

star

BUSINESS



March exports hit record \$4.76b

STAR BUSINESS REPORT

Export receipts hit \$4.76 billion in March, the highest ever on record in a single month, posting 55 per cent growth year-on-year as buoyancy remained in shipments of major manufactured goods such as garments, home textiles and leather footwear despite the Russia-Ukraine war's effect on global trade.

The previous record was of October 2021 when it reached \$4.73 billion.

With March, the total earnings from shipping goods abroad rose 33.4 per cent year-on-year to \$38.6 billion in nine months since July of fiscal year 2021-22, providing much-needed support to the country's foreign exchange reserves, which is under pressure amid ballooning imports.

The export figures were compiled a day after Bangladesh Bank said migrant workers sent a higher amount of remittance in March than in February, which would also help offset the reduction in foreign exchange reserves at the end of the month.

The foreign exchange reserve, which stood at \$46 billion

Total earnings from shipping goods abroad rose 33.4 per cent year-on-year to \$38.6 billion in July-March period of fiscal 2021-22

on December 29, 2021, stood at \$44.25 billion on March 30, according to Bangladesh Bank.

The Export Promotion Bureau (EPB) data showed that garment exports fetched \$31.42 billion in the nine months to the end of March of fiscal year 2021-22, up 33 per cent from that a year ago.

"Buyers are shifting orders from various countries. Prices of yarn and raw material costs also increased," said MA Jabbar, managing director of DBL Group, one of the leading garment exporters.

He said the products shipped in March were booked earlier.

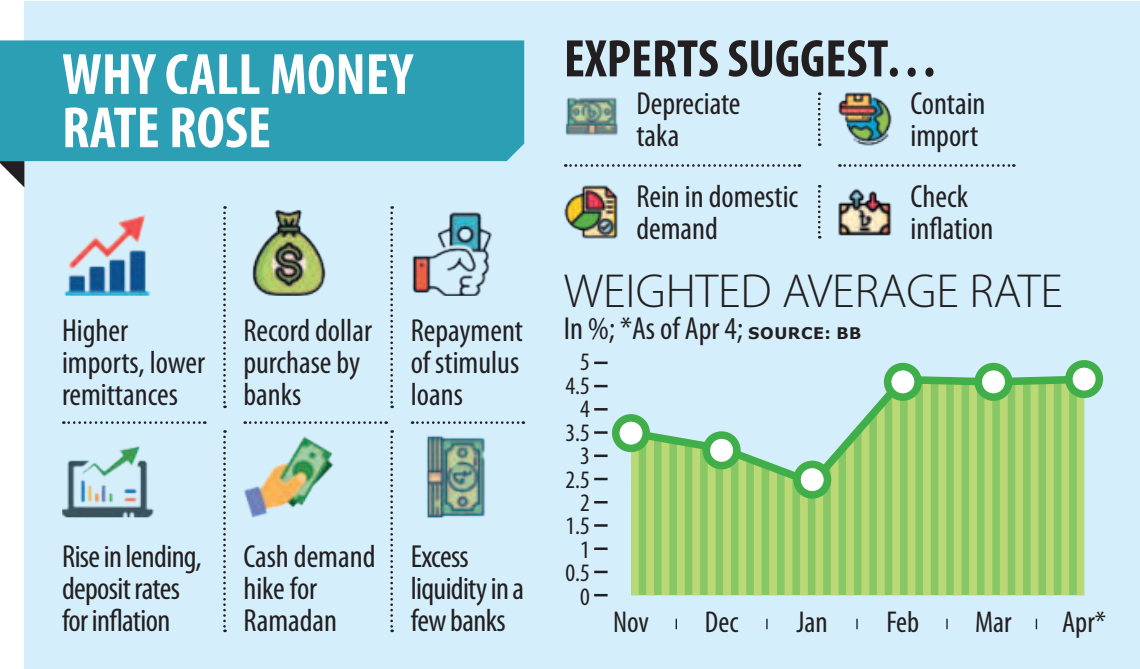
"Booking is good while our capacity utilisation has increased. We have also not seen cancellation of any order," he said responding to question on the Russia-Ukraine war.

"The markets from where we got bookings were not affected for the war," he said.

"We are concerned but we expect the export growth momentum to continue this year," said Jabbar.

Garments, comprising woven and knitwear, made up 81 per cent of the overall export receipt of \$31.4 billion in the

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Forex crisis spills over into call money market

AKM ZAMIR UDDIN

The ongoing strain on Bangladesh's foreign exchange regime has created cash shortages in the banking sector, sending the interbank call money rate to a 19-month high yesterday.

The weighted average rate in the interbank call money market, where banks borrow from each other on an overnight basis, stood at 4.65 per cent yesterday in contrast to 3.52 per cent a month ago and 1.89 per cent a year prior, data from the central bank showed.

The previous peak was recorded in August 2020 when the rate stood at 4.7 per cent.

The current forex crisis confronting the financial

sector are mainly responsible for squeezing the supply of cash in the banking sector. The cash shortage may exacerbate further this month amid growing consumption in Ramadan and the upcoming spending spree centring Eid-ul-Fitr.

In addition, credit demand is on the rise as the economy has been firing on all cylinders, helped by a sharp fall in coronavirus caseloads.

"But ensuring a sound foreign exchange market will play a pivotal role in riding out the ongoing crisis," said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

Banks are purchasing American greenbacks

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bKash losses almost double

Reasons include higher costs on training, investment

AHSAN HABIB

Losses of bKash, a subsidiary of Brac Bank, widened by 83 per cent year-on-year in 2021, even though its revenue rose by 21 per cent, for incurring higher costs on training, investment and waivers on the charge to send money.

The mobile financial service provider incurred a loss of Tk 123 crore in 2021, which was Tk 67 crore in the previous year, according to its financial statements.

This is the third consecutive year of losses for the company. In 2019, its loss amounted to Tk 63 crore.

The losses rose due to the higher burden of the cost of services that were deducted from revenue, and lower income from interest, revealed an analysis of the report.

In 2020, the company spent 72.64 per cent of its net revenue behind cost of services, which rose to 76.24 per cent in 2021.

In other words, mobile network operators' service charges and "channel commission" rose for the mobile financial service provider last year.

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STOCKS	
DSEX ▼	CSCX ▼
0.78%	0.62%
6,718.91	11,818.58

COMMODITIES	
Gold ▲	Oil ▲
\$1,928.73	\$103.21
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 2.25%	▲ 0.25%	▼ 0.06%	▲ 0.94%
60,611.74	27,736.47	3,416.97	3,282.72

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Trust Bank, Radisson Dhaka sign MoU

STAR BUSINESS DESK

Trust Bank Ltd and Radisson Blu Dhaka Water Garden recently signed a memorandum of understanding (MoU) over having hotel dine facility for a one-year term.

Ahsan Zaman Chowdhury, deputy managing director of Trust Bank, and Md Sharfuddin Newaz, director of sales and marketing of Radisson Blu Dhaka Water Garden, signed the MoU at the latter's office in Dhaka, a press release said.

Under the MoU, the bank's signature card holders will be able to get Buy-One-Get-One (BOGO) offer for breakfast, lunch and dinner around the year.

Humaira Azam, managing director of Trust Bank Ltd, and Brig Gen (ret'd) Lutful Kabir Bhuiyan, chief executive officer of Sena Hotel Developments at Radisson Blu Dhaka Water Garden, were present.



Pineapples are seen on display at the Karwan Bazar wholesale market in Dhaka. Demand for the highly nutritious tropical fruit usually goes up during the month of Ramadan, and following low sales amid the Covid-19 pandemic, traders are happy to be getting good prices this year. Pineapples were selling for Tk 120 per four pieces when this photo was taken yesterday.

PHOTO: ANISUR RAHMAN

NRBC Bank steps into 10th year of operations

STAR BUSINESS DESK

NRB Commercial Bank has entered into its 10th year of operations.

Directors and sponsors celebrated together the event, presided over by Chairman SM Parvez Tamal while Managing Director Golam Aulia, directors AM Saidur Rahman, AKM Mostafizur Rahman and Mohammad Ali Chowdhury and shareholders Mamun and Arif Sikder were present.

Officially launched on April 2, 2013, the bank had a deposit of Tk 11,046 crore at the end of 2021 and loans and advances of Tk 10,479 crore, said a press release. The lender disbursed Tk 815 crore in micro-credit among about 21,000 customers. It has 650 sub-branches and 590 agent outlets across the country.

Ukraine war sows more turmoil for UK farms

AFP, Itchingfield

Hungry cows at Westons Farm jostle for position at the feeding trough, blissfully unaware that Ukraine's war has sowed more turmoil for UK farms ploughing through Covid and Brexit fallout.

Westons -- based in the picturesque village of Itchingfield in southern England -- uses excrement from the farm's cattle, chickens, pigs and sheep to fertilise arable crops like carrots, pumpkins, spinach and wheat.

The agriculture sector, like large swathes of the UK economy, is grappling with sky-high energy prices following pandemic lockdowns and labour shortages in the wake of Britain's exit from the European Union.

Now, Moscow's invasion of Ukraine has fuelled rocketing prices for fertiliser because Russia is a major producer.

Farms like Westons have therefore become more and more reliant on animal slurry to grow crops and cut costs.

"The thing that's really concerning us as farmers are the multiple issues that are coming our way all at once," the farm's

owner David Exwood told AFP as he fed the cattle.

There is the "high fertiliser price, we have a high fuel price, we've got a shortage of labour, and we've got regulatory change", said Exwood, who is also vice-president of the National Farmers' Union (NFU).

Fertiliser prices in the UK have soared almost fourfold over the past year, sector data show.

The nutrient-rich material was already in short supply after surging gas prices forced leading UK manufacturer, CF Fertilisers, to pause production in September.

Six months later, the Ukraine war sent fertiliser prices hurtling even higher.

Wheat hit recent record peaks because sanctions-hit Russia is a key producer alongside Ukraine.

Meanwhile, worsening labour shortages, sparked by Brexit and exacerbated by Covid, are particularly acute in Britain's agricultural sector.

The industry had 500,000 job vacancies in September, according to NFU data.

Visa issues and Covid restrictions have

caused many farm workers to return abroad, notably including many European lorry drivers.

Britain's departure from the European Union at the start of last year formalised Brexit.

"The lack of labour has meant that crops... have gone unpicked and are rotting away in fields," said Jack Ward, chief executive of the British Growers' Association.

The British Meat Packing Association has expressed similar troubles.

"Our main concerns are the lack of staff able to process (carcasses) in the UK," it noted.

Thousands of pigs have been culled because of a chronic lack of butchers in abattoirs.

"UK pigs are being killed, incinerated and not entering the food chain," said farmer Andrew Ward, who grows wheat in Leadenham in central England.

"We have pig farmers going out of business, but imports of pig meat have gone up 20 per cent in the last six months (to meet demand) and the government is standing by and letting it happen."

Buying houses

FROM PAGE B4

The buying house opened LCs with Shahjalal Islami Bank for the purpose of exporting readymade garments.

Subsequently, it had declared to ship 38,311 pieces of jeans, shorts sets and short pants worth Tk 18.91 lakh. The customs found 83,351 pieces of goods worth Tk 40.88 lakh in the consignment.

Customs officials think that the company had tried to launder around Tk 22 lakh through the mis-declaration.

Dynamic International Ltd, a C&F agent, was in charge of shipping the consignment on behalf of the exporter, shipping and bank documents showed.

Shyamal Chowdhury, managing director of Dynamic International, said: "Products from another consignment were mistakenly placed in this consignment. There was no motive for money laundering."

HM Fashion Wear declared to ship around 23,000 pieces of t-shirts, short pants, jeans and ladies ties worth Tk 10 lakh, but the customs found around 41,000 pieces of goods worth Tk 18 lakh in the consignment.

The company would have laundered around Tk 10 lakh if the customs had failed to arrest the shipment, said officials.

Ahsan Ullah, deputy commissioner of customs, said: "They tried to export more goods than declared. There was no chance of this happening by mistake."

"After analysing bank documents, importers' invoices, and other papers, we suspect that there was an ill-motive to launder money."



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh Ltd (IBBL), virtually inaugurates an 'Executive Development Programme' organised by Islami Bank Training and Research Academy (IBTRA) on Sunday. Prof Md Salim Uddin, chairman of the executive committee at IBBL, Muhammad Qaisar Ali and Md Omar Faruk Khan, additional managing directors, SM Rabiul Hassan, principal of IBTRA, joined the event.

PHOTO: IBBL

Asian markets mixed as strong US jobs data boosts rate hike bets

AFP, Hong Kong

Asian markets were mixed Monday as another strong jobs report provided some reassurance that the recovery in the US economy remained on track but also solidified expectations for more aggressive Federal Reserve interest rate hikes.

The gains were helped by another drop in oil prices after the 31-nation International Energy Agency agreed to tap its vast reserves to offset the removal of Russian exports, while the start of a ceasefire in Yemen eased concerns over supplies from the region.

Officials said Friday that the world's top economy added 431,000 positions in March while the unemployment rate fell to just slightly above pre-pandemic levels.

The figures showed that while inflation has surged to a 40-year high and the Ukraine war has fanned uncertainty, the recovery continues.

The economy's resilience will be taken as further evidence that the economy could withstand a sharper rise in interest rates to bring prices under control, with many observers now predicting a half-point hike in May.

However, expectations that rates will continue to go up have seen Treasury yields surge with commentators saying there were warning signs that growth will slow as the year progresses.

"It would not be surprising to see yields rise further from here and it is very hard to know where they will land," Angela Ashton, of Evergreen Consultants, noted.

"Markets are volatile and there is every chance they will overshoot." A positive close on Wall Street was followed by a broadly upbeat start to the week in Asia.

Hong Kong led gains thanks to a rally in tech firms after Beijing removed a rule preventing US authorities from inspecting the audits of Chinese companies listed

in New York.

The announcement came after a drawn-out row between the two countries with Washington saying Chinese firms could be delisted by 2024 if they do not comply with audit requirements.

The demand put at risk more than 200 companies including e-commerce titans Alibaba and JD.com and Tencent.

Singapore, Sydney and Seoul also rose, though Tokyo, Manila and Jakarta struggled.

Crude extended Friday's losses -- with WTI holding below \$100 -- after IEA members including the United States, Japan the European Union pledged to dip into stockpiles to shore up tight supplies caused by Russia's invasion of Ukraine.

The grouping made the promise at an emergency ministerial meeting, having already announced last week a plan to release more than 60 million barrels.

Walton sets up 2.16MW solar power plant

STAR BUSINESS DESK

Walton has set up a 2.16 megawatt solar power plant at its headquarters at Chandra in Gazipur as a part of its initiative of phasing out 18 megawatt power by next year.

Nasrul Hamid, state minister for power, energy and mineral resources, inaugurated the rooftop solar power plant at Walton Hi-Tech Industries' headquarters in Gazipur on Sunday, a press release said. "Walton is much advanced in energy saving. They have taken massive plans for renewable, clean energy. They are making proper water usages," he said.

"Walton is moving towards sustainability. It's a great thing for Bangladesh. The more power generation, more supply and more consumption will lead to improved human development index and industrial development as well."

"It's not easy to establish a super factory in such a short time. But, Walton has made it. I am so happy that we have a world-class factory. All kinds of home appliances are now manufactured in our country," Hamid said.

"The Prime Minister's dream of building a knowledge-based, developed and prosperous Bangladesh by 2041 will be possible for local companies like Walton."

We hope that Walton will become the top global brand and will represent Bangladesh in the world," said Zunaid Ahmed Palak, state minister for information and communication technology.

"The development of the industry has been possible for 100 per cent electrification. If the industry-friendly policies that have been formulated in the last decade continue, at least ten more billion dollar companies like Walton will flourish in the near future," said Golam Murshed, chief executive officer of Walton Group.

Md Liakat Ali, deputy managing director of Walton Digi-Tech Industries, was also present.

Euro zone investor morale slumps

REUTERS, Berlin

Investor morale in the euro zone fell to its lowest level in nearly two years in April, a survey showed on Monday, pointing to the beginning of a recession in the second quarter of 2022.

Sentix's index for the euro zone fell to -18.0 in April from -7.0 the previous month, hitting its lowest level since July 2020. A Reuters poll had pointed to a reading of -9.2.

A current conditions index fell to -5.5 from 7.8, its lowest level since April last year, while an expectations index fell to -29.8 from -20.8, its lowest level since December 2011.

While the dip in March's morale had been expected due to the start of the war in Ukraine, the strong fall in sentiment in April once again puts investors on the back foot, said Sentix.

The conflict and related sanctions and uncertainties are pushing the euro zone economy towards a recession, it added.

How a youth popularised

FROM PAGE B4

"Currently a 100Mbps connection has been given and we will develop some internet hotspots for youths," Hakim added.

Yasir Azman, chief executive officer of Grameenphone, recently visited Madhupur's Gaira

village and inaugurated a makeshift tower there.

As a result, Grameenphone's 4G speed internet is available in many areas and the villagers are also getting the network inside their houses, Nokrek said. However, he went on to

say that many villages of Madhupur, such as Jangalia, Magontinagar and Beribaid, are still deprived of internet.

Subir said Telecom Minister Mustafa Jabbar has already spoken to him and assured him of more towers for ensuring faster internet.

FROM PAGE B4

Germany's defence minister said on Sunday that the European Union must discuss banning the import of Russian gas in light of the reported atrocities, while French President Emmanuel Macron supported sanctions on oil and coal.

Lithuania has already

announced it will no longer import Russian gas to meet its domestic needs, becoming the first country in Europe to secure its independence from Russian supplies.

Italian Ecology Transition minister Roberto Cingolani said the country has sufficient reserves to forego Russian gas supply over the next

few months.

Italy and Germany are among the European Union members most dependent on Russian gas.

Russia has previously denied targeting civilians and has rejected allegations of war crimes. Moscow said the killings near Kyiv were "staged" to sully Russia's name.

EU extends ban on mobile roaming fees

AFP, Brussels

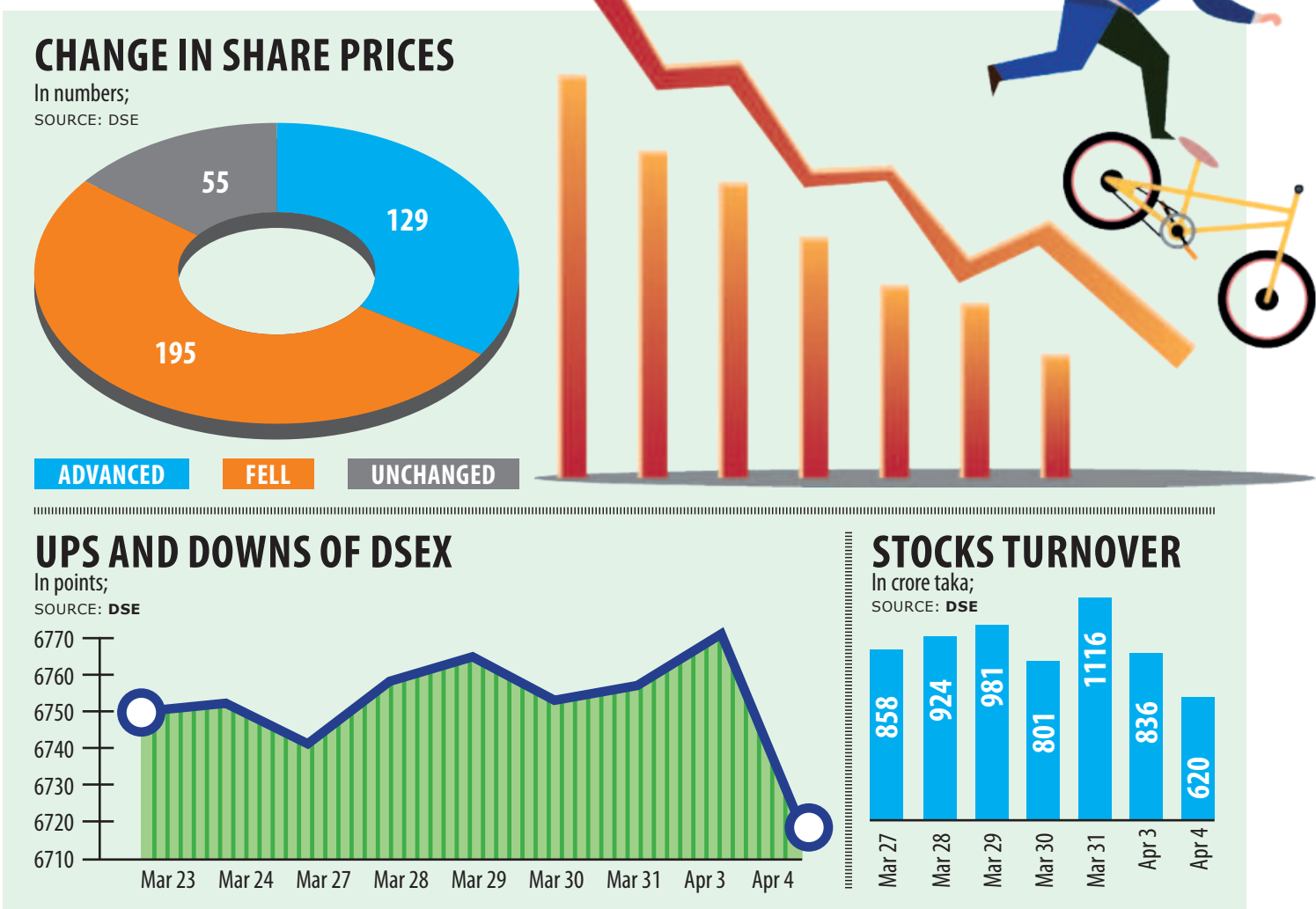
The European Union on Monday extended for another 10 years its ban on mobile phone roaming surcharges for people using their European handsets while travelling in the 27-nation bloc.

The “roam like at home” scheme is one of the more popular pieces of legislation for EU citizens and residents, allowing them to make calls and texts and use data in other EU countries at the same price as that charged in their domestic plans.

The European Council representing the EU’s member states said it gave final approval to extend the scheme beyond when the current regulation expires at the end of June. It will now continue until 2032.

The European Council representing the EU’s member states said it gave final approval to extend the scheme beyond when the current regulation expires at the end of June

The European Consumer Organisation (BEUC) noted in a statement that the renewed policy requires telecom operators to strive to give roaming at the same quality, meaning EU visitors not being shunted to lower speed 3G or 4G networks when higher speed ones are available. BEUC’s deputy director general Ursula Pachl called the extended policy “one of the EU’s greatest success stories for consumers” and one of the “tangible benefits” of its single market. Many consumers in Britain, which left the European Union two years ago, are seeing roaming charges return. At least three big British telecom operators decided to bring back added roaming fees, which average an extra two pounds (2.40 euros, \$2.60) per day for those visiting the EU.



Stocks fall amid panic sales

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange (DSE) fell yesterday after a two-day break as jitter investors went for panic sales as global uncertainty and higher commodity prices persist.

The benchmark index of the bourse, DSEX, was down 0.8 per cent, or 53 points, to close the day at 6,718.

The DS30, the index for the blue-chip stocks, and the DSES, the shariah index, lost 19.26 points and 8.89 points, respectively.

The losers took a strong lead over the gainers as 296 securities declined, 46 advanced, and 39 did not see any price movement.

Investors reduced their participation significantly in the market, sending turnover, an important indicator, to fall to Tk 620 crore, a decrease of 26 per cent from Tk 836 crore recorded a day ago.

“The jittery investors converted their investments into cash fearing the price hike of necessities during Ramadan and the worldwide ongoing economic turmoil,” said International Leasing Securities Ltd in

its daily analysis of the market.

All sectors on the premier bourse in the country witnessed price correction.

The paper and printing sector was down 1.9 per cent, the general insurance gave up 1.6 per cent, and the jute sector shed 1.4 per cent.

The investors’ attention was mainly concentrated on textile (13.5 per cent), financial institutions (12.6 per cent) and engineering (12.2 per cent).

IPDC Finance, Genex Infosys, and VFS Thread Dyeing led the scrip-wise turnover board, with their shares worth Tk 50 crore, Tk 30 crore and Tk 29 crore changing hands, respectively.

JMI Hospital Requisite Manufacturing was the top gainer on the day, surging 9.92 per cent. Rangpur Foundry, Gemini Sea Food, Apex Tannery, VFS Thread Dyeing, and Prime Finance & Investment rose between 3 per cent and 6 per cent.

Fortune Shoes and Savar Refractories declined 2 per cent, the maximum decline allowed by the stock market regulator presently.

Earlier last month, the Bangladesh Securities and Exchange Commission

lowered the circuit breaker limit to 2 per cent from 10 per cent to forestall the freefall of the stocks amid renewed global uncertainty caused by the Russia-Ukraine war and runaway global commodity prices that have seriously affected the prices in Bangladesh.

Reckitt Benckiser, Sonali Paper & Board Mills, Republic Insurance Company, Shyampur Sugar Mills, Paramount Insurance Company and Pragati Life Insurance were also among the major losers.

The DSMEX, the index for the small and medium enterprises, closed at 1,330 after adding 17.32 per cent, or 196.41 points. All of the nine stocks listed on the platform advanced.

Turnover rose to Tk 17.56 crore yesterday from Tk 6.75 crore on Sunday, DSE data showed.

The key index of the Chittagong Stock Exchange lost 0.63 per cent, or 124 points, to end the day at 19,700. Turnover slipped to Tk 14.55 crore, down from Tk 18.87 crore a day ago.

Losers outnumbered gainers as 48 stocks rose, 197 fell and 37 were unchanged.

EDIBLE OIL

Prices can only fall in line with global trend

Says Tipu Munshi

STAR BUSINESS REPORT

Commerce Minister Tipu Munshi yesterday said the reduction of edible oil prices in local markets is predicated on whether the international prices of crude cooking oil fall further.

Crude soybean oil sold for between \$1,401 and \$1,584 per barrel yesterday while the same amount cost about \$1,650 to \$1,700 per barrel one month ago in different futures markets.

Last month, the government fixed the price of bottled soybean oil at Tk 160 per litre at the retail level considering \$1,450 per barrel as the base price in international markets, Munshi said.

“However, the reduction of crude edible oil prices in international markets has not reached a level that requires us to reduce prices in local markets now,” he added.

The commerce minister went on to say that a further price reduction of edible oil in local markets depends on the fall of crude cooking oil prices in Brazil, Malaysia and Indonesia.

Munshi was speaking at a press conference after a meeting of the first taskforce that was formed last week to monitor the basic commodities markets.

“The reduction of crude edible oil prices in international markets has not reached a level that requires us to reduce prices in local markets now.”

He also said the current stock of edible oil in Bangladesh is nearly 90,000 tonnes, which is adequate to serve the local market.

Munshi informed that the home ministry has assured him of stopping extortion of goods-laden trucks as rent seeking by a section of people is considered one of the major causes for the price hike of basic commodities in local markets.

Regarding the hike of vegetable prices, the commerce minister said it is not so simple to reduce the prices of widely consumed vegetables as the price of those items depends on many issues, including transport costs and depreciation of the goods.

He said the government may consider carrying such goods via railway in the future so that prices can be controlled by reducing transportation costs.

Munshi said the government wants to strengthen the capacity of the Trading Corporation of Bangladesh (TCB) so that the people can buy essential goods at affordable prices. The TCB currently controls 30 per cent of the basic commodities market, he added.

AHM Shafiquzzaman, director general of the Directorate of National Consumer Rights Protection, said he called some refiners to a hearing last week as they were found to be involved in the unusual supply of edible oil in local markets, which affected the price level.

A few other refiners will also be called to a hearing soon as they too were found to be engaged in distorting the supply of edible oil.

German exports rise but Ukraine clouds gather

AFP, Frankfurt

German exports bounded higher in February, the official statistics agency said Monday, cautioning that the Ukraine conflict and sanctions against Russia were likely to cloud the picture in the months ahead.

Exports rose by a higher-than-expected 6.4 percent on the previous month to reach a value of 124.7 billion euros (\$137.5 billion), Destatis said, powered by strong demand from European Union countries.

Analysts surveyed by FactSet had predicted a two-percent increase.

Imports jumped 4.5 per cent month-on-month, totalling 113.1 billion euros.

But trade with Russia was “markedly down”, Destatis said, with exports falling by 6.3 per cent and imports by 7.3 per cent, revealing the first impact of sweeping Western sanctions imposed on Russia after its February 24 invasion of Ukraine.

Canada to support GM multi-billion-dollar investments

REUTERS, Ottawa

Canada on Monday will announce its support for General Motors Co’s multi-billion-dollar investment in two plants, including one that will produce electric commercial vehicles (EVs), a government source said.

Both the federal government and Ontario’s provincial government will invest in the two GM plants in Ingersoll and Oshawa, said the source, who provided no further details and was not authorized to speak on the record.

Scott Bell, GM’s Vice President Global Chevrolet, Canada’s federal Industry Minister Francois-Philippe Champagne and Ontario Premier Doug Ford will make an announcement about “an important investment in the future of Canada’s automotive manufacturing sector” at 11 am EST (3 pm GMT) on Monday, according to a statement.

Forex crisis spills over

FROM PAGE B1
heavily from the central bank to settle their letters of credit (LCs) amid lower-than-expected remittances and exports than escalating import payments.

This forced the Bangladesh Bank to inject a record \$3.78 billion between July 1 and March 23 to keep the exchange rate of the taka against the dollar stable.

This means banks have to spend more than Tk 32,500 crore to buy the dollars. One USD yields Tk 86.20 as per the current interbank rate.

As a result, a large amount of liquid funds is now stored at the central bank, creating a cash shortage in the financial sector.

“The call money rate will climb further if banks continue to purchase the dollars from the central bank,” Rahman said.

Md Habibur Rahman, chief economist of the

central bank, says higher inflation has worsened the situation as it has pushed the lending and deposit rates.

The official figure of the Consumer Price Index surged to a 16-month high in February driven by soaring costs of essential food ranging from staples such as rice, edible oil and vegetables to protein items.

“Some banks now enjoy excess liquidity while others are facing a cash crunch. This has also triggered the call money rate,” Habibur said.

The rise in credit demand from borrowers has also contributed to the upward trend of the rate.

“Demand for cash usually surges during Ramadan, and this year is no exception, putting extra pressure on the call money market,” said Emranul Huq, managing director of Dhaka Bank.

Mirza Elias Uddin Ahmed, managing director

of Jamuna Bank, called for reining in both higher imports and inflation to mitigate the volatility in the money market.

Between January and June, imports soared to \$46.67 billion, up 46 per cent year-on-year. Exports increased 29 per cent to \$27.97 billion.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, says the instability in the call money market is the result of the crisis prevailing in the foreign exchange regime.

“The balance of payments situation is now in dire straits due to the lower inflow of foreign exchanges.”

Remittance flow from migrant workers that gave much-needed cushion to the economy at the height of the pandemic has now slowed, deepening the foreign exchange crisis at banks.

Bangladesh received

\$15.30 billion in remittances in the first nine months of the current fiscal year, a decrease of 21.56 per cent compared to the same period a year ago.

“The central bank should depreciate the taka against the dollar to ward off the crisis,” said Mansur, also a former official of the International Monetary Fund.

The exchange rate now stands at Tk 86.20 per US dollar compared to Tk 84.80 a year ago.

“If the central bank devalues the exchange rate of the local currency to some degree, imports will decline. And domestic demand will decrease automatically when imports are curbed.”

Banks have also started to pay back the loans taken from the central bank to implement the stimulus packages. This has also caused a cash shortage in the banking sector, Mansur said.

bKash losses

FROM PAGE B1
The operators’ service charge rose 47 per cent to Tk 223 crore.

Like most technology companies, the growing years are investment hungry with focus on customer acquisition and customer retention, which helps to build a sustainable base, said bKash in response to queries from The Daily Star.

bKash made significant investments to create a scalable technology platform, not only to cater to more transactions, but also to provide a wide range of services, it said.

For instance, it invested

cater to a more digitised economy will bring commercial dividends in the coming years,” it said.

As per a regulatory order, waivers had to be provided on charges for sending money from April to August of 2021 due to the pandemic, bKash said.

This also augmented the overall loss and subsequently contributed to the increase in the cost of services.

bKash’s net finance income dropped 86 per cent to Tk 6.95 crore, down from the previous year’s Tk 51.19 crore, the data shows.

It reduced commercial expenses by 9.88 per cent



in hiring additional manpower like IT and software engineers and data scientists. In addition, bKash says it puts emphasis on regulatory and anti-money laundering and combating the financing of terrorism (CFT) compliance.

Its operating and administrative costs rose 21 per cent to Tk 585 crore in 2021, according to the financial reports.

bKash trains every agent and all personnel hired by distributors on the prevention of money laundering or terrorist financing, all of which are cost intensive.

“We hope these strategic investments made today to

to Tk 237 crore last year. bKash will continue to enhance financial inclusion in the country through relentless investments in innovation and home-grown talent, it added.

Brac Bank holds 51 per cent shares of bKash while the Money in Motion LLC of the US has 16.45 per cent, Alipay Singapore E-Commerce 14.87 per cent, International Finance Corporation 10.36 per cent and SVF II BEAM (DE) LLC 7.32 per cent.

In 2021, bKash’s e-money circulation soared 24.53 per cent to Tk 5,853 crore, up from the previous year’s Tk 4,700 crore, according to the financial statements.

Turkish inflation hits fresh record at 61.1pc

AFP, Istanbul

Turkey's inflation hit a new record in March, official data showed Monday, driven up by the fallout from Russia's invasion of Ukraine and soaring energy prices.

Consumer prices accelerated to 61.14 per cent at an annual rate, up from 54.4 per cent in February, according to the statistics agency.

The weakening lira and the rising cost of living has become a major source of public discontent in Turkey as President Recep Tayyip Erdogan faces an election next year.

The currency was stable following the latest inflation data, trading at 14.7 lira against the dollar and 16.2 lira against euro.

The war in its Black Sea neighbourhood has had a major impact on Turkey as Russia is a key supplier of energy while Ukraine ships wheat. Turkish tourism industry also mainly relies on Russian tourists. While countries around the world are facing rising inflation, Turkey's problems have also been affected by Erdogan's unorthodox economic approach.

Oil slips below \$104

REUTERS, London

Oil slipped on Monday in volatile trading as the release of strategic reserves by consuming nations eased concerns over tight supply amid Russia's invasion of Ukraine and the lack of an Iranian nuclear deal.

Crude dropped by about 13 per cent last week after US President Joe Biden announced a record US oil reserves release and as International Energy Agency members committed to further tapping reserves. Crude had hit \$139 last month, its highest since 2008.

"The massive release of 1 million barrels per day over a period of six months in the United States alone is likely to ensure that the oil market is no longer acutely undersupplied in the second and third quarters," Carsten Fritsch of Commerzbank wrote in a report.

Brent crude was down 67 cents, or 0.6 per cent, at \$103.72 a barrel by 1010 GMT. US West Texas Intermediate crude fell 57 cents, or 0.6 per cent, to \$98.70. Both contracts were up over \$1 earlier in the session.

Russia maintains gas deliveries

European leaders, however, call for fresh sanctions

REUTERS, Oslo

Russia maintained gas flows through key pipeline routes into Europe on Monday, despite uncertainty over payment terms and as European leaders called for more sanctions against Moscow after war crimes allegations in Ukraine.

Physical gas flows through the Yamal-Europe pipeline, at Germany's Mallnow point see-sawed over the weekend and last stood at zero, data from operator Cascade showed.

Nominations, or requests, for Russian gas deliveries via Slovakia's Velke Kapusany entry point from Ukraine were steady on Monday at 967,841 MWh, as were flows through the Nord Stream 1 pipeline to Germany at 70,623,310 kWh/h.

Russian state-owned energy giant Gazprom said it was continuing to supply natural gas to Europe via Ukraine in line with requests from European consumers.

However, questions remain over future deliveries in light of the Kremlin's demand that buyers start paying Gazprom in roubles.

Slovakia's Prime Minister Eduard Heger confirmed over the weekend that his country will act in unison with the European Union against such payment demands.

Calls for a new round of sanctions to hit Russia's economy also emerged over the weekend after reports of possible war crimes following the discovery of hundreds of bodies, some bound and shot at close range, around towns near Kyiv after Kremlin forces withdrew.

READ MORE ON B2



Subir Nokrek addresses a training session on IT freelancing in Natore. Aside from serving global clients with tech solutions, Nokrek has been training indigenous people as well to help them become independent breadwinners.

PHOTO: COLLECTED

How a youth popularised tech among ethnic groups

MAHMUDUL HASAN

"Man is the maker of his own fate" is an old verse that rings true for Subir Nokrek, whose diligence, courage, and indelible passion for entrepreneurship helped him become the architect of not only his own destiny, but also that of others.

Hailing from an ethnic group of Garo people in a remote village located deep in the forest of Madhupur upazila, where internet speed is agonisingly slow, Nokrek is now a top freelancer.

And aside from serving global clients with tech solutions, he has been training indigenous people to help them become independent breadwinners.

After completing his graduation from a university in Dhaka, he worked on a Japanese project that was cancelled abruptly after the Holey Artisan attack. He then got back to his village in mid-2016 to do farming.

However, his family members wanted him to be a civil service cadre and forced him to go back to Dhaka.

"But I had the resolution to do something that brings fruits to society," Nokrek said.

In a quest to explore something new, he got enrolled at the government's Learning and Earning Development Project, which trains people to earn from the internet.

In addition to the government course, the youth was also admitted to three other courses where freelancing skills were taught.

"I started to get work from freelancing marketplaces within two months of that," he said.

After getting numerous freelance jobs, Nokrek began training other youths so that they could work for him. As a result, the Nokrek IT Institute was established.

From the middle of 2017 to the end of 2019, he earned about \$11,000 by working in freelance markets. He has some fixed clients, including the US air force.

"However, people who become skilled after taking training from me no longer work for me as they start their own ventures in freelance markets," Nokrek said.

"I take it positively though as I think skilled and capable people should start their own enterprise instead of working for others," he added.

From the middle of 2017 to the end of 2019, he earned about \$11,000 by working in freelance markets. He has some fixed clients, including the US air force

Nokrek began by giving students, teachers and people of various other professions in his village an impression about freelancing.

He told stories from his own experience and also explained how to make money by learning how to use modern technology.

Nokrek then started to provide free training and lectures in seminars at nearby villages.

"I have trained 5,000 young people so far," he said.

He went on to say that his efforts to mobilise the youth to learn the required technology to earn money was met with resistance from village establishments, which blamed him for "trying to deceive the youth."

"But after some people who trained under me started earning money, training requests

were coming from different villages, even those in other districts," he said.

As a part of his efforts to do something for the youth of 45 small ethnicities across the country, Nokrek has trained the youth of Garo, Chakma, Marma, Thanchangya, Santal, Rajbangshi, Barman, Koch, Orao, Tripura, Pankho, Rakhine, Khasi, Hajong, Bam and Mro.

Currently, Nokrek IT Institute has branches in Kanchijhuli in Mymensingh, Fulbaria in Gazipur, Nandina in Jamalpur and Baridhara in Dhaka, where 30 people work.

There are no employees in the institute, everyone is a team member here," he said.

After taking training from Nokrek IT, many youths of Madhupur are now earning handsome amounts of money working remotely.

Jess Meer of Gaira already earned \$1,000 developing android apps. Richard Dopho of Beduria village earns about \$800 per month and Pranjol Nakrek of Gachbari village earns over \$1,000 dollar per month as freelancers.

According to Nokrek, the main problem for freelancers in villages of Madhupur is access to the internet.

However, after a newspaper published a story about Nokrek's activities, the internet problem in Gaira was solved partially.

Amber IT has set up about six kilometres of fibre optic cable to launch a high-speed broadband internet connection in Gaira village as a part of its social responsibility.

Aminul Hakim, managing director of the company, said when he saw the mention of low internet in the newspaper report, he thought it was his responsibility to provide internet to Nokrek, who helps youths learn how to use the internet for a positive change.

READ MORE ON B2

MIS-DECLARATION

Buying houses attempt to launder Tk 6.9cr

MOHAMMAD SUMAN, Ctg

Three Dhaka-based buying houses were found to have tried to launder Tk 6.9 crore through mis-declaration, according to the Chattogram Custom House.

Customs officials say around Tk 6.90 crore would not have come to the country if the consignments had been shipped.

Now, separate money laundering cases will be filed against H M Fashion Wear, Infinite Service Solution, and RM Sourcing Bangladesh, all are buying houses in the garment sector.

The exporters and their designated clearing and forwarding (C&F) agents have denied any wrongdoing.

Customs documents showed RM Sourcing opened five letters of credit (LCs) with IFIC Bank to export 24,344 pieces of readymade garments worth Tk 30 lakh to Royal Drone International Trading OPC in Venezuela.

However, when the customs authorities physically examined its four consignments, it found 569,322 pieces of t-shirts, up 22 folds compared to the exporter's original declaration.

Customs filed a departmental case against RM Sourcing on charges of laundering Tk 6.62 crore.

Mohammad Rajib Ahmed, managing director of RM Sourcing Bangladesh, told The Daily Star, "I am not aware of the incident. I suspect that someone had committed the crime with help of our staff in my absence."

Customs officials seized a consignment of Infinite Service Solution just before its departure from Chattogram port for its destination in the United Arab Emirate towards the end of March.

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Paying in roubles an option, country needs gas

Says Slovak minister

REUTERS, Prague

The economy minister of Slovakia, which relies on Russian gas for around 85 per cent of its demand, said the country could not be cut off from Russian gas flows and if it had to pay in roubles it would, although it backed taking a common European Union stance.

Russia has demanded payment for gas in roubles, but the European Commission said on Friday European companies whose supply contracts stipulate payment in euros or dollars should not meet this demand.

"The gas (flow) must not stop," Slovak Economy Minister Richard Sulik said in a Sunday debate show on public broadcaster RTVS. "If there is a condition to pay in roubles, then we pay in roubles."

Sulik added Slovakia would continue to work on a common approach with the EU.

Slovakia said this week state gas company SPP had paid its March invoice for gas in euros, as stipulated in its contract.

Sulik said the country still had six weeks to find a solution before the next gas payment is due May 20, but Slovakia could not go without deliveries.

Kremlin spokesman Dmitry Peskov said on Friday the change would not affect settlements until later this month.

The threat of gas shortages comes after the peak demand European winter season, but it comes as European businesses and households are already facing a huge surge in energy prices.



The picture taken on March 29 shows gas pipelines at the Barcelona's Enagas regasification plant, the oldest in continental Europe, located at the Muelle de la Energia in the port of Barcelona.

PHOTO: AFP

Germany faces steep recession if Russian oil, gas halted

REUTERS, Frankfurt

Germany will face a steep recession if there is a stop to imports or delivery of Russian gas and oil, a top German bank lobby warned on Monday.

Europe's largest economy is heavily dependent upon Russia for energy, and nations banks echoed concerns over possible energy disruption expressed by big names in industry in recent days.

Christian Sewing, chief executive of Deutsche Bank, said in his role as president of Germany's BDB bank lobby that banks expected sharply slower growth this year of around 2 per cent due to the war.

"The situation would be even worse if imports or supplies of Russian oil and natural gas were to be halted. A significant recession in Germany would then be virtually unavoidable," Sewing said.