



**Puffed rice, or “muri” as it is called in Bangla, being made in the traditional way, by roasting pre-soaked rice grains in a sand-filled pot over an earthen stove. Each kilogramme is sold for Tk 90 at wholesale. Being a popular iftar item, demand for the snack is set to rise during the month of Ramadan. The photo was taken at Baruikhal village of Bagerhat’s Kachua upazila recently.**

PHOTO: PARTHA CHAKRABORTY

# Will Biden’s plan to tap US oil reserves cut gasoline prices?

AFP, New York

Citing the need to counteract the “Putin price hike” following Russia’s invasion of Ukraine, President Biden has announced a sweeping plan to make unprecedented use of US emergency oil stockpiles.

Under Biden’s plan, the United States will release up to a million barrels a day every day for six months from its Strategic Petroleum Reserve (SPR).

On Friday, the International Energy Agency announced that a group of 30 other countries will also release crude onto the market from strategic holdings following an emergency meeting in Paris.

Biden’s announcement Thursday prompted an immediate slump in oil prices, but the crude market was choppy on Friday, suggesting investor skepticism that the emergency releases will change the picture.

Below are some of the main questions about the SPR and the likely impact of the policy.

Set up in 1975 following the 1973 Arab oil embargo, the SPR is maintained in immense salt caverns along the Gulf of Mexico.

The IEA requires members to hold 90 days of import protection, a requirement the United States has traditionally met with SPR and industry stocks.

At its peak, the SPR contained 727 million barrels in December 2009. The level stood at 568 million barrels as of last week, according to government data.

If the United States goes forward with Biden’s plan, it would reduce the SPR to levels not seen since the mid-1980s.

The White House’s plan dwarfs previous SPR releases, which included President George HW Bush ordering about 17 million barrels released during the first Gulf War in 1991 and a 2011 release by President Barack Obama of 30.6 million barrels due to the disruption of Libyan production.

The announcement marks Biden’s third move to tap the SPR.

In November, the United States

announced it was putting out 50 million barrels of oil in response to soaring inflation amid pandemic-exacerbated supply chain snarls. Early last month, Washington also joined a 60 million emergency release announced by the IEA to address disruption from the Russian invasion.

Given the scale of the release, some analysts have said Energy Department officials may have trouble finding buyers for crude, or face infrastructure bottlenecks.

A note from JPMorgan Chase predicted the release would add 850,000 barrels per day, rather than one million, Bill O’Grady, chief market strategist at Confluence Investment Management, said that the move comes as the long-term need for so much stockpiling looks less acute because of decarbonization efforts to address climate change and as the US shale boom has lessened the need for imports.

“I don’t think that oil will ever be replaced,” O’Grady said.

Oil prices ended about three percent lower on Thursday following the official announcement after falling even more on the initial reports about the plan.

“The market reacted immediately after the announcement was made,” said Andy Lipow of Lipow Oil Associates in Houston, who thinks gasoline prices will fall 10 to 15 cents a gallon due to the SPR release.

The move comes as the US president faces long odds in the November midterm elections, as runaway consumer prices weigh threaten to overshadow a strong labor market.

Biden described the policy as meant to “ease the pain” of lofty gas prices, which now stand above \$4.20 a gallon, up almost 50 percent from last year.

But now that the announcement has been priced in, “the market will look to the next headline for direction,” Lipow said.

“It’s like a quick fix,” said Jim Krane, a fellow at Rice University’s Baker Institute for Public Policy.

## Bangladesh Crop Protection Association gets new office bearers



M Sayeduzzaman

Moazzem Hossain

STAR BUSINESS DESK

Bangladesh Crop Protection Association recently elected its executive committee at its 42nd annual general meeting organised in Bangabandhu International Conference Centre.

M Sayeduzzaman of Mimpe Agrochemicals and Md Moazzem Hossain Palash of Assign Crop Care were elected chairman and secretary general respectively for a one-year term, said a press release.

Other committee members are AHM Sadrul Alam of Aungkur Traders, Md Reaz Uddin Ahmed of Bayer Crop Science, SM Khaled of Ingenious Crop Science, Md Abdul Alim of Padma Agro Sprayers Company, Md Mahbubur Rahman Gazi of MR Enterprise, Ataur Rahman Khan of Agro Winner, Md Manzurul Huda of Sweet Agrovet, Md Mizanur Rahman Khan of Siraj Agro International, Md Marufuzzaman of Gulpukur Corporation, and Md Soheler Rahman of the National AgriCare Import and Export.

## Aarong opens 25th outlet in Rajshahi

STAR BUSINESS DESK

Lifestyle retail chain Aarong has opened its 25th outlet on Kumarpada crossing at Boalia in Rajshahi where it is offering discounts on purchases of Tk 5,000 for a limited time.

Mohammad Ashraf Alam, chief operating officer, inaugurated the outlet on Friday, said a press release.

“We are happy for the fact that we will be able to serve the people in this region with the handcrafted products of Bangladeshi artisans that Aarong is committed to promote and spread across the country and beyond its border,” said Alam.

Customers will find the products of Aarong’s sub-brands – TAAGA, TAAGA MAN, and Aarong Earth – at the new outlet, where Eid/22 collection is also available.

The newly-designed 12,000 square feet space offers two levels of shopping for Aarong customers and features apparel, home décor, footwear, jewellery, and other product lines.

## Bangladesh most profitable unit

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also expanded its Studio X international male grooming range with the launch of skin cream and pocket perfumes. Currently, Bangladesh is the most profitable unit of Marico’s international business.

With the economy showing resilience amidst the second and third waves of the covid-19 pandemic and the government’s prudent measures in the form of movement restrictions and vaccination efforts, the company is hopeful about delivering profit growth for its shareholders in the upcoming financial year of 2021-22.

DS: What are the potential and challenges of the fast-moving consumer goods market in Bangladesh?

Ashish Goupal: Our experience in Bangladesh has been a positive one and we are proud advocates of Bangladesh as an investment destination. We believe in Bangladesh’s potential and are hence investing a further Tk 227 crore in the Mirsarai SEZ.

Bangladesh has business-friendly policies which is reflected in the growth of the economy. The government has also strongly driven efforts of digitalisation and technology, which will go a long way in enhancing the Ease of Doing Business. If the government’s vision of creating an economy backed by digital governance can be executed fast, it will give the country a cutting-edge advantage.

Digitalisation simplifies several procedural hurdles and eases backlogs, such as obtaining various approvals or business licences, brings

transparency to revenue collection and allows for resources to be deployed in a more constructive manner. Bangladesh is already competing with other Asian and African countries, not only in terms of attracting investment but also competing in terms of capability, technology and intellectual capital, and digitalisation is a key catalyst to the growth.

My three recommendations would be ensuring continuous open and responsive dialogue with the industry, ensuring clarity and consistency in the application of government regulations and policies, and accelerating digital economy and governance. It is imperative that we sustain the digital transformation and access to government machinery that we have witnessed during the pandemic as the government agencies extended their wholehearted support to ensure business continuity while maintaining safety measures.

DS: What is your plan for protecting the environment and reducing the use of plastic or carbon emissions?

Ashish Goupal: Marico, as a group, has always aimed to spearhead efforts to grow and foster sustainability through its operations. As part of Marico group, Marico Bangladesh adheres to a unified strategic framework on sustainability, the key elements of which include waste management, water management, energy efficiency, product responsibility and sustainable sourcing.

Our factory operations

have already initiated efforts to implement 3R (reduce, reuse and recycle) in the production process, introducing mechanisms for reusing plastic and solid waste. Our Shirichala operations are currently zero discharge operations, and we aim to make it a completely sustainable factory by 2023 by recycling and reusing our own by-products and waste in our production. Moreover, our SEZ operations will be completely sustainable as well.

We hope that going forward, we will be able to collaborate with the government and industry on a sustainable and shared manner of ensuring extended producer responsibility and innovating to reduce virgin plastic waste generation and reduce our carbon footprint as a company.

DS: What is your plan for product diversification?

Ashish Goupal: Marico Bangladesh has expanded and diversified its product range significantly over the past few years. Even during the pandemic, we launched our Mediker SafeLife+ international hygiene range. We introduced Saffola Honey into our food range. We have expanded our core business in hair oils and have also forayed further into hair care and skincare with our Parachute Naturale range of shampoos and Parachute SkinPure range of skincare products.

We have also seen a gap in safe baby care products and responded by launching our Parachute Just For Baby range comprising lotion, oils, soap, shampoo, wash, face cream, rash cream

and baby toothpaste. Since Parachute Just For Baby is certified Made Safe (by Safe Cosmetics Australia) and has 100 per cent safe ingredients like neem, olive, and almond, this range has built prompt equity among consumers.

We have also introduced our international styling brand Studio X into the market, which has a complete range of international quality grooming and styling products specifically catered to men. It includes shampoo, face wash, hair gel and deos.

We are focused on growing our core business as well as strengthening our foothold in the newer categories we have entered. We are committed to delivering growth that will benefit all stakeholders in our ecosystem.

### Potato growers

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for consumption or late sale. After the mentioned duration, the tubers start sprouting, Hai said.

Mangalu Barman of Chutbathina village in Thakurgaon sadar upazila said he cultivated potato on one acre of land to produced 350 sacks of the crop weighing 55 kilogrammes each.

He could preserve only twenty sacks of potatoes while the rest was sold for Tk 9 per kilogramme, which was a loss. If he kept the spud in a cold storage for a month or two, he could have gotten higher prices.

Taking advantage of the shortage of storage space, traders and hoarders who booked storage’s space earlier are buying potatoes for between Tk 7 and Tk 9 per kilogramme, Barman said.



**Md Arfan Ali, president and managing director of Bank Asia, Zafar Alam, managing director of Social Islami Bank Ltd, and Noor Elahi, country manager of Western Union, pose for a photograph at the launch of outbound remittance service at The Westin Dhaka recently.**

PHOTO: BANK ASIA

## Western Union, Bank Asia, SIBL launch outbound remittance service

STAR BUSINESS DESK

Western Union in collaboration with Bank Asia Ltd and Social Islami Bank Ltd (SIBL) launched outbound remittance services for the first time in Bangladesh at an event at Westin Dhaka recently.

Humayun Kabir, executive director (foreign exchange policy department) of Bangladesh Bank, Md Arfan Ali, president and managing director of Bank Asia, and Zafar Alam, managing director of SIBL, were physically present while Gaurav Yadava, country director of Western

Union, and SS Ramanathan, senior country manager, attended the event virtually, a press release said.

Western Union has become the first money transfer operator to offer such a service in the country. Bangladeshi citizens can now send money for student and medical payments overseas, while expatriates can send their earnings back home.

Transfers can be made from their Bank Asia or SIBL accounts into billions of bank accounts, including digital wallets, across more than 125 countries and

territories, and in cash to above 200 countries and territories.

As part of the celebrations, a promotional price of Tk 500 per transaction of any value is being offered to customers until June 30.

SM Iqbal Hossain and Adil Chowdhury, deputy managing directors of Bank Asia, Golam Gaffar Imtiaz Chowdhury, senior vice-president, Md Yeahia, additional managing director of SIBL, Akmal Hossain, executive vice-president, Noor Elahi, country manager of Western Union, and Shihab Hasan, operations manager, were also present.



**Md Quamrul Islam Chowdhury, managing director of Mercantile Bank, and Mohammodi Khanam, chief executive officer of Desh General Insurance Company, exchange signed documents of a financial service agreement at the lender’s head office last month. Shamim Ahmed and Md Mahmood Alam Chowdhury, deputy managing directors of the bank, were present.**

PHOTO: MERCANTILE BANK