

Bank Alfalah takes Guardian Life Ins services

STAR BUSINESS DESK

Guardian Life Insurance recently signed a group insurance agreement with Bank Alfalah enabling the bank's employees and their families to enjoy group insurance benefits.

Sheikh Rakibul Karim, chief executive officer (current charge) of the insurer, and Adil Islam, country head of the bank, signed the agreement at the latter's head office in Dhaka, said a press release.

Mahmud Afsar, executive vice-president of the insurer, Iftakher Ahmed, head of customer relationship management, Faisal Alim, head of group sales, Saidur Rashid Tusher, business development manager, Shahrima Binte Nazrul, business relationship manager, Arshad Saleem, head of financial institution at Bank Alfalah, Md Towhidul Zaman Fuad, head of operation, and Fahim Ahmed, senior manager of human resources, were present.



Pumpkins arrive by boat at Bohumukhi City Market, the biggest wholesale market in Barishal, situated by the Kirtankhola river. Prices of the vegetable here range from Tk 12 to Tk 15 per kilogramme. The photo was taken on Wednesday.

PHOTO: TITU DAS

Russia fines Google over Ukraine 'fakes'

REUTERS

A Russian court has fined Alphabet Inc.'s Google 11 million roubles for failing to delete what it terms "fake" information about the conflict in Ukraine and YouTube videos produced by Ukrainian far-right groups, TASS reported.

Russia's communications watchdog said earlier this month that it was taking steps to punish Google for "spreading fakes" on YouTube, and has previously warned the US company that it would be fined if it failed to comply, part of a wider battle with foreign tech firms and media to control information flows.

Google was found guilty of committing administrative violations and fined 4 million roubles and 7 million roubles in two cases, Moscow's Tagansky District Court said on Thursday.

Google did not immediately respond to requests for comment.

China UnionPay, Russia's potential payments backstop

REUTERS, Hong Kong

Several Russian banks plan to issue payment cards that use the network of China UnionPay as well as that of home-grown payment system Mir, after Visa Inc and MasterCard Inc joined other Western firms in suspending operations in Russia.

UnionPay and Mir are among few options left for Russians to make payments abroad since Russian banks were isolated from the global financial system following Russia's invasion of Ukraine. Russia calls its actions in Ukraine a "special operation".

Whereas many Western nations have condemned Russia's conduct, ally China has refrained from direct criticism, effectively allowing Chinese companies such as UnionPay to continue business as usual with Russian partners.

Several Russian lenders already issue cards with UnionPay. Still, the Chinese payment service is wary of cooperating with sanctioned Russian banks for fear that could lead to itself being sanctioned, the RBC business daily reported on Wednesday, citing five unidentified people at major Russian banks.

UnionPay did not respond to a Reuters request for comment.

China approved the central bank's creation of UnionPay as a coalition of banking operators in 2002 to allow domestic inter-bank transactions and settlements across different platforms.

Funded by the government and China's

largest commercial lenders, UnionPay clears and settles payments directly with banks and licensed lenders by issuing debit, credit and prepaid cards.

It has 87 shareholders including affiliates of the People's Bank of China, commercial lenders such as Industrial and Commercial Bank of China Ltd and China Construction Bank Corp, and rural credit providers. It enjoyed a monopoly before China allowed foreign payment networks to set up onshore operations in 2020, and in recent years has rapidly expanded overseas.

UnionPay ranked first by number of cards in circulation worldwide as at the end of 2021 with 9.4 billion, showed data from researcher Nilson. Visa had 3.7 billion and Mastercard 2.5 billion.

Increased Chinese tourism spurred UnionPay to build offshore ties with banks and merchants, first in Hong Kong in 2004 and United States in 2005.

In 2012, UnionPay founded overseas arm UnionPay International which has formed partnerships with over 2,500 institutions worldwide, making the card accepted in 180 territories, UnionPay's website showed.

UnionPay cards are issued in over 70 countries and regions, it said.

Its expansion has involved several European financial firms including HSBC Holdings PLC, Barclays PLC, Travelex and Moneycorp. UnionPay card holders can withdraw sterling in Britain from Barclays

and Travelex cash machines.

Holders of UnionPay cards issued by HSBC can also make withdrawals from that bank's cash machines in Britain.

UnionPay is fast catching up with global competitors in absolute volume processed, benefiting largely from the rising purchasing power of Chinese buyers domestically and overseas.

About 40 per cent of global card purchase transaction volume was through Visa in 2020, but UnionPay is a close second at 32 per cent, followed by MasterCard at 24 per cent, Nilson data showed.

Over 55 million merchants globally accept UnionPay cards as of March 2021. Acceptance coverage is 95 per cent in Russia where over 1.6 million point-of-sale terminals support UnionPay QuickPass payment technology, UnionPay statements showed. More than 4 million UnionPay cards have been issued in Russia, it said.

The high penetration rate has prompted Russian banks to turn to UnionPay after Western nations imposed an array of sanctions.

National Bank of Ukraine (NBU), a UnionPay partner, publicly asked UnionPay to stop processing transactions in Russia and those involving cards issued by Russian banks and used abroad.

"We kindly ask you to make a contribution into restoring peace in Ukraine and cease your operation in the Russian Federation," NBU Governor Kyrylo Shevchenko said in a March 17 statement.

DAIRY PRODUCTION

Arla Foods, Royal DSM tie up to cut methane emission

STAR BUSINESS DESK

European dairy cooperative Arla Foods, producer of milk powder brand Dano, and Dutch corporation Royal DSM are set to start a pilot project on feeding 10,000 dairy cows across three European countries a methane reducing feed additive Bovaer.

Global research and on-farm trials show that Bovaer can reduce methane emissions by around 30 per cent with continued animal welfare, supporting the companies' commitment to sustainable dairy production, says a press release.

"...taking to create a sustainable and resilient future for dairy...I am excited to see how far this will take us," said Hanne Sondergaard, executive vice-president at Arla Foods.

"Through our scientific innovation and collaboration, we can help achieve a sizeable reduction in emissions by changing the feed that animals eat every day and in doing so, support the health of animals, people and planet," said Mark van Nieuwland, vice-president of Bovaer at Royal DSM.

Brac Bank, Robi to serve SMEs

STAR BUSINESS DESK

Brac Bank signed a memorandum of understanding with mobile operator Robi Axiata to provide digitalised solutions to small and medium enterprises (SMEs) to develop their businesses.

Under the agreement, the bank's SME customers will enjoy preferential services from Robi, such as corporate SIM connections, voice and data packages, digital marketing solutions, hotline services and business management solutions.

Meanwhile Robi's SME customers will enjoy preferential banking services from the bank.

Syed Abdul Momen, deputy managing director of the bank, and Adil Hossain Noble, chief enterprise business officer of Robi Axiata, signed the agreement at the latter's head office in Dhaka recently, said a press release.

Indrajit Sur, head of emerging corporate at Brac Bank, Md Nazrul Islam, head of small business (West), SM Alomgir Hossain, head of small business (East), Azizul Hoq, head of business transformation and product, and AKM Nazmul Islam, vice-president (SME Business) of Robi, Mohammad Monerul Islam, general manager for central cluster SME business, and Nafiz Ahmed Sayed, general manager of large corporate, were present.

Nestle fends off cost inflation

REUTERS, Zurich

Nestle on Thursday confirmed it expects to grow sales around 5 per cent and keep margins broadly stable this year after higher pet food, dairy and coffee prices did not deter consumers in the first quarter, forecasting more price increases ahead.

Russia's invasion of Ukraine has forced consumer goods companies to rethink their strategy, while pushing up costs for energy and commodities.



Md Ataur Rahman Prodhan, chairman of Sonali Bank Ltd, presides over the bank's senior management team's 13th meeting at the lender's head office in Dhaka on Wednesday. Md Murshedul Kabir, Niranjana Chandra Debnath, Md Mazibur Rahman, Sanchia Binte Ali and Md Quamruzzaman Khan, deputy managing directors of the bank, were present.

PHOTO: SONALI BANK

Receding pandemic boosts US

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"continuing to pass swiftly rising input costs through to customers," the report said.

While many companies were looking to staff up, "hiring was held back by the overall lack of available workers, though several districts reported signs of modest improvement in worker availability," the central bank wrote.

The central bank's contacts "noted steep increases in raw materials, transportation, and labor costs," while prices for farm goods, metals and fuel rose higher following Russia's invasion of Ukraine, and the spike in Covid-19 cases

in China, which has caused the country to impose lockdowns.

Those shocks have contributed to the high rate of inflation in the United States, which has prompted the Fed to begin hiking interest rates and signal plans to do so throughout this year.

The report, prepared in advance of the Fed's next policy meeting in early May, said businesses have tried various strategies for coping with both increasing prices and scarce supplies, including "making use of more flexible contract terms or only honoring price quotes for 24 hours."

"Strong demand generally allowed firms to pass through input cost increases to customers, for example, via fuel surcharges for freight and airline fare," the Fed added.

Despite the challenging environment, the report contained signs of a return to normal business conditions as the pandemic becomes less severe.

The Philadelphia Fed district said "customer traffic resumed and workers began returning to offices," while in New York City, "tourism has picked up noticeably in recent weeks" even as hotel room prices climbed.

BSEC urges state banks to raise

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themselves, in contrary to brokers who deal stocks for others.

The dealers differ from individual investors for the fact that their licences come with prerequisites such as a minimum investment requirement but have other advantages such as reservations of IPO quotas.

The banks can invest funds by taking loans from Bangladesh Bank as it gave the approval for banks to form a Tk 200 crore special fund for the purpose, which will not be incorporated in their capital market exposure limit, it added.

The Banking Companies Act 1991, amended in 2013, allows a bank's stock

market exposure to be up to 25 per cent of its capital which includes paid-up capital, share premium, statutory reserve and retained earnings.

On February 10, the banking regulator rolled out the package that allows banks to set up a Tk 200 crore fund by taking it from Bangladesh Bank through a repurchase agreement against treasury bills and bonds they own.

The banks will have to pay 5 per cent interest for the fund and the credit tenure will be of up to February 2025.

The DSEX, the benchmark index of Dhaka Stock Exchange, rose 55 points, or 0.89 per cent, to 6,662 points yesterday.

Strictly monitor agent

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the outlet's ownership.

However, no such approval would be required in case of the closure of an outlet, it added.

There were 13,086 agents across the country as of December while the number was 11,925 a year ago, the central bank data showed.

The deposit balance in agent banking windows collectively stood at Tk 24,294 crore last year, up 52 per cent from the year

before.

Meanwhile, loan disbursement through agent banking channels increased by 182 per cent year-on-year to hit Tk 5,347 crore in 2021.

Some 29 banks are now providing financial services to their clients through this alternative mode of banking.

The central bank issued an agent banking guideline in 2013 but the licensees did not start full-fledged operations until 2016.



Md Abdur Rashid, chairman of Shariah supervisory board at UCB Asset Management, presided over the board's first meeting at the company's headquarters in Gulshan, Dhaka recently. KM Saiful Islam Khan, professor of Persian language and literature at the University of Dhaka, Mohammad Zahidul Islam, associate professor of the department of the Islamic studies, Sheikh Mohammad Rashedul Hasan, managing director of UCB Asset Management, and ATM Tahmiduzzaman, deputy managing director of United Commercial Bank, were present.

PHOTO: UCB ASSET MANAGEMENT



M Reazul Karim, managing director of Premier Bank, virtually inaugurates the bank's new Kanchon Moddho Bazar branch in Roopganj, Narayanganj and Nagarpur branch in Tangail yesterday. Syed Nowsher Ali, deputy managing director, also joined virtually. Md Shahid Hassan Mallik, deputy managing director, and Mohammed Entiaz Uddin, senior executive vice-president, were present physically.

PHOTO: PREMIER BANK