tk 70,000 six to seven months ago. It had bought the same paper at Tk 85,000 per tonne in December and January.



Hallmark scam hangs heavy over Sonali Bank

STAR BUSINESS REPORT

Sonali Bank is yet to be free of hesitation over its ability to smoothly disburse loans following the Hallmark Group loan scam, one of the worst financial scandals perpetrated in the country between 2011 and 2012.

The bank should strengthen its financial health by further reducing its default loan rate, analysts said at a conference organised by the lender to mark its 50th anniversary at the Bangabandhu International Conference Centre in Dhaka yesterday.

Fazle Kabir, governor of Bangladesh Bank, said many officials of the state-run lender are still afraid of disbursing loans in the aftermath of the Hallmark Group scam.

"But there is no reason for unpleasant emotion if the process of loan



A view of the Sonali Bank headquarters in Motijheel, Dhaka. Sonali Bank is still haunted by ghosts of the Hallmark scam between 2011 and 2012, when Tk 2,686 crore was siphoned off from the state-run lender using forged documents. PHOTO: AMRAN HOSSAIN

Tannery, textile profits were battered by Covid

AHSAN HABIB

Profits of the tannery and textile companies were affected the most amongst that of all listed companies for the Covid-19 pandemic as their main period for sales was hit.

Profits of every company of the tannery sector on an average tumbled 330 per cent in 2020 while those of the textile sector around 88 per cent, according to an analysis of UCB Asset Management.

The analysis was of all listed companies for a five-year period starting 2015. To bear the impacts, some companies deducted salaries and went for layoffs.

During the pandemic, factories were closed and demand for clothes tumbled at both home and abroad, said Anwar-ul Alam Chowdhury, former chairman of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"So, the companies' profits plunged," he said.

Overall export earnings dropped 16.93 per cent to \$33.67 billion in the financial year 2019-20. It was around 26 per cent lower than that of the target, according to data of Export Promotion Bureau (EPB).

Garment export fell by 18 per cent to \$27.94 billion.

The sales of the garment sector in the local market were hit as the main selling period coincided with lockdowns that continued for around two months to contain the pandemic, he said.

The government announced a general leave from March 26 of 2020 till April 4 of the same year.

In the local market, two Eids and Pahela Baishakh were the main selling periods for local producers, which were mostly battered by the pandemic, said Chowdhury, also chairman of Evince Textiles.

Almost all the companies in the sector were impacted, he said.

Due to the pandemic, Bangladeshi workers in



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Bepza economic zone gets \$54m investment

STAR BUSINESS REPORT

The Hong Kong (China) owned M/s Campvalley Chittagong Limited will invest \$54 million to set up a camping equipment and garment manufacturing facility at the Bepza economic zone of the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Mirsarai, Chattogram.

The Bangladesh Export Processing Zones Authority (Bepza) and Campvalley Chittagong signed an agreement to this effect at the former's office in Dhaka yesterday.

Ali Reza Mazid, member (investment promotion) of Bepza, and Hong Woo Lee, chairman of Campvalley Chittagong, signed the agreement on behalf of their respective organisations.

Through its investment, Campvalley Chittagong aims to produce around 21.4 million tents, bags, camping chairs, luggage, sleeping bags, different types of knit and woven garments, umbrellas, mattresses, and more each year.

Once operational, the factory will generate employment opportunities for a total of 9,380 Bangladeshi nationals.

There are two other tent manufacturing companies in the Chattogram and Karnaphuli export processing zones operating under the same owner.

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, witnessed the signing ceremony.

Among others, Mohammad Faruque Alam, member (engineering) of Bepza, Md Zakir Hossain Chowdhury, executive director (administration), Nazma Binte Alamgir, executive director (public relations), Md Tanvir Hossain,

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STOCKS	
DSEX ▲	CSCX ▲
0.03%	0.11%
6,752.87	11,893.67

COMMODITIES	
Gold ▲	Oil ▲
\$1,947.91	\$114.68
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.15%	▲ 0.25%	▲ 1.05%	▼ 0.63%
57,595.68	28,110.39	3,399.70	3,250.26



Workers are seen breaking sacks of lentils into smaller packs for individual sale from trucks of the Trading Corporation of Bangladesh at subsidised rates. The picture was taken recently from the Chattogram City Corporation premises in the port city.

PHOTO: RAJIB RAIHAN

Gas buyers puzzle over Putin's demand for payment in rouble

REUTERS, Tokyo

Asian importers of Russian gas were scrambling on Thursday after Russian President Vladimir Putin said "unfriendly" countries must pay for Russian gas in roubles, in the latest jolt to global energy markets after Moscow's invasion of Ukraine.

Japan, South Korea and Taiwan were on the list of countries deemed unfriendly. They all import liquefied natural gas (LNG) from the Sakhalin 2 and Yamal LNG projects in eastern Russia. Putin said on Wednesday that Russia, which calls its actions in Ukraine a "special military operation", would continue to supply gas in volumes and prices fixed in contracts but would require payment in Russian roubles.

Japan, the biggest importer of Russian LNG in Asia, had no idea how Russia would enforce that requirement.

"Currently, we're looking into the situation with relevant ministries as we don't quite understand what (Russia's) intention is and how they would do this," Finance Minister Shunichi Suzuki said in parliament.

Japan imported 6.84 million tonnes of LNG from Russia in 2021, according to Refinitiv trade flow data, making up nearly 9% of its LNG imports.

JERA, Japan's biggest LNG buyer, has not received any notification from Sakhalin Energy, the joint venture that operates Sakhalin 2, to change the currency of payment from the US dollar, a company spokesperson said. The spokesperson added that the country's biggest power generator will keep gathering information.

A thermal power and fuel joint venture between Tokyo Electric Power Company Holdings and Chubu Electric Power, JERA buys about 2 million tonnes a year (tpy) of LNG from the Sakhalin 2 project under long-term contracts, according to Japan Oil, Gas and Metals National Corporation's data.

Tokyo Gas and Osaka Gas, the country's two biggest local gas suppliers, also were checking details on the rouble requirement, company spokespersons said on Thursday.

Tokyo Gas, one of Japan's largest LNG buyers, declined to comment on any details of its long-term contract for

1.1 million tpy with Sakhalin Energy, including what currency it can use for payment. Sakhalin Energy is 50 per cent owned by Russia's Gazprom, with Shell holding a 27.5 per cent stake while the rest is held by Japan's trading companies Mitsui & Co and Mitsubishi Corp. Shell said on February 28 that it would quit the project and the Japanese government has said Shell's exit did not impact Japan's energy imports.

Mitsui and Mitsubishi are checking details of the Russia's announcement, their spokesmen said.

South Korea, Asia's third-largest importer of Russian LNG, expected to be able to continue imports, with the country's Financial Services Commission saying it would do whatever was necessary to facilitate trade.

Korea Gas Corp said it imports about 2 million tpy of Russian LNG, making up about 6 per cent of the company's imports. However, KOGAS does not transact directly with Russia as its purchase contract is with Sakhalin Energy and payments for the gas go into a Japanese bank in Singapore, it added.

"Since we are making payments to

that Japanese bank, we are not currently seeing issues now, but we are closely monitoring the development," a KOGAS official said.

Taiwan's economy ministry said state-owned CPC Corp has one gas shipment arriving from Russia at the end of this month. It said they had received "no news that the payment system will be adjusted".

The call for payments in roubles was seen as Putin's way of trying to shore up the rouble, which has collapsed after the imposition of sanctions on Russia.

Putin said the government and central bank had one week to come up with a solution on moving operations into the Russian currency and that Gazprom would be ordered to make the corresponding changes to contracts.

However the move is unlikely to work for Moscow, said Eswar Prasad, a trade policy professor at Cornell University.

"Foreign importers would no doubt be happy to pay for their purchases of Russia's exports in a currency that is collapsing in value, although getting access to roubles in a manner that does not fall afoul of sanctions could be tricky," Prasad said.

Unilever wins World HRD Congress award

STAR BUSINESS DESK

Unilever Bangladesh Ltd (UBL) won the award of the "Global Best Employer Brand 2022" in Bangladesh from the World HRD Congress for its efforts in translating and combining vision with action, integrating its HR strategy with business, and cultivating competencies for the future to enable the organisation to be future-fit.

The award was handed over to Sakshi Handa, human resource director of Unilever Bangladesh, at the 30th edition of the World HRD Congress in Mumbai on March 23, a press release said.

Unilever Bangladesh was identified as the best employer brand at the national level through independent research led by Prof Indira Parikh, president of Antardisha (directions from within).

"The Global Best Employer Brands Award reflects the long-standing commitment towards developing a future-fit organisation by transforming our vision into action for the betterment of society and the country," said Zaved Akhtar, chief executive officer of UBL.

"Unilever Bangladesh has been retaining its position as a market leader by constantly evolving and enhancing our HR and Employer Brand strategies. This enables UBL to consistently remain as "The Top Employer of Choice" across all sectors," he added.

"This award is a testament to Unilever's drive to make a true impact in the society through its dynamic role as a development partner of the Bangladesh government," Handa said.

The award inspires us in our endeavor of enabling youth empowerment by harnessing the power of our league of future leaders, she added.

Earlier, Unilever Bangladesh won the number one Employer of Choice title across all sectors through a survey conducted by Universum.

Walton launches energy saving AC

STAR BUSINESS DESK

Walton has launched an energy efficient "Inverna" series air conditioner which received a 5.5 star energy rating certificate from the Bangladesh Standards and Testing Institution.

The higher a star rating, the more energy efficient the product is. A Bangladesh University of Engineering and Technology test found that a one-tonne AC in economy mode consumes electricity worth Tk 2.19 per hour, says a press release.

Considering sales estimates for next financial year, the use of this AC is expected to save 725,743,800 kw-h electricity, equivalent to over Tk 377 crore, and reduce carbon emissions by 2,79,411.36 tonnes, claimed company officials.

SM Mahbul Alam, sponsor director of Walton Hi-Tech Industries, launched the AC at the company's corporate office in Dhaka recently, a press release said.



Martha Chen, chairperson of Brac Global Board, inaugurates Aarong's 24th outlet at Banasree, Rampura in Dhaka yesterday. Tamara Hasan Abed, managing director of Brac Enterprises, was present.

PHOTO: AARONG

Aarong opens its 24th outlet at Banasree

STAR BUSINESS DESK

Lifestyle retail chain Aarong opened its 24th outlet at Banasree, Rampura in Dhaka on Thursday.

Martha Chen, chairperson of Brac Global Board, inaugurated Aarong's new outlet, said a press release.

Apparel, home décor, footwear, jewellery, and other products of Aarong and its sub-brands – TAAGA, TAAGA MAN, and Aarong Earth – are available for customers at the new outlet.

"It is wonderful to see how Aarong has become a part of the lives of not only the people in Bangladesh but also of the people living beyond its borders who continue to patronise Bangladeshi crafts," said Chen.

"We are excited to bring Aarong to Banasree and join this growing community. We look forward to serving the residents here for years to come," said Tamara Hasan Abed, managing director of Brac Enterprises.



PHOTO: TRANSCOM BEVERAGES

Pepsi released its new summer TVC campaign "More Fizz More Refreshing Taste" in Bangladesh featuring Brand Ambassador Salman Khan in a double role.

Old guards versus

FROM PAGE B4

The most powerful and more importantly, the most influential people in the organisation are not necessarily the ones at the top from an official perspective.

People exercise unofficial powers and true influence through casual groups, grapevines, and personal relationships nurtured throughout all their corporate lives. The corporate world is, after all, a human world.

Once you understand the salient features of the prevailing culture, there is really no point ignoring, denying, or even fighting it. Replace the weak features with the best practices shared by other organisations and reward people accordingly. Once you establish the right culture, the business results will follow suit automatically with lesser efforts.

A while ago, Nasa had researched and found out

something that still holds true: "The stereotypical take-charge 'flyboy' pilots, who acted immediately on their gut instincts, made the wrong decisions far more often than the more open, inclusive pilots who said to their crews, in effect, 'we've got a problem. How do you read it?' before choosing a course of action." The findings also suggested that "the pilots who'd made the right choices routinely had open exchanges with their crew members."

Such findings by Nasa shows that top-down organisational leadership/culture is a must-have these days, but it should also empower the management and incorporate the employees' perspective. The organisations that trusted and empowered their employees reaped those benefits in crucial times.

In 2009, when most companies with business in the US were trying to

tackle the toll of recession, they had to go for mass lay-offs, be it gradual or one-time, raising the rate of unemployment drastically year-on-year. What amazed me was that Hewlett-Packard opted for a pay cut at all levels to save a portion of the employees from being laid off.

In Bangladesh, Standard Chartered acquired ANZ Grindlays in 2001. ANZ was the largest foreign bank, while Standard Chartered was possibly the smartest. Seniors termed this as a "merger of equals" instead of acquisition. The CEO came from ANZ, while the client relationship heads, risk head, corporate affairs head, and chief financial officer came from Standard Chartered. The first year was spent integrating the hearts of people and clients as well as ensuring compliance.

Despite appearing to be similar, the two institutions were

different in their culture.

Citibank NA decided to give a chance to "change" with the goal of focusing more on revenue, branding, and keeping clients happy. A dream team was built up, under the direct sponsorship of the seniors in India, Hong Kong, and New York. Even though the existing people felt overridden, clients grew, revenue multiplied, and all stakeholders started to appreciate the visibility brought in through all the perceived right choices.

However, the disconnect in chemistry between the old guards and the new never went away. It was almost after 10 years that all the "change drivers" found themselves in orphanages, while most of the sponsors were gone due to the North American financial meltdown. The hardliners got into the command controls and the outcome is up for anyone to guess:

All the brand builders had left. Things had changed by 180 degrees. For good or bad, we don't know.

A lesson from this experience could be that when trying to drive positive change in an organisation, there needs to be buy-in and acceptance from not only the formal and top management but also from the informal influencers within the organisation that might be in junior roles or part of middle management.

This is because the top management might be the ones dictating the strategy but if such goals are not accepted by all or most of the complex layers of influence within the organisation, there will be resistance and eventually, it may not be possible to bring about or sustain any sort of real and progressive change.

The author is an economic analyst.

Pepsi releases its summer campaign with Salman Khan in double role

STAR BUSINESS DESK

Pepsi launched its summer campaign "More Fizz More Refreshing Taste" in Bangladesh featuring brand ambassador Salman Khan.

The new TVC campaign extends Pepsi's new More Fizz More refreshing Taste positioning in the country and showcases Salman Khan in a dual role, a press release said.

Taking the swag quotient several notches up, the film features one of the most loved characters from the 90's, coming face to face with the modern-day Salman Khan.

The TVC cheekily concludes that while all else may remain same in the future, Pepsi has more fizz and more refreshment this summer.

"We have received great feedback on the product and fueled by this positive sentiment, we have launched a

quirky 360-degree campaign to ensure that our consumers enjoy Pepsi like never before," said Naseeb Puri, senior marketing director for Bangladesh region at PepsiCo.

"We are very excited to kickstart the More Fizz More Refreshing Taste campaign in Bangladesh with this innovative storyline. We are confident that this campaign will resonate strongly with our consumers, given the entertainment quotient in this film."

"My fans have showered love to all my characters over my career, however Prem has held a special place in their hearts as well as mine," said Salman Khan.

"The storytelling, the nostalgia, the double trouble - shooting for the 'More Fizz More Refreshing Taste' film has been a great experience and I am very excited for my fans across the country to see it."

MTB distributes loan to marginal farmer cluster in Bogura

STAR BUSINESS DESK

Mutual Trust Bank (MTB) arranged an open loan disbursement programme at Darail Bazar, Gabtoli in Bogura for the marginal Tk 10 account holders.

Under this financial inclusion initiative, the marginal farmers were handed over loan disbursement cheques to finance their cow fattening business activities, said a press release.

Shaikh Md Salim, executive director of Bangladesh Bank Bogura office, distributed cheques among the farmers.

Md Khalid Mahmood Khan, deputy managing director of MTB, presided over the event, where Md Aktarul Islam, deputy general manager of Bangladesh Bank Bogura office, Sanjib Kumar Dey, head of SME banking division at MTB, and Syed Mahbub Morshed, head of branch banking division, were present.

Shell to invest \$33b in UK energy sector

REUTERS

Shell will invest up to 25 billion pounds (\$33 billion) into the energy system in Britain over the next decade, a senior executive at the oil major said, and over 75 per cent of which will be funnelled into zero-carbon products and services.

Shell plans to invest between 20 billion pounds and 25 billion pounds, David Bunch, head of the company's UK operations, said on Wednesday in a post on networking site LinkedIn, and mentioned offshore wind, hydrogen and electric mobility as focus areas.

The plans come weeks after the British energy company said it would withdraw completely from any involvement in Russian hydrocarbons.



Recipients of the "BASIS Luna Shamsuddoha Award" organised by the Bangladesh Association of Software and Information Services are seen with guests at the presentation ceremony at Radisson Blu Dhaka Water Garden in Dhaka recently. PHOTO: COLLECTED

10 women, 3 firms get BASIS Luna Shamsuddoha Award

STAR BUSINESS REPORT

Ten women and three companies have recently received a "BASIS Luna Shamsuddoha Award" for contributions in their respective fields.

The Bangladesh Association of Software and Information Services (BASIS) organised the awarding ceremony at Radisson Blu Dhaka Water Garden.

The BASIS introduced the annual award this year to commemorate contributions of Luna Shamsuddoha, a pioneering information and communications technology (ICT) entrepreneur of Bangladesh, to the local ICT industry.

In 1992, when people of the country knew little about computers and the internet, Luna Shamsuddoha founded Dohatec New Media to provide software solution designs and development services to institutions, government agencies and corporations globally.

Dohatec has a global client base including World Bank, Pan American Health Organization, World Health Organization and United States Postal Service in Washington DC, and United Nations Development Programme in Dhaka.

It has also built e-procurement systems for Bhutan and Nepal.

Luna Shamsuddoha was the first woman to be the chairman of state-owned Janata Bank and the founding president

of the Bangladesh Women in Technology. She was also a former board member and director of BASIS Executive Council.

She breathed her last on February 17, 2021.

Geeteara Safiya Choudhury, chairman of GraphicPeople and Adcomm and former adviser to a caretaker government, was presented a "Lifetime Achievement Award".

In 1992, when people of the country knew little about computers and the internet, Luna Shamsuddoha founded Dohatec New Media to provide software solution designs and development services to institutions, government agencies and corporations globally

The other recipients are Zuena Aziz, principal coordinator (SDG Affairs), Prime Minister's Office; Saida Muna Tasneem, high commissioner of Bangladesh to the United Kingdom; Amena Begum, deputy inspector general of police at Bangladesh Police; Haseena Khan, microbiologist and professor of biochemistry and molecular biology at the University of Dhaka; Sonia Bashir Kabir, founder and managing partner of SBK Tech Ventures and SBK Foundation; Rawshan Arra

Khanam, consultant at the department of respiratory medicine at United Hospital; Senjunti Saha, director of Child Health Research Foundation, Bangladesh; Humaira Azam, managing director & chief executive officer of Trust Bank, and Tamara Hasan Abed, managing director at Brac Enterprises.

Awards for employing the highest number of women went to Genex Infosys in BPO company category, BJIT in software company category and social enterprise Dnet in a male-female ratio category. All are members of the BASIS.

A panel discussion was also held on "Women's Contribution in Economy and Participation" at the ceremony.

Speaker Shirin Sharmin Chaudhury of Bangladesh Parliament was the chief guest.

Dipu Moni, education minister, Salman F Rahman, private industry and investment adviser to the prime minister, and Zunaid Ahmed Palak, state minister for ICT, were the special guests.

Lilly Nicholls, Canadian high commissioner to Bangladesh; Nathalie Chuard, Swiss ambassador to Bangladesh; Rupali Chowdhury, managing director at Berger Paints Bangladesh; and Syeda Rizwana Hasan, executive director at Bangladesh Environmental Lawyers Association, were the guests of honor.

BASIS President Russell T Ahmed presided over the event.

Bashar new CRO of DSE

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission has approved the appointment of Khairul Bashar Abu Taher Mohammad, chief executive officer of MTB Capital Ltd, as the new chief regulatory officer of the Dhaka Stock Exchange (DSE).

The stock market regulator issued a letter in this regard on Wednesday.

Bashar, who has vast experience in stock market portfolio management, financial risk, risk management, corporate finance, and banking, replaced Shawkat Jahan Khan, who resigned in November, two months after joining the premier bourse of the country. He joined MTB Capital on March 1, 2011, as the CEO of the merchant bank. He contributed to the listing of several small and medium enterprises to the SME board of the DSE by acting as their issue manager.

The commission had also approved the appointment of M Asheq Rahman as the CRO of the DSE on July 7, 2021, only to cancel it on July 19 for the disagreement over terms and conditions.

ECB squeeze leaves room for fiscal war response

REUTERS, London

European countries have to shoulder the burden of the economic response to the war in Ukraine. That will add to the debt loads accumulated during the pandemic, at a time when the European Central Bank is pushing up borrowing costs. But governments can afford to be bold.

In normal times, the classic policy response to a jump in energy prices would be to let households and businesses absorb the shock. Governments would not cushion the blow with price controls, and central banks would not worry too much about temporary inflation.

This time, however, neglecting the inflation threat could force the ECB to take tougher measures later. Prices were already rising by an annual 5 per cent in January, and the Organisation for Economic Co-operation and Development sees the energy shock adding a further 2 percentage points to inflation this year. That's why the ECB has scheduled the end of its bond purchases, and may even raise interest rates this year.

The tighter policy comes at a bad time for governments, who still have to help their economies absorb higher energy prices and an influx of refugees, and boost defence spending. Bruegel estimates that the fiscal cost could reach 4 per cent of GDP. Gross debt in the euro zone had already risen to a little under 100 per cent of GDP, with Italy's at 150 per cent.

Hallmark scam hangs heavy

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disbursement is followed with due diligence," he added.

Bangladesh Bank unearthed the more than Tk 3,500 crore loan scam at Sonali Bank's Ruposhi Bangla Hotel branch in May 2012. Of the sum, Hallmark alone took Tk 2,686 crore using forged documents in connivance with some bank officials.

The loan-deposit ratio of the country's largest lender is not at a satisfactory level, which is why the bank should speed up its loan disbursement, Kabir said.

For instance, deposits in the bank, which was established in 1972, stood at Tk 135,016 crore as of December last year, when it disbursed loans amounting to Tk 69,012 crore.

"Bankers cannot have shining careers if they shy away from disbursing loans," he said.

"On top of that, the bank's loan processing system also faces weaknesses. The lender should disburse loans at a faster pace," added Kabir, who was chairman of Sonali Bank before taking up his current position.

He suggested the lender give out more loans to the cottage, micro, small and medium enterprises.

Although the bank is providing different types of government services dedicated to commoners, the bank should be more client-friendly, Kabir said.

Abdur Rouf Talukder, senior secretary of the finance ministry, said reducing the ratio of non-performing loans in Sonali Bank was not good enough as it should also reduce the volume of bad assets.

As of December last year, default loans at the bank stood at Tk 10,351 crore, which is 19 per cent of its outstanding loans, central bank data showed.

"The state-run lender is yet to enrich its automation process in keeping with the times," he said before going on to say that the bank would not be able to compete with other lenders if it fails to offer its services digitally.

"We have to keep in mind that the common people will not go to banks to get financial services after five years due to the ongoing digitalisation programmes," Talukder added.

Finance Minister AHM Mustafa Kamal said many businesses would have been abolished during the pandemic had the government not set the 9 per cent interest cap on lending. Borrowers had earlier counted interest rates of between 18 and 19 per cent, which was rare across the globe.

Local businesses subsequently might have faced a crisis to compete with foreign firms on a global scale due to the high price of products, Kamal said.

The high-interest rate pushed up production costs and ultimately eroded their competitive capacity in the global market, which is commonplace for every business.

"It is a good thing that the government was not required to refinance state-run lenders in recent years to address their capital shortfall," Kamal said.

All state banks now enjoy profit, which is a sign of the good financial health

enjoyed by them, he added. Ataur Rahman Prodhan, managing director of Sonali Bank, said foreign investors do not usually show interest in banks that face a capital shortfall.

But Sonali Bank can become one of the top lenders if it manages the problem of capital shortfall efficiently.

In addition, the bank also faces extra costs to open letters of credit due to the shortfall, he said.

"We have applied to the finance ministry by mentioning some proposals in order to resolve the problem," Prodhan added. Sonali Bank faced a capital shortfall of Tk 3,639 crore as of December last year.

Atiur Rahman, a former governor of the central bank, said Sonali Bank has an impressive track record of expediting financial inclusion in the country.

Ziaul Hasan Siddiqui, chairman of Sonali Bank, presided over the meeting.

Bepza economic

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executive director (investment promotion), Md Khorshid Alam, executive director (enterprise services), and Md Hafizur Rahman, project director of the Bepza economic zone, were present.

Till date, Bepza has signed lease agreements with five other companies to set up industrial units in its economic zone at the BSMSN.

The five companies will invest \$60 million collectively, creating employment opportunities for around 23,582 Bangladeshi nationals.

Tannery, textile profits

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the garments sector suffered a 35 per cent pay cut during the lockdown for the ongoing pandemic last year, according to a study report "The Weakest Link in the Global Supply Chain: How the Pandemic is Affecting Bangladesh's Garment Workers".

"While the industry suffered from the closure of markets, suspended shipments, delayed payments and a liquidity crisis, Bangladeshi workers suffered what was in effect a 35 per cent pay cut during the lockdown month," the study said.

However, the business situation has changed and the market bounced back strongly after the first blow of the pandemic, added Chowdhury.

In order to bag the higher demand and orders from abroad, the apparel sector is now investing their funds.

Investments worth over Tk 4,200 crore are being used to expand and modernise production facilities of the apparel sector, according to industry insiders.

In the tannery industry, earnings of Bata took a drastic fall due to the loss of retail business during 2020's major festivals - Eid-ul-Fitr, Eid-ul-Azha, Puja and Pahela Baishakh - due to the countrywide lockdown for the Covid-19 pandemic.

The festival sales cover 25 to 30 per cent of the company's yearly business.

An estimated 77 per cent of rural business leaders like dealers and/or wholesalers have been

particularly impacted due to Covid-19, which led to them losing their business, it said.

The company's business went down by 41 per cent in 2020, the disclosure added. Another giant tannery company Apex Footwear also went through the same losses in the year.

Apart from the tannery and textile sectors, ceramics, engineering, food & allied, fuel and power and miscellaneous sectors also witnessed a drop in their profits in the year of crisis.

Profits of the ceramic sector plunged 60.9 per cent, followed by engineering (60.5 per cent), food & allied (40.5 per cent), miscellaneous (19.4 per cent) and fuel and power (6.9 per cent), the data shows.

The pharmaceuticals sector was, however, in a better position among all the sectors in 2020 and its profits more than doubled.

A top official of a leading pharmaceutical company, preferring anonymity, said the average profit growth was high as some companies' profits rose by manifold.

But most of the companies saw double digit profit growth from 15 per cent to 20 per cent, he said, adding that their sales were also impacted as prescription-based medicine sales dropped during the pandemic.

Profits of the NBF sector surged 19 per cent, telecom sector (10 per cent), and banking sector (4 per cent) in the same period, according to the UCB Asset Management data.



Md Monzur Mofiz, managing director of One Bank Ltd, and Tanzim Alamgir, managing director of UCB Investment Ltd, cut a cake to celebrate the closure of One Bank Perpetual Bond worth of Tk 400 crore as a placement agent at the lender's head office in Dhaka on Wednesday. PHOTO: UCB



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, virtually addresses a "Business Development Conference" for Cumilla zone at a local hotel in Cumilla recently. Muhammad Qaisar Ali, additional managing director, and Md Nayer Azam, deputy managing director, were present. PHOTO: ISLAMI BANK BANGLADESH

Paper price hike hands fresh

FROM PAGE B1

"We have to increase the prices of exercise books by around 10 per cent to adjust the increased costs," the official said.

Mosharraf Hossain, a proprietor of Zaman Paper in the city's Motijheel area, says the price of all categories of papers increased by Tk 100 to Tk 350 per ream, which consists of 500 identical sheets.

A ream of offset paper imported from Indonesia was sold at Tk 250 to Tk 260 at the wholesale level a week ago. Now, it costs

Tk 400, said Mohammad Mamun, who runs a stationery shop in the city's Karwan Bazar.

One ream of white papers produced in Bangladesh was sold at Tk 330 a week ago whereas the price now stands at Tk 362.

"When we asked why the price has gone up, suppliers said that the cost of pulp and chemicals has gone up," said Mamun.

The price of exercise books has gone up by Tk 10 to Tk 20, said Ujjal Hossain, a salesman at a stationery store in West Tejuri Bazar.

"The supplier told me that the price would increase by another Tk 5 to Tk 10 when he returns to deliver products next week," Arman Hossain, who works at a footwear company, says the exercise book that he bought for his daughter at Tk 35 previously cost him Tk 45 on Tuesday.

"It will be difficult to bear educational expenses if essential educational items such as exercise books become expensive," said Rima Jahan, a student of the University of Dhaka.



A farmer is seen clearing weeds from his cumin plantation in Shibganj upazila of Bogura. The Spices Research Institute recently rolled out its own variety of the crop, called the BARI Jira-1, which can only be grown in sandy loam soil due to its low water tolerance.

PHOTO: MOSTAFA SHABUJ

First variety of cumin faces setback

If plants can be saved from fog and water, wider cultivation can help reduce import dependence, say scientists

MOSTAFA SHABUJ, Bogura

The Spices Research Centre (SRC) in Shibganj upazila of Bogura has released the first variety of cumin for commercial cultivation on February 22 in a bid to reduce Bangladesh's import dependence for the spice.

However, farmers have been left frustrated as about 50 per cent of the crops being grown under a trial basis have already been damaged by rain and fog.

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The SRC, a department of the Bangladesh Agricultural Research Institute, developed the BARI Jira-1 variety of cumin through 12 years of intensive research, according to officials of the research centre.

Farmers can grow BARI Jira-1, which is the first type of cumin to be fully developed by the SRC, in sandy loam soils.

Dr Mazharul Anwar, chief scientific officer of the SRC, said farmers can take the seeds and advice on how to grow them from his organisation.

The SRC in Bogura has so far

developed around 48 varieties, of which BARI Jira-1 was most recently cleared for release by the Seed Certification Agency, he added.

Md Mahmudul Hasan, senior scientific officer of the SRC, had worked with cumin since 2008 in hopes of releasing a new variety.

"After an adaptation and evaluation trial, a committee reviewed my work and decided that Bangladeshi farmers could grow the cumin, which remains a 100 per cent import-oriented spice even now," he said.

During the development phase, it was found that BARI Jira-1 can be grown in dry areas like the abandoned char areas that have low water percolation as cumin is less tolerant of water compared to other crops.

"We had heard that many farmers cultivated cumin in different areas in the past, but it was found that they were growing dill," Hasan said.

Besides, some farmers in Naogaon, Faridpur, and Rajshahi previously tried to cultivate actual cumin but failed.

"This year though, we have given BARI Jira-1 seeds to 65 farmers in Bogura and Gaibandha's char areas, and 50 per cent of them have found success," he added.

Ataur Rahman, a farmer of Kanaipara char beside the Jamuna river in Gaibandha's Saghata upazila, said he cultivated cumin on six decimals of land last November.

"The growth of it was lucrative as the plants bore flowers but 50 per cent of the plants have died already due to the sudden rain in the first week of February," he said.

"I will harvest the remaining 50 per cent within one or two days and the yield will be good I think," Rahman added.



Amir Ali, a farmer of Haludia char under Bogura's Sonatala upazila, said the SRC provided him with seeds, fertilisers and other facilities to grow cumin this year.

"I have cultivated BARI Jira-1 on four decimals of land. About 50 per cent of my crop was damaged by the rain in February while the remainder was damaged by fog," he added.

Scientific officers of the SRC said cumin can be planted in November and harvested about 100 days later.

Cumin cannot tolerate water and so, farmers need not irrigate their lands. If farmers can save the plant from fog and water, they can get around 2 to 2.5 maunds of cumin from each bigha, said SRC Senior Scientific Officer Hasan.

This amount of cumin can then be sold for about Tk 30,000 at the current market price.

Besides, farmers need only Tk 6,000 to Tk 7,000 to grow one bigha of cumin.

Hasan went on to say that Bangladesh consumes about 25,000 tonnes of cumin worth about Tk 500 crore to Tk 600 crore each year. Domestic demand for the spice is met through imports, both legal and illegal, from countries such as India and Pakistan.

In fiscal 2020-21, 20,602 tonnes of the spice was imported for about Tk 328 crore through Chattogram port, down some 15 per cent from 24,232 tonnes the year before, according to Chattogram customs. Meanwhile, about 4,223 tonnes of cumin worth Tk 68.27 crore has been imported in the first seven months of the ongoing fiscal year. Cumin is also imported through other channels such as land ports.

"So if farmers can grow it on a massive scale, then we can save our foreign exchange reserve," he said.

As cumin does not require much preservation, farmers of the abandoned char areas can preserve the spice in their houses to sell it any time they need money, Hasan added.

"We had imported several varieties of germplasm from Iran, India, Pakistan and Turkey to conduct our research. After the adaptation trial, we released the BARI Jira-1 which can be grown successfully in dry sandy loam soils," said the SRC's Chief Scientific Officer Anwar.

Old guards versus new guards

MAMUN RASHID

In today's dynamic and ever-changing business environment the need to transform, reshape and restructure is a constant and no longer an option.

Business enterprises continuously need fresh ideas and newer ways of thinking that may set them apart from competitors and make them seem exclusive in the eyes of their consumers. As a result, it is no longer possible for any business executive to become too comfortable in their elevated position simply and only based on their years of loyalty to the organisation.

In the past, loyalty and length of service were major factors when determining whom to retain, whom to show the door and whom to promote. In other words, the loyalty and years of service are what created the notion of the "old guards", which are those executives who have a long history with the organisation and through those years, they have managed to accumulate substantial power and authority from an informal and social standpoint.



However, due to constantly needing new ideas and new ways of thinking to survive in today's marketplace, businesses also have to keep on bringing in new and fresh energy into their executive structure and through this, the "new guards" are created.

For most of my own highly diverse career, I have been viewed as the new guard because I was someone who was brought into the organisation to drive the change and infuse new ways of thinking.

Despite being very successful in terms of the numbers and results, my presence was not always welcome, especially to the old guards who had perhaps gotten a little too comfortable in their ways of doing things for decades. Thus, began the conflict between the old guard and the new guard.

An organisational leader must understand that true power is not always formal or officially designated because there is also the phenomenon of informal or social power, and often the latter could have more influence than the former

Every large organisation in the world has a distinctive culture, which identifies and differentiates them from other organisations. We often get to hear: "It does not work here, or we do it differently." This basically implies that the people within an organisation feel that somehow, they are different from others and what they are doing is unique.

Edgar Schein, a former professor at the MIT Sloan School of Management, defines organisational culture as "a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems."

My favourite definition would be this one - liner by Deal and Kennedy: "The way things get done around here."

Suppose you join a new organisation at the top management level. You start by studying the hard numbers but don't get too bogged down. The most important aspect of the organisation that a leader must realise is the culture because the culture directly dictates how the organisation functions and it also defines its value structure.

An organisational leader must understand that true power is not always formal or officially designated because there is also the phenomenon of informal or social power, and often the latter could have more influence than the former.

READ MORE ON B2

Eurozone growth slows as war threatens recovery

AFP, Brussels

Business activity in the eurozone slowed in March, according to a closely watched survey, as high prices and a gloomy outlook raised fears the Ukraine war could snuff out economic recovery.

Thursday's data indicated that while Europe was still growing at a solid pace after the lows of the coronavirus pandemic, clouds loomed for the health of the economy moving forward.

The survey underscores the "immediate and material impact" of the war on the economy and "highlights the risk of the eurozone falling into decline in the second quarter", said S&P's chief business economist, Chris Williamson.

Had it not been for the easing of coronavirus measures, "business activity would have weakened far more sharply in March", Williamson added.

The purchase managers' index (PMI) from S&P (formerly IHS Markit), slipped 1.0 points to 54.5, a statement said. A figure above 50 indicates growth.

Among eurozone countries, France best resisted the negative effects of the war, as its service industry boomed and consumer demand offset slumping exports.

Growth slowed more steeply in Germany, Europe's biggest economy, but manufacturing was still above the levels seen late last year, when the country's crucial export sector suffered deeply due to the pandemic.

Analysts and officials warn that the effects of Russia's invasion of Ukraine have made economic forecasting highly uncertain but most agree that predictions of major growth will have to be significantly lowered.



The headquarters of the European Central Bank on the banks of the river Main and the banking district (in the background) are pictured in Frankfurt am Main, western Germany.

PHOTO: AFP/FILE

US reinstates 352 product exclusions from China tariffs

REUTERS, Washington

The US Trade Representative's office said on Wednesday it has reinstated 352 expired product exclusions from US "Section 301" tariffs on Chinese imports, well short of the 549 exclusions that it was previously considering.

The reinstated product exclusions will be effective retroactively from October 12, 2021, and extend through December 31, 2022, USTR said. They cover a wide range of the initially estimated \$370 billion worth of Chinese imports that former president Donald Trump hit with punitive tariffs of 7.5 per cent to 25 per cent.

The list released by USTR includes industrial components such as pumps and electric motors, certain car parts and chemicals, backpacks, bicycles, vacuum cleaners and other consumer goods.