



Cashless purchases picking up this Eid

Grocery chains, lifestyle stores, restaurants and hotels have joined hands with banks and MFS providers to offer discounts, cashback facilities, and buy-one-get-one-free (BOGO) offers for paying with cards or mobile financial service apps.

MAHMUDUL HASAN

Sales of lifestyle items, groceries, electronics and many other goods typically skyrocket during this festive season, particularly 15 days prior to Eid as people buy all manner of food and gifts as a part of the celebration.

For example, people like Shahin Ahmed, a resident of Mirpur in Dhaka, have already started their Eid shopping.

"I usually pay for around 50 per cent of my Eid purchases through cards and MFS accounts, but this year it may cross 70 per cent as the comfort of cashless transactions seems pretty good," he said.

Besides, there are currently many discount offers for cashless purchases that encourage the use of cards and MFS, Ahmed added.

Grocery chains, lifestyle stores, restaurants and hotels have joined hands with banks and MFS providers to offer discounts, cashback facilities, and buy-one-get-one-free (BOGO) offers for paying with cards or mobile financial service apps.

Financial activities like shopping, food delivery and ride-hailing gain momentum during each festive season, according to Kamal Quadir, chief executive officer of bKash.

"With an increasing number of digital transactions replacing cash in the economy, bKash is building a future-ready platform – a secured and cashless digital payment ecosystem for millions of customers," he told The Daily Star.

Syed Mohammad Kamal, country manager at Mastercard, said card usage increases 30 per cent to 40 per cent during festive periods such as Ramadan.

In addition, this is the first Eid in a long time that will be celebrated without Covid-19 putting a damper on festivities.

"So, cashless purchases will boom, and

card transactions may increase 50 per cent," he added.

Kamal went on to say that certain segments, such as lifestyle, food and electronics fare comparatively better than other industries when it comes to cashless sales.

Mastercard already launched its flagship spend and win campaign called "Mystical Maldives" for this Ramadan.

Under this campaign, Mastercard cardholders can win a luxurious trip for two to the Maldives by making a certain amount of transactions. Meanwhile, the top 50 losing participants will receive exciting prizes such as vouchers for electronics, dining, and e-commerce.

Among the banks, Dhaka bank is offering cashback and discounts on purchases at 2,500 select outlets of 120 reputed brands in various categories.

The lender is also offering BOGO offers with more than 50 of its dining partners, and three to 24-month interest-free instalment schemes for large purchases this Ramadan.

The BOGO offer is available at all five-star hotels in the country, such as Sheraton Dhaka, Pan Pacific Sonargaon, The Westin Dhaka, Renaissance Dhaka, Holiday Inn Dhaka City Centre, Le Meridien, Radisson Blu Dhaka, Radisson Blu Chittagong, InterContinental Dhaka, and so on.

"Cashless transactions increase during festivals, and play a vital role in increasing sales volume. So, we encourage cardholders to use digital payment during the Eid season," said HM Mostafizur Rahaman, executive vice president and head of retail business at Dhaka Bank.

Similarly, Standard Chartered Bank Bangladesh is providing BOGO offers for its debit and credit cardholders at dozens of top hotels in Dhaka during Ramadan, when Sehri offers are also available.



ILLUSTRATION:
BIPOB
CHAKROBORTY

The bank's cardholders are getting 5 per cent to 20 per cent discounts on purchases for lifestyle products, air tickets, and resort bookings.

According to Standard Chartered, credit card spending increased 30 per cent year-on-year in 2021.

City Bank has also been observing a growing trend in card transactions compared to previous years, and this year was no exception.

"We designed targeted online and offline campaigns for Ramadan to

incentivise card payments," said Md Zafrul Hasan, head of digital financial services at City Bank.

Numerous customers are enjoying City Bank's cashless facilities as it is the leader in the acquiring industry with over 32,000 Point of Sales (POS) machines and 20,000 QRs in outlets spread all over Bangladesh.

For online Eid purchases, customers have the option to buy with City Bank card in over 2,100 online stores across all industries.

SEE PAGE J4

This Ramadan, use your Mastercard® debit, credit or prepaid card to spend and win an **exclusive vacation to Maldives** along with your loved one*. Also, win more than **50** exciting prizes as you spend!

* Terms & conditions applied
* Campaign duration: March 20, 2022 - May 08, 2022
* To know more, visit: [OfficialMastercardBangladesh](#)

LIFESTYLE
UP TO **27%***

DINING
UP TO **20%***

E-COMMERCE
UP TO **20%***

TRAVEL
UP TO **40%***

IFTAR UP TO
BUY1 GET3*

LARGEST PARTNER NETWORK IN BANGLADESH

Incentivise cashless transactions

Experts urge govt

AHSAN HABIB

Incentives are necessary to nudge people into using digital payment methods, such as cards and mobile financial services (MFS), so that Bangladesh can achieve its goal of becoming a cashless society.

Although the government and central bank have taken numerous initiatives to reduce the use of hard cash, the country still has a long way to go to this end, according to analysts.

To address the issue, they recommend incentivising cashless transactions so that more people are inclined to give it a try and eventually adopt it for all payments.

About 2.86 crore debit, credit and prepaid cards were issued in Bangladesh as of January 2020 with the total value of transactions made through these

cards standing at Tk 27,072 crore, as per central bank data.

Card transactions were 31 per cent higher that month compared to the same period the previous year, when the total value was Tk 20,624 crore.

“Our target or destination should not be a cashless society, but a less-cash society and we are on the right track,” said Syed Mohammad Kamal, country manager of MasterCard.

He recommended the government offer a 5 per cent incentive to boost card transactions.

Of the 5 per cent, 3 per cent would go to the cardholder while 2 per cent would be for merchants, Kamal said.

India recently saw a massive rise in cashless transactions after the country provided incentives under its demonetisation program.

Using this example, Kamal said

As people increased the use of cashless transactions amid the Covid-19 crisis, this is the right time to offer incentives to push it further.

remittance earnings in Bangladesh rose after the government incentivised the use of formal channels.

Although it has been more than two-and-a-half decades since the inception of “plastic money”, cashless transactions only started gaining pace in the last decade while the coronavirus pandemic provided a big boost.

“As people increased the use of cashless transactions amid the Covid-19 crisis, this is the right time to offer incentives to push it further,” he said.

“The right decision should be taken at the right time, and this is the right time,” Kamal added.

The country manager of Mastercard went on to say that the government and Bangladesh Bank have issued a number of supportive policies and regulations in this regard.

“And now the incentives should be offered,” he said.

Most private commercial banks started setting up ATM booths in Bangladesh during the mid 2000s, when debit cards started getting popular. However, this had little impact on cashless transactions for many reasons that the central bank took several decisions to address.

Standard Chartered Bank Bangladesh rolled out automated teller machines (ATM) and debit cards in tandem in 1994, which are considered to be the first example of technology integration in the country’s banking sector.

The central bank introduced one-time password (OTP) or two factor authentication in 2010 for both debit and credit cards, helping e-commerce gain momentum and encouraging cardholders to purchase goods and services through plastic money.

Considering the potential of electronic payment modes, Bangladesh Bank rolled out the Bangladesh Automated Cheque Processing System (BACPS) in 2010, replacing the regional clearing houses that were operated on a manual basis.

Under this system, banks settle inter-bank cheques within one working day

instead of the two to three days needed by the manual system.

More than 10,000 cheques were settled every day with an average transaction size of Tk 72.39 lakh as of December 2021, central bank data shows.

In 2011, Bangladesh Bank introduced the Bangladesh Electronic Fund Transfer Network (BEFTN), which allows corporate entities to pay wages and salaries to their staff and make bulk payments. People can also pay utility bills, loan installments and insurance premiums through the platform.

Till last December, some 4.77 lakh items were processed through the BEFTN with an average transaction size of Tk 48,254.

The central bank rolled out MFS in 2011, and they have become hugely popular among people from all walks of life as it is easy and available all over the country.

The number of registered MFS clients stood at 11.4 crore in January, when the industry’s average daily transaction was Tk 2,366 crore. The transaction was 3.08 per cent higher than that of the previous month, the data showed.

In 2012, the central bank set up the National Payment Switch Bangladesh (NPSB) with a view to attaining interoperability among banks for card-based and online retail transactions.

At present, the NPSB is processing interbank ATMs, Point of Sales (POS) and the internet banking fund transfer (IBFT) transactions.

In a major move, the central bank launched the Real-time Gross Settlement System (RTGS) in 2015 that facilitated a safe and efficient interbank payment system in a digital manner.

The system allows banks to transfer funds from one bank’s account to another on a real-time and gross basis.

The RTGS is designed to settle high-value (more than or equal to Tk 1 lakh) local currency as well as foreign currency transactions on a real time basis.

About 2.86 crore debit, credit and prepaid cards were issued in Bangladesh as of January 2020 with the total value of transactions made through these cards standing at Tk 27,072 crore, as per central bank data.



ILLUSTRATION: KAZI AKIB BIN ASAD

Your partner for a fast-paced life

– City Bank American Express –

With 172 years of tradition and heritage, City Bank American Express is the No.1 credit card brand in Bangladesh. Enjoy amazing deals at highest number of merchant points across the country with your American Express Cards. Set the rhythm of life, which you have always desired.



We are all over



4500+
Hotels &
Restaurants



32000+
Retail Shops



2100+
Online Shops



200+
Travel Partners



3300+
Groceries &
Departmental Stores



1600+
Hospitals &
Pharmacies

To know about our special offers, call 16234



DON'T
live life
WITHOUT IT™



*Terms Apply

Trademarked by American Express. City Bank is the only American Express licensed card issuer in Bangladesh.

রমজান মাস জুড়ে
কেনাকাটায়
মিডল্যান্ড ব্যাংক কার্ডে পাচ্ছেন সর্বোচ্চ
১৫% পর্যন্ত ছাড়!

247 16596

10% DISCOUNT freeland	10% DISCOUNT NABILA	10% DISCOUNT BANG!	10% DISCOUNT বক-কপী	10% DISCOUNT বক-কপী
10% DISCOUNT SPARK GEAR	10% DISCOUNT বিশ্বরং	10% DISCOUNT SIX	15% DISCOUNT ENVOY	10% DISCOUNT মেখলা ফ্যাশন
15% DISCOUNT সাদাকাল	10% DISCOUNT নগরদোলা	15% DISCOUNT Crocodile	10% DISCOUNT Xen One	15% DISCOUNT LAVENDER
10% DISCOUNT PRIDE	10% DISCOUNT RED ORIGIN	12% DISCOUNT Verve	10% DISCOUNT গ্রাবর্ন	15% DISCOUNT FLB
10% DISCOUNT KAY KRAFT	10% DISCOUNT O CODE	14% DISCOUNT Pavilion	10% DISCOUNT S	10% DISCOUNT SAFAH
10% DISCOUNT TWELVE CLOTHING	10% DISCOUNT SAARTEX	10% DISCOUNT IRANI BORKA BAZAR	10% DISCOUNT H. PIRABUAT	10% DISCOUNT Modern
10% DISCOUNT SaRa	10% DISCOUNT Handbana	10% DISCOUNT G	15% DISCOUNT Priyo Sharee	10% DISCOUNT OF
15% DISCOUNT LAZARA	10% DISCOUNT Ansha	10% DISCOUNT K KZ	10% DISCOUNT DESIGNER	10% DISCOUNT in-2

মিনার
উল্লেখ্য ব্যাবসি

midlandbank



Ramadan Dining: CASHLESS EDITION

There are a great many restaurants in and around Dhaka that have ongoing iftar offers, but a great place to start would be to look at offers specified by your banks and mobile financial service (MFS) providers.

AAQIB HASIB

With the month of Ramadan in full swing, it's getting around the time when we start venturing out of our homes for iftar. Don't get me wrong, though. Iftar at home, with your family, always makes for a special evening. However, an occasional outing to a restaurant for iftar can be quite refreshing, too.

Now, there are a great many restaurants in and around Dhaka that have ongoing iftar offers, but a great place to start would be to look at offers specified by your banks and mobile financial service (MFS) providers.

For example, Mastercard has a Buy One Get One (BOGO) iftar offer with Smoke Music Cafe and Golden Tulip – The Grandmark Dhaka. Additionally, they are offering a BOGO sehri offer at Tastebud Gulshan.

These are just a few that I came across this week on social media. If you spend a bit of time researching online and through your debit/credit card catalogues and brochures, I am sure you will find many more.

In order to make the process even easier, I have included some of the more notable offers below.

City Bank cardholders can avail BOGO buffet offers across various hotels and restaurants such as The Westin Dhaka, Intercontinental Dhaka, and Pan Pacific Sonargaon Dhaka. Additionally, 10 to 20 percent discount offers are available for City Bank card users in numerous other restaurants.

Users of Visa Platinum, Signature, and Infinite credit cards of Eastern Bank Limited (EBL) can enjoy BOGO offers at Holiday Inn, InterContinental Dhaka, Radisson Blu (both Dhaka and Chattogram), Sheraton Dhaka and a few others. However, one should note that these offers are only available during the weekend.

Additionally, all Mastercard and Visa cardholders of EBL can avail various Buy One Get One, Buy One Get Two, and Buy Two Get Three offers at 138 East, Canary Park, Dhaka Regency, Tarka, etc.



PHOTO: RAJIB RAIHAN

Standard Chartered Bangladesh (SCB) offers BOGO offers for its credit card holders at the Amaya Food Gallery in Amari Dhaka, Latest Recipe in Le Méridien, Cafe Bazar in Pan Pacific Sonargaon, The Garden Kitchen in Sheraton Dhaka, and in many other restaurants and hotels throughout the city. While these aren't exclusive to Ramadan, they are definitely offers worth checking out this holy month.

Moreover, this Ramadan, SCB cardholders can avail BOGO offers at Platinum Grand, Lakeshore Hotel, Tarka, Shaw's Steakhouse, etc. SCB cardholders also get a 20 percent discount on iftar takeaways at The Garden BBQ & Cafe.

BRAC Bank cardholders can treat themselves to BOGO iftar buffet offers followed by dinner at Abacus, Amari

If you're still hesitant, with the traffic and rush hour on your mind, then food delivery services can be a great way to order your favourite food.

Dhaka, Best Western Plus Maple Leaf, Golden Tulip, Hotel Sarina, Shaw's Steakhouse, and many others. They also offer a Buy One Get Three buffet iftar followed by dinner offer at Grand Oriental Hospitality, Innotel Hotel and Six Seasons Hotel.

Furthermore, BRAC Bank cardholders receive 20 percent discount on all items at Secret Recipe, 15 percent off on the à la carte menu at Tastebud, 15 percent off the à la carte menu at El Toro, and 15 percent off all menu items at The Manhattan Fish Market and Tony Roma's.

This Ramadan, MFS giant bKash also has many offers for its users including a 10 percent cashback offer at Bao, and 20 percent cashback offers at Secret Recipe and The Munch Station.

Now, while I have definitely given you a

wide range of offers to consider, if you're still hesitant, with the traffic and rush hour on your mind, then food delivery services such as Foodpanda and Pathao Food can be a great way to order in and enjoy delicious meals in the comfort of your own home.

Through these apps, you get the food at your doorstep without having to make a fuss about cash, as well as receive multiple offers from restaurants for cardholders and bKash users. Alongside this, you can also receive discounts using coupons and promo codes from Foodpanda and Pathao.

Ramadan is the time to have iftar with friends and family. So, whether it is at a restaurant or in the comfort of your own home, go cashless and add some delicious dishes to mark the occasion.

বিকাশ
পেমেন্ট হোক
বিকাশ-এ
২০% পর্যন্ত
ইনস্ট্যান্ট ক্যাশব্যাক ও ডিসকাউন্ট*
BUY 1 GET 1 FREE
বেস্ট বোনেট

১৬২৭ | বিকশের জন্য বিকশ: bkash.com/payment

Growing Together...

LankaBangla
FINANCE

platinum LankaBangla VISA
LankaBangla
LankaBangla

Live Effortless

Live a life of your dreams. Our wide range of Cards enables you to unleash the true potential of your life. Fulfill your wish lists with great details for a colourful life.

Live the life effortlessly and redefine convenience with LankaBangla Cards.

FinSmart
www.lankabangla.com
lankabanglafinance
ISO 27001:2013 Certified
For Details 16325

Cash Point on Card Activation
3 Free Access @ Airport Lounges
Complimentary Card for the First Year
Contactless Payment
Buy One Get One
E-Commerce Facility Nationwide
0% EMI
1000+ Discount Partners



TANZID SAMAD
CHOUDHURY

While Ramadan only started recently, it won't be long before it is time for Eid. And with Eid slowly approaching us, it is time for a long-awaited tech upgrade.

While purchasing consumer electronics or tech gadgets can leave a dent in your wallet, cashless transactions are proving to be a life-saver with their cashback offers and EMI (Equated Monthly Instalment) facilities.

Online shopping was introduced a long time ago, but it has recently been popularised and become a part of our lives during the Covid-19 pandemic. Home delivery options allow customers to avoid the hassle of going out and making their way through gridlocked streets, especially during Ramadan. It has also proved to be time-savvy and allowed us to focus on things that add value to our lives.

With the upcoming Eid-ul-Fitr in mind, plenty of banks as well as Mobile Financial Services (MFS) providers are providing EMI facilities as well as instant cashback offers to draw people's attention toward cashless options of purchasing.

Currently, most banks offer a flexible tenure period of 3 to 12 months at 0 percent interest for most tech purchases in the country.

The core motto of EMI is that instalments through credit cards – both online and offline – provide a better deal than making a big purchase all at once. Currently, most banks offer a flexible tenure period of 3 to 12 months at 0 percent interest for most tech purchases in the country. EMI facilities generally vary from one product to another, usually requiring a minimum purchase amount of BDT 5,000 for the EMI facility to be applicable. Different banks offer different tenure periods according to their policies, hence checking the terms and conditions before signing up for offers is a must.

In this fluctuating economy, purchasing consumer appliances, such as televisions, refrigerators and smartphones, can become difficult. MFS providers usually provide cashback offers as a cost-cutting policy to encourage cashless transactions. As agent points and bank branches are widely available throughout the country, customers can easily add money to their digital wallets and pay their credit card bills simultaneously. Customers can also get discounts from a wide range of stores using mobile payment options.

As cashless transactions become popular, e-commerce platforms are

also using the phenomenon to leverage and cater to the customers through various deals. These deals can be availed through credit cards and mobile financial services. Some online platforms have also introduced loyalty programmes that allow users to rack up points from their purchases and use them in future purchases from the same platform.

There are plenty of options available for consumers to make cashless purchases. However, finding the correct model for a cashless transaction depends on many factors. Users can select credit cards or MFS providers that best suit their basic needs and spending habits. Small purchases are usually simpler through MFS providers as they offer instant cashback offers through various merchant stores. On the other hand, credit cards can be handy while making big purchases as users can avail big discounts through online platforms or take advantage of EMI facilities to pay for their purchase over a specific time.

Jumping on the bandwagon for a particular method is never a good option. A bit of research before making the decision is always advisable. After all, deciding on the right method will prove useful in the long term while making your coveted tech purchase.

Cashless purchases picking up this Eid

FROM PAGE J1

To propel cashless transactions this Eid, City Bank launched a month-long Ramadan campaign to address all kinds of shopping needs, including retail, dining, jewellery, electronics, travel and online shopping.

"These offers are available for our valued cardholders at 1,100 physical outlets and over 100 online shopping partners with up to 75 per cent discounts," he added.

bKash, the country's largest MFS provider, rolled out various offers on the occasion of Ramadan and Pohela Boishakh.

As such, customers can avail 5 per

cent to 20 per cent instant cashback on bKash payments at around 10,000 outlets of different lifestyle brands, retail stores, super shops, restaurants, and online marketplaces such as F-commerce.

Customers can make payments easily by scanning QR codes through the bKash app while purchasing products or services, which makes carrying cash redundant.

As customers in Bangladesh prepare for a normal Eid-ul-Fitr following the pandemic, Nagad, a MFS wing of the Bangladesh Postal Department, rolled out a special campaign called "Utshober Khushi, Nagad-a Beshi" that includes a variety of cashback and discount offers.

Cashless purchases will boom, and card transactions may increase 50 per cent.

The campaign aims to uplift the shopping experience and accelerate cashless transactions in the country.

As a part of the campaign, customers can enjoy up to 50 per cent discount or cash back at select e-commerce websites by making payment through Nagad.

Customers will also get up to 35 per cent and 25 per cent cashback or discount on apparel and footwear purchases, BOGO offers at select hotels and restaurants, up to 20 per cent or Tk 5,000 instant cashback on electronics purchases at select merchants, and 15 per cent discounts on furniture and accessories at select merchants.

"It has been our relentless endeavour to provide users with cashless transaction facilities and reward them for driving the move towards becoming a cashless country," said Sheikh Aminur Rahman, chief marketing officer of Nagad.

"Targeting the month of Ramadan, Pohela Boishakh and Eid, Nagad is delighted to bring a huge number of exclusive offers that aim to uplift the cashless shopping experience for our customers," he added.

According to Sara Lifestyle, cashless transactions accounted for over 50 per cent of its total sales in 2021, and always witness a spike during Eid seasons.

Experience
New Shopping Era

SECURED
CONVENIENT
FASTER

To ease your transactions around the globe
Southeast Bank introduces Contactless VISA EMV
Dual Currency Debit Card.
Just Tap and Pay.

16206
CALL FROM OVERSEAS
+88 09 6123 16206

VISA

Southeast Bank
a bank with vision

*Conditions Apply

Life
is more rewarding
with EBL Cards

Ramadan Kareem

To know about special Ramadan offers
on EBL cards, please scan:

16230
ebf.com.bd
myebf

Eastern Bank Ltd.
Simple Math

star

BUSINESS

Rejoice Ramadan

Shop in Style!

This Ramadan Enjoy
10% Cashback on Shopping from






SCAN FOR DETAILS


TOP 5 LOSS-MAKING BANKS


In crore taka (unaudited)
SOURCE: BB


Bank	2020	2021
Janata	5,054	3,559
Padma	151	1,376
BKB	533	596
BASIC	366	390
BCBL	119	158


REASONS BEHIND LOSSES

High rate of NPLs


Financial scams


Culture of impunity enjoyed by scammers


Lack of internal control


Political interference while sanctioning loans


WHAT CAN CURE THE ILLS?

Special monitoring by BB

Strengthening corporate governance

Appointment of skilled directors in state lenders

Disbursement of loans cautiously

Speeding up recovery of NPLs

Scams, higher expenses keep 9 banks in the red

AKM ZAMIR UDDIN

Nine banks, including four state lenders, suffered net losses in 2021, largely as a consequence of financial scams that forced them to set aside higher provisioning.

The banks are Janata, Padma, Bangladesh Krishi Bank (BKB), BASIC, Rajshahi Krishi Unnayan, Bangladesh Commerce, ICB Islamic, Bengal Commercial Bank, and the local operations of Pakistan's Habib Bank, according to the unaudited data submitted by the lenders to the Bangladesh Bank.

The high prevalence of non-performing loans, corruption, a culture of impunity enjoyed by fund embezzlers, and political interference in the sanctioning of loans are responsible for the net losses faced by the banks.

The net loss refers to a company's financial position when total expenses exceed total revenues.

Of the nine lenders, Janata Bank faced the highest amount of net loss amounting to Tk 3,559 crore last year. It incurred a net loss of Tk 5,054 crore in

2020.

Md Abdus Salam Azad, managing director of the lender, blamed the high default loan for the large net loss.

The financial health of the bank, however, has improved as the net loss is shrinking riding on the rescheduling of the default loans, which stood at Tk 12,137 crore last year, or 19 per cent of the outstanding loans.

Some errant persons and business groups, including AnonTex Group and Crescent Group, siphoned off a large amount of money from Janata Bank.

The bank has recently rescheduled Tk 5,000 crore of default loans faced by AnonTex.

Default loans involving Tk 1,200 crore of the group are set to be rescheduled this month, which will help Janata Bank narrow the net loss further, Azad said.

He, however, admits the bank is struggling to reschedule Crescent Group's bad loans of Tk 3,500 crore due to the poor response of the business entity.

The net loss of Padma Bank, which was renamed from The Farmers Bank to leave behind

its legacy of corruption, escalated to Tk 1,376 crore last year from Tk 151 crore the year before.

Tarek Reaz Khan, managing director of Padma Bank, says the bank did not deduct the provisioning while calculating

the net loss for 2020.

But it took into account the provisioning to compute the net loss for last year, sending the net loss to high, he said.

Padma Bank is trying to attract foreign investors in a bid to strengthen its capital base.

The central bank has recently allowed the lender to remove the net loss from its balance sheets, allowing it to show it as intangible assets until 2032, Khan said.

The cumulative net loss of the bank stands at around Tk 2,100 crore.

The net loss at BASIC Bank was Tk 390 crore last year compared to Tk 366 crore in 2020.

The net loss would have

managed a net profit of Tk 8 crore in the January-March quarter, improving from a net loss of Tk 125 crore during the same period a year ago.

BKB's net loss widened to Tk 596 crore in 2021 from Tk 533 crore in 2020.

"We give out loans to farmers without imposing any service charge. So, we have hardly managed to make any profit in recent years," said Md Ismail Hossain, managing director of BKB.

Salehuddin Ahmed, a former governor of the central bank, says that some banks have been facing net losses for years due to a lack of corporate governance.

"The central bank should pressurise the banks to beef up their efforts to recover NPLs and compel them to follow internal control and compliance strictly."

Fahmida Khatun, executive director of the Centre for Policy Dialogue, says that some of the banks were forced to approve loans on political considerations.

"Both the central bank and



Consumption of rice to rise marginally

USDA says

STAR BUSINESS REPORT

Bangladesh's rice consumption may marginally rise to 3.7 crore tonnes in the marketing year (MY) 2022-23 as the government continues to run food assistance programmes for the poor for a recent food price hike, said the US Department of Agriculture (USDA) last week.

"Population growth will also lead to higher rice consumption in the coming years," said the agency in its annual grain and feed report on Bangladesh.

The USDA estimates that Bangladesh consumed 3.67 crore tonnes of rice in MY 2021-22 beginning from May, marking the harvest of Boro, the principal rice crop.

"Bangladesh's feed industry is also using broken rice as a filler in various feed formulas. Due to the recent high price of



Population growth will lead to higher rice consumption in the coming years, said the US Department of Agriculture.

PHOTO: STAR

Banks asked to curb non-essential imports

First such BB move in two decades

AKM ZAMIR UDDIN

The Bangladesh Bank yesterday ordered banks to immediately adopt strict measures to discourage imports of non-essential items in a bid to rein in the escalating import payments and avert any pressure on the foreign currency reserves.

This is the first such move from the central bank in nearly two decades, as pressures are mounting on the reserves and the exchange rate amid economic volatility globally, said an official of the BB.

Now banks have to impose at least 25 per cent margin on the opening of letters of credit for non-essential consumer goods. This means importers have to deposit at least 25 per cent of the total import costs while opening LCs.

The central bank said baby food, fuel oil, life-saving drugs, and the products for the farm, export and local industrial sectors would be out of the purview of the new instruction.

The move is part of the BB efforts to run the monetary and credit programmes properly given the ongoing global state of affairs, according to a BB notice.

Banks have been asked to implement the instruction with immediate effect.

Economists and analysts have recently suggested the central bank discourage non-essential imports to keep the country's foreign exchange reserves stable as higher commodity prices owing to persisting supply chain disruptions and the Russia-Ukraine war sent import payments higher.

Imports stood at \$54.37 billion in the first eight months of the current fiscal year, an increase of 46.7 per cent year-on-year, data from the BB showed.

As a result, the trade deficit, which occurs when the value of imports exceeds the value of exports, totalled \$22.30 billion in the July-February period in contrast to \$12.35 billion recorded during the same period a year ago.

READ MORE ON B3

Pay salary, bonus by April 28

Govt asks factory owners

STAR BUSINESS REPORT

The government has instructed factory owners to pay their workers' salaries, bonuses and arrears for March and April by April 28, following which a public holiday marking Eid-ul-Fitr will begin.

Monnujan Sufian, state minister for labour and employment, issued the directive at a meeting with trade union leaders and factory and industry owners at Shrama Bhaban in Dhaka yesterday.

Sufian also asked the owners to take note of the public holidays in their planning for resuming operations after the celebrations.

She urged the owners to pay workers at least 15 days' salary for April if they find it difficult to pay that for the whole month.

Paying the whole month's salary will be highly appreciated as the Eid will be celebrated on the first week of May, she said.

The instruction is applicable for all formal, informal, public and private companies and enterprises, Sufian said.

However, she said that since there are some challenges pertaining to the shipment of goods, the holiday could be deferred in some cases or workers could be asked to work even during the holiday.

In such cases, consultations are needed among the factory owners, trade union leaders and workers so that any kind of untoward incident can be avoided, she added.

Sufian also suggested that the owners allow holidays in phases or sequentially according to zones to avoid traffic congestion on roads and highways.

Union leaders, representatives of the factory owners of different industrial sectors and government high-ups participated in the meeting.

STOCKS

DSEX ▼	CSCX ▼
0.35%	0.25%
6,638.56	11,696.39

COMMODITIES

Gold ▲	Oil ▼
\$1,951.75 (per ounce)	\$93.93 (per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.81%	▼ 0.61%	▼ 0.58%	▼ 0.61%
58,964.57	26,821.52	3,363.56	3,167.13



Faruk Ahmed City Bank senior exec VP promoted

STAR BUSINESS DESK

City Bank has recently witnessed the promotion of its senior executive vice-president to the post of deputy managing director (DMD).

The promotee, Faruk Ahmed, worked at IFIC, Dhaka Bank and City Bank in his 28 years' career, said a press release.

He started his professional career at IFIC Bank in 1994.

He attained an MCom degree in marketing from the University of Dhaka.



Buying new clothes for Eid and Pahela Baishakh, the first day of Bangla new year, is a common practice in Bangladesh and after two years of subdued celebrations amid the Covid-19 pandemic, shoppers are going full tilt to make the most out of this festive season. Here, customers are seen at the checkout line of an apparel retailer on Bogura Road of Barishal city.

PHOTO: TITUS DAS

Oil slides on release of strategic reserves

REUTERS, London

Oil prices dropped by more than \$2 a barrel on Monday after a second straight weekly decline on plans to release record volumes of crude and oil products from strategic stocks and on continuing coronavirus lockdowns in China.

Brent crude for June delivery was down \$2.08, or 2 per cent, at \$100.70 a barrel by 0940 GMT. US West Texas Intermediate crude lost \$2.19, or 2.2 per cent, to \$96.07.

Bank of America maintained its forecast for Brent crude to average \$102 a barrel for 2022-23, but it cut its summer spike price to \$120. Swiss investment bank UBS also lowered its June Brent forecast.

"The release of strategic government oil reserves should ease some market tightness over the coming months," said UBS analyst Giovanni Staunovo.

Indian sari weavers toil to keep tradition alive

AFP, Varanasi

In a dim room near the banks of India's Ganges river, arms glide over a creaking loom as another silken fibre is guided into place with the rhythmic clack of a wooden beam.

Mohammad Sirajuddin's cramped studio is typical of Varanasi's dwindling community of artisans painstakingly working by hand to produce silk saris, uniquely cherished among their wearers as the epitome of traditional Indian sartorial style.

The city he calls home is revered among devout Hindus, who believe that cremation on the banks of its sacred waterway offers the chance to escape the infinite cycle of death and rebirth.

But Sirajuddin's own reflections on mortality are centred on his craft, with competition from more cost-efficient mechanised alternatives and cheap imports from China leaving his livelihood hanging by a thread.

"If you walk around this whole neighbourhood, you'll see that this is the only house with a handloom," the 65-year-

old tells AFP.

"Even this will be here only as long as I am alive. After that, nobody in this house will continue." Varanasi's hand-weavers have cultivated a reputation for excellence over centuries, specialising in intricate patterns, floral designs and radiant golden brocades.

The Banarasi saris -- so-called in reference to the city's ancient name -- they produce are widely sought after by Indian brides and are often passed on from one generation to the next as family heirlooms.

The elegant garments fetch handsome prices -- Sirajuddin's current work will go on sale for 30,000 rupees (\$390) -- but the cost of inputs and cuts taken by middlemen leave little left for weavers.

"Compared to the hard work that goes into making the sari, the profit is negligible," Sirajuddin says.

His neighbours have all switched to electric looms for their garments, which lack the subtleties of hand-woven textiles and sell for just a third of the price but take a fraction of the time to finish.

The fortunes of India's textile trade -- historically a cottage industry -- have long

been subject to sudden and devastating upheavals from abroad.

Its delicate fabrics were prized by the 18th century European elite but British colonisation and England's industrial-era factories flooded India with much cheaper textiles, decimating the market for hand-woven garments.

Decades of socialist-inspired central planning after independence bought some reprieve by shielding local handicrafts from the international market.

But economic reforms in the early 1990s opened the country up to cheap goods just as the country's northern neighbour was establishing itself as the globalised world's workshop.

"Chinese yarn and fabric came in everywhere," said author and former politician Jaya Jaitly, who has written a book on Varanasi's woven textiles, adding that sari factories there had for years been emulating the city's unique patterns and detail.

"All of these thriving industries got killed... through Chinese competition, and their ability to produce huge quantities at very low prices."



Rajesh K Surana, chief executive officer of LafargeHolcim Bangladesh, inaugurated a new Concrete Innovation & Application Centre at Niketon in Dhaka yesterday. Prof Raquib Ahsan and Prof Jahangir Alam of the Bangladesh University of Engineering and Technology, Gazi Mahfuzur Rahman, director for sales and marketing at LafargeHolcim Bangladesh, Asif Bhuiyan, chief corporate affairs officer, and Mohammad Iqbal Chowdhury, chief financial officer, were present.

PHOTO: LAFARGEHOLCIM BANGLADESH



Syed Waseque Md Ali, managing director of First Security Islami Bank, inaugurated a relocated branch at Rams Chowdhury Tower in the Bashundhara residential area in Dhaka yesterday. Abdul Aziz and Md Mustafa Khair, additional managing directors, and Md Masudur Rahman Shah, deputy managing director, were present.

PHOTO: FIRST SECURITY ISLAMI BANK

Gold, agri goods to be traded

FROM PAGE B4

However, traders rarely deliver any physical commodities through a commodities exchange.

After launching the commodity exchange, the prices of traded products would be stable and adjusted with the international market, Ibrahim said.

The MCX will work on framing bylaws

and regulations based on generic regulatory compliance and international best practices. Besides, it will also work to launch Bangladesh's first-ever commodity exchange, or futures market.

"We are hopeful to launch the exchange within this year," he added.

An organised commodity market is the need of hour in the country

as it would play a key role in price discovery and the development of an efficient commodity ecosystem, said Md Faisal Huda, deputy manager of the CSE product development committee.

"As MCX has a lot of experience, it would be the best fit for us," he added.

Md Ghulam Faruque, managing director of the CSE, was also present at the event.

Pacific Jeans eyes

FROM PAGE B4

Universal Jeans started its journey in 2008 with 500 workers and exported goods worth around \$15 million in FY2008-09. The export receipts rocketed more than 11 times to \$172 million in 2017-18.

The unit employs around 10,000 workers alone.

Tanvir credited the consistent growth to the gradual improvement in the overall management.

In the last few years, the group has focused on product development, production efficiency improvement, human resources development, development of skills of mid-level managers, and optimum utilisation of resources.

"We have also placed importance on issues such as process improvement, process innovation and overall process digitalisation in the last few years, and it helped us reduce human errors."

"With these, we have been able to grow our overall production and improve efficiency. This has ensured consistent growth."

Currently, the company's major markets are Japan, Europe, and the US.

"We want to explore various other markets as well. We want to penetrate big markets such as China and India and other emerging Asian markets."

Pacific Jeans Group has stepped up its efforts on environmental sustainability and improving the working environment in the last four to five years and has enhanced its financial and corporate governance.

"Our company is now more process-driven, not a people-driven one,"

Tanvir said.

The group plans to keep working on product diversification, produce more high-value products and explore new markets.

It has invested to bolster its capability in the knitwear segment as it eyes to work with various knitwear items.

Tanvir is, however, aware that the investment in the knitwear sector can't be feasible without composite factories. At present, it has a unit to produce fabrics for the knitwear plant.

"When our fabric producing capacity grows, we will try to invest in spinning," he said.

"The investment in Pacific Workwear is part of the process of moving to more high-value products. There is growth prospect in this segment."

There are challenges as well.

Customers always want a short lead time. So, infrastructure development is a must for the country's export growth.

Bangladesh needs the Bay Terminal and deep seaports as early as possible since mother vessels can't enter the Chattogram port. As a result, it takes an additional 15 to 20 days to deliver cargoes to the export destinations.

"This is a major impediment to exports," said Tanvir.

The entrepreneur called for increasing the country's capacity in producing raw materials to cut reliance on external sources with a view to feeding the largest foreign currency earning sector.

"The more we can be self-sufficient in terms of backward linkages and raw materials, the more growth we will attain."

Bank Asia gets new additional managing director

STAR BUSINESS DESK

Adil Chowdhury has recently been promoted to additional managing director of Bank Asia Ltd.

Prior to his promotion, Chowdhury was deputy managing director of the bank, a press release said.

He has over two decades of successful banking experience with more than 15 years of international exposure, most recently serving as director of The Bank of Nova Scotia (Canada) in Hong Kong and Singapore.

Chowdhury brings with him his international banking, group treasury, regulatory laws and comprehensive enterprise-wide operations experience to Bank Asia Ltd.

He began his professional journey as deputy manager of Credit Agricole Indosuez, Dhaka in 1995. After serving there for more than three years, he joined American Express Bank (Dhaka).

Chowdhury joined as head of treasury at The Bank of Nova Scotia (Dhaka) in 1999.

In 2001, he was relocated to The Bank of Nova Scotia in Hong Kong, where he was responsible for business development

and strategic planning that covered financial institutions for 13 countries in Asia.

He was promoted to director of international funding under group treasury at The Bank of Nova Scotia, Singapore, in January 2011, where his mandate covered the Asia Pacific region, the Middle East and North Africa.

In 1990, Chowdhury was selected as one of the most outstanding international students in American Universities and Colleges based on his academic achievements, and was awarded "Who's Who Student Certificate of Merit".

He obtained a bachelor's degree in electrical engineering in VLSI Design from The University of Texas and an MBA degree from Richard Ivey School of Business, the University of Western Ontario in Canada.

Japan tops up LNG reserves

REUTERS, Tokyo

Japan's government has asked power companies to top up their liquefied natural gas (LNG) reserves and share energy resources, a person familiar with the contingency plan said, as civilian deaths in Ukraine push Tokyo to halt Russian fuel imports.

Utilities are scrambling for already stretched energy sources as resource-poor Japan joins the West in punishing Russia, a major oil and gas producer - a search made harder on Friday when Prime Minister Fumio Kishida announced a ban on Russian coal and other sanctions.

Kishida is seeking to balance energy security for the country against growing pressure on the Group of Seven industrial powers for harsher sanctions against Russia as allegations of atrocities in Ukraine spread.



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh Ltd (IBBL), virtually inaugurates the bank's 150th Internship Programme at Islami Bank Training and Research Academy (IBTRA) recently. SM Rabiul Hassan, principal of IBTRA, presided over the programme, where 85 students from different public and private universities participated. Mohammad Rakan Uddin, KM Munirul Alam Al-Mamoon and AKM Shahidul Hoque Khandaker, executive vice-presidents, and Abdul Hamid Miah and Mohammad Anwar Hossain, senior vice-presidents, also attended the event.

PHOTO: IBBL



Debasish Sarker, director general of Bangladesh Agricultural Research Institute (BARI), presides over a consultation with World Bank mission members on the institute premises yesterday to formulate a project titled "Programme on Agricultural and Rural Transformation for Nutrition, Employment and Resilience (PARTNER)". Valens Mwumvaneza, senior agricultural specialist of World Bank and mission chief, Md Kamrul Hasan, director (support & services) of BARI, Md Tariqul Islam, director (research), Apurba Kanti Chowdhury, director (planning and evaluation), Md Abdul Latif Akand, director (ORC), and Mansur Ahmad, member of the World Bank mission, were present.

PHOTO: BARI

Fed to raise rates aggressively Say economists

REUTERS, Bengaluru

The Federal Reserve is expected to deliver two back-to-back half-point interest rate hikes in May and June to tackle runaway inflation, according to economists polled by Reuters who also say the probability of a recession next year is 40 per cent.

With the unemployment rate near a record low, inflation the highest in four decades and a surge in global commodity prices set to persist, most analysts say the Fed needs to move quickly to keep price pressures under control.

The latest April 4-8 Reuters poll of more than 100 economists forecast two half-point rate rises this year, the first such move since 1994, taking the federal funds rate to 1.25 per cent-1.50 per cent by the June meeting.

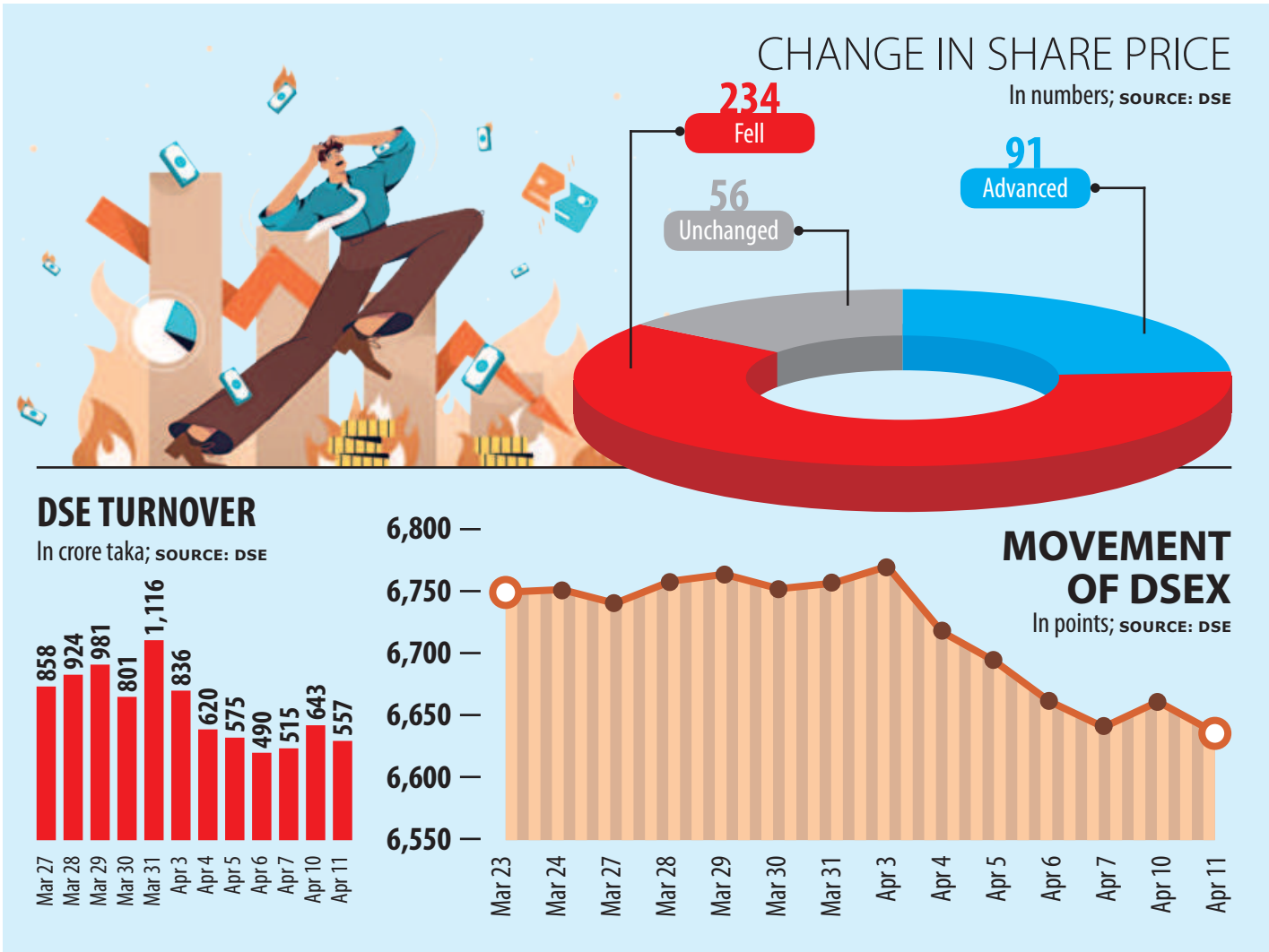
That brings the end-year prediction from the March Reuters poll at least three months forward, and more in line with interest rate futures pricing.

A strong majority, or 85 of 102 economists, forecast 50 basis points in May, and a still-solid majority of 56 said the Fed would follow up with 50 basis points as well in June.

“Given the shift in official commentary and with inflation pressures visible throughout the economy, we believe the Fed will deliver half-point interest rate increases at the May, June and July policy meetings,” said James Knightley, chief international economist at ING.

While the central bank, chaired by Jerome Powell, is likely to gear down to quarter-point moves in the second half of this year, the federal funds rate is now expected to end 2022 at 2.00 per cent-2.25 per cent, 50 basis points higher than the median forecast in a poll taken last month.

Moving so quickly with interest rates, especially in an economy that has become used to very low borrowing costs for many years, comes with risks.



Stocks return to losses

Turnover plunges 13pc to Tk 557cr

STAR BUSINESS REPORT

The key index of the Dhaka Stock Exchange (DSE) declined yesterday after rising for just a day while turnover also dropped.

The DSEX, the benchmark index of the premier bourse of the country, fell 23 points, or 0.35 per cent, to 6,662 at the end of the day.

Turnover, an important indicator of the market, decreased by 13 per cent to Tk 557 crore yesterday.

The stocks slipped to the red after a single-day break as the investors mostly adopted a cautious stance lacking clear direction, said International Leasing Securities in its daily market review.

Investors preferred to hold onto cash ahead of upcoming Eid-ul-Fitr, for which fund flows to the market was stymied.

They also reduced their participation in the market which caused the turnover to decrease.

However, a stock broker said investors had embarked on a selling spree apprehending that the market would fall further.

Though the country's economy is bouncing back through an increased inflow of remittance and higher export

earnings, it might not translate into positive gains for the index, he said.

This apprehension percolated among investors, impacting the market, he added.

On the other hand, the stock market always remains sluggish before Eid celebrations as people encash stocks for Eid shopping, added the stock broker.

A merchant banker, preferring anonymity, said the participation of institutional investors remained low while some big players were active with some stocks, which were the sole ones showcasing big movements.

Other stocks remained almost unmoved, so general investors are unhappy and their participation fell, he said, adding that a lack of confidence was one of the main reasons for the fall of the index.

To boost the confidence, the regulator should work on solving issues for the long term, he added.

At the end of the day, the DS30, the blue-chip index, and the DSES, the Shariah-based index, lost 6.60 points and 5.05 points respectively.

Among the sectors, paper and printing rose 2.3 per cent, jute 0.8 per cent and food and allied 0.6 per cent. Services and real estate dropped 1.4 per cent, IT 1.4 per cent and textile 1 per cent.

Investors' attention, as per the turnover, was mainly concentrated on financial institutions (16.7 per cent), engineering (12.1 per cent) and IT (8.8 per cent).

At the DSE, 91 stocks advanced, 234 declined and 56 remained the same.

JMI Hospital Requisite Manufacturing topped the gainers' list with a 10 per cent rise. Prime Insurance Company, Oimex Electrodes, Northern Islami Insurance and Mercantile Insurance Company also saw major gains.

Dragon Sweater and Spinning shed the most, dropping 4 per cent. Renwick Jasneswar and Company, Takaful Islami Insurnace, Savar Refractories and Genex Infosys were among those suffering heavy losses.

IPDC Finance became the stock to be traded the most, with shares worth Tk 64 crore changing hands followed by Beximco, Sonali Paper and Board Mills, LafargeHolcim Bangladesh and Genex Infosys.

Chittagong Stock Exchange (CSE) also fell yesterday. The CASPI, the main index of the CSE, edged down 49 points, or 0.25 per cent, to close the day at 19,495.

Of the 279 stocks to undergo trade, 82 rose, 159 fell and 38 did not see any price movement.

BSTI starts issuing halal certificates

STAR BUSINESS REPORT

The Bangladesh Standards and Testing Institution (BSTI) has started issuing halal certificates for food and other products.

The standards agency provided halal certificates for nine products of three companies of Olympic Industries yesterday, according to a press release.

However, the BSTI is the second organisation in Bangladesh to award halal certification for locally made products, mainly food.

The Islamic Foundation Bangladesh has been issuing such certificates since 2007 to support the shipment of processed foods to international markets, mainly the Middle East.

Addressing yesterday's certificate awarding ceremony, BSTI Director General Md Nazrul Anwar said Bangladesh has adopted three international standards related to halal certification.

He said the BSTI has started the formal process of issuing halal certificates in favour of products following the appropriate process.

BSTI has taken the initiative as a member of the Standards and Metrology Institute for Islamic Countries (SMIC) -- the halal certification body of OIC member countries -- to expand the export of domestic products, Anwar said.

As a result of issuing the halal certificate from BSTI, traders will now get the quality certificates and halal certificates of their products from a single platform.

Earlier in September last year, the BSTI added the provision of halal certification to the BSTI Regulations, 1989.

It said it would issue halal certification marks for processed goods, cosmetics, medicines and other processes or services in line with Islamic laws to facilitate exports of processed foods to the Middle East and other Muslim-majority countries.

Meanwhile, BSTI issued a notification last year saying that the certificate or renewal fee for small industries is Tk 1,000, Tk 3,000 for medium-sized industries and Tk 5,000 for large industries.

The certificate is given for three years, after which the companies can apply for renewal, as per the notification.

According to Islamic Foundation, there is over a trillion-dollar market for halal items globally, and the foundation has issued halal certificates to 130 companies for more than 700 products as of September last year.

More than 40 companies are exporting products to at least 35 countries after securing the halal certificates, it said.



Consumption of rice

FROM PAGE B1

feed ingredients including soybean meal and corn, the feed industry will use rice as a supplement to other ingredients," it said.

The agency forecasts that milled rice production would increase 1.3 per cent year-on-year to 3.63 crore tonnes in MY 2022-23 on expectations of an increase in harvesting area.

The USDA said imports might slump in MY 2022-23 to 17 lakh tonnes, with the expectation of a bumper Boro harvest during the current harvesting season.

The agency did not take into account damage of crops for ongoing flash floods in haor areas in the northeast.

It estimates rice imports to amount to 13.5 lakh tonnes in the current MY 2021-22 ending this month because of good harvest of rain-fed crop Aman

harvested in November and December of last year.

The government has also slapped a 62.5 per cent tariff to discourage imports to protect the interests of local rice farmers.

The USDA also predicted increased wheat imports by public and private agencies.

It said grain import may grow 1.3 per cent to 76 lakh tonnes in the July-June period of the year 2022-23, assuming an increasing and diversified use of wheat-based products for both the domestic and export market.

"Despite higher international wheat prices, Bangladesh is continuing to import to meet substantial domestic demand," it said.

India has been the preferred source, since Bangladesh started procuring wheat from the neighbouring country in

significant volumes since 2020.

Shorter shipment times, low freight cost, and geographic proximity make India one of the preferred sources of wheat for Bangladesh. Indian wheat is transported to Bangladesh via road and rail, it added.

The USDA said India supplied 26 per cent of the total wheat import, followed by Russia, Canada and Ukraine in MY 2020-21.

In the first seven months of MY 2021-22, India supplied approximately 2.8 million tonnes of wheat to Bangladesh and captured 66 per cent of the market share, followed by Ukraine and Russia, said the agency.

As of January 2022, Russia and Ukraine combined approximately 9 lakh tonnes of wheat, down 40 per cent year-on-year.

AIG may cut insurance for Russia, Ukraine

REUTERS, London

AIG, one of the world's biggest commercial insurers, is considering cutting cover for Russia and Ukraine, to shield itself from the risk of hefty claims as sanctions ratchet up and the war drags on, an insurance broker and a source familiar with the matter said.

AIG is looking at adding exclusion clauses to policies for businesses operating in the region across a range of policies, according to the two sources who declined to be identified.

Other major insurers are also looking to exclude Russia, Ukraine and even Belarus from a range of policies, the sources said, citing some insurers and policyholders. Reuters could not determine if the potential reduction in cover would apply across all AIG policies in the countries. The insurer declined to comment.

"What we are now seeing are the underwriters starting to introduce Russia, Ukraine wording into their policies," said Meredith Schnur, managing director, US and Canada cyber brokerage leader at insurance broker Marsh, declining to name the insurers.

Brokers such as Marsh act as intermediaries between corporate customers and insurers, and sometimes get involved in drawing up policies.



A customer buys vegetables at a stall inside a morning market in Beijing on January 14. PHOTO: REUTERS/FILE

China's inflation tops forecasts as supply pressures worsen

REUTERS, Beijing

China's factory-gate and consumer prices rose faster than expected in March as Russia's invasion of Ukraine, persistent supply chain bottlenecks and production snags caused by local Covid flare-ups added to commodity cost pressures.

The surge in raw materials costs is hobbling economies worldwide and in China has raised questions among some analysts about just how much its central bank will be able to ease monetary policy.

China's producer price index (PPI) increased 8.3 per cent year-on-year, data from the National Bureau of Statistics (NBS) showed

on Monday. While that was slower than the 8.8 per cent seen in February, it beat a forecast for a 7.9 per cent rise in a Reuters poll.

Upstream pressures pushed up consumer prices, which rose 1.5 per cent year-on-year, the fastest in three months, speeding up from 0.9 per cent in February and beating expectations of 1.2 per cent.

Nomura analysts said possible delays in crop planting caused by new Covid-19 outbreaks in the country and the Ukraine conflict could create new food price pressures in the second half of the year.

"Rising food and energy price inflation limits the space for the (People's Bank of China) to cut

interest rates, despite the rapidly worsening economy," Nomura said in a note. While the year-on-year PPI rise was the slowest since April 2021, this was mostly due to the lower comparisons from late 2020 and early 2021 seen in the previous months.

The monthly increase of 1.1 per cent, meanwhile, was the fastest in five months, driven by surging prices of domestic oil and non-ferrous metals due to geopolitical factors, an NBS statement said.

The world's second-largest economy came under downward pressure in March with renewed Covid-19 outbreaks and the manufacturing and service sectors reporting declines in activity.

Banks asked to curb

FROM PAGE B1

The widening of the trade gap has intensified pressures on the exchange rate of the taka against the US dollar, which will ultimately reduce the foreign exchange reserves as well.

The exchange rate stands at Tk 86.20 per US dollar

from Tk 84.80 a year ago.

The foreign exchange reserves, which surpassed \$48 billion in August last year, declined to \$44.24 billion on April 6, enough to cover import payments for five months.

The reserves are dwindling because of the higher imports against

lower-than-expected exports and remittance flow.

Between July and February, export receipts from merchandise shipments grew 30.86 per cent to \$33.84 billion, while the country received \$15.30 billion in remittances as of March of FY22, a fall of 21.56 per cent.

Scams, higher expenses

FROM PAGE B1

the government should protect the banks from the political intervention."

Appointment of skilled directors at the state lenders is essential to improve their financial

health, the economist said, adding that the central bank should pay special heed to the banks.

Bengal Commercial Bank, which started its operation last year, suffered a net loss of Tk 18.8 crore in

the year. Md Jashim Uddin, chairman of the bank, says that the bank has just commenced its business and is still opening new branches.

"As we are expanding, the net loss is not unusual."

War to slash Ukraine's GDP output by 45pc: WB

REUTERS, Washington

Ukraine's economic output will likely contract by a staggering 45.1 per cent this year as Russia's invasion has shuttered businesses, slashed exports and rendered economic activity impossible in large swaths of the country, the World Bank said on Sunday.

The World Bank also forecast Russia's 2022 GDP output to fall 11.2 per cent due to punishing financial sanctions imposed by the United States and its Western allies on Russia's banks, state-owned enterprises and other institutions.

The World Bank's "War in the Region" economic update said the Eastern Europe region, comprising Ukraine, Belarus and Moldova, is forecast to show a GDP contraction of 30.7 per cent this year, due to shocks from the war and disruption of trade.

Growth in 2022 in the Central Europe region, comprising Bulgaria, Croatia, Hungary, Poland and Romania, will be cut to 3.5 per cent from 4.7 per cent previously due to the influx of refugees, higher commodity prices and deteriorating confidence hurting demand.

For Ukraine, the World Bank report estimates that over half of the country's businesses are closed, while others are operating at well under normal capacity. The closure of Black Sea shipping from Ukraine has cut off some 90 per cent of the country's grain exports and half of its total exports.



The factory building of Universal Jeans, a unit of Pacific Jeans Group, in Chattogram Export Processing Zone.

PHOTO: STAR

Pacific Jeans eyes \$500m exports this fiscal year

DWAIPAYAN BARUA, Ctg

Pacific Jeans Group, one of the fastest-growing garment exporters in Bangladesh, could rake in \$500 million in export earnings in the current fiscal year as its apparel shipment grows steadily.

Exports fetched \$450 million for the Chattogram-based manufacturer in the last fiscal year of 2020-21. It was \$325 million in 2017-18.

"Our target is to raise export turnover to around \$1 billion in the next five years," said Syed Mohammad Tanvir, managing director of the company, in an interview recently.

The country's leading premium jeans exporter has been posting a consistent

growth for the last few years and now plans to be more focused to diversify products as it aims to materialise its long-term vision of becoming a global lifewear solution company.

"We want to make all of the quality clothes one needs to lead a better life," said Tanvir.

"Basically, we want to diversify so that we can produce different categories of products depending on different categories of markets and customers."

Tanvir's visionary father M Nasir Uddin started the journey of the group by setting up a small factory, NZN Fashions Ltd, with 500 workers in 1984 in the port city's Patharghata area.

In 1994, Nasir established Pacific Jeans Ltd in the Chattogram Export Processing

Zone (CEPZ) with 1,500 people.

Over the years, the group has transformed itself into a top manufacturer of premium jeans.

It introduced its knitwear unit, Pacific Casuals, in 2019 and launched Pacific Knitex last year to make fabrics for the plant.

Currently, it runs six units -- Pacific Jeans, Jeans 2000, Universal Jeans, NHT Fashion, Pacific Accessories, and Pacific Casuals -- at the CEPZ and Pacific Knitex at Sitakunda, employing around 35,000 people.

Last month, it opened Pacific Workwear at the CEPZ to produce workwear. The production in the new factory has not started yet.

Of the companies, Universal Jeans and Pacific Jeans were awarded the National Export Trophy and won gold and silver medals respectively for their outstanding performance for the fiscal year of 2017-18.

READ MORE ON B2

COMMODITY EXCHANGE Gold, agri goods to be traded first

STAR BUSINESS REPORT

Some agricultural and gold products would be traded in the first phase on the country's first ever commodity exchange to be launched this year, Asif Ibrahim, chairman of the Chittagong Stock Exchange (CSE), said yesterday.

To identify the right products for the market, the CSE will appoint Multi Commodity Exchange (MCX) of India as a consultant today.

"As no local firm has technical know-how or practical knowledge on the commodity exchange, the CSE is appointing MCX to this end," he added. Ibrahim was speaking at an online event organised to brief the media about the contract signing. The CSE chairman said they plan to launch the commodity exchange with two or three assets, including gold and agricultural products.

A commodities exchange is a legal entity that determines and enforces rules and procedures for trading standardised commodity contracts and related investment products.

READ MORE ON B2

POWER PURCHASE KPCL stocks rise on contract extension

STAR BUSINESS REPORT

Stocks of Khulna Power Company Limited (KPCL) rose by around 1 per cent after news broke that the company secured a two-year extension of its power purchase agreement with the government.

The government allowed the extension of two contracts with KPCL to purchase power from the KPC Unit-II 115 megawatt plant in Khulna and KPC 40 megawatt Noapara plant in Jashore on the basis of no electricity, no payment, the company said in a disclosure yesterday.

There was huge criticism from analysts to extend power purchase agreements with rental power plants considering the high prices of their electricity.

On this perspective, the government extended some other power purchase agreement on the basis of no payment would be made if their supply is null.

KPCL got listed with the Dhaka Stock Exchange (DSE) in 2010. The company's paid-up capital stood at Tk 397 in 2021, when it distributed cash dividends of 12.5 per cent, according to DSE data.

US corporate earnings face uncertain outlook

REUTERS, New York

An aggressive Federal Reserve, soaring inflation and geopolitical uncertainty from the war in Ukraine are muddying the outlook for the upcoming US earnings season, leaving some strategists wary of surprises as corporate results kick off this week.

Expectations for earnings growth have largely held up in recent weeks, despite a first quarter that saw commodities prices surge after Russia invaded Ukraine, threatening to exacerbate already-high consumer prices.

Analysts expect S&P 500 earnings to have increased by about 6 per cent in the first three months of 2022 from a year ago and forecast profit growth of about 9 per cent for the year, forecasts in line with those at the start of the month, according to IBES data from Refinitiv.

The reporting period for S&P 500 companies begins this week with results from major banks including JPMorgan Chase on Wednesday.

Some worry, however, that a cocktail of rising prices, higher wages and tightening financial conditions may have weighed on

some companies' balance sheets or clouded expectations for the rest of the year.

"The environment is very different this quarter. There are so many things going on," said Jack Ablin, chief investment officer at Cresset Capital Management in Chicago. "It will be fascinating to see how companies respond."

Earnings season comes on the heels of a tumultuous quarter for asset prices that saw the S&P 500 swoon nearly 13 per cent before paring losses in a furious rebound late last month. The index is down about 6 per cent for the year-to-date.

Energy and other commodity prices have surged, with Brent crude futures up 32 per cent for the year so far. The war in Ukraine has also created worries about supply and transportation problems, adding to concerns that have been building since the start of the coronavirus pandemic.

That's led a number of companies to warn about the impact of rising raw material and other costs on margins in recent weeks, including packaged food company Conagra Brands Inc, which this month lowered its full-year profit forecast.

Ericsson suspends all Russia operations

AFP, Stockholm

Swedish network equipment maker Ericsson said Monday that it was suspending all of its Russian operations over the war in Ukraine for the foreseeable future.

The telecom giant already announced in late February that it would stop all deliveries to Russia following Moscow's February 24 invasion of Ukraine.

"In the light of recent events and of European Union sanctions, the company will now suspend its affected business with customers in Russia indefinitely," Ericsson said in a statement.

The company added that it was "engaging with customers and partners regarding the indefinite suspension of the affected business."



A person shops for groceries at Lincoln Market on March 10 in the Prospect Lefferts Garden neighborhood of Brooklyn borough in New York City.

PHOTO: AFP

MTB CARDS
towards a cashless society

THIS RAMADAN

Enjoy up to 15% Cashback, 10X MRewardz Points and many more attractive offers with your MTB Card

Cashback

10X MRewardz Points

Scan for more details

CALL 16219

Offer valid till Eid day 2022

mutualtrustbank.com

Tweet2MTB

Mutual.Trust.Bank