



Flat prices have gone up by as much as 10 per cent in recent months owing to the surging costs of construction raw materials. The higher prices will force many fixed-income families to give up on their dreams to own flats and slow the growth of the housing sector. The photo was taken from Katalganj area of Chattogram city yesterday.

PHOTO: RAJIB RAIHAN

Flat prices going thru the roof

Realtors blame it on higher cost of raw materials

JAGARAN CHAKMA

Flats in Bangladesh witnessed a fresh price increase as realtors are being forced to pass on the increased construction cost to customers arising out of soaring prices of steel, cement, bricks and other materials.

Pent-up demand and the supply disruption have been fueling the prices of construction raw materials after the coronavirus pandemic situation improved globally.

The price escalated further following the outbreak of the Russia-Ukraine war from the fourth week of February as Russian firms faced problems in exporting products to Europe.

Ukraine is also a major supplier of finished and semi-finished steel products.

Since the disruption to the global supply chain has deepened, the prices of rods, cement and other construction raw materials have increased recently in Bangladesh as the country largely relies on imports to meet the domestic requirement.

For example, the price of rods

rocketed to a record Tk 92,000 per tonne this month from Tk 70,000 last year, while the price of cement went up to Tk 560 per 50kg bag from Tk 475.

Similarly, sand, stone, brick, aluminium, glass, electrical equipment, and sanitary items have also seen a sharp increase in prices. The labour cost has shot up as well.

Pent-up demand and supply disruption have been fueling the prices of construction materials after the pandemic situation improved globally

The price of steel has increased by Tk 100, cement by Tk 30, brick by Tk 20, and stone by Tk 67 per square foot (sqft), according to an assessment of the Real Estate & Housing Association of Bangladesh (REHAB). As such, the construction cost has risen by Tk 381 per sqft, said the trade body.

Realtors say flats in Dhaka, the

biggest market for the industry, are as much as 10 per cent more expensive now, depending on their locations and amenities, compared to six months earlier.

In areas such as Gulshan and Banani, the prices have surged abnormally, according to a senior official of building technology and ideas (bti), a developer.

Any further increase in the price of flats would force many fixed-income families to give up on their dreams to own flats in the capital. And this may hurt the growth of the housing sector, which has been rebounding since the fiscal year of 2019-20.

"The price will increase for the rising cost of raw materials. This will decrease the sales of flats owing to the lower demand," said Mir Nasir Hossain, managing director of Mir Holdings Ltd.

He apprehends that some realtors would be compelled to sell flats at break-even or at the production cost if they face any cash crisis stemming from lower demand.

"Even, some realtors will postpone implementing new projects, and in some cases, the construction work of the

ongoing projects will be put on hold as the requirement for working capital will go up."

"There is no alternative to price adjustment and it will affect the real estate sector immensely."

Alamgir Shamsul Alamin, president of the REHAB, says some realtors have already stopped constructing flats due to the higher price of raw materials as they fear that their projects might not be commercially viable.

"The realtors don't want to raise the price of flats as it is a very competitive market," he said, adding that the profit margin narrows significantly when the price of raw materials increases.

The real estate sector has started to rebound on the back of receding coronavirus infections and the scope to allow whitening of untaxed money, but the present situation is not favourable at all, said a top official of a real estate company.

The bti official says all realtors are facing difficulties in making a comeback because of the sudden price increase of raw materials.

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Send non-listed insurers to stock market

BSEC urges ins watchdog

STAR BUSINESS REPORT

The securities regulator has requested the insurance watchdog to take steps to list non-listed insurers and make them invest in order to give a boost to the stock market.

Yesterday, the Bangladesh Securities and Exchange Commission (BSEC) sent a letter to the Insurance Development and Regulatory Authority (IDRA) to this effect.

In 2020, the commission exempted 26 insurers, which have less than Tk 30 crore in paid-up capital, from going public.

The companies were, however, ordered to invest at least 20 per cent of their equity in the market if they don't want to get listed.

"It has been observed that the aforementioned insurance companies have not taken any initiative so far to file applications for initial public offering and are not investing at least 20 per cent of the equity of each company in any stock exchange of Bangladesh," the letter said.

Hence, the BSEC requested the IDRA to take necessary steps to encourage the insurers to get listed and invest the fund.

READ MORE ON B3

Onion import to continue

Says govt official

STAR BUSINESS REPORT

The option to import onion will remain open now in order to keep the price of the cooking ingredient stable ahead of Ramadan, said Agriculture Secretary Md Sayedul Islam.

"We are closely monitoring the market. Steps will be taken to protect the interests of the farmers and the consumers," Islam said.

He was speaking at a meeting to review the progress of implementation of the annual development programme (ADP) in the conference room of the ministry at the secretariat in Dhaka yesterday.

So far farmers are getting a good price for onion and on the other hand, the month of Ramadan is coming, Islam said. "So, we are also trying to stabilise the prices at this time."

The retailers have been found selling local onion at Tk 30-40 per kilogramme in Dhaka's kitchen markets and the imported ones at Tk 25-35 per kg yesterday, according to the Trading Corporation of Bangladesh.

READ MORE ON B3

Do proper feasibility study before seeking funds

Cabinet secy tells PPP Authority

STAR BUSINESS REPORT

The Public-Private Partnership (PPP) Authority should carry out a proper feasibility study to see whether a project is viable or not before talking to any investor or development partner for funding, said the cabinet secretary yesterday.

"The development partner or investor will not talk to you if you don't have any feasibility study," said Khandker Anwarul Islam.

The secretary made the comments while delivering a speech at an event titled "Sustainable Development in the Context of Post-Pandemic and Climate Vulnerability: PPP's Role, Prospects and Challenges in Bangladesh."

The PPP Authority organised the programme in partnership with the United Nations Development Programme (UNDP) Bangladesh.

Islam said the feasibility report gives a precise economic analysis and the cost-benefit analysis related to a project, as well as whether it would be undertaken by the government or the private

READ MORE ON B3

National safety committee inspects 5,200 factories

STAR BUSINESS REPORT

A national committee set up to look into the occupational safety situation at industries across Bangladesh has so far inspected 5,200 factories, said Salman F Rahman, adviser to the prime minister on private industry and investment.

The government formed the committee, headed by Rahman, last July to monitor the safety issues at the factories that were not inspected by the Accord and the Alliance, the two inspection agencies constituted by the international buyers after the Rana Plaza collapse.

"All industries will be secured like export-oriented factories," Rahman said.

He made the comments while addressing a workshop titled "Promoting Occupational Health and Safety for Improving Productivity" at the Federation of

READ MORE ON B3



A safe workplace benefits both employers and workers, said a senior official of the International Labour Organisation at a programme in Dhaka yesterday.

PHOTO: STAR/FILE

STOCKS	
DSEX ▲	CSCX ▲
0.10%	0.07%
6,765.30	11,879.86

COMMODITIES	
Gold ▼	Oil ▼
\$1,897.04	\$99.43
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.61%	▲ 1.10%	▲ 0.06%	▼ 0.33%
57,943.65	28,252.42	3,433.90	3,203.94



A freight train transporting containers crosses Faujdarhat of Sitakunda upazila in Chattogram yesterday. Three trips are run on an average from the Chattogram port to Dhaka, but as much as five can be run depending on demand, each time pulling away anywhere from 30 to 50 containers.

PHOTO: RAJIB RAIHAN

As Ukraine sowing season starts, fuel crisis threatens food supply

AFP, Bahat

In an endless field in southwest Ukraine, farmers began to plant sunflower seeds at the start of the sowing season, but a fuel shortage threatens production in the war-torn country, whose land feeds millions around the world.

The world's top producer of sunflower oil and a major exporter of wheat is a breadbasket of the world under threat from the Russian invasion.

This means the fate of global food security depends on Ukrainian farms, such as the fertile grounds of Alexander Petkov's land in Bahate, near the Romanian border.

"The season starts here, in the areas not hit by war," Petkov, 47, said. The regions torn by the conflict such as the southern cities of Kherson and Mykolaiv further to the east will not be able to begin planting as usual.

Mykolaiv is facing a daily barrage of Russian shelling while Ukrainian forces have launched a counter-offensive to retake Kherson.

Last year, Petkov's farming business,

spread across five villages, yielded 30,000 tonnes of barley, 27,000 tonnes of wheat and 5,500 tonnes of sunflower.

Petkov points to the blackened sunflower seeds and wheat piling up in his barns as there is nowhere to take them. There is concern too over the risk that fuel needed for the sowing season will quickly run out.

"All the ports are closed because of the presence of Russian warships in the Black Sea," the farmer said.

The Ukrainian government has suggested exporting agricultural products via the Romanian port of Constanta, but there has been no progress in the plan, Petkov said.

"We're currently using the remaining fuel we had before the war, but there is no new supply," he said, adding that he could run out within five days.

In a report last week, the United Nations Food and Agriculture Organization warned that Ukraine depends heavily on fuel imports, with about 70 per cent of imports of petrol and diesel coming from Russia and its

ally Belarus.

"A key bottleneck to the spring planting season, where it is possible due to the war, is fuel availability," the FAO said. Only one fifth of almost 1,300 large agribusinesses surveyed by the Ukrainian government in the week of March 14 had enough fuel to plant this spring, said the FAO.

The country could also face shortages of pesticides and fertilisers, the UN agency warned. The agriculture ministry announced Friday that more than 150,000 hectares (370,000 acres) of spring crops had been planted, including corn, soybeans, sunflowers, millet, buckwheat, oats and beets.

While Ukraine has enough reserves to cover its food security for one year, the Russian invasion "risks creating a 30-per cent reduction in cultivated areas" affecting 100 million people around the world, according to the ministry.

"Russian troops mine fields in Ukraine, blow up agricultural machinery, destroy fuel reserves needed for sowing," President Volodymyr Zelensky said in a video speech to a

forum in Doha.

"Our country has enough food. But the lack of exports from Ukraine will hit a number of populations in the Islamic world, in Latin America and in other parts of the planet," he warned.

Before the war, Ukraine was the world's fourth largest exporter of corn and was set to become the third biggest exporter of wheat after Russia and the United States.

Russia and Ukraine alone account for 30 per cent of global wheat exports.

US President Joe Biden has warned that food shortages are "going to be real" due to the war.

On Friday, the European Union launched a programme dubbed the Food and Agriculture Resilience Mission (FARM) aimed at easing shortages.

Petkov's farm was no stranger to threats before the war.

His employees carried semi-automatic rifles to deter criminals.

"We already had fields and harvester machines set on fire," he said, citing extortion attempts by "criminal or mafia elements".



Matiur Rahman, chairman of Uttara Group, receives the "Order of the Rising Sun, Gold Rays with Rossette" award from ITO Naoki, ambassador of Japan to Bangladesh, at his official residence in Dhaka recently.

PHOTO: UTTARA GROUP

Japan confers award on Uttara Group chairman

STAR BUSINESS DESK

Japan has conferred an "Order of the Rising Sun, Gold Rays with Rossette" award on Uttara Group Chairman Matiur Rahman for his contributions to strengthening economic relations between the East Asian island country and Bangladesh.

ITO Naoki, Japanese ambassador to Bangladesh, presented the award to Rahman at the former's official residence in Dhaka on Monday, said a press release.

Rahman is the first Bangladeshi businessperson to receive the decoration, decided upon by the Japanese government on April 29, 2021, reads the country's embassy website. "I am particularly pleased that we are able to celebrate Rahman's conferment in the year of the 50th anniversary of the establishment of diplomatic relations between Japan and Bangladesh," said the ambassador.

Matiur Rahman is one of the founders of the Japan-Bangladesh Chamber of Commerce & Industry (JBCCI), which currently has 254 members.

As the JBCCI's first chairman, Rahman promoted investment of Japanese companies in Bangladesh.

He made significant efforts to improve the business environment for Japanese companies and built strong economic partnerships between the two countries.



M Mafidur Rahman, chairman of the Civil Aviation Authority of Bangladesh, inaugurates City Bank's third American Express Lounge at Hazrat Shahjalal International Airport's domestic terminal in Dhaka yesterday. Aziz Al Kaiser, chairman of the bank, Tabassum Kaiser, director, Mashrur Arefin, managing director, Sheikh Mohammad Maroof and Mohammad Mahbubur Rahman, additional managing directors, were present.

PHOTO: CITY BANK



Arif Quadri, managing director of United Commercial Bank (UCB), and FR Khan, managing director of the building technology and ideas (bti), exchanged signed documents of a memorandum of understanding on home loans at the bank's corporate office in Dhaka recently. Nabil Mustafizur Rahman, additional managing director of UCB, and ATM Tahmiduzzaman, deputy managing director, were present.

PHOTO: UCB

Russian supply chains

FROM PAGE B4

The sanctions have stripped the Kremlin of resources and helped to cripple Russia's economy. Adeyemo said they would stay in place for as long as the invasion continued.

He attributed the success of the sanctions to a strong multilateral effort and the strength of an international economic and financial system built by democratic countries at the end of World War Two, which created institutions including the International Monetary Fund, the World Bank and the precursor to the World Trade Organization.

These institutions created international rules, norms and values that set the stage for decades of prosperity, but which have been rejected by Russia in its invasion, he said.

Adeyemo said he expected countries such as China and India to remain part of the global financial system rather than seeing the crisis in Ukraine as a moment to decouple from the West.

"The system has adapted and moulded to members that have come along to create huge reductions in poverty, and not just western countries," he said. "That is why, I think, ultimately they are going to

remain part of the system because the benefits of the system far outweigh the risks."

He said however that it was not open to those that failed to respect the core principles of territorial integrity and self-determination, including Russian oligarchs targeted by sanctions and those who may attempt to help them hide their assets.

Adeyemo said that the international system that gave rise to the sanctions needed strengthening, including by addressing food insecurity resulting from the conflict, which has disrupted grain shipments from Ukraine.

Potato farmers pleased with

FROM PAGE B4

He has already bought 700 tonnes of potato which are being kept in cold storage before being shipped abroad.

"There is no possibility of reducing potato prices," he said, adding that prices will continue to grow.

Ashikur Rahman Sohag, owner of a cold storage in Mandolerhat village of Lalmonirhat sadar upazila, said he is also buying potatoes from farmers and keeping them in cold storage.

"The potato business has a bright prospect of making profit this year," he added.

Shamim Ashraf, deputy director of the DAE office in Lalmonirhat, said farmers were worried about potato yields this year due to unseasonal rains.

"But there was no shortage of yield. Farmers did not face any loss as they quickly drained rainwater from their fields," he said.

Ashraf went on to say that although farmers bore extra costs for cultivation this time around, they still got the expected yields and prices.



ABM Mokammel Hoque Chowdhury, managing director of Union Bank, inaugurates the "Regional Trade Operations Unit Chattogram" yesterday. Md Habibur Rahman, additional managing director, Hasan Iqbal, deputy managing director, and Md Mainul Islam Chowdhury, executive vice-president, were present.

PHOTO: UNION BANK

Public-private coordination crucial

Says Rushanara
STAR BUSINESS REPORT

Bangladesh has a lot of success in the economic and social sectors but coordination between the public and private sectors is very important for their continuity, said Rushanara Ali, the UK prime minister's trade envoy to Bangladesh.

Ali, also a British parliament member, made the remarks in a meeting with business leaders of Bangladesh at the Dhaka Chamber of Commerce and Industry (DCCI) yesterday.

She said the development of the private sector, economic growth and trade expansion were the real growth drivers for Bangladesh's economy.

Foreign and local investment will increase in the country if Bangladesh is able to remove the barriers to the ease of doing business, said the UK prime minister's trade envoy to Bangladesh

Foreign and local investment will increase in the country if Bangladesh is able to remove the barriers to the ease of doing business, she added.

British High Commissioner to Bangladesh Robert Chatterton Dickson said Bangladesh's private sector was very strong and they were leading the economy from the front.

He said the Mirsarai economic zone in Chattogram was a good place for attracting foreign investment and there was a lot of opportunities there for the UK's investors as well.

DCCI President Rizwan Rahman invited British investments in shipbuilding, garments, agro-processing, leather and footwear, light engineering and skills development sectors of Bangladesh.



Bangladesh, Malaysia can benefit from reciprocal investments

Experts say at a webinar of business leaders from the two countries

STAR BUSINESS REPORT

Businesses in Bangladesh and Malaysia can benefit if they invest in each other's countries as both have opened their doors to foreign firms, according to various experts.

"All investments in Bangladesh are secured by law and full repatriation of dividends is allowed," said Syed Almas Kabir, president of the Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI).

Kabir was addressing a webinar on "Exploring business opportunities in Bangladesh and Malaysia", jointly organised by the BMCCI and Malaysia External Trade Development Corporation (MATRADE) yesterday.

Malaysian businesspeople can invest in leather, electronics and light engineering, automobile, plastic goods, agro processing, frozen food, pharmaceuticals, jute and jute goods, tourism and hospitality, financial and capital market, skill and human resource development, infrastructure and logistics, transport and healthcare, he said.

Bangladesh Bank has issued a circular allowing Bangladeshi businesses to invest in Malaysia. "We will also be able to contribute to Malaysia's development as the BMCCI is working to make it easier for local businesses to invest there," Kabir

added. The BMCCI president went on to say that the government was establishing a special economic zone in Bangladesh where factories could relocate from Malaysia.

Haznah Md Hashim, Malaysian high commissioner to Bangladesh, appreciated the local economy's growth.

Bangladesh achieved healthy economic growth even amidst the Covid-19 pandemic and is recovering very fast from the fallouts, she said.

Besides, Bangladesh is a good destination for Malaysian investors as domestic consumption is growing in line with the country's economic growth, Hashim added. Amran Yem, senior director (export promotion and market access division) of Matrade, said Malaysian businesspeople need good local partners to work in Bangladesh.

"We are interested to invest in Bangladesh as there are vast opportunities between the two countries to boost trade and commerce," Yem said.

He pointed out that Malaysian investors were keen to invest in chemical and chemical product industries.

According to him, Bangladeshi investors could make use of the Association of Southeast Asian Nations to invest in Malaysia.

Md Ariful Hoque, director (registration

and incentives) of Bangladesh Investment Development Authority, said Bangladesh was offering import of capital machinery at only 1 per cent custom duty and zero value added tax.

Besides, the government is offering a 12-year tax holiday for foreign investors as well as easy access to work permits and visas, he said. Hoque said the government had created a welcoming environment for foreign direct investment, offering the opportunity to invest in almost any sector of the country.

Roswaidin Mohd Zain, director of Malaysian Investment Development Authority (MIDA), said Malaysia encourages investment in high value products.

While describing the investment opportunities in Malaysia, Zain said the best benefit of investing in the country was its strategic location at the heart of Asia.

He went on to say that Malaysia's business friendly policies and the fact that investors were allowed to pay for their full investment out of pocket were two major opportunities for investors.

Moderated by Motaheer Hoshan Khan, secretary general of the BMCCI, the programme was also addressed by Mozaffar Shah Hanafi, trade consul of Malaysia External Trade Development Corporation (MATRADE) Chennai.

Banks, fintech tie-up to boost SME lending: experts

STAR BUSINESS REPORT

Collaboration between banks and fintech companies is needed to accelerate digital lending for small and medium enterprises (SME) as it would enable them to avail funds instantly and without complexities, according to various experts.

So, the government and Bangladesh Bank should introduce more policy support in this regard, they said.

AKM Fahim Mashroor, chief executive officer of Bjobs.com and AikerDeal, said both the government and Bangladesh Bank have been emphasising on SME lending for the past few years.

As a part of its efforts, the government introduced stimulus funds for SMEs to help the sector combat Covid-19.

"But the SME lending target wasn't achieved," he added.

Mashroor was addressing a workshop on "Enabling Regulatory Framework for Fintech Industry", organised by the Bangladesh Association of Software and Information Services (BASIS).

Russell T Ahmed, president of BASIS, said even if any entity lends only Tk 2,000 to a borrower, it still needs to know details of the customer.

"Since we have national IDs and mobile phone numbers, and most mobile phone subscribers are account holders of mobile financial services, their financial transaction data can be kept in the cloud," he said.

"The digital lender can know the customers from the information stored in the cloud and then disburse the loans easily," Ahmed added.

Pran launches environment dev fund

STAR BUSINESS REPORT

TEL Plastic, a brand of Pran-RFL Group, has created a fund for the development of the environment and announced that it would donate to it Tk 2 from the sale of each of its 80 types of plastic products.

The fund will be used to create awareness among people about environment conservation, prevention pollution and launch tree plantation campaigns, said the group.

Habibun Nahar, deputy minister for environment, forest and climate change, inaugurated "TEL Plastic Environmental Development Fund" yesterday.

She urged others to follow suit, saying environment conservation was at the top of the government's priority list.

"RFL Group initiated plastic recycling since 2012. Currently we recycle 30,000 tonnes of plastic every year. Around 27,000 raw materials are produced from those," said RN Paul, managing director of RFL Group.

National safety committee inspects

FROM PAGE B1
Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday.

The FBCCI and the International Labour Organisation (ILO) jointly organised the event, according to a press release from the federation.

The national committee has already inspected 5,200 factories, and the rest will also be brought under inspection, the adviser said.

Initially, many owners were reluctant to start reforms in the garment sector, but now they are enjoying the benefit of the inspection and remediation, he said.

"The garment sector is reaping the benefits of the decent working environment. Similarly, the pharmaceuticals industry has gained a worldwide

reputation on the back of safe factories."

Gorge Fallor, a technical adviser of the ILO, called for the successful implementation of government policies to make the garment sector safer.

"If the workplace is safe, it is beneficial for both employers and workers."

Bangladesh should work for a safe and sound workplace so that the world recognises that "Made in Bangladesh" goods represent safety, he said.

Md Ehsan E-Elahi, secretary of the labour and employment ministry, said that safety, quality and productivity are interrelated.

"As the working environment of factories improves, so does the productivity of the workers and the quality of the

goods manufactured," he said, adding that the government is working to make Bangladesh free from child labour by 2025.

Mostofa Azad Chowdhury Babu, senior vice-president of the FBCCI, said that having the opportunity to work safely in the workplace is one of the basic rights of workers.

"There is no substitute to creating a safe work environment to survive in the global competition."

He urged the owners, workers and all other stakeholders to come forward to ensure safety in the workplace.

The FBCCI has set up a safety council to protect workers at the workplace. The council is working on the basis of the National Occupational Safety and Health Policy, Babu added.

Flat prices going

FROM PAGE B1
"It is not possible to raise the price of the flats that have been already booked despite the sudden increase in the price of raw materials."

"We have signed deals with the consumers and received money from them, so there is no scope to ask for additional money from them," he said, adding that the price would be adjusted in case of new projects in line with the escalated price of raw materials to

stay afloat. Hossain, also a former president of the Federation of Bangladesh Chambers of Commerce and Industry, called for a logical adjustment of the price of flats.

However, he says, realtors can't increase the price of properties abnormally due to the competition in the sector.

Mohammad Kayum Khan, head of mortgage at IPDC Finance, a non-bank financial institution,

says they have noticed the price increase of raw materials but the demand for loans from developers and buyers has remained the same.

Because of the higher price, he says, buyers will have to increase their initial investment and this would be a burden for many middle-income clients.

Around 10,000 flats were sold in 2021, up from 8,500 to 9,000 per year since 2018, data from the REHAB showed.

Do proper feasibility

FROM PAGE B1
sector and would give a significant return to the investor.

Because of the proper feasibility study, the construction of the Padma bridge and the Karnaphuli tunnel did not stop for a single day despite the coronavirus pandemic, the cabinet secretary said.

While making a presentation, AKM Mamunur Rashid, climate change specialist of the UNDP Bangladesh, said the current financing gap for climate actions in Bangladesh is \$3 billion annually.

"Diverting development finance to meet climate emergencies is also causing development deficits. In

this context, PPP is one of the most feasible financing options to reduce financing gaps and cut the development deficits of the government."

The PPP Authority is developing an innovation lab to explore the opportunities for climate-smart PPP projects in Bangladesh.

Mohammad Muslim Chowdhury, Comptroller and Auditor General, Ito Naoki, ambassador of Japan to Bangladesh, Li Jiming, ambassador of China, Essa Yousef Essa Alduhailan, ambassador of Saudi Arabia, Mustafa Osman Turan, ambassador of Turkey, and Sultana Afroz, CEO of the PPP Authority, also spoke.

Send non-listed

FROM PAGE B1
With a view to giving a boost to the capital market, the BSEC has taken a raft of measures to increase the participation of institutional investors. The letter was a part of the steps, according to a top official of the commission.

The capital market in Bangladesh is dominated by retail investors, who account for around 80 per

cent of the investor base. It is expected that institutional investors will dominate activities instead of retail investors to bolster the capital market, the letter said.

"Insurance companies are expected to act as institutional investors and come up with innovative ideas for the sake of their business and capital market development."

Onion import

FROM PAGE B1
The prices of onion were Tk 40-Tk 50 per kg a month ago, 26 per cent up from the current prices, despite the peak seasons for the crop in the country.

According to the Department of Agricultural Extension, a total of 33.62 lakh tonnes of onion was produced in the country in

the 2020-21 fiscal year. However, the yearly demand for onion in the country is about 25 lakh tonnes, according to data presented at a workshop of the commerce ministry last year.

Bangladesh produced about 29.55 lakh tonnes of onion and imported six to seven lakh tonnes, it said.

Russia insists on rouble payments for gas

AFP, Moscow

Russia reiterated Tuesday that it will only be accepting payment for gas deliveries to the EU in roubles after G7 ministers called this arrangement "unacceptable".

"Nobody will supply gas for free. This is just impossible. And it can only be paid for in roubles," Kremlin spokesman Dmitry Peskov told reporters.

"Companies must understand the completely changed environment that has arisen in the conditions of the economic war waged against Russia," he said.

Russian President Vladimir Putin said last week that Moscow will now only accept roubles as payment for natural gas deliveries to "unfriendly" countries, which include the European Union.

Western countries have piled crippling sanctions on Moscow since it moved troops into Ukraine, with

the United States banning the import of Russia oil and gas among other measures.

However, the European Union -- which received around 40 per cent of its gas supplies from Russia in 2021 -- has retained deliveries from Moscow.

Speaking on behalf of the G7 energy ministers, Germany's Robert Habeck said Monday that Russia's request was a "unilateral and clear breach of the existing agreements".

He said payments in roubles were "unacceptable" and called on energy companies not to comply with Putin's demand.

On Thursday, the Russian government, its central bank and energy giant Gazprom are expected to present Putin with a system that will allow gas payment to be conducted in roubles.

"There is nothing better than Russian gas, all the other options are worse. That is the reality," Peskov said.

Japan to ban Russia-bound exports of luxury cars, goods

REUTERS, Tokyo

Japan will ban the export of high-end cars and other luxury goods to Russia in its latest response to the Russian invasion of Ukraine, the trade ministry said on Tuesday.

The partial ban on Russia-bound auto items, which account for more than half of Japan's exports to Russia, came after Prime Minister Fumio Kishida made a commitment to place more sanctions on Russia at a Group of Seven summit last week.

The new items on the export control list, to take effect from April 5, span 19 categories, from cars worth more than 6 million yen (\$48,630) to jewellery,

watches, cosmetics, liquor and art priced at more than 40,000 yen, the Ministry of Economy, Trade and Industry said in a statement.

Russia-bound exports of boat engines worth more than 1.3 million yen, motorcycles worth over 600,000 yen and grand pianos priced at more than 200,000 yen will also be banned, the ministry said.

Japan's ban on luxury exports to Russia, first announced by Kishida on March 16, followed steps by the United States and European countries to impose sanctions on Russia for its invasion of Ukraine. Russia says it is carrying out "a special military operation" in its southern neighbour.

Buoyant bitcoin helps market cruise past \$2t

REUTERS

As a bleak first quarter draws to a close, crypto seems to have the wind in its sails. It has pushed through the \$2 trillion barrier and is proving surprisingly resilient amid global chaos.

At Monday's high of \$47,765, market leader bitcoin broke above the narrow \$34,000-\$44,000 range it's traded in for most of 2022. Through a steady grind higher from a low just above \$40,000 on March 21, it has gained 18 per cent.

Its comparative steadiness, versus previous performance at least, contrasts with stock markets, traditional currencies and even safe-haven gold, which have been shaken by the Russian invasion of Ukraine as well as the Federal Reserve's tightening.

Bitcoin's jumpiness has waned of late.

Its comparative steadiness contrasts with stock markets, traditional currencies and even safe-haven gold

Its 30-day volatility is around 4 per cent, about two-thirds the level it was in June 2021, according to futures trading platform Coinglass. The highest this year was 4.56 per cent on March 16.

This measures its deviation from its own standard levels, and bitcoin has still had wild swings, such as a 17 per cent jump on March 1. But it's distinctly tamer than in 2021 when it could move as much as 40 per cent in a day.

By comparison, the tech-heavy Nasdaq has whipsawed 5-6 per cent on numerous days in 2022, and was down 20 per cent for the year as of March 14, before it rallied to cut half that loss.

"The largest conflict we've seen in Europe since World War Two has really rocked global markets," said Pierce Crosby, General Manager at charting platform TradingView in New York.

"What we have seen across other major assets is a huge fallout - from both the US equity markets as well as global markets," he added. "Bitcoin has more or less stayed in a pretty tight range ... but actually, in terms of the relative strength, it's very bullish."



Workers are seen picking potatoes from a field in Chinipara village of Lalmonirhat sadar upazila. Despite higher cultivation costs, growers are pleased with this year's prices for the tuber crop. The photo was taken recently.

PHOTO: S DILIP ROY

Potato farmers pleased with this year's prices

S DILIP ROY

While some farmers say that potato yields were low this year, most of them argue the opposite as they got the same output as they had in previous years.

And although cultivation costs were higher this year, farmers are enjoying satisfactory prices for their produce due to the increased demand for potatoes in local markets.

Various farmers say the demand for potatoes increased because of the higher prices of other vegetables. As such, potato traders are buying the tuber crop for Tk 12-13 per kilogramme (kg) from farmers who were forced to sell the same amount for just Tk 10-11 last year.

Besides, even though many potatoes remained unsold last year, none of the spuds are being left over this time around.

The cost of cultivating potatoes in each bigha of land was about Tk 24,000 last year, but it has now increased to around Tk 27,000.

This year, potato has been cultivated on 98,458 hectares of land in five districts of Rangpur division, namely Lalmonirhat, Kurigram, Nilphamari, Gaibandha and Rangpur.

In 2021, potato was cultivated on 97,315 hectares



of land, according to sources from the local Department of Agricultural Extension (DAE).

The potato production target for Rangpur region is 23.65 lakh tonnes this year.

Meanwhile, potatoes were cultivated on about 5 lakh hectares of land across the country and the overall production target has been set at around 1.16 crore tonnes.

The average annual demand of potato in the country is about 60-70 lakh tonnes, DAE data showed.

Reazul Islam, a farmer from Chinipara village in Lalmonirhat sadar Upazila, told the Daily Star that he produced 32,670 kgs of potato by cultivating 11 bighas of land this year.

He produced an average of 90 kgs of potato in each decimal of land, as was the case in previous years.

Islam spent about Tk 2.86

lakh to grow the potatoes, 30,000 kgs of which he sold directly from the field for around Tk 3.90 lakh at Tk 13 per kg.

He kept the remaining 2,000 kgs of potato in cold storage and another 670 kgs for his own consumption.

"We are happy with the market price of potato this year but if the price was Tk 15-16 per kg, we could have made more profit," Islam said.

Suresh Chandra Barman, a farmer from Nazimkhan village in Rajarhat upazila of Kurigram, said this year's potato production levels are similar to last year.

However, this year potato cultivation has cost about Tk 2,500 more for each bigha of land.

Still though, potato traders and cold storage owners have been buying potatoes directly

from farmers at satisfactory prices.

"I produced 45,500 kgs of potato on 16 bighas of land at a cost of Tk 4.15 lakh. I sold 43,000 kgs of the crop for Tk 5.59 lakh at Tk 13 per kg," he said.

"I kept some 1,800 kgs of potato in cold storage while the rest is for family use," Barman said, adding that he was forced to sell 3,000 kgs of potato at low rates last year after they remained unsold during the peak season.

Anwarul Islam, a farmer from Mandolerhat village in Lalmonirhat Sadar upazila, said he planted potatoes on 10 bighas of land this year.

He got 10-12 kg less production in each decimal of land in low-lying areas as untimely rains caused waterlogging.

However, the remaining six bighas of land yielded the same amount as it had last year.

Potato cultivation costs Tk 800 to Tk 900 for each decimal of land, which yields about 80 kgs to 90 kgs of the crop.

It costs about Tk 9 to Tk 10 to produce each kg of potato, which is then sold for Tk 12 to Tk 13.

"We have benefited from potato cultivation this year," Islam said.

Mobarak Hossain, a potato trader in Kurigram town, said he was preparing to buy 1,000 tonnes of the popular vegetable.

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Stocks rise for second day

STAR BUSINESS REPORT

The stock market index continued to rise for a second consecutive day yesterday, the eve of a meeting between the Bangladesh Securities and Exchange Commission (BSEC) and stakeholders on the market's current condition.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), edged up 7 points, or 0.10 per cent, to 6,765.

Stocks posted modest gains as investors are showing interest at lucrative prices, said International Leasing Securities in its daily market review.

Investors increased their participation as the regulator is trying to increase the flow of liquidity to the market. Investors are also expecting the meeting to take decisions that are fruitful for them, it added.

At the day's end, DS30, the blue-chip index, gained 3.02 points and the DSES, the Shariah index, lost 0.48 points.

Among the sectors, ceramic rose 2.1 per cent, jute 1.9 and financial institutions 1.6 per cent whereas the IT sector dropped 1.1 per cent and tannery 0.6 per cent.

Trading was mainly concentrated on textile, which accounted for 11.5 per cent of the turnover, followed by engineering (10.8 per cent) and paper & printing (9.3 per cent).

The Sonali Paper and Board Mills was the stock to be traded the most, with shares worth Tk 71 crore changing hands, followed by Genex Infosys, Fortune Shoes, Beximco and GPH Ispat.

Northern Islami Insurance topped the gainers' list, rising 8.78 per cent, followed by Bangladesh National Insurance Company, IPDC Finance, Phoenix Finance First Mutual Fund and Crown Cement.

Dutch Bangla Bank shed the most, dropping 9.31 per cent, followed by Premier Bank, Bangladesh Monospool Paper Manufacturing Company, Tamijuddin Textile Mills and Atlas Bangladesh.

Chittagong Stock Exchange (CSE) also rose yesterday. The Caspi, the main index of the bourse of the port city, went up 15 points, or 0.07 per cent, to 19,804.

Among the 301 stocks to be traded, 139 rose, 124 fell and 38 remained unchanged.

Shanghai lockdown to raise transport costs: Maersk

REUTERS, Shanghai

Danish shipper Maersk said the Shanghai lockdown will severely hurt trucking services and increase transport costs, as China's intensifying efforts to fight the spread of Covid-19 further rattles global supply chains.

The Chinese coastal city, home to some of the world's busiest sea and airports, began locking down half of the city on Monday and intends to do the same to the other half for four days starting Friday in a two-stage testing exercise.

read more While it has kept its airports and deepwater port open, it has imposed stringent movement curbs, barring unapproved vehicles from streets and telling millions of people not to leave their homes.

"Trucking service in and out (of) Shanghai will be severely impacted by 30 per cent due to a full lockdown on Shanghai's Pudong and Puxi areas in turn until 5th April," Maersk, the world's second-largest container shipping company, said in an advisory to clients on Monday.

It adding that warehouses in Shanghai would be closed until Friday.

"Consequently, there will be longer delivery time and a possible rise in transport costs such as detour fee and highway fee."

Russian supply chains next in line for sanctions

REUTERS, London

The United States and its allies plan new sanctions on more sectors of Russia's economy that are critical to sustaining its invasion of Ukraine, including supply chains, Deputy US Treasury Secretary Wally Adeyemo said on Tuesday.

Adeyemo, speaking in London on a European trip to consult with allies on strengthening and enforcing sanctions to punish Russia, said the broadening of those efforts was aimed at undermining "the Kremlin's ability to operate its war machine".

"In addition to sanctioning companies in sectors that enable the Kremlin's malign activities, we also plan to take actions to disrupt their critical supply chains," Adeyemo told an event at the think tank Chatham House.

"Our goal is to use an integrated approach that includes export controls which will bite over time and sanctions that will bite immediately," he said, adding they would also target alternative military suppliers used by Russia.

Russian President Vladimir Putin sent his troops into Ukraine on what he calls a "special military operation" to demilitarise and "denazify" Ukraine.

Since the invasion began on February 24, western allies have frozen Russia's central bank's foreign currency assets, banned key Russian banks and wealthy elites from hard currency transactions and put restrictions on exports of advanced semiconductors and other technology.

READ MORE ON B2



A worker packs finished products into boxes at a PepsiCo plant in Rostov-on-Don region of Russia.

PHOTO: AFP/FILE

UAE, Saudi say Opec+ should not play politics

REUTERS, Dubai

The energy ministers of Saudi Arabia and the United Arab Emirates, key members of Opec+, said on Tuesday the producers' group should not engage in politics as pressure mounted on them to take action against Russia over its invasion of Ukraine.

Asked by the moderator at an industry event about whether Opec+ has a moral responsibility to expel Russia, Saudi Energy Minister Prince Abdulaziz bin Salman said "everybody leaves his politics at the door" when they hold meetings.

"If we don't do that we would not have dealt with so many countries at different times. It could have been with Iraq at one point, it could have been with Iran at one point."

Opec+ has come under pressure to pump more crude since Russia, the largest producer in the group, invaded Ukraine.