



**Md Shaheen Howlader**

## New DMD for NRB Bank

STAR BUSINESS DESK

NRB Bank has recently appointed Md Shaheen Howlader as deputy managing director (DMD). The appointee, Howlader, was previously working for Modhumoti Bank as senior executive vice-president, said a press release.

He started off his 26 year career as a probationary officer in National Bank and later served in Prime Bank and Modhumoti Bank.

Howlader obtained a bachelor's degree in economics, a master's in demography and an MBA degree in banking and insurance from the University of Dhaka.



A roadside vendor organises a vast range of essential cooking ingredients, mostly spices such as cardamom, cumin, cinnamon, cloves and black pepper, in Farmgate of Dhaka. Every year demand surges ahead of Eid-ul-Fitr, one of the biggest religious festivals in the country, when these elements are used to give every dish its unique aroma and flavour. The photo was taken recently. PHOTO: PRABIR DAS

## Denmark unveils energy plan to be 'free from Putin'

AFP, Copenhagen

Denmark presented on Tuesday a roadmap to end its dependence on Russian gas through a mix that includes renewable energy and biogas to become "free" from President Vladimir Putin.

While the European Union has refused to ban Russian oil and gas over the Ukraine war so far, the 27-nation bloc aims to cut its gas imports from the country by the end of the year. Individual member countries have also unveiled plans to cut their use of Russian fossil fuels.

The plan presented by the Danish government includes moving half of the 400,000 households that are heated with gas to district heating networks or electric heat pumps by 2028.

# Soaring battery costs fail to cool electric vehicle sales

REUTERS

Buyers around the world are lining up to purchase electric vehicles this year even with sticker prices surging, flipping the script on a decade and a half of conventional auto industry wisdom that EV sales would break out only after battery costs dropped below a threshold that was always just over the horizon.

This year, EV demand has stayed strong even as the average cost of lithium-ion battery cells soared to an estimated \$160 per kilowatt-hour in the first quarter from \$105 last year. Costs rose due to supply chain disruptions, sanctions on Russian metals and investor speculation.

For a smaller vehicle like the Hongguang Mini, the best-selling EV in China, the higher battery costs added almost \$1,500, equal to 30 per cent of the sticker price.

But gasoline and diesel fuel costs for internal combustion vehicles have also skyrocketed since Russia invaded Ukraine, and experts noted that environmental concerns also are pushing more buyers to choose EVs despite the volatile economics.

Manufacturers from Tesla to SAIC GM-Wuling, which makes the Hongguang Mini, have passed higher costs on to consumers with double-digit price increases for EVs.

More may be coming. Andy Palmer, chairman of Slovak EV battery maker InoBat, says margins in the battery industry are already wafer thin, so "rising costs will have to be passed onto carmakers."

Vehicle manufacturers like Mercedes-Benz will likely shift increases to customers if their raw material prices keep rising. "We need to keep margins," Chief Technology Officer Markus Schaefer told Reuters.

But EV shoppers have so far not been deterred. Global EV sales in the first quarter jumped nearly 120 per cent, according to estimates by EV-volumes.com. China's Nio, Xpeng and Li Auto delivered record EV sales in March. Tesla delivered a record 310,000 EVs in the first quarter.

"There is a different kind of tipping point that we seem to have hit — an emotional or psychological tipping

point among consumers," said Venkat Srinivasan, director of the Center for Collaborative Energy Storage Science at the US government's Argonne National Laboratory in Chicago. He said "more and more people" would buy EVs "notwithstanding the cost of the battery and the vehicle."

This spike in battery costs could be a blip in the long-term trend in which technology improvements and growing production pushed costs down for three straight decades. Industry data showed that the \$105 per kilowatt-hour average cost in 2021 was down nearly 99 per cent from over \$7,500 in 1991.

Experts say battery costs could stay elevated for the next year or so, but then another big drop is probably in store as big-ticket investments by automakers and suppliers in mining, refining and battery cell production, and a move to diversify raw material sources, tip the balance from shortage to surplus.

"It's like a bubble — and for that bubble to settle down, it's going to be at least the end of 2023," said consultant Prabhakar Patil, a former LG Chem executive.

## Is data localisation an economically viable

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the country's data protection and privacy and incorporate the rights of users.

It includes data localisation provisions that require data controllers to store sensitive, classified and user-generated data within Bangladesh. Such restrictions may negatively affect trade and productivity. It is imperative to assess the potential and issues posed by CBDF regulations.

Concerns about the localisation efforts increasing the hazards of cyber-attacks, privacy violations, and data breaches, and reducing the breadth of services provided and swelling the operating expenses of enterprises are also there. On the other hand, localisation is perceived to enhance data privacy and security, which is vital. However, such perceptions are contestable.

Any lop-sided regulatory position with CBDF could be damaging to Bangladesh's ICT sector as the present infrastructure and human capital are not aligned with the requirements of data localisation.

A recent study, undertaken by the Research and Policy Integration for Development, has evaluated the impact of CBDF restrictions on Bangladesh's digital services exports and the

economy. Primarily, two scenarios were considered: Bangladesh adopting more restrictive CBDF policies akin to those of India and adopting substantially restrictive CBDF policies comparable to those of Vietnam. The two countries were selected because they are in the Asian region, and their data localisation and data protection policies are regularly discussed in the policy and public sphere. The objective of this analysis is to provide a directional view, therefore, assessing all policy alternatives against the likely outcomes.

The study used a gravity modelling framework to estimate the impact of the given scenarios. According to the analyses, CBDF restrictions are likely to have a negative impact on digital service exports. Estimates show that Bangladesh's digital services exports could fall by 29 per cent and 38 per cent if it imposes limitations like India and Vietnam, respectively.

Similarly, to understand the effects of the impact of CBDF restrictions on the economy, another exercise was undertaken. It shows the existence of a positive relation between digital services exports and the GDP, meaning that digital services exports make a significant contribution to the economy.

It is found that Bangladesh's GDP could decline by 0.58 per cent as a result of CBDF restrictions, akin to those in India, on digital services exports. A more restrictive policy similar to that of Vietnam could cause the GDP to fall by 0.76 per cent. Similar retaliatory actions by trading partners may cause the GDP to fall further.

The reduction in GDP could adversely impact employment, investment and innovation growth in Bangladesh. Although the econometric model provides evidence of the significant adverse impact of data restriction on digital exports and the economy, some possess the view that such restriction on data could improve productivity and exports in the long run.

Therefore, it is imperative for Bangladesh to judiciously navigate the digital fields, carefully assessing the local and global impacts of potential rules and regulations related to data flows and streamlining such laws to the country's current scenario so that socioeconomic development is not hindered.

The authors are, respectively, executive director and associate director of the Research and Policy Integration for Development

## Sugarcane shortage

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"Work is underway to implement some new plans to cover the losses of different units," he said, adding that even if there is no profit next season, steps are being taken to ensure that losses are not counted.

Abdul Hannan, president of the Carew Sugar Mill Sugarcane Farmers' Welfare Association, said the price of sugarcane is currently Tk 140 per maund (37 kilogrammes) when sold at the mill gate while it is Tk 138 per maund at the procurement centre.

"However, sugarcane cultivation is not possible

if the price of sugarcane is not Tk 300 per ounce," he added.

Gias Uddin, general manager (agriculture) of the mill, claimed that there is no problem in the management of their operations. Instead, the closure of state-owned sugar mills has left sugarcane farmers in a dilemma.

This time though, the corporation has taken initiative to provide the required facilities, such as fertilisers, pesticides and training, for farmers.

"So I hope the farmers will soon return to sugarcane cultivation," Uddin said.

## High debt could slow countries'

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could hold growth back in developed countries by 0.9 per cent and in emerging markets by 1.3 per cent over the next three years.

"Financially constrained households and vulnerable firms, which have grown in number and proportion during the Covid-19 pandemic, are expected to cut spending by more, especially in countries where the insolvency framework is inefficient and fiscal space limited," the lender said.

To avoid exacerbating problems, government should "calibrate the pace" of phasing out aid and

spending programs. "Where the recovery is well underway and balance sheets are in good shape, fiscal support can be reduced faster, facilitating the work of central banks," the IMF said.

For struggling sectors, governments could offer aid to prevent bankruptcies, or provide incentives for restructuring, rather than liquidation.

"To lessen the burden on public finances, temporary higher taxes on excess profits could be envisaged. This would help claw back some of the transfers to firms that did not need them," the lender said.

## Asia markets cautious over China growth news

AFP, Hong Kong

Asian stocks were digesting growth concerns in China and rising interest rates in the United States on Tuesday with Hong Kong dropping sharply while Japan edged higher on the back of a plummeting yen.

Chinese growth numbers for the first quarter of 2022 exceeded expectations on Monday but came with a government warning of "significant challenges" ahead, with key economic hubs in the throes of Covid-19 lockdowns.

Millions of residents are still cloistered in their homes in financial capital Shanghai with restrictions — which have also hit tech hub Shenzhen and the northeastern grain basket of Jilin — shutting supply lines.

Investors were left weighing whether attempts to lift the economy by Chinese policymakers — who have held off

cutting interest rates — would offset Beijing's zero-Covid policies.

"The focus in Asia is on mainland policy easing to cushion the impact of lockdowns," Stephen Innes at SPI Asset Management said, adding that while first-quarter growth was marginally better than predicted, "there was no positive follow-through in China-sensitive assets".

"Reopening cities is the only fix to drive credit growth, which could translate into a sustainable economic rebound that supports equity markets and a load of other China proxy assets," he said.

Japan's Nikkei 225 made gains, and led most Asian markets slightly upward with South Korea, Taiwan, India, and Australia all rising.

But Hong Kong plummeted by its largest margin in three weeks after a four-day holiday hiatus over concerns around Beijing's tough tech-sector regulations and overall growth in China.

## Yellen to call for increased economic pressure on Russia

AFP, Washington

US Treasury Secretary Janet Yellen this week will call on her counterparts to ramp up the economic pain on Moscow over its invasion of Ukraine, a senior Treasury official said Monday.

Yellen will participate in the spring meetings of the IMF and World Bank, as well as gatherings of finance officials from the G7 and G20 nations, where the fallout from the war will be a key topic of discussion.

"The secretary believes the Russian invasion of Ukraine has demonstrated the need for the world's largest economies to stand together to defend international order and protect peace and prosperity," the official told

reporters. "She will use this week's meetings to work with allies to continue our united efforts to increase economic pressure on Russia while mitigating spillover effects."

The IMF and World Bank have warned of the devastating costs the war is imposing on the global economy, especially through rising prices for energy and food at a time of high inflation. Western sanctions on Moscow have contributed to inflation pressures, hitting the poorest countries the hardest.

While Yellen is "deeply concerned" about the impacts, "We are firm in our resolve to hold Russia and its leadership accountable, and have imposed crippling sanctions," the official said.

## Explain aggressive sale order

### BSEC asks 15 stockbrokers

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) yesterday served show cause notices to 15 stockbrokers for placing aggressive orders for selling shares.

The stockbrokers placed share sell orders during the 15-minute window before the start of today's trading at ceiling prices, which is 2 per cent lower than the previous day's closing price.

"This sort of activity may be treated as unlawful and with mal-intent," the show cause notice read. The stockbrokers are ordered to place share selling order at prices higher than the ceiling rate.

The prices can be set at the ceiling rates later if they do not find buyers, said Mohammad Rezaul Karim, spokesperson and executive director of the BSEC. The BSEC has instructed the stockbrokers to explain their position within 48 hours from the issuance of the letter.

The stockbrokers are: Shahed Securities, Bank Asia Securities, Sheltech Brokerage, IDLC Securities, S&H Equities, LankaBangla Securities, BD Finance Securities, MTB Securities, Mercantile Bank Securities, UCB Stock Brokerage, Globe Securities, Shanta Securities, Island Securities, Quayum Securities and Midway Securities.

## Anti-money laundering assoc gets new leaders



**Ziaul Hasan Molla**

**Chowdhury Moinul**

STAR BUSINESS DESK

Mohammad Ziaul Hasan Molla, deputy managing director of Bank Asia, and Chowdhury Moinul Islam, deputy managing director of Brac Bank, have been elected chairman and general secretary of the Association of Banks in Bangladesh for 2022-23.

The election was held in Cox's Bazar recently to form a 15-member executive committee, said a press release.

Other elected office bearers are Additional Managing Director Md Mustafa Khair of First Security Islami Bank (vice chairman-1), Additional Managing Director Syed Faridul Islam of United Commercial Bank (vice chairman-2), Deputy Managing Director Maksud Khanam of EXIM Bank Bangladesh (treasurer), Additional Managing Director Mohammad Ali of Pubali Bank (joint secretary-1), and Chief Compliance Officer Sharon Dsouza of HSBC (joint secretary-2).

Eight executive committee members were elected chief anti-money laundering compliance officers of Rupali Bank, National Bank, Shimanto Bank, Jamuna Bank, City Bank, Agrani Bank, Al-Arafah Islami Bank and Habib Bank.