



Three shoppers checking a kurta at a clothing store at the Aziz Super Market in the capital yesterday. As the country is set to celebrate the first day of Baishakh in colour, for the first time in two years thanks to receding coronavirus pandemic, shops like these are witnessing increased business activities.

PHOTO: AMRAN HOSSAIN

Pahela Baishakh sales make a comeback

SUKANTA HALDER and MD ABU TALHA SARKER

Sales centring Pahela Baishakh have picked up as people from all walks of life, buoyed by the improvement in the coronavirus situation, are set to welcome the Bangla New Year in colour and festivity today.

The celebration to mark Pahela Baishakh, the biggest cultural festival in Bangladesh, was muted in the last two years owing to the crisis and related lockdowns. As a result, demand during the second-largest sales season after Eid-ul-Fitr had plummeted.

But the drastic fall in coronavirus caseloads and no death related to the virus in recent weeks mean people are in a joyous mood to celebrate the occasion, in a cheer for clothing and lifestyle brands, sweet retailers, and Hilsa traders.

Traders in markets and shopping malls in the capital city yesterday said they have been passing a busy time to handle the rush of shoppers for the last few weeks.

"Pahela Baishakh is getting a whole new look after a two-year lull. We are getting good response from buyers," said Mohammad Ashraful Alam, chief

operating officer of Aarong, which has about two dozen outlets.

Khalid Mahmood Khan, director of Kay Kraft, another fashion brand, says sales are going fairly well.

"As Pahela Baishakh has fallen in the month of Ramadan, people will celebrate it in a moderate manner. Some customers may cut the budget since Baishakh and Eid-ul-Fitr will be celebrated around the same time. So, we have taken preparations keeping the two festivals in mind."

Khan says the people whose income has not been affected by the pandemic or higher inflation are buying Baishakh-related clothing and other items.

SaRa Lifestyle Ltd, a sister concern of Snowtex Group, a garment exporter, recorded about Tk 50 lakh in Baishakh and Eid-related sales on Tuesday.

"The sales target was not attained in the last two years. As we are getting good responses from customers this year, we may attain our target," said Sharifunnesa Reba, director of the company, which owns eight outlets.

The Covid-19 situation has improved a lot, so there is no fear among people. "So, they can go shopping without any apprehension," she said.

A salesman at an outlet of Yellow, a clothing retailer owned by Beximco, at the Bashundhara City Shopping Complex, says sales have picked up.

The biggest garment wholesale market in Keraniganj, known as Poshakpalli, has recorded increased sales as well.

Hassan Mia, a wholesaler, made 30,000 pieces of panjabi, all of which were sold before the start of Ramadan.

"New demands are coming. But we don't have the capacity to supply them on time," he said.

As people will celebrate the Bangla New Year during the fasting month, it is a bit difficult to separate the exact volume of Baishakh-centric sales from those linked to Eid-ul-Fitr.

According to a survey of the Bangladesh Fashion Entrepreneurs Association, a platform of fashion organisations, conducted in 2012, fashion houses across the country sell around Tk 6,000 crore throughout the year.

More than 50 per cent of them are sold during Eid-ul-Fitr and at least 25 per cent are in the month of Baishakh.

Sweets are an integral part of the Baishakh celebration and items worth

around Tk 50 crore were sold all over Bangladesh during Baishakh before the pandemic arrived.

Sweet shops did not record significant sales during Baishakh in the last two years as the contagious virus kept the consumers at bay. Despite the petering out of the pandemic, the situation has not improved much.

"If we compare this year's business ahead of Baishakh with 2019, it is 10-15 per cent," said Mahbubur Rahman Bakul, head of corporate affairs of Premium Sweets.

Last evening, Mohammad Sujon, a senior salesman of Premier Sweets outlet in Karwan Bazar, however, said the sales were 70 per cent of the 2019 level.

People usually welcome Baishakh in the morning of the day eating Hilsa with watered rice, whether at home, in restaurants or in public places. But due to the fasting month, there will be no such arrangement this time, which has driven down the sales of the most popular fish in the country.

Still, the price of the fish is quite high. Traders at the capital's Karwan Bazar kitchen market sold a Hilsa fish

READ MORE ON B3

Crops damaged by sudden surge of river water

STAR BUSINESS REPORT

Boro rice fields in low lying areas of numerous districts in the country's northwest have been damaged by a sudden rush of water in the region, raising worries of losses due to reduced yields.

The char areas of Sirajganj, Bogura, Gaibandha, Lalmonirhat, and parts of Nilphamari and Kurigram have all been inundated for the last couple of days as various rivers that flow from India, including Jamuna and Teesta, have flooded their banks.

The untimely surge of water dashed the hopes of thousands of farmers in the northwest at a time when producers in the haor regions of Sylhet and Mymensingh are also suffering from huge crop losses due to flash floods.

The overflowing waters submerged boro rice crops on more than 7,000

READ MORE ON B3



Farmers on a boat in Fulchhari upazila of Gaibandha are seen attempting to rescue their boro paddy before the overflowing Jamuna river does any more damage to the crop. Low lying fields in the country's northwest have been inundated for a few days now due to a sudden surge of water in rivers flowing from India.

PHOTO: COLLECTED

RESERVE HEIST

No judgment given against prime accused: BB

STAR BUSINESS REPORT

The Bangladesh Bank yesterday said that the New York County Supreme Court has not given any judgement in a case filed against the three prime accused in connection with the 2016 reserves heist.

The three accused are Rizal Commercial Banking Corporation (RCBC), Lorenzo V Tan, who was president of RCBC at the time of the cyber theft, and Raul Tan, a former treasurer of the Philippines bank.

The BB filed the case with the New York court in May 2020.

Six out of 20 defendants earlier applied to the court seeking a dismissal order on the case, according to a BB statement yesterday.

Of the six, the court dismissed the case against Bloomberry Resorts and Hotels Inc and Eastern Hawaii Casino and Resort located in the Philippines on April 8, it said.

The BB went on to hope that the court would give a positive verdict against RCBC, the prime

READ MORE ON B3

Jet fuel prices hiked again

RASHIDUL HASAN

The price of jet fuel shot up again last week, the 13th hike in 17 months, which will force domestic carriers to raise fares, risking losing travellers and intense competition with foreign airlines.

The move from the Bangladesh Petroleum Corporation (BPC) comes at a time when the airline industry is struggling to just get back on their feet with the normalisation of air travel following the removal of restrictions to curb the spread of the pandemic.

Aviation experts said the local airline industry would lose its edge in the global market as the foreign airlines buy jet fuel at lower prices.

The price of jet fuel is now Tk 100 per litre after the Padma Oil Company, a subsidiary of BPC, raised it by Tk 13 a litre.

In December 2020, the price of jet fuel, which accounts for up to 46 per cent of the operational costs of an airline, was Tk 48 a litre.

The international price of jet fuel stands at \$1.02 (around Tk 87.92) per litre, according to the BPC.

Mofizur Rahman, secretary-general of the Aviation Operators Association of Bangladesh,

READ MORE ON B3

Population census from Jun 15, digitally

STAR BUSINESS REPORT

The Bangladesh Bureau of Statistics (BBS) is set to digitally conduct its sixth population and housing census for the first time from June 15 to June 21.

The BBS made this announcement during a press briefing at National Economic Council yesterday.

"Around 3.7 lakh enumerators will collect the data countrywide. To measure the data quality, we will conduct a post-census survey in 350 selected sample areas," said Md Dilder Hossain, the project's director.

The authorities will collect data from each household using a computer assisted personal interviewing system, geographic information system and tablet computers.

Bangladesh President Abdul Hamid is expected to unveil a memorial stamp on the project while Prime Minister Sheikh Hasina will give a speech on June 14 making the announcement.

Speaking as chief guest, Planning Minister MA Mannan said he does not see the need for the intervals between each census to be of 10 years.

READ MORE ON B3

STOCKS		
	DSEX ▲	CASPI ▲
	0.16% 6,584.97	0.09% 19,366.90

COMMODITIES		
	Gold ▲	Oil ▲
	\$1,979.25 (per ounce)	\$101.67 (per barrel)

ASIAN MARKETS				
	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
	▼ 0.41% 58,338.93	▲ 1.93% 26,843.49	▲ 0.36% 3,342.22	▼ 0.82% 3,186.82

War offers more Canadian work for local freelancers Says an expert

STAR BUSINESS REPORT

Opportunities for Bangladeshi freelancers have widened in the Canadian outsourcing market since the start of the Russia-Ukraine war, according to a joint working group on strengthening commercial relations.

Most Canadian companies used to hire freelancers from India, Russia and Ukraine, said Nuzhat Tam Zaman, co-chair of the Canada-Bangladesh Joint Working Group, a public-private platform for trade negotiation, at a virtual meeting on Tuesday.

The work was on web development, social media management, digital content production and other information technology enabled services (ITES), she said.

But the Russia-Ukraine war has opened the window for Bangladeshi freelancers to enter the Canadian market, Zaman said.

Jashim Uddin, president of the Federation of the Bangladesh Chambers of Commerce and Industry (FBCCI) and another co-chair of the group, said over six lakh skilled Bangladeshi freelancers were working in the global outsourcing market.

He urged Canadian companies to invest in waste management, including through power generation, as the country has a number of reputed companies in this field.

Syed Almas Kabir, an FBCCI director and a member of the committee, called upon Canadian investors to set up factories and produce solar panels in Bangladesh.

During the meeting, both sides stressed on the need for trade missions to boost bilateral trade and commerce.

Thomas Timmins from Canada delivered a presentation on renewable energy while EH Arefin Ahmed from Bangladesh gave a presentation on the pharmaceutical industry of Bangladesh.



Harvested mustard plants brought for sale in a market at Dharmajain village under Biral upazila of Dinajpur, ready for threshing for the extraction of the seeds. Cultivation starts in the October-November period whereas the harvests are made in the March-April period. In Bangladesh, 2.5 lakh to 3 lakh tonnes of mustard seeds are imported every year, and about 1 lakh tonnes of oilseed is produced in the country. The photo was taken recently.

PHOTO: KONGKON KARMAKER

China's Covid curbs threaten global supply chain paralysis

REUTERS, Shanghai

China's race to stop the spread of Covid-19 is clogging highways and ports, stranding workers and shutting countless factories - disruptions that are rippling through global supply chains for goods ranging from electric vehicles to iPhones.

While some factory owners try to tough it out through "closed loop" management that keeps workers isolated inside, some said that is becoming harder to sustain given the extent of local Covid-19 curbs aimed at heading off the Omicron variant, complicating efforts to procure materials or ship products.

Foxconn Interconnect Technology, a unit of Taiwan-based Foxconn that makes data transmission equipment and connectors, has kept a plant open in Kunshan, which borders Shanghai, in a closed loop but is only able to run at 60 per cent of capacity, a person familiar with the matter said.

Foxconn did not respond to a request for comment.

On Wednesday, more than 30 Taiwan companies, many making electronics parts, said that Covid-19 measures in eastern China had led them to suspend production until at least next week.

A day earlier, German auto parts giant Bosch said it suspended output at sites in Shanghai and Changchun, while putting two other plants under "closed-loop" operation. Also on Tuesday, Taiwan's Pegatron Corp, which assembles Apple Inc iPhones, halted operations in Shanghai and Kunshan.

Sven Agten, Asia Pacific CEO of Rheinzink, a German maker of zinc construction materials, said logistical challenges make a closed-loop unworkable at his Shanghai warehouse and manufacturing facilities, and expects to have zero sales during April and possibly May.

"We need somebody in the warehouse and the manufacturing facility to do the work, and we need a truck and a driver. These are the two key components, and both are impossible," he told Reuters.

China's zero-tolerance approach to Covid-19, despite low case numbers and even as the rest of the world tries to live with the coronavirus, is proving unwieldy given the extreme infectiousness of the less-deadly Omicron variant.

The zeal to cut off virus transmission chains means localised curbs extend far beyond virus hotspots Shanghai and Jilin province in the northeast. An April 7 study by Gavekal Dragonomics found that 87 of China's 100 largest cities by GDP have imposed some form of quarantine curbs.

On Saturday, electric vehicle maker Nio said it had to suspend production at its Hefei factory - even though there were no local-level curbs - because suppliers from other areas had stopped work.

Truck transport has been especially hard hit, causing long queues and delays and driving up prices. The normal rate to book a truck from Shandong province to Shanghai had more than quadrupled from 7,000 yuan (\$1,100) to 30,000 yuan, said an executive at a trucking firm who declined to be identified.

Dealing with corporate

FROM PAGE B4

And this is especially true if the rumour is false as was in the above cases.

In such a situation you either want to fight or shut down. For me, it was to move forward without looking at the rear-view mirror.

My second advice is to foster forgiveness and sympathy, soft as these words may sound, they can be highly effective. When you forgive someone, the person who benefits the most, is you. It can help you to move on and improve your well-being.

Another advice is to play the long-term game. Your professional reputation and your relationships with coworkers and stakeholders that really count had not developed

overnight, rather it took years of trust and goodwill.

One such rumour or disruption can prove to be harmful in the short term, but it is bound to fade in the long run. It is wiser to have faith in time as time always tells the truth. Therefore, it is best to resort to your sense of humour and play the comedy card when confronted with an awkward situation.

Another interesting side to this long-term game is that it creates an opportunity to test the loyalty of people around you. You will find that your family, your true friends and the group who had a similar experience will be by your side as you move forward.

At the same time, it is

undoubtedly wiser to avoid people whose presence or attitude can provoke negativity in you during such a transition.

While avoiding rumours and hearsay is perfect practice in the corporate life, it is not always possible to keep yourself safe from the gossip mill.

Hence, the best practice is to address the rumour with calm, patience and honesty as opposed to being reactive. And last but not the least, I don't know who is worse - the person who is full of envy and malice spreading rumours and lies or one who thrives on shallow knowledge and common sense to believe in them.

The author is a telecom and management expert.

War pushes US

FROM PAGE B4

The potency of the ongoing price jumps bolstered the case that the Federal Reserve will take aggressive action at its policy meeting next month, likely raising the key lending rate by half a percentage point as opposed to the quarter-point increase last month.

"With labor shortages pressuring firms to raise wages, we are in the midst of a wage-price inflation cycle that will require extreme action on the part of the Fed to rid the economy of the spreading inflation threat," economist Joel Naroff said.

A collision of factors has fueled the inflation surge, including business' struggles to find enough workers and supplies, the Fed's low interest rate policies, and

congressionally approved stimulus measures that drove up demand among American consumers.

In response, the White House has scrambled to offer relief, including by releasing strategic oil supplies to lower prices at the pump and waiving a prohibition on selling a lower-price gasoline blend during the summer months, which Biden promoted during his visit to Iowa.

But the most potent actor in Washington against inflation is the Fed.

Though rate hikes are expected to lower prices in the months to come, central bank Governor Lael Brainard said Tuesday that the fallout from the war in Ukraine "probably skews risks to the upside in inflation."

China's trade

FROM PAGE B4

that Moscow described as a "special military operation" designed to demilitarise and "denazify" its southern neighbour.

Beijing has refused to call Russia's action an invasion and has repeatedly criticised what it says are illegal Western sanctions to punish Moscow.

Several weeks before the attack on Ukraine, China and Russia declared a "no-limits" strategic partnership. Last year, total trade between China and Russia jumped 35.8 per cent to a record \$146.9 billion.

As sanctions against Russia mount, China could offset some of

its neighbour's pain by buying more. But analysts say they have yet to see any major indication China is violating Western sanctions on Russia.

China's economic and trade cooperation with other countries including Russia and Ukraine remains normal, customs spokesman Li Kuiwen said at a news conference.

In the first quarter, China's trade with Russia jumped 30.45 per cent from a year earlier, within the range of gains seen in previous quarterly increases.

Russia is a major source of oil, gas, coal and agricultural commodities for China.

MCCI-BEF briefing on corporate due diligence obligations

STAR BUSINESS DESK

The Metropolitan Chamber of Commerce and Industry (MCCI) Dhaka and Bangladesh Employers' Federation (BEF) organised a briefing on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chain at the former's office in Gulshan, Dhaka recently.

The objective of the briefing was to familiarise the business community with the latest developments in Due Diligence Obligations in Germany and their implications for Bangladesh, a press release said.

Germany has recently enacted an act on Corporate Due Diligence Obligations in Supply Chains, after which the EU has also come up with a proposal for a guideline on Corporate Sustainability Due Diligence.

Of these, the German Act will come into effect in 2023. And the EU guideline was proposed in February 2022 but it is yet to finalise.

"As the world moves towards stricter human rights due diligence requirements, businesses in Bangladesh will have to respond accordingly," said Md Saiful Islam, president of MCCI.

He also emphasised the need for pursuing growth and progress amid increased costs, which would arise out of complying with the new due diligence obligations.

Ardashir Kabir, president of BEF, emphasised on how the Bangladeshi employers valued their workers and were committed to protecting them.

He, however, believes as a country where over 80 per cent of its population works in the informal economy, Bangladesh would benefit from introducing the due diligence obligations gradually.

QR-based transactions now on Brac Bank's Astha mobile app

STAR BUSINESS DESK

Brac Bank has launched Quick Response (QR)-based transactions through its mobile app Astha to provide customers to carry out transactions conveniently.

It lets users to scan a Brac Bank QR or other banks' QR displayed at the merchant points and make instant payments, a press release said.

Using Astha, the bank's Visa and Mastercard debit and credit cardholders can make payments with just a few taps.

Brac Bank is the only bank providing reward points on QR transactions linked to the bank's debit cards. The customers can earn one reward point for every Tk 100 transaction made through QR platforms.

The bank has also offered 10 times more reward points on the QR-based transactions against credit and debit cards during Ramadan through Astha app.

"We strongly believe that QR payment will play an essential part in paving the way for the country's transition to a cashless society," said Md Mahiul Islam, head of retail banking at Brac Bank.



Md Khalid Mahmood Khan, deputy managing director for corporate & commercial business at Mutual Trust Bank (MTB), and Rajib Das, managing director of Loop Freight, hold signed documents of an agreement at Rangs Paramount in Banani, Dhaka recently. Under the deal, the bank will finance suppliers of Loop to buy commercial vehicles. Sanjib Kumar Dey, head of SME banking division at MTB, and Md Rayhan Uddin, general manager for land freight operations at Loop Freight, were present.

PHOTO: MTB

Bangladesh not at risk

FROM PAGE B4

"Those are forbearance support measures that we have seen in all countries in the region at the beginning of the pandemic just to make sure that the private sector survives. In Bangladesh, these measures have continued longer than in other countries," Timmer observed.

"That creates vulnerability because you don't know about the health of the companies that are being supported and you don't know what the health of the banking sector is."

"Extended support

to private firms is also dangerous because then you are not creating a level playing field and you are not having the right mechanism in the private sector to create a competitive environment."

The macro-economist praised Bangladesh's current economic condition. "GDP growth is strong and you are at the top of the region."

However, there is still a lot to wish for Bangladesh because export is concentrated in the garment industry.

"The country needs to diversify as well as

explore opportunities in the services sector and the large informal sector."

Timmer is optimistic about the opportunities for Bangladesh as a middle-income country as long as the country has prudent policies.

"There is an opportunity to attract more foreign direct investments and access international financial markets to borrow."

"Conditions can be better to make the country attractive in the competitive international market," he said, emphasising the need for more outward policies.

IMF hopes to mobilise \$45b for new trust

Will aid broader range of countries

REUTERS, Washington

The International Monetary Fund hopes to mobilise around \$45 billion for a new trust to help a broader range of countries, including some middle-income economies, deal with climate change and other longer-term challenges, a paper prepared by IMF staff and reviewed by Reuters shows.

The IMF's executive board is expected on Wednesday to approve plans for the new Resilience and Sustainability Trust (RST) that were hammered out by IMF staff after the Group of 20 major economies backed creation of the instrument in October.

Nearly three-quarters of the IMF's 190 members would be eligible to borrow from the new trust, the global

lender's first facility set up expressly to help countries manage balance of payments risks posed by longer-term challenges, the paper said.

"Today, even as IMF member countries confront the immediate challenges of rising inflation, constrained fiscal space and pandemic recovery heightened by risks associated with the war in Ukraine they are also calling on the Fund to help respond to longer-term challenges such as climate change and pandemic preparedness," the paper said.

Currently, the IMF offers low-cost and zero-interest rate financing to help countries deal with short-term challenges, such as capital flight, inflation or high commodities prices, and medium-term fiscal and financial challenges.



A vibrant array of baubles and curios to offer home interiors explosions of colour and texture, patterns and prints. Roadside vendors at Doyel Chattar in the capital have stocked up ahead of Pahela Baishakh, when the country celebrates embarking on a new Bangla calendar year. The photo was taken on Sunday. PHOTO: ANISUR RAHMAN

Mobile operators protest ‘high’ taxes

STAR BUSINESS REPORT

High corporate tax, minimum turnover tax and an “unfair” value added tax (VAT) rebate mechanism have been hurting the telecom industry’s profitability, said the operators yesterday.

It has been undercutting the operators’ ability to investment and eventually leaving customer unable to avail quality of services, they said.

They demanded a reduction of the corporate tax from 25 per cent and 32 per cent for the listed and non-listed companies from the current 40 per cent and 45 per cent respectively.

Mobile operators have to pay a minimum turnover tax of 2 per cent while other industries pay only 0.6 per cent, said the operators.

“It was imposed because the operators’ revenues are very high and so it is easy to collect a large amount of tax from them,” said Shahed Alam, chief corporate and regulatory officer at Robi.

“Although the revenue is high, our profit margin is very low,” he said while delivering a presentation at a policy dialogue on the telecom tax policy and ecosystem.

ecosystem.

The Association of Mobile Telecom Operators of Bangladesh (Amtob) and Bangladesh Internet Governance Forum (BIGF) organised the event at a hotel in the capital.

The VAT authorities are unfortunately reluctant to allow legitimate rebates on certain inputs, such as imported capital machinery such as batteries and cables, said Alam.

He said compared to neighbouring nations, the tax on Bangladesh’s mobile sector was considerably higher. On the other hand, the operators’ return on investment is “insufficient”, he said.

Similarly, the operators’ average income per user is lower while the cost of mobile voice and mobile internet is one of the lowest in the world, making it harder for the service providers to sustain business, he claimed.

About other challenges, he said smartphone device penetration was not growing significantly as devices were yet to become affordable to the masses.

Currently, only 48 per cent of the devices in use are smartphones while only 36 per cent can support 4G.

“Without adequate 4G device penetration, further improvement of coverage and quality will not be a commercially viable approach,” Alam said.

He went on to say that revenue generation from data service was not proportional to data consumption, network utilisation and investment made for catering incremental data traffic.

For example data consumption of the three private operators has grown by over 12 times since 2016, but revenue grew by only 2.7 times.

Lawmaker Hasanul Haq Inu, chairperson of the BIGF, said while the turnover tax imposed on “harmful sectors” like that of tobacco was 1 per cent, it was 2 per cent on the mobile industry.

This is ill-judged and needs to be brought down to less than 1 per cent, he said.

“In order to build a Digital Bangladesh, the VAT on the internet needs to be lifted,” he added.

“I think corporate tax should be slashed by 8 per cent to 10 per cent and

brought to 30 per cent to 35 per cent,” said Inu.

“The operator’s demand on slashing corporate tax should be taken under consideration by the government,” said Shyam Sunder Sikder, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC).

However, the operators have to ensure quality of service and end call drops, said Sikder.

Telecom Minister Mustafa Jabbar said, “Excessive taxes have been a longstanding concern for telecom operators and we were trying to convince the NBR about the negative impact of high taxes on telecoms.”

Khalilur Rahman, secretary to the posts and telecommunications division, Mohammad Moniruzzaman Jewel, director general of spectrum division of the BTRC, M Riyaaz Rasheed, acting chief executive officer of Robi, Abdus Salam, Ericsson Bangladesh’s country manager, Hossain Sadat, acting chief corporate affairs officer of Grameenphone, and Taimur Rahman, chief corporate & regulatory affairs officer of Banglalink, also spoke.

Improve labour rights to attract more FDI

New US envoy says

STAR BUSINESS REPORT

Bangladesh should improve the copyrights, supply chain efficiency, labour rights, transparency and business environment for attracting more foreign direct investment from the USA, said Peter D Haas, the newly appointed American ambassador to Bangladesh.

Hass was addressing a group of businessmen at an iftar party hosted by the American Chamber of Commerce in Bangladesh (AmCham) at Hotel Sheraton Dhaka yesterday.

With Bangladesh’s economic development over the last 51 years, the country is going to graduate to a developing country from the least developed country (LDC) category. At the same time, Bangladesh has also qualified for receiving funds from the US International Development Finance Corporation (DFC), he said.

The DFC, a development finance institution, partners with the private sector to finance solutions to the most critical challenges facing the developing world.

Bangladesh has already improved the 16 conditions and submitted the progress reports to the US Trade Representative twice for reinstatement of the GSP but the American government is yet to reinstate the status

But, unfortunately, Bangladesh could receive the fund from the DFC as the country was not qualified for the Generalised System of Preferences (GSP) to the US markets, an important condition to be eligible to receive the fund from the DFC, Haas also said.

Earlier, the US government suspended the GSP status for Bangladesh in June 2013 following the nation’s deadliest industrial accident in April 2013 citing the poor labour rights and poor workplace safety in the garment factories.

It also gave 16 conditions to be improved by the Bangladesh government and private sector to regain the GSP status.

Bangladesh has already improved the 16 conditions and submitted the progress reports to the US Trade Representative twice for reinstatement of the GSP but the American government is yet to reinstate the status.

Before the suspension of the GSP, Bangladesh used to export goods worth \$34 million under the GSP category.

The US government does not allow import of garment items under the GSP without the African Growth and Opportunity Act (AGOA) status.

So, Bangladesh is also not exporting the garment items to the US under the GSP and currently facing 15.62 per cent duty on export of apparel items to the US.

Dry fish, sleeping bags, tobacco items and some other non-traditional items used to be exported from Bangladesh under the GSP.

Syed Ershad Ahmed, president of AmCham, also spoke.

Jet fuel prices hiked again

FROM PAGE B1

said air fares would go up by about Tk 300 as a result of the price hike.

“As a result, the number of air travellers will decrease which will have a serious impact on the country’s airline industry,” Mofizur, also the managing director (MD) of Novoair.

In January last year, the lowest airfare on a domestic route was Tk 3,200. In February 2022, it climbed to Tk 4,000.

Due to the jet fuel price hike in February, the minimum fare was increased by at least Tk 150, said insiders in the aviation sector.

Leaders of Recruiting Agency Oikya Parishad (RAOP), and the Bangladesh Association of International Recruiting Agents (Baira) complained that the BPC frequently raises fuel prices solely

by citing increases in other countries, without providing any other logical argument.

They said Bangladeshi migrant workers were already suffering severely due to unreasonably high airfares to different destination countries, especially the Middle East.

“The government’s latest decision to hike the jet fuel price will add additional burdens on the remittance earners as the airlines will get an opportunity to hike the airfares even further,” said RAOP President Tipu Sultan.

Mofizur Rahman said 40 per cent to 46 percent of a carrier’s operational costs were from fuel.

Air travel will inevitably get costlier as a consequence, and it will be the passengers who will have to bear the burden at the end of the day, he

added.

Aviation expert Kazi Wahidul Alam said jet fuel in Bangladesh was costlier than in neighbouring countries and others.

“Due to the hub airport, our airlines will have to buy jet fuel from Bangladesh at a higher rate. On the contrary, foreign airlines that are operating to and from Dhaka, will buy jet fuel at a lower price from their respective countries,” he said.

“As a result, we won’t be able to compete with our global competitors,” he said.

Contacted, a top BPC official said the respective committee of the BPC has increased the price of jet fuel due to high import costs. He also said compared to Kolkata, the price of jet fuel in Bangladesh was much lower.

Population census

FROM PAGE B1

“Censuses are completed in countries around the world in five years or less. So why should we wait 10 years? We also need to use modern technology to complete the census in a timely manner,” he said.

“We were supposed to do the census last year but we went back and forth for some reasons,” Mannan added.

The first issue was the ongoing coronavirus pandemic while the second was that of proposals for procuring the tablet computers being turned down by the purchasing committee three times, he said.

In addition, they initially thought of completing the census manually but eventually decided to conduct it digitally, he added.

“I went to the

procurement committee again and again with maximum transparency and explained our needs to them,” he said, adding that they want to underscore the accuracy and swiftness of the census.

Prof Shamsul Alam, state minister for planning, said the transition to a digital census was a great journey for the government.

“We hope we will get the final report soon,” he added.

Mohammad Tajul Islam, director general of the BBS, was present at the event, chaired by Shahanz Arefin, secretary to statistics and information systems under the planning ministry.

The first population census in Bangladesh was conducted in 1974. Subsequently, the population and housing censuses were held again in 1981, 1991, 2001, and 2011.

Pahela Baishakh

FROM PAGE B1

weighing one kilogramme at Tk 1,400-1,600 yesterday. It was Tk 900-1,200 for the fish weighing 800 grammes.

“I have sold half the amount of fish I had sold at this time in 2019. The demand is low,” said Mollah Nasir Uddin, a fish trader.

Babul Aktar, president of the Bangladesh Frozen Food Exporters Association, said traders did not stock up the fish this year since there were no celebrations in the last two years.

“Importers have not imported the fish from Myanmar because of the losses they incurred last year and as the festival will be celebrated during Ramadan.”

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said businesses going well ahead of Baishakh is a sign of economic recovery.

“Many are participating within their limited means,” he said, referring to the pressures people are facing owing to higher inflation.

Crops damaged by sudden surge

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hectares of land in the haor region that comprises Sylhet, Netrokona and Kishoreganj, which contributed 16 per cent of the total boro rice produced in fiscal 2020-21 with 1.98 core tonnes.

Farmers in the haor region said most of their boro paddy will be damaged by the ongoing flood.

During the current season, farmers planted

before the middle of the Bangla month of Baishakh, or early May.

Shamim Ashraf, deputy director of the DAE in Lalmonirhat, said crops including boro paddy have been inundated due to the untimely swelling of river Teesta.

He could not specify how much land was submerged and instead said work is underway to assess the affected farmers’ situation

kilometres through various upazilas of Lalmonirhat, Kurigram, Nilphamari, Rangpur and Gaibandha.

During the dry season, over 50,000 char farmers cultivate various crops on 75,000 to 80,000 hectares of land on the Teesta bed.

In three upazilas of Sirajganj, farms on several hundreds of hectares of cropland in shoal areas have been inundated for the last few days due to the onrush water from upstream. To save their crops, many growers in the district have started harvesting half-ripened paddy.

Nasima Khatun of Chowhali upazila in Sirajganj said her family could manage to harvest one bigha of half-ripen paddy.

According to the Water Development Board of Bogura, the onrush of water from upstream in Jamuna River increased by around 1.5 meters, which caused the submerging of cropland.

Abu Sayed, a farmer in Gaibandha’s Saghata upazila, said his seven bighas of onions and four bighas of boro paddy have all been ruined.

“I could not harvest anything,” he said citing a loss of Tk 85,000.

“We never see such a sharp rise in water in Jamuna during this time, so we are a bit surprised,” he added.

No judgment given against prime accused

FROM PAGE B1

accused of the case.

The BB statement came a day after several Bangladeshi media outlets reported on the case dismissal in favour of Bloomberry and Eastern Hawaii based on the news published in the Philippines media.

An official of the Bangladesh Financial Intelligence Unit, which is tasked with looking after all cases related to the heist, says the central bank will appeal against

the dismissal order if its lawyers give such opinion.

He said that the central bank would continue its legal fight against the entities and individuals involved in the theft.

On February 4, 2016, hackers broke into the central bank’s system and generated 70 fake payment orders to the Federal Reserve Bank of New York amounting to \$1.94 billion.

The NY Fed’s security system flagged the payment orders but only five of them fell through and \$101

million was released.

Of the amount, \$81 million was wired to an RCBC branch in Manila, from where it disappeared into the casino industry in the Philippines. The rest \$20 million made its way to Sri Lanka.

Sri Lanka sent back the entire sum immediately after the heist became public and shook the global financial industry.

Bangladesh recouped less than \$20 million of the fund that ended up in the Philippines.

Stocks break losing streak

STAR BUSINESS REPORT

The prime index of Dhaka Stock Exchange (DSE) ended the day in the black yesterday despite tumbling over 60 points in the initial hours of trading.

The DSEX, the benchmark index of the premier bourse of the country, edged up 10 points, or 0.16 per cent, to 6,584 at the end of the day. The index rose after falling for two consecutive days.

However, the turnover, an important indicator of the market, dropped to Tk 529 crore yesterday from Tk 532 crore in the previous day.

The DS30, the blue-chip index, and DSES, the Shariah-based index, increased 8 points and 4 points respectively.

The DSEX, the benchmark index of the premier bourse of the country, edged up 10 points, or 0.16 per cent, to 6,584 at the end of the day

At the Dhaka bourse, 130 stocks advanced, 185 declined and 65 remained the same.

JMI Hospital Requisite Manufacturing topped the gainers' list with a 9.85 per cent rise.

HR Textile Mills, Beacon Pharmaceuticals, Prime Bank and Salvo Chemical Industry also saw major gains.

Takaful Islami Insurance shed the most, dropping 5 per cent.

IFIC Bank, National Feed Mills, Peoples Insurance Company and Mercantile Bank were among those suffering similar losses.

IPDC Finance became the stock to be traded the most with shares worth Tk 53 crore changing hands followed by Sonali Paper and Board Mills, Provati Insurance Company and Square Pharmaceuticals.

Chittagong Stock Exchange (CSE) also rose yesterday. The CASPL, the main index of the CSE, went up 17 points, or 0.09 per cent, to close the day at 19,366.

Of the 271 stocks to undergo trade, 65 rose, 164 fell, and 42 did not see any price movement.

War pushes US inflation to 4-decade high

AFP, Washington

Americans paid more for gasoline, food and other essentials last month amid an ongoing wave of record inflation made worse by Russia's invasion of Ukraine, according to government data released Tuesday.

The consumer price index (CPI) climbed 8.5 per cent over the 12 months to March, the biggest jump since December 1981 and a sign of the pressure President Joe Biden's administration is under even as it looks for more ways to punish Moscow for the attack on its neighbor.

The inflation surge has dragged Biden's approval lower since it began last year, and the president sought to pin the blame on Russian President Vladimir Putin and the invasion's disruptions to global energy markets.


"Seventy percent of the increase in prices in March came from Putin's price hike in gasoline," Biden argued during a speech in Iowa, though the Labor Department said it accounted for closer to half.

Prices began rising last year as the economy recovered from the Covid-19 pandemic, and while the latest report showed costs hitting new heights for many items, it also contained signs the spike may be leveling off.

Compared to February, prices rose 1.2 per cent, in line with analysts' forecasts, but "core" prices, which exclude volatile food and energy sectors, rose 0.3 per cent rise, less than expected.

"The Russia-Ukraine war has added further fuel to the blazing rate of inflation via higher energy, food, and commodity prices that are turbo charged by a worsening in supply chain problems," Kathy Bostjancic of Oxford Economics said.

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OBSERVATIONS

GDP growth strong

Bangladesh not at risk of the crisis that Sri Lanka is facing

Inflation is a matter of concern

Current energy situation an opportunity to accelerate transition towards renewable energy



The balance of payment crisis that we are seeing in Sri Lanka is not the main risk for Bangladesh at the moment

Hans Timmer
Chief economist of the World Bank for South Asia.

RECOMMENDATIONS

Learn from Sri Lankan situation	Be careful about price subsidies as they are inefficient	Be careful about domestic use of reserves	Be cautious about vulnerability in financial sector	Check extended supports to private firms	Take up more outward-looking policies	Diversify exports	Explore opportunities in the services sector, digital tech	Step up efforts on gender equality and female labour participation
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Bangladesh not at risk of Sri Lanka-like crisis

Says Hans Timmer, World Bank's chief economist for South Asia

REJAUL KARIM BYRON and DWAIPAYAN BARUA

Bangladesh is not at risk of the crisis that Sri Lanka is currently facing, but the country needs to be cautious and learn from the experiences of the island nation, said Hans Timmer, chief economist of the World Bank for South Asia.

"The balance of payment crisis that we are seeing in Sri Lanka is not the main risk for Bangladesh at the moment," he told The Daily Star in an online interview on Tuesday.

"Bangladesh still can learn from this experience."

Sri Lanka has descended into its worst financial crisis since independence for fast-depleting foreign currency reserves, caused by the dragging pandemic and the Russia-Ukraine war.

As a result, the country can't afford to pay for imports of staple foods and fuel, leading to acute shortages and very high prices. And it has already said it would temporarily default on its foreign debts.

Timmer considers Sri Lanka as a special case where it has a lot of foreign debts that it can't service.

"It is a case where the country had to use central bank reserves to service the debts and buy essential imports. As a result, the reserves are decreasing. It is a difficult balance of payment crisis."

The situation in Bangladesh is very different, says the economist.

This is because the foreign debts of Bangladesh account for only 17 per cent of the country's gross domestic product,



which is low in international comparison. And most of the external debts are with bilateral or multilateral institutions such as the WB and are concessional or carry low-interest rates.

"Although there has been some increase in the debt for Bangladesh, this is still at a very low level," Timmer said.

Foreign currency reserves in Bangladesh can cover more than six months of imports, which is very solid, he said.

But every country can learn from Sri Lanka's experience.

"Every country has to be careful in spending a lot more than they earn. You have to be careful how you use your foreign exchange reserves."

"Bangladesh should be careful about the monetary use of the reserves to finance domestic investments and to support the exchange rate."

Timmer, who joined the WB in 2000, assumed his current role in January 2019 after serving as the chief economist for the Europe and Central Asia region of the Washington-based lender.

Bangladesh is, however, feeling the impacts of the Russia-Ukraine war as the conflict is causing a food crisis around the world and has sent inflation to a higher level.

"Inflation is a matter of concern for Bangladesh," Timmer said.

The economist also talked about the possible impact of the war on the budget.

There could be an increase in fiscal deficits if the government reacts to higher prices, which require subsidies or support measures for the population.

When asked about the policy measures the government should take to tackle the challenges, Timmer stressed the need to give importance to both the pandemic and the recent rise in oil prices in the international markets as these are negative supply shocks.

In such an environment, general fiscal stimulus is not the way to go because that would end up flaring inflation, he said.

He suggested the government be careful of the price subsidies because they are inefficient and go to richer people, not just the poor.

"Ultimately, it makes the fiscal situation unsustainable."

Timmer, who previously worked at the European Commission, the Intergovernmental Panel on Climate Change, and the Organisation for Economic Co-operation and Development, thinks the current situation might be an opportunity for Bangladesh to accelerate its transition towards renewable energy.

Throughout the region, countries are vulnerable because of their reliance on fossil fuel imports. "When these markets are very volatile and the prices go up, it creates all kinds of problems," he said, calling on the country to be very careful in subsidising energy prices.

He hinted at the vulnerability in the domestic financial sector and the banking sector stemming from the continued support measures from the government in response to the coronavirus outbreak.

Bangladesh has allowed businesses not to service their debts fully or immediately and not to be declared defaulters through the repayment of a small portion of loans.

At the same time, the government has allowed banks to report the interest payments as being paid.

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Dealing with corporate rumours

MAHTAB UDDIN AHMED

On my return from Australia recently, my friend Asif invited me to his office. He shuddered as he lowered his voice to a whisper to inform me, "Mahtab Bhai your name has come up in the Panama file case, do you know that?" He even went on to show me the news on the internet! Even our central bank raised a question about my nomination as independent director of a listed company citing the above.

Meanwhile, another corporate friend of mine asked whether I was involved in an IPO scandal of my former company along with one of my dear friends! This continued in the days to follow where I was thrown askew I know-your-secret looks if not confronted with direct curiosity!

Corporate rumours come and go; sometimes it takes longer for the dust to settle while others pass as quickly as they come. But I say it is best to learn to wear your mettle with the corporate grapevine.

In recent months I had a fair share of experiences that had me thinking how one can equip oneself to deal with harmful corporate rumours. As for the aforementioned rumours, both were obviously totally false.

In the case of the Panama file news, unfortunately my first name happened to match with that of another, and in the other case, I can simply appreciate the creativity of the creator of the rumour. To my amazement such rumours are spreading like wildfire ever since I left my last job. How does one feel when such corporate rumours hit you – completely dejected, demotivated, down, and more importantly powerless to move forward!



Corporate rumours come and go; sometimes it takes longer for the dust to settle while others pass as quickly as they come. But I say it is best to learn to wear your mettle with the corporate grapevine

Needless to say, a super active corporate grapevine can distort facts to such an extent that it can totally stifle the truth until the distorted version somehow gains the power to squeeze future career opportunities of its victims.

Research by Stanford University's Robb Willer shows that we take negative gossip about others seriously because we view it as useful information that can protect us. The result is that when someone spreads false rumours about you, it's hard to shake off that scar on your reputation. This can damage your personal and professional opportunities, not to mention the heavy toll on your stress level.

I call myself fortunate that such rumours and challenges fail to rob me off a good night's sleep or my spirit to move forward! However, not all victims of corporate gossip can remain unscathed by its vicious forces. And I hope this article would come to some use to this latter group who can take some learning to deal with it and emerge with minimum damage.

My first advice is to keep your emotions at bay and ride on positivity albeit how challenging it may get. It is imperative to remember that there is not much one can do about situations of the past.

It is common to respond with fear, anger, nervousness and helplessness when confronted with the force of such harmful gossip.

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Apples are stacked for display and sale as people shop at a grocery store in Monterey Park, California on April 12. Americans paid more for gasoline, food and other essentials last month amid record inflation fuelled by Russia's invasion of Ukraine.

PHOTO: AFP

China's trade with Russia slows

But still beats overall growth

REUTERS, Beijing

China's overall trade with Russia rose over 12 per cent in March from a year earlier, slowing from February but still outpacing the growth in China's total imports and exports, as Beijing slammed Western sanctions on Russia following its invasion of Ukraine.

Shipments to and from Russia increased 12.76 per cent in March to \$11.67 billion, Chinese customs data showed on Wednesday, slowing from 25.7 per cent growth in February, when Russia launched its invasion.

Still, the growth in March was faster than the 7.75 per cent increase in China's trade with all countries and regions to \$504.79 billion that month.

Russia invaded Ukraine on February 24 in a move

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