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SCAN FOR DETAILS

Take insurance coverage for export financing

BB asks banks

STAR BUSINESS REPORT

The Bangladesh Bank yesterday asked banks to take insurance coverage against their financing to exporters in a bid to minimise default risk of loans.

As per banking norms, lenders can provide post-shipment financing to exporters as they wait to receive funds from buyers through correspondent banks.

In such a situation, there is always a default risk if the correspondent banks, through which funds are received by exporters, don't pay back the value of the items shipped on time.

The default risk will be minimised if banks



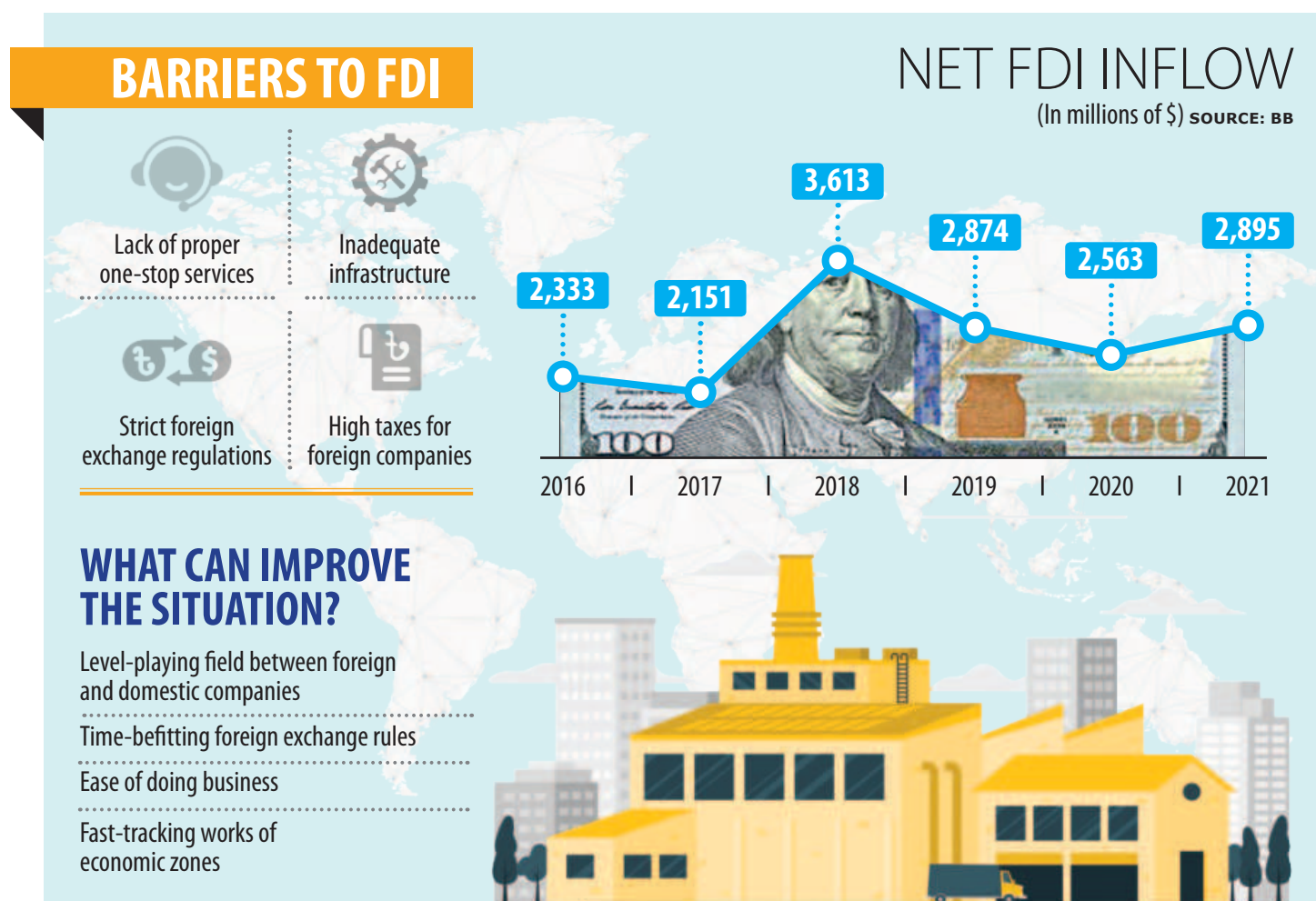
take insurance coverage, according to a Bangladesh Bank notice.

This will give an extra comfort to banks as insurance companies have to take responsibility in the event banks don't receive the funds as promised.

The central bank, however, said that banks would take the coverage with the consent of exporters. Banks also will be allowed to take insurance coverage for their financing to exporters extended during the pre-shipment stage.

The central bank, however, warned banks that insurance coverage would not give waiver to them from realising export proceeds, which need to be repatriated within four months from the date of shipment as per foreign exchange regulations of the BB.

A BB official says the insurance coverage will help banks provide facilities to exporters since insurance coverage protect the financing of banks from credit risks.



FDI GOES UP but lower than expected

AKM ZAMIR UDDIN

Foreign direct investment to Bangladesh rose 13 per cent year-on-year to \$2.89 billion last year, in a positive development for an economy long looking to increase the flow of external funds to accelerate its growth, official figures showed.

FDI inflow has been far lower than the expected level given the country's business volume and potential of the economy.

Strict regulations, bureaucratic complexities, inadequate infrastructures and lack of one-stop service have become major challenges to lifting the volume of FDI.

Fresh investment, or equity capital, was at a higher level last year compared to 2020, which has been described by economists as a good development for the country's investment sector.

FDI in the field of equity capital rose 35 per cent to \$1.13 billion, according to data from the Bangladesh Bank.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said that the inflow of equity capital had not been positive for long.

It finally rebounded last year.

The inflow of equity capital means that foreign companies brought in fresh funds to the country.

Two other segments of FDI are reinvested earnings and intra-company loans.

Foreign investors had earlier reinvested their earnings, generated in Bangladesh,

comfortable in making the country their investment hub.

"There are a lot of positive indicators of the economy, but it has not tapped the potentiality of FDI."

Some peers of Bangladesh have managed to secure a higher volume of FDI.

For instance, Vietnam received \$19.74 billion last year

red tape as many investors are shying away from the country due to the bureaucratic complexities.

The government had targeted to attract \$32 billion in FDI during the Seventh Five-Year Plan period stretching from the fiscal year of 2015-16 to 2019-20. But the country managed less than \$10 billion.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, said the Bangladesh Bank should liberalise its foreign exchange regime further so that businesses could repatriate funds smoothly.

"The central bank should provide policy support to them in a way that helps them settle foreign transactions in Bangladesh without any hassles."

The economist called for ensuring a one-stop service as many investors were struggling to get the benefits from the initiative.

Mamun Rashid, an investment analyst, says Bangladesh has a strong wish to attract foreign investment, but there are some barriers that discourage foreign entities.

READ MORE ON B3



significantly, but the trend reversed last year.

The reinvestment of earnings stood at \$1.562 billion last year in contrast to \$1.566 billion a year prior.

Intra-company loans increased to \$194 million, up 25 per cent year-on-year.

Rahman said that the government should ensure one-stop services for foreign investors so that they felt

and \$4.42 billion in the first quarter of this year.

"The country should follow the measures that Vietnam has taken," said Rahman.

Rahman said that development works of economic zones should be completed in the quickest possible time as they would attract foreign investors.

He laid emphasis on the ease of doing business by removing

Stocks rise for fourth day

Turnover nears Tk 900cr

STAR BUSINESS REPORT

The stock index in Bangladesh continued to rise for a fourth consecutive day yesterday while turnover of the market reached nearly Tk 900 crore after 14 working days.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 20 points, or 0.31 per cent, to 6,683 at the end of the day. In the last four days, the index rose 200 points.

Turnover of the DSE also surged 18 per cent to Tk 895 crore from the previous day's Tk 754 crore.

The investors showed their interest and put fresh bets on sector-specific issues, said International Leasing Securities in its daily market review.

The institutional fund flows to the market created a bullish vibe among investors that significantly increased their participation.

At the day's end, DS30, the blue-chip index, gained 8.05 points and the DSES, the Shariah-based index, lost 3.08 points.

The gainers took a modest lead over the losers as out of a total of 381 issues to undergo trade, 200 advanced, 142 declined, and 39 remained unchanged.

Among the sectors, general insurance rose 1.9 per cent, travel and leisure 1.4 per cent and financial institutions 1.2 per cent.

According to the turnover, investors' attention was mainly concentrated on miscellaneous (14.1 per cent), financial institutions (13.7 per cent) and pharmaceuticals and chemicals (13.5 per cent).

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Tea production will be better this year as it started raining in Sylhet and Chattogram on time, said experts.

PHOTO: STAR/FILE

No more barriers to eSIM launch

STAR BUSINESS REPORT

The barrier to launching eSIM services has been finally removed as the National Board of Revenue (NBR) has set the value-added tax for the sale of digital subscriber identity modules by the mobile phone operators in Bangladesh.

Tk 200 has to be paid as VAT for each eSIM, similar to that for the regular SIM card, according to a letter from the NBR to the telecom regulator and operators on April 21.

This means Grameenphone will now be able to roll out eSIMs to become the first operator in Bangladesh to make digital SIMs available.

The largest mobile phone operator had announced to launch eSIM on March 7.

However, the Bangladesh Telecommunication Regulatory Commission (BTRC) put a bar on the rollout citing concerns over a lack of clarity centring revenue collection from the issuance of digital SIMs.

GP said eSIM would be available at selected Grameenphone centres from today

On top of that, the BTRC said Grameenphone had not taken prior permission.

"We have served a show-cause notice on GP. After getting the reply, we will consider it," BTRC Chairman Shyam Sunder Sikder yesterday.

"We have no objection to allowing the launch of such a service in principle. But, without taking any permission, no operator can do it. That is why we have issued them a show-cause notice."

But sources at the operator said it had already taken the commission's permission to roll out the service.

In a press release yesterday, GP said eSIM would be available at selected Grameenphone centres from today.

"We are happy and inspired to bring this advanced and climate-friendly technology to Bangladesh," said Yasir Azman, chief executive officer of Grameenphone.

Customers can get their eSIM connection from GP House Experience Center, GPC Lounge Gulshan, GPC Lounge GEC in Chattogram, GP online shop, Motijheel GPC, Farmgate GPC, Bashundhara city GPC, Dhaka Airport GPC,

READ MORE ON B3

STOCKS	
DSEX ▲	CASPI ▲
0.31%	0.26%
6,683.23	19,645.98

COMMODITIES		AS OF FRIDAY
Gold ▼	Oil ▼	
\$1,931.96	\$101.68	
(per ounce)	(per barrel)	

ASIAN MARKETS				FRIDAY CLOSINGS
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▼ 1.23%	▼ 1.63%	▲ 0.38%	▲ 0.23%	
57,197.15	27,105.26	3,361.11	3,086.92	

Tea auction begins in Ctg today

STAR BUSINESS REPORT

The first tea auction for 2022-23 will begin today at the Chattogram Tea Auction Centre.

In the first phase, 1,058,708 kilogrammes (kgs) of tea leaves collected from 97 tea gardens across the country will be sold.

On the other hand, the auction in Sreemangal -- the country's second auction centre -- will begin on April 27.

Forty-five tea auctions will be held in Chattogram and 23 in Sreemangal.

"The demand for tea will increase for Eid-ul-Fitr," Omar Hannan, chairman of the Tea Traders Association of Bangladesh, told The Daily Star.

"We hope to get better prices in the auction, as buyers are also showing interest to take part in it. I think the tea market will become stable after the end of the Covid-19 pandemic."

READ MORE ON B3

Some Chinese state banks will reduce deposit rates

REUTERS, Shanghai

Some Chinese state banks, such as Bank of China and Bank of Communications, will cut deposit rate ceilings on Monday, joining smaller lenders, sources told Reuters. The planned cuts come a week after regulators encouraged smaller banks to lower the ceiling for their deposit rates. The moves will also coincide with China's reduction in banks' reserve requirements, effective on Monday.

Bank of China, will cut the rates for time deposits of 2-3 year tenors by roughly 10 basis points, according to two banking sources. Bank of Communications, will make similar moves, said another source. Bank of China and Bank of Communications were not immediately reachable for comment outside working hours.

Beijing has repeatedly urged banks to reduce borrowing costs for smaller companies in an economy hit by Covid-19 outbreaks

It was not immediately clear if other state banks, including Industrial and Commercial Bank of China (ICBC), China Construction Bank (CCB) and Agricultural Bank of China will also cut deposit rates, but the sources say state lenders typically move in tandem on rate moves.

Beijing has repeatedly urged banks to reduce borrowing costs for smaller companies in an economy hit by Covid-19 outbreaks, fallout from the Ukraine crisis, and capital outflows triggered by US monetary tightening.

To prod banks to lend more, the PBOC has announced it would cut the reserve requirement ratio (RRR) for all banks by 25 basis points, effective from April 25.



Children's clothes costing two to three times lower than those in regular shops put out on a footpath in the capital's New Market targeting customers of the low-income bracket. Business is brisk here, with around a week to go before Eid-ul-Fitr. The photo was taken on Saturday.

PHOTO: RASHED SHUMON

Slowdown warnings flash for UK economy

REUTERS, London

Britain's economy is heading for a slowdown, or possibly even a recession, as consumers and businesses are hit by the leap in inflation, higher taxes, rising interest rates and uncertainty caused by the war in Ukraine.

Bank of England Governor Andrew Bailey said on Thursday the BoE was walking a tight line between tackling inflation and avoiding a recession.

So far, finance minister Rishi Sunak has resisted to calls to add to his support for households.

Below is a series of graphics showing some of the signs of the strain on the world's fifth-biggest economy.

IMF Britain's economy will slow in 2022 and faces weaker economic growth and more persistent inflation than any other major rich nation in 2023, the International Monetary Fund forecast this week.

The IMF said its downgrades for 2022 and 2023 reflected "elevated inflation pressures" and tighter monetary policy.

The consumer price index jumped to 7 per cent in the 12 months to March, a 30-year high, and is set to go higher in April when big hikes in power tariffs kicked in. The government's budget forecasters said in March that inflation could touch almost 9 per cent later this year, depending on energy prices.

Consumer confidence slumped this month to close to its lowest level since records began nearly 50 years ago, market research firm GfK said on Friday. The report sent a recession warning signal.

Among businesses, optimism dropped for the third month running in April and was the lowest since October 2020, according to the S&P Global/CIPS composite Purchasing Managers' Index.

Spending in shops by consumers fell more than expected in March, adding to a slip in February, according to official data published on Friday. Volumes are above levels before the pandemic but are lower than they would have been without it.

Separate figures on Thursday showed spending on card payments was 105 per cent of its February 2020 average level

in the week to April 14 as work-related spending - includes the purchasing of petrol and diesel - jumped.

Britons' inflation-adjusted earnings shrank by the most since 2013 in the three months to February, according to official data.

As the squeeze on earnings tightens, households have been using savings they built up during the coronavirus pandemic. The amount of money households save as a percentage of gross disposable income plus pension accumulations fell back to close to its pre-pandemic level in the last three months of 2021.

The number of employees in Britain is above its pre-pandemic level, providing a source of strength for the economy. But the total size of the workforce, including self-employed people, remains lower than it was in February 2020.

British lenders expect loan defaults to rise over the coming months and also plan to rein in mortgage lending by the greatest amount since the early days of the Covid-19 pandemic, a Bank of England survey showed earlier this month.

Singer launches AC with voice control features

STAR BUSINESS DESK

Singer Bangladesh yesterday launched a "Green Inverter Plus Smart" series air conditioner with voice control features.

A HygieneMax feature can remove up to 91 per cent bacteria and virus, a self-clean feature automatically cleans the indoor unit and an inverter feature saves up to 60 per cent energy.

MHM Fairoz, managing director of Singer Bangladesh, Chandana Samarasinghe, marketing director, Kazi Rafiqul Islam, sales director, and Md Ashgar Hossain, general manager for corporate sales, unveiled the product at the company's head office in Dhaka, said a press release.

Bengal Cement to be used in elevated expressway

STAR BUSINESS DESK

Bengal Cement recently signed an agreement with the company building the first elevated expressway in Dhaka to supply cement for the project.

The expressway will stretch from Hazrat Shahjalal International Airport to Kutubkhali on Dhaka-Chattoogram highway and facilitate quick entry and exit of vehicles to and from Dhaka.

Baskan Khanaba, managing director of expressway company, and Firoz Alam, managing director of Bengal Cement, signed the agreement in the latter's head office in Gulshan, Dhaka recently, said a press release.

"We have been testing the concrete settings of Bengal Cement for a long time and the result comes out very much satisfactory," said Khanaba.

Asadul Haque Sufiani, chief operating officer of Bengal Cement, Saroj Kumar Barua, general manager for corporate sales, and Ziaul Haque Farhan, co-general manager for corporate sales, were present.

S&P upgrades Greece debt rating

AFP, Washington

S&P Global Ratings on Friday upgraded Greece's debt rating to BB+, citing its improving economy even as the country deals with the shocks from the war in Ukraine.

"The upgrade reflects our expectation of a continuous improvement in Greece's policy effectiveness, while the fallout from the war in Ukraine appears manageable in light of considerable buffers in both the private and public sectors," the agency said in a statement.

The upgrade raised Greece's rating from BB, while S&P put its outlook for the country at stable, citing "our expectation that Greece's fiscal buffers and proven policy effectiveness will allow the country to absorb the indirect impact of the war in Ukraine on its economy and public finances."



Emranul Huq, managing director of Dhaka Bank Ltd, and Sharif Zahir, managing director of Ananta Real Estate Ltd, exchange signed documents of a memorandum of understanding to provide home loan facility to the clients of the realtor at the bank's corporate head office in the capital recently. Mohammad Abu Jafar, additional managing director of the bank, Md Mostaque Ahmed, deputy managing director, Sujit Kumar Saha, chief financial officer of the real estate company, Goutam Tarafdar, chief sales and marketing officer, and Tamanna Rabbani, vice-president, were present.

PHOTO: DHAKA BANK

Global stocks slide on jitters over higher interest rates

AFP, New York

Global stock markets dropped sharply Friday as the latest hawkish commentary from the Federal Reserve sent investors fleeing equities on worries over higher interest rates.

Frankfurt lost 2.5 per cent at the close and Paris ended off 2 per cent as investors shrugged off a survey showing the EU bloc's economic activity accelerated in April, while London lost 1.4 per cent on the session.

Wall Street followed the glum trend, with the Dow finishing off 2.8 per cent, or nearly 1,000 points, following an ugly session.

Helping to batter London was a sterling slump against the dollar to an 18-month low after data showed tumbling British retail sales amid a cost-of-living crisis. The euro also slid against the US currency. Oil prices fell on demand fears arising from rising interest rates in the United States and Covid restrictions in China.

"(Price) risks are certainly more tilted

to the upside, given the war in Ukraine and a potential embargo on Russian exports, but lockdowns in China and the risk of a Fed-driven economic slowdown are also significant," observed Craig Erlam, Senior Market Analyst.

Fed Chairman Jerome Powell, who has signaled that the Fed will have to move more aggressively to counter decades-high US inflation, stated on Thursday that a half-point interest rate increase was "on the table" for next month's meeting, sending Wall Street tanking.

"Further hawkish comments from the Federal Reserve Chair put another cat among the pigeons in a day of violent swings," said Richard Hunter, head of markets at Interactive Investor.

"Quite apart from the widely expected 0.5 per cent rate hike in May, this could also imply similar rises in subsequent months." That stoked worries the Fed could send the US economy's pandemic recovery back into reverse.

New Pakistan govt

FROM PAGE B4

Ismail, himself a former IMF economist, said at the Atlantic Council.

"We can't afford to do the subsidies that we're doing. So we're going to have to curtail this," he said.

He said that former prime minister Imran Khan, seeking to avoid ouster, set a "trap" for his successors through heavy subsidies on fuel and electricity, as well as a tax amnesty scheme for businesses - measures that derailed a disbursement from the IMF loan.

"He gave an amnesty to businesses for setting up factories so that they don't have to pay taxes, or even if they evaded taxes that's ok," Ismail told reporters at an event organized by Pakistan's embassy.

But Ismail added that some targeted subsidies should remain for Pakistan's poorest amid sky-high global prices.

The country's new Prime Minister Shehbaz Sharif has vowed to jumpstart a moribund economy, certain to be a major issue in elections due next year.

Pakistan has repeatedly

sought international support and suffers from a chronically weak tax base.

Ismail said that Pakistan, the world's fifth most-populous nation, needed to move to a new economic model by removing obstacles and promoting exports to the world.

"We have such an elite-benefitting country that almost every subsidy that you can speak of actually goes to the richest people," he said.

Ismail said his immediate goal was reining in double digit inflation - a target complicated by lifting fuel subsidies - and kickstarting job creation.

He denied Pakistan was in danger of defaulting on its debts, with foreign reserves currently standing at \$10 billion, and much of its bilateral debt held with friendly countries China, Saudi Arabia and the UAE.

Sharif has little over a year before he has to call a general election, leaving observers wondering whether ousting Khan will backfire, since his government inherited an economic crisis that will take time to overcome.

Shanghai's economy

FROM PAGE B4

In March alone, retail sales nosedived by 18.9 per cent.

In the first quarter, the city's consumer prices rose 1.8 per cent from a year earlier, with prices in January-February up 1.6 per cent year-on-year and accelerating in March to a 2.2 per cent clip.

The higher consumer inflation came as Shanghai

residents complained about food and basic supplies during the lockdown, with some saying prices of vegetables had gone up by five to 10 times of levels before the outbreak.

Job creation also slowed, with Shanghai reporting 192,600 new jobs in the first quarter, a drop of 26,200 from the year-earlier quarter.



Arif Dowla, managing director of ACI Ltd, poses for photographs with the new Foton Ambulance at the ACI Motors' corporate headquarters in Dhaka on Saturday. The ambulance has unique features for ensuring comfort for both patients and drivers. FH Ansarey, managing director of ACI Motors, Pradip Kar Chowdhury, executive director for finance and planning, and Subrata Ranjan Das, executive director, were present.

PHOTO: ACI MOTORS

Egypt gig economy workers face rough ride

AFP, Cairo

Young men on bikes and scooters zip through Cairo, Egypt's sprawling megalopolis, dodging cars to deliver more than a million orders each day, with little physical or legal protection.

Egypt's digital gig economy is growing, as economic pressures push more of its key demographic - educated, urban youth - into the work-on-demand model.

Engineer Mohamed Sherif, 37, joined online food ordering company Talabat as a bicycle courier in Alexandria three months ago because he couldn't find a job.

"They bleed you dry left and right, but there's nothing else to do," he told AFP.

In early April, Talabat couriers called a two-day strike to demand higher wages, with only a fraction of the 12,000 workforce joining.

The work stoppage reflected, however, the state of Egypt's sizeable, app-based gig economy.

Inflation has climbed to a three-year high of 12.1 per cent while the Egyptian pound plunged to 18 per cent of its value.

The mounting economic hardships come as global commodity prices have soared following Russia's invasion of Ukraine.

A courier who declined to be named said commissions have been stagnant since 2020 at 9-18 Egyptian pounds (50 cents and \$1).

"You can work a nine or 10-hour shift, and just not get enough orders," Sherif told AFP.

After paying for gas, oil and other expenses, "you could end up only making 30 or 40 pounds that day".

In Egypt, where 60 per cent of the 103-million-strong population are under 30 and 14.5 per cent of university graduates are unemployed, digital labour platforms have attracted 100,000-200,000 workers.

Uber alone employed 90,000 drivers in 2019, all without contracts, insurance or social security.



Work is ongoing to enhance the capacity of the country's premier sea port to handle more cargo and containers, officials said.

PHOTO: STAR

Ctg port might let in bigger ships

Handle as much as 600 TEUs more each time

STAFF CORRESPONDENT, Ctg

The Chattogram port might soon be able to accommodate bigger vessels of up to 200 metres in length and having a draught of up to 10 metres, said Chattogram Port Authority (CPA) Chairman M Shahjahan yesterday.

Work is ongoing to enhance the capacity of the country's premier sea port to handle more cargo and containers, he said.

Currently ships with a maximum draught of 9.5 metres, the vertical distance between the waterline and the bottom of the ship's hull, and of up to 190 metres in length can berth at some of the port's main jetties.

These have a carrying capacity of 2,000 TEUs to 2,200 TEUs. Those with a bigger draught of 10 metres can carry some 400 TEUs to 600 TEUs more.

The port chairman said United Kingdom-based firm HR Wallingford has been conducting a survey for a "Detail Hydrological and Hydraulic Study in River Karnaphuli" stretching from the port's outer anchorage to the Kaptai dam on the Karnaphuli river.

The firm is expected to submit its final report by June and after receiving its report the authority will take a decision

regarding allowing bigger vessels, informed the chairman.

Sources said the survey team has verbally informed the authority that the port can allow vessels with a draught of 10 metres.

The CPA chairman was addressing as the chief guest a views exchange meeting with journalists marking the eve of a 135th Port Day.

Shahjahan gave a description of the development initiatives taken to enhance the port's efficiency and capacity.

Around 90 per cent of the construction work for Patenga Container Terminal (PCT) has been completed, he said, hoping that the terminal, having an annual handling capacity of 4.50 lakh twenty-foot equivalent unit (TEU), would start running by June.

The PCT will have a 600 metre long jetty where three container ships, each 190 metres in length and with a draught of 9.5 metres, will be able to berth simultaneously.

The terminal will also have a 220-metre dolphin jetty to accommodate an oil tanker.

Chattogram district administration has already handed over around 67

acres of land to the CPA for a Bay Terminal project in the coast of Patenga, Shahjahan said.

The shipping ministry sent a letter to the land ministry a few days back for handing over an additional 803 acres of land for the project in exchange for a token amount of money, he said.

He said the cabinet committee on purchase recently approved the appointment of a South Korean joint venture company as an international consultant for the Bay Terminal project.

He hoped that the company would be able to submit a development project proposal in three to four months.

He also said the land acquisition for a Matarbari port development project at Moheshkhali has been completed and the port was now under construction.

Once the Bay Terminal and Matarbari port come into existence, the capacity of the Chattogram port will be enhanced fourfold, he said.

The CPA has constructed a yard of around 5.80 lakh square metres in the past 10 years, which has increased its container handling capacity to reach 55,000 TEUs, he informed.

The port chairman said during the pandemic all the global ports faced prolonged container and vessel

congestion but the Chattogram port did not face it that much.

He informed that in 2021, the port experienced a growth of around 13 per cent in all three areas – container, cargo and vessel handling.

To cater to upcoming rises in handling demand, the CPA is procuring 104 different types of container handling equipment this year, he said.

CPA Director (Traffic) Enamul Karim in a power point presentation claimed that the Chattogram port was, in all respects, ready to handle \$80 billion worth of exports annually.

He explained that in 2021 the port handled 15.50 lakh TEUs of export containers out of which only 7.50 lakh TEUs were loaded with export cargoes and the rest were exported empty.

Mentioning that handling goods-laden and empty containers is the same for the CPA, the CPA director said the port can handle double the current volume of exports with existing facilities.

So, if it is currently \$44 billion worth export, the port at present can handle exports worth \$80 billion, he said.

CPA members Kamrul Amin, Md Mostafizur Rahman and Mahbubur Rahman were present among others.

DBBL approves 27.5pc dividend

STAR BUSINESS REPORT

Shareholders of Dutch-Bangla Bank Ltd (DBBL) have approved a 27.5 per cent dividend for 2021 as it made higher profits.

The dividend comprises a 17.5 per cent cash dividend and a 10 per cent stock dividend, said the private commercial lender in a press release.

The dividend was approved at the 26th annual general meeting of the bank that was held virtually yesterday. DBBL Chairman Sayem Ahmed presided over the meeting.

The audited financial statements of the bank for the year that ended on December 31, 2021 were placed before the AGM.

Total assets of the bank as of December 31 stood at Tk 51,439 crore compared to Tk 47,235 crore in the same period a year ago, an increase of 8.9 per cent.

Loans and advances rose 16.9 per cent to Tk 31,944 crore and deposits grew 10.7 per cent to Tk 40,150 crore.

DBBL's profit after tax went up by 1.3 per cent to Tk 556 crore compared to Tk 549 crore in 2020. During the year under review, the earnings per share, attributable to shareholders, were Tk 8.79 compared to Tk 8.69 in the previous year, said the bank.

The capital to risk-weighted assets ratio under Basel III stood at 16.4 per cent at the end of 2021 against the Bangladesh Bank's minimum requirement of 12.5 per cent, said the press release.

The meeting approved the re-appointment of Tang Yuen Ha as the director of the bank.

It appointed A Qasem & Co Chartered Accountants as the external auditor and Hoda Vasi Chowdhury & Co Chartered Accountants as the corporate governance compliance auditor of for 2022.

Keya Cosmetics gets independent directors

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has appointed two independent directors at Keya Cosmetics to improve corporate governance in the company.

The newly appointed independent directors are: Pallabi Siddiqua, associate professor of the department of finance at the University of Dhaka, and Md Mesbah Uddin, associate professor of the department of management.

The BSEC already sent a letter to the company, Dhaka Stock Exchange, Chittagong Stock Exchange and Central Depository Bangladesh Ltd, informing of their appointment.

Keya Cosmetics was once a well-known soap maker but fell in trouble for many reasons and incurred loss, from which the company is now trying to rebound.

It disbursed 1 per cent cash dividends for the year that ended on June 30, 2020. Due to giving the dividend, the category of Keya Cosmetics stocks were upgraded to B category from Z category.

Stocks of Keya Cosmetics rose 1.3 per cent to close at Tk 7.60 at the Dhaka Stock Exchange yesterday.

Tea auction begins

FROM PAGE B1
In the last auction in the port city, around 750,000 kgs of tea leaves were sold.

"Production and auction of tea was normal even during the Covid-19 pandemic last year thanks to the implementation of different plans taken by the tea board and sincere efforts of industry stakeholders," said Bangladesh Tea Board Chairman Major General Md Ashraf Islam.

"The demand and supply was normal in the last tea auction year when production, sales and prices of tea increased

simultaneously," he added.

Islam believes the tea market would remain stable in the 2022-23 auction year as well.

The tea board chairman said tea production will be better this year as it started raining in Sylhet and Chattogram on time.

Furthermore, North Bengal's Thakurgaon and Nilphamari districts are also producing a good amount of tea this year, he said.

Islam thinks the country will be able to produce more tea leaves this year than the yearly target of

100 million kgs. Bangladesh produced 96.50 million kgs of tea in 167 farms across the country last year, which was the highest annual yield in the history of Bangladesh.

The previous highest annual production came in 2019, when a record 96.069 million kgs of tea was produced.

In the northern region alone, plain tea gardens and small plantations added a record amount of 14.54 million kgs of tea to the national production in 2021 as opposed to 10.30 million kgs in 2020.

Strong likelihood of ECB rate hike Lagarde says

AFP, Washington

If the wave of inflation gripping the eurozone doesn't abate, ECB chief Christine Lagarde said on Friday she sees "a strong likelihood" that the bank will hike rates before 2022 ends.

European countries have seen prices rise after the pandemic drastically disrupted supply chains, and the situation grew worse starting in late February after Russia invaded Ukraine, causing a spike in energy and food prices.

While central banks worldwide have started tightening borrowing costs to fight inflation as the impact from the war in Ukraine spread, the Frankfurt-based bank has refused to do the same, despite pressure to do so.

In an interview on CNBC, Lagarde said central bankers will be watching inflation expectations, wages and other indicators, but, "If the situation continues, as predicated at the moment, there is a strong likelihood that rates will be hiked before the end of the year. How much how many times remains to be seen and will be data dependent."

She also said the bank would likely end its asset purchase program meant to support the economy during the pandemic "in the course of the third quarter with a high probability that it will be early in the quarter."

RIISING LIVING COSTS

Japan agrees \$21b extra budget

REUTERS, Tokyo

Japan's ruling coalition on Thursday agreed a supplementary budget to support lower-income households and small firms, signalling more spending for the heavily indebted nation as it battles inflationary pressures for the first time in decades.

In a first phase, Prime Minister Fumio Kishida's Liberal Democratic Party-led (LDP) government aims to set out on Tuesday relief measures worth 1.5 trillion yen (\$11.7 billion).

They will include one-off 50,000 yen cash payouts per child for low-income families and expanding subsidies to fuel wholesalers, a preliminary document seen by Reuters showed.

The package is expected to be submitted to parliament for approval in May. The current legislative session is scheduled to end in June. Komeito's Ishii said his party endorsed the timetable.

FDI goes up

FROM PAGE B1
"The country's protectionism attitude is one of the major roadblocks to drawing the attention of foreign entrepreneurs."

The average protection rate, which includes different levies and taxes imposed by a government, is 27 per cent in Bangladesh.

The protection rate is 11.5 per cent in the

developed nations, 4-4.5 per cent in the developing countries of Asia, and 9 per cent in China and India, he said.

"This means foreign businesses have to face more expenses than the local ones. We should create a level-playing field for foreign investors, or else they will not choose the country as their investment destination," Rashid said.

On top of that, the country's rules and regulations relating to the FDI are regularly described by analysts as more complex than in many other countries.

"Financial regulators such as the central bank and the National Board of Revenue should address the issues efficiently in the interest of the economy," said Rashid.

No more barriers

FROM PAGE B1
Uttara Jasimuddin road GPC, Simanto Square GPC, Dhanmondi, and Sylhet Korimullah Market GPC.

For a new connection, the price is Tk 200 and for replacement from physical SIM to eSIM and eSIM to eSIM, the price is Tk 99, the operator said.

On April 7, the BTRC

said upon receiving the NBR's green-light, GP could launch the service.

Grameenphone has about 8.3 crore mobile subscribers in a market of 18 crore, according to the BTRC.

The eSIM, or embedded SIM, is a SIM card that can be electronically programmed into a mobile

phone without the need for manual insertion.

It works just like a regular SIM but does not require a physical card, and only works on devices with pre-installed eSIM support.

Many countries, including some of the neighbouring countries, have already launched the service.

Stocks rise

FROM PAGE B1

Union Insurance Company topped the gainers' list with a rise of about 9.85 per cent.

Alltex Industries, Sena Kalyan Insurance Company, Republic Insurance Company and National Tea Company also saw major gains.

Samorita Hospital shed the most with a 4.98 per cent drop. Beach Hatchery, JMI Hospital Requisite Manufacturing, Jamuna Bank and Crown Cement were among those suffering heavy losses.

Beximco became the stock to be traded the most with shares worth Tk 62 crore changing hands followed by IPDC Finance, Orion Pharma, Bangladesh Shipping Corporation and Fortune Shoes.

Chittagong Stock Exchange (CSE) also rose yesterday. The CASPI, the main index of the CSE, soared 52 points, or 0.26 per cent, to close the day at 19,645.

Of the 289 stocks to undergo trade, 151 rose, 108 fell and 30 did not see any price movement.

Ferrari to recall more than 2,000 cars in China

REUTERS, Shanghai/Milan

Luxury sports car maker Ferrari will recall 2,222 cars in China due to a potential fault in its braking systems, China's market regulator said in a statement on Friday.

The recall covers the 458 Italia, 458 Speciale, 458 Speciale A, 458 Spider, 488 GTB and 488 Spider series models, the State Administration for Market Regulation said, and is for cars imported between March 2010 and March 2019.

The recall will begin on May 30. A source close to the matter said that the recall is part of a wider action Ferrari is undertaking globally over the same issue for models produced over the period, which also saw the carmaker

agreeing to a recall campaign in the United States in November last year.

In the car industry, recalls and their timings are normally decided by each individual national authority after issues emerge or are flagged by the constructor.

Ferrari said that, after investigating the matter together with its supplier Bosch, they had identified the cause of the defect in affected vehicles in a brake reservoir fluid cap that may not vent properly, thereby potentially creating a vacuum inside the brake fluid reservoir.

"The safety and wellbeing of our clients is our priority. We operate according to stringent safety and security guidelines to ensure the right systems and procedures are in place at all times" Ferrari said.

Musk wealth pours in as fast as Twitter can use it

REUTERS, New York

Elon Musk can't spend it fast enough. The Tesla chief executive has lined up a \$46.5 billion financing package to buy Twitter, if he decides to give it a go.

It could entail him personally raising some \$33 billion, on top of the \$4 billion worth of Twitter stock he already owns. That might require him to sell most of his Tesla shares that aren't pledged against loans.

But for him and Tesla's other shareholders, it's less risky than it looks. That's because Tesla's recent financial performance has triggered plenty more essentially free shares for Musk.

The math works like this. At the end of 2021, Musk held 173 million shares in the carmaker, plus 59 million options that could be exercised within 60 days – combined, a 21 per cent stake.

According to a June 2021 regulatory filing, more than 88 million of

Musk also has committed to provide \$21 billion of additional equity financing to the Twitter deal

those shares were already pledged against personal loans. For the Twitter financing package, Morgan Stanley is providing a \$12.5 billion loan that requires as collateral \$62.5 billion worth of stock, or about 61 million shares at the current value.

If all the earlier numbers still hold, that would leave some 23 million shares unpledged, worth about \$24 billion remaining.

Musk also has committed to provide \$21 billion of additional equity financing to the Twitter deal. Unless a co-bidder joins Musk – a possibility, with private equity firms looking at the deal, according to news reports – that could mean selling almost all his unencumbered stock, ignoring cash Musk may have on hand and any tax liability.

Yet Tesla's sparkling first-quarter figures mean Musk has few worries, and perhaps Tesla investors shouldn't worry about his shares being in hock, either. The company's results were sufficient, when combined with previous performance, to surpass vesting requirements on three tranches read more of Musk's gigantic 2018 pay package.



People are seen collecting quail eggs at a farm in Bagerhat sadar upazila. Officials of the regional Department of Livestock Services are working to create new markets for quail meat and eggs in a bid to provide an alternative for traditional chicken farming. PHOTO: COLLECTED

Quail farming catching on in Bagerhat

PARTHA CHAKRABORTY, Bagerhat

Mehedi Hasan, a university student who lives in Kashempur village of Bagerhat sadar upazila, lost his chicken farm over a year ago as coronavirus-induced losses made it impossible for him to continue operations.

However, he eventually started hatching quail eggs in an incubator at home in a bid to try his hand at a new venture.

Although Hasan was able to hatch just 79 chicks from 370 eggs in his first attempt back in December 2020, there are now 20,000 quails at his farm, which earns him between Tk 40,000 and Tk 45,000 per month.

After seeing Hasan's success first-hand, many others in the area are now interested in quail farming.

Sources at the Department of Livestock Services say they are working to create new markets for quail meat and eggs so that more young entrepreneurs are encouraged to raise the bird on a commercial basis.

Mohammad Sumon, a resident in Fatepur village, went to see Hasan's farm after hearing about it from various people. Later, he bought some chicks from him and started raising quail as well. At present, he has about 3,000

birds on his farm.

"This farming has brought prosperity to my life," he said.

Currently, there are around 40 farms in Bagerhat that house more than 80,000 quails and the number is gradually increasing, according to the District Livestock Office.

Hasan sells between 4,000 and 4,500 eggs and 4,200 to 4,500 quails each week. Eggs

are priced at about Tk 2 apiece while the wholesale rate for quails is between Tk 20 and Tk 30.

Hasan's father, Sheikh Sarwar, once worked for a private company in Dhaka, but after seeing his son's success, he has returned home to help tend the farm and no longer needs outside employment.

Similarly, his sister Maria Khatun helps out alongside her studies by working the incubator and separating chicks between those that will

lay eggs and those that will be raised for consumption as meat after slaughtering them.

Hasan says he had a farm of about 1,200 chickens but due to death and disease amid falling prices, he faced debt to the tune of Tk 7 lakh.

"I then turned to quail farming and now I have gotten rid of almost all my debts," he added.

becoming more popular day by day thanks to their rich quality, according to Bagerhat District Livestock Officer Lutfor Rahman.

"Eating eggs of this bird is especially beneficial for diabetic patients with high blood pressure. But the local quail market is not yet well-established, so we are working to increase market access for those who are currently engaged in rearing them."

He says quail eggs can be a very good source of energy and are rich in protein and iron. If more young people like Hasan take the lead in rearing quail, they will be able to play a role in meeting the country's demand in this regard and becoming self-reliant, he added.

Quail birds are farmed across the country since its eggs and meat are increasingly getting popular. Naima Sultana, a homemaker in the capital's Dhaka, buys quail eggs regularly. Her three-member family consumes six eggs a day and the price is Tk 12 per four pieces.

"My one and a half-year-old son does not like to eat chicken eggs, but he likes to eat quail eggs," she said.

Khaled Hossain, who lives in the capital's New Eskaton area, buys quail eggs for his six-year-old son from a super shop located in the neighbourhood.



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Khulna Power to sell 110MW plant

STAR BUSINESS REPORT

Khulna Power Company Limited (KPCL) is set to sell its 110 megawatt barge mounted power plant at a value of \$15 million, according to a company statement posted on the Dhaka Stock Exchange (DSE) website yesterday.

An asset purchase agreement has been signed between KPCL and Excelerate Global Operations LLC of the US to this end, it said.

The company also informed that they have applied to the Bangladesh Power Development Board (BPDB) and other concerned authorities for approval to re-export the plant (power barges) outside Bangladesh.

Stocks of KPCL dropped 0.63 per cent to Tk 31.40 at the DSE yesterday.

A week ago, the company informed that 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.

KPCL's profits fell in the first half of the current fiscal year.

Its earnings per share dropped Tk 1.57 in the July-December period of 2021-22 while it was Tk 2.88 in the same period of the previous fiscal year.

G20 cannot function with Russia at the table Canada's finance minister says

REUTERS, Washington

The Group of 20 major economies cannot effectively function as long as Russia remains a member, Canada's finance minister said on Friday after a week of protests of Moscow's war in Ukraine at the International Monetary Fund and World Bank meetings in Washington.

Discord over Russia's presence at the meetings has been on display all week, with officials from the US, Canada, Britain and other Western countries staging walkouts three days in a row whenever Russian officials spoke.

The G20 finance ministers and central bank governors, who met in Washington on Wednesday, failed to agree on its traditional communiqué outlining economic policy goals as Russia blocked strong language condemning its invasion of Ukraine.

The IMF steering committee and the World Bank-IMF Development Committee also failed to issue joint statements.

"The G20 can't function effectively with Russia at the table," Chrystia Freeland, Canadian minister of finance, told a news conference with Ukrainian Finance Minister Serhiy Marchenko in Washington.

"Russia does not have a place at the table of countries who have come together to maintain global economic prosperity," Freeland said, adding Russia has violated longstanding international rules with its invasion of southern Ukraine.

"You can't be a poacher and gamekeeper at the same time."

The tensions have called into question the effectiveness of the G20, which includes Western countries that have accused Moscow of war crimes in Ukraine, as well as China, India, Indonesia and South Africa, which have not joined Western-led sanctions against Russia over the conflict.

This year's G20 host country Indonesia is still optimistic that progress can be made on a number of issues despite the tensions, Indonesian Finance Minister Sri Mulyani Indrawati told Reuters in an interview.

"Even with a walk out, we all agree" on the substance of work that needs to be done, Indrawati said.

Shanghai's economy slows amid Covid-19

REUTERS, Beijing

The economy of Shanghai, China's most populous city, slowed in the first quarter from the end of 2021, hurt by rare declines in industrial output and retail sales that were hammered by the country's most serious Covid outbreak.

Shanghai's gross domestic product (GDP) grew 3.1 per cent in the first quarter from a year earlier, the local statistics bureau said on Saturday, significantly less than the 4.8 per cent growth in the national GDP during the same period announced earlier. In 2021, Shanghai's GDP rose 8.1 per cent.

"In January-February, the city's economic operation was stable, but due to the impact of the Covid outbreak in March, the first quarter was marked by stability followed by a decline," the city's statistics bureau said in a statement.

Shanghai started reporting Covid cases in the latest outbreak in early March, with authorities declaring a lockdown of the entire city of 25 million people in early April when infections escalated.

The economic slowdown in Shanghai, which did not publish GDP data for the fourth quarter of 2021, is widely expected to have worsened in April. Its GDP contracted 6.7 per cent in January-March 2020 when the new coronavirus first emerged.

Output of Shanghai's vast industrial sector plunged 7.5 per cent year-on-year in March after stringent lockdown measures halted some production, a city official said on Friday.

For January-March, industrial production grew 4.8 per cent from a year earlier, the Saturday data showed.

Shanghai's first-quarter retail sales, a key gauge of consumption, fell 3.8% year-on-year, swinging from 3.7 per cent growth in the first two months.

READ MORE ON B2



Workers dress up in protective suits amid the coronavirus disease outbreak in Shanghai on April 23.

PHOTO: REUTERS

New Pakistan govt willing to curb fuel subsidies

AFP, Washington

Pakistan's new finance minister on Friday agreed with IMF recommendations to reduce fuel subsidies and end a business tax amnesty scheme, pledging to pursue structural reforms to boost a crisis-wracked economy.

The International Monetary Fund (IMF) in 2019 approved a \$6 billion loan over three years for Pakistan but disbursement has been slowed by concerns about the pace of reforms.

Finance Minister Miftah Ismail, who took office this month after a previous government lost a no-confidence vote, said he had "good discussions" with the IMF on a visit during the Washington-based lender's annual spring meetings.

"They've talked about removing the subsidy on fuel. I agree with them,"

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