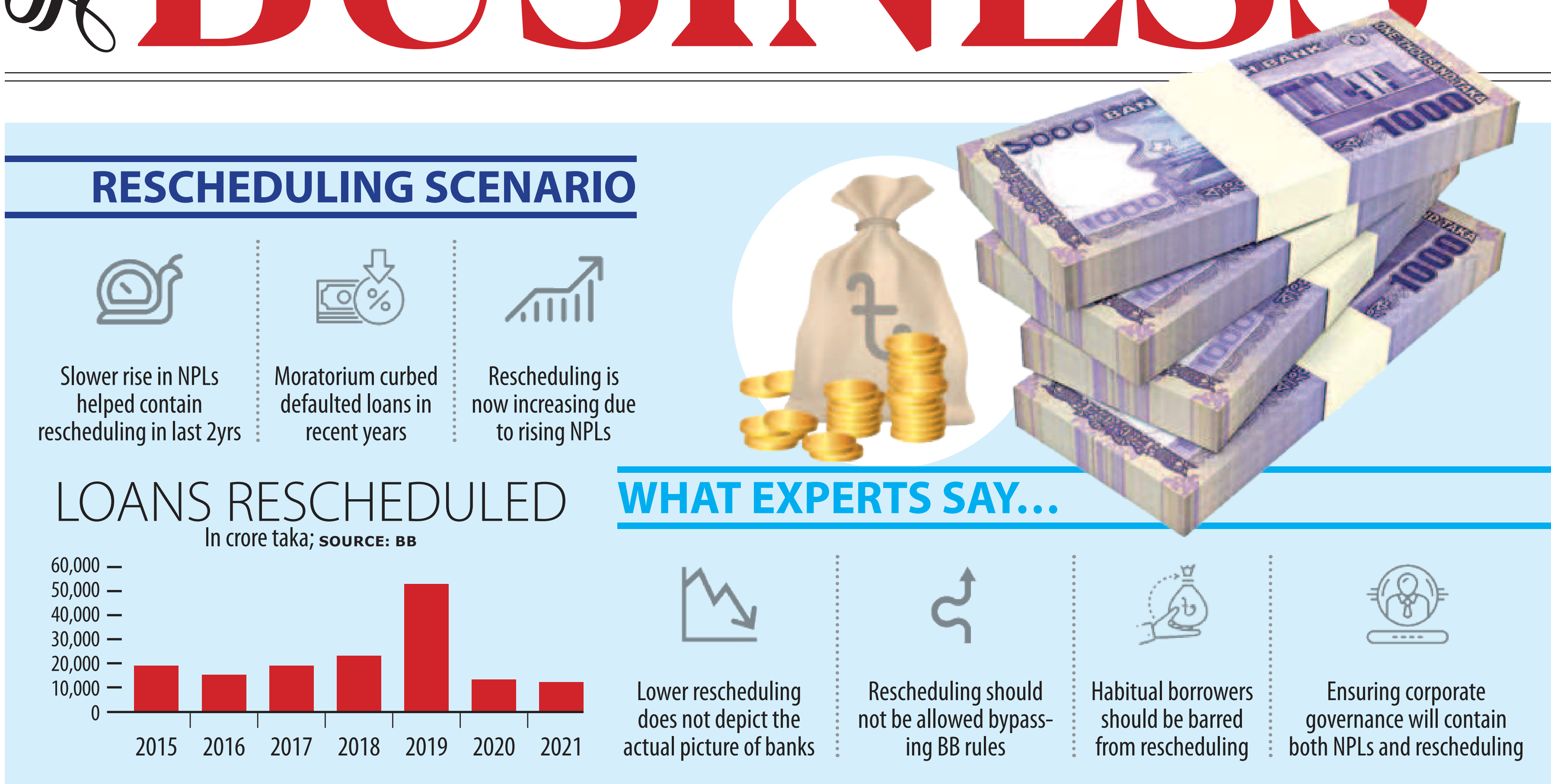
Star BUSINESS



Default loan rescheduling falls to 7-year low

AKM ZAMIR UDDIN

Rescheduling of default loans fell to a seven-year low in 2021, riding on a moratorium extended by the Bangladesh Bank to protect borrowers from the economic shocks arising from the coronavirus pandemic.

Last year, non-performing loans (NPLs) amounting to Tk 12,379 crore were rescheduled, the lowest since 2015, data from the central bank showed. Older data was not available.

Analysts describe the declining loan rescheduling as a welcoming trend for the banking sector but add that there is no scope to be complacent.

There are concerns that rescheduling may surge as all types of loan moratoriums, which were unveiled by the central bank throughout 2020 soon after the coronavirus pandemic struck Bangladesh, were withdrawn this year.

The temporary suspension of loan repayments had allowed borrowers to avoid slipping into the default zone by paying only 15 per cent of their instalments payable for 2021.

In spite of the facility, the NPLs went up 16.38 per cent year-on-year to Tk 103,274 crore last year. The NPLs would have increased to a large degree had the central bank not declared forbearance.

So, loan rescheduling is expected to go up in keeping with the rise in the NPLs.

"Loan rescheduling can be considered as a good tool to contain the NPLs if both banks and borrowers appropriately follow banking norms," said Shah Md Ahsan Habib, a professor at the Bangladesh Institute of Bank Management.

As per a central bank instruction, defaulters have to make a down payment between 10 per cent and 50 per cent of their bad loans to get rid of the default status.

But many influential borrowers have managed to regularise their loans in recent times by making a lower down payment as lenders allowed them to do so in violation of BB rules.

READ MORE ON B3

Govt looking for new edible oil sources

Plans to offer import duty cuts

REFAYET ULLAH MIRDHA

The commerce ministry is going to recommend that the National Board of Revenue (NBR) reduce the import duty on canola, sunflower and olive oil to 10 per cent from the existing 32 per cent.

It will be an attempt to increase the supply of edible oil in local markets as Indonesia is slapping a ban on exports of palm oil from April 28.

Bangladesh has been foreseeing a supply crunch of edible oil with the proposed export ban as the country sources 85 per cent of its annual requirement of 11 lakh tonnes of crude palm oil from Indonesia.

So, the government is desperately looking for alternative sourcing destinations, alternative edible oils and taking up trade-related measures to maintain a smooth supply of edible oil in the local markets at affordable prices.

Of the many measures, the government is not

READ MORE ON B3

STOCKS

DSEX ▼	CASPI ▼
0.24%	0.23%
6,666.91	19,599.29

COMMODITIES

Gold ▼	Oil ▼
$1,907.3 (per ounce)	$97.26 (per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.08%	▼ 1.90%	▼ 0.64%	▼ 5.13%
56,579.89	26,590.78	3,339.59	2,928.51

Some 375,000 motorcycles were sold in Bangladesh in 2021, up 21 per cent compared to the previous year, according to Bangladesh Road Transport Authority.

PHOTO: STAR

Up to 500cc bikes can be made locally

SOHEL PARVEZ

The government has granted permission to manufacturers to produce bikes up to 500cc engine capacity, a move that is expected to give a huge boost to the motorcycle industry in Bangladesh and provide the scope to bike lovers to ride higher engine two-wheelers.

The development comes as demand for motorcycles with a higher engine capacity is growing among bike enthusiasts thanks to reduced prices and a reduction in registration fees.

In the Import Policy Order 2021-24, published on Sunday, the government said motorcycle makers would be able to import machinery and spare parts required to manufacture 500cc bikes. It, however, banned the import of bikes above 165cc engine capacity.

AHM Shafiquzzaman, additional secretary of the commerce ministry, says the government has given the permission to encourage investment in the manufacturing of higher capacity motorcycles.

"Locally made bikes with a higher engine capacity could be marketed at home and abroad."

Manufacturers welcomed the move, saying that liberalisation will enhance the capacity of the sector.

"This is a positive development. This will attract fresh investment and give a boost to the backward linkage industry and vendor development," said Taskeen Ahmed, managing director of IFAD Motors Ltd.

IFAD has already signed a memorandum of understanding with British-bred Royal Enfield to import the latter's famous two-wheelers.

Ahmed said the bikes with higher engine capacity run on the streets of the countries such as Singapore and Malaysia and European nations.

"This will create the scope for exporting components to the global market."

Earlier, the government permitted Runner Automobiles to import machinery and components needed to make bikes of up to 500cc engine capacity.

Thanks to the latest measure, all manufacturers would now be able to bring components and machinery to make higher engine capacity bikes.

"This has created the opportunity for us to market bikes locally as well as export," said Hafizur Rahman Khan, chairman of Runner Automobiles Ltd, one of the leading manufacturers of bikes in Bangladesh.

He explains that function remains low in bikes with lower engine capacity. "The entire system of a bike with a higher engine capacity will be better than the lower capacity ones," Khan said.

The measure will add new capability and create new jobs, said Subrata Ranjan Das, executive director of ACI Motors Ltd, the local distributor of Yamaha.

Some 375,000 motorcycles were sold in 2021, up 21 per cent compared to 311,016 units the year before, data from the Bangladesh Road Transport Authority showed.

Workers unload sand off a barge at Jambudwip in Banaripara upazila of Barishal, earning Tk 600 for their labour from dawn till dusk. The photo was taken on Sunday.

PHOTO: TITU DAS

INVESTORS IN THE DARK
on China industrial transport amid data curbs

REUTERS

A wave of Covid-19 lockdowns in Shanghai presents the biggest test yet for investors, trading companies and logistics managers trying to follow China's economy after the government restricted firms from releasing real-time data.

As China's most populous city struggles to emerge from weeks of crippling coronavirus curbs, companies can no longer see how goods are moving in and out of the key port as a result of a recent data law that cracked down on data sharing.

Industrial barometers from crude oil inventories at import terminals to high-frequency container throughput at ports were widely available previously, offering a real-time window on the world's second-biggest economy unhampered by the delays and possible distortions of official economic data.

But since Chinas Personal Information Protection Law went into effect in November, crucial sources of information about the world's biggest exporting nation have gone dark.

Shipping companies and brokers have resorted to less accurate satellite-based tracking to monitor port delays. Traffic data to gauge truck shipping and commerce is no longer available. Traders track port activity by phone calls or even hand-counting ships.

That lack of visibility will affect every other link in China's globe-spanning supply chains as work gradually resumes, the flow of goods picks up and shippers seek to clear traffic jams off China's east coast.

"We are no longer able to obtain some of the high-frequency data, like daily cargo turnover at ports, railway and air traffic passenger data," said Dong Chen, head of Asia macroeconomic research at Pictet Wealth Management.

"Some of the data became monthly basis only," Chen said. "We just have to deal with what it is."

The Cyberspace Administration of China and the Ministry of Transport did not respond to requests for comment on the impacts of the data law.

The data law is the latest in what accountancy PwC calls "one of the most stringent regulatory regimes many multinationals will encounter." The measures limit how domestic and foreign organisations can collect and use data, affecting every company operating in China.

Organisations monitoring industrial or commercial activity in China must comply with strict rules on data classification, storage, cross-border transfers, transparency and user consent management before they may publish such data to clients.

As a result, some data providers have suspended or ceased publishing data or moved it behind pay walls.

"Everyone is writing and talking about the port congestion in China due to recent wave of Covid, but we cannot find much authentic data to assess the actual situation," said a Beijing-based oil trader.

Two years ago when Covid swept through China at the start of the pandemic, analysts, investors and journalists turned to traffic data by Dutch mapping firm TomTom to see how lockdowns stifled mobility across major cities in the world's most populous country.

Not now. Chinese cities are not available on the company's free international traffic congestion page, which continues to track data for dozens of other locations globally.

"We have made the business decision to discontinue the historical and live traffic feed for Chinese cities through our TomTom Move Portal and Traffic Index website, as Chinese law on the sharing and disclosing of GPS data has been tightened recently," TomTom spokesman Ivo Bokkerink said by email.

TomTom continues to provide data to subscribers in China, he said.

After shipping companies stopped publishing Automatic Identification System (AIS) feeds on ships in Chinese waters, traders and others who track ship movements have used satellite-based positioning data that can be less accurate than ship-to-shore AIS signals.

"Id say last year we were talking to people a few times per month" to supplement data on supply chain developments, said Ivan Lam, senior analyst at Counterpoint Research. "But the past few weeks its been daily." Others have gone more old school.

"Real-time data-driven decision making is at the heart of what we do for a living these days, especially with supply chain issues stoking inflation fires," said Stephen Innes, managing partner at SPI Asset Management.

"Now we are reduced to relying on folks to manually count ships outside of Shanghai and Ningbo Ports again at 7 pm daily for reference points."

EDUCATION ASSISTANCE

Brac Bank donates 5pc of CSR fund to PM's trust

STAR BUSINESS DESK

Brac Bank has contributed 5 per cent of its total corporate social responsibility (CSR) budget for 2022 to the Prime Minister's education assistance trust (EAT).

The bank handed over a cheque equivalent to Tk 11,517,754 to the PM's EAT on April 20, 2022, a press release said.

"We should thank Bangladesh Bank for this timely initiative allowing banks to contribute to building an educated nation. The trust has done remarkably well in only a few years to support the education of the underprivileged," said Selim RF Hussain, managing director of Brac Bank.

"As we continue supporting the trust, the result, in the long run, will have the upper hand in developing our country," he added.

In addition, the Prime Minister's education assistance trust is a government trust fund under the ministry of education responsible for providing scholarships to underprivileged students based on merit.

An advisory council headed by the PM manages the trust.

City joins Net-Zero Banking Alliance

STAR BUSINESS DESK

City Bank has recently joined Net-Zero Banking Alliance, a platform of banks worldwide representing almost 40 per cent of global banking assets and committed to align lending and investment portfolios with net-zero emissions by 2050.

The alliance is convened by the United Nations Environment Programme Finance Initiative, said a press release.

The alliance has over 100 members from 40 countries and recognises the role of banks in supporting the global transition of the real economy to a low-carbon, sustainable, and inclusive economy.

Rouble firms past 74 vs dollar

REUTERS

The Russian rouble opened stronger on Monday, firming past 74 against the dollar, helped by tax payments that companies are due to make this week and as the market looked ahead to a central bank rate decision on Friday.

At 0726 GMT, the rouble was 2.2 per cent stronger against the dollar at 73.80, hovering around levels seen before February 24, when Russia sent tens of thousands of troops to Ukraine.

It had gained 2.6 per cent to trade at 78.01 versus the euro . Trading activity remains subdued compared with levels seen before February 24.

Indonesia's ban leaves

FROM PAGE B4

Vegetable oil prices have already risen more than 50 per cent in the past six months as factors from labour shortages in Malaysia to droughts in Argentina and Canada - the biggest exporters of soyoil and canola oil respectively - curtailed supplies.

Buyers were hoping a bumper sunflower crop from top exporter Ukraine would ease the tightness, but supplies from Kyiv have stopped because of what Russia calls its "special operation" in the country.

This had prompted importers to bank on palm oil being able to plug the supply gap until Indonesia's shock ban delivered a "double whammy" to buyers, said Atul Chaturvedi, president of trade body the Solvent Extractors Association of India (SEA).

Importers such as India, Bangladesh and Pakistan will try to increase palm oil purchases from Malaysia, but the world's second-biggest palm oil producer cannot fill the gap created by Indonesia, Chaturvedi said.

Indonesia typically supplies nearly half of India's total palm oil imports, while Pakistan and Bangladesh import nearly 80 per cent of their palm oil from Indonesia.

"Nobody can compensate for the loss of Indonesian palm oil. Every country is going to suffer," said Rasheed JanMohd, chairman of Pakistan Edible oil Refiners Association (PEORA).

In February, prices of vegetable oils jumped to a record high as sunflower oil supplies were disrupted from the Black Sea region.

The price rise raised working capital requirements for oil refiners, who were holding lower inventories than normal in anticipation of a pullback in prices, said a Mumbai-based dealer with a global trading firm.

Instead, all oil prices have rallied further.

"Refiners have been caught on the wrong foot. Now they can't afford to wait for a few weeks. They have to make purchases to run plants," the dealer said.

As Indonesia has allowed loading until April 28, consuming countries will have enough supply for the first half of May, but could face shortages from the second half, said a refiner based in Dhaka.

South Asian refiners will only slowly release oil into the market as they know supplies are limited, he said.

In India, the world's biggest vegetable oil importer, palm oil prices rose by nearly 5 per cent over the weekend as industry prices in shortages in the coming months. Prices also rose in Pakistan and Bangladesh.

Ha-Meem Group eyes

FROM PAGE B4

The conflict has dealt a fresh blow to the global clothing supply chain, which has already been severely affected by the fallout of Covid-19.

"If the war prolongs, the garment export may come under pressure as European consumers will face more inflationary pressure and may cut consumption. This may hit the global clothing supply chain and our garment industry," said Azad.

Ha-Meem Group exports 95 per cent of garment items to the US and the rest to Europe.

Currently, high-end garments fetch about $500,000 a year for the group. And the industrialist plans to concentrate on improving productivity and efficiency after 2024 with a view to making the group's businesses more sustainable.

Tarique Afzal, managing director of AB Bank, inaugurates an awareness programme on Automated Challan at a local hotel in Bogura recently. Members of the senior management team and all managers of the bank's northern region were present.

PHOTO: AB BANK

Stocks break gaining

FROM PAGE B4

drop. Gemini Sea Food, JMI Hospital Requisite Manufacturing, Paper Processing & Packaging, and Bangladesh Investment and Finance Company were among those suffering heavy losses.

IPDC Finance became the stock to be traded the most with shares worth Tk 33 crore changing hands followed by Beximco, Orion Pharma, Bangladesh Shipping Corporation and Square Pharmaceuticals.

Chittagong Stock Exchange (CSE) also fell yesterday. The CASPI, the main index of the CSE, dropped 46 points, or 0.23 per cent, to close the day at 19,599.

Of the 276 stocks to undergo trade, 99 rose, 147 fell and 30 did not see any price movement.

Twitter reexamining Musk's takeover offer

AFP, *Washington*

Twitter is reconsidering Elon Musk's buyout proposal, with discussions between the two camps ongoing Sunday, The Wall Street Journal reported, after the billionaire said Thursday he had secured the necessary funding.

"Twitter is taking a fresh look at the offer and is more likely than before to seek to negotiate," the business daily reported, citing sources familiar with the matter.

Tesla CEO Musk said Thursday he had secured close to $46.5 billion to finance the transaction, but also that he planned to appeal directly the company's shareholders as he looks to take over the social media platform.

The Twitter board of directors had been opposed to the proposal, lining up a "poison pill" clause that would make it harder for Musk to acquire more than 15 per cent of the company via the market. He currently owns 9.2 per cent of shares.

"The potential turnabout on Twitter's part comes after Mr. Musk met privately Friday with several shareholders of the company," the Journal reported.

Musk "pledged to solve the free-speech issues he sees as plaguing the platform and the country more broadly, whether his bid succeeds or not," the sources added, according to the Journal.

Musk has previously cited concerns over freedom of speech as motivation for buying the platform, though free-speech experts have pointed to Musk's unpredictable statements and history of bullying critics as contradictory to his stated aims.

He "made his pitch to select shareholders in a series of video calls, with a focus on actively managed funds... in hopes that they could sway the company's decision," the sources told the Journal.

The polarizing billionaire said last week he was considering bypassing Twitter's board of directors in his takeover bid by purchasing shares directly from existing shareholders, "but has not determined whether to do so at this time," according to a securities filing released Thursday.

Sri Lanka exchange halts

FROM PAGE B4

rates and defaulted on its $51 billion foreign debt.

The local S&P index fell seven percent in the opening minute of trade, more than the five percent needed to trigger an automatic half-hour halt.

Shares continued their rapid slide after a brief resumption, prompting the market to declare a halt to trading for the rest of the day.

Sri Lankan officials were in Washington last week to negotiate with the International Monetary Fund for a bailout, but official sources said there was no immediate prospect of emergency funding from the lender.

Colombo is now banking on further bilateral help from India, China and Japan to help keep the country afloat, a finance ministry source told AFP.

Sri Lanka's economic collapse began to be felt after the coronavirus pandemic torpedoed vital revenue from tourism and remittances, leaving the country unable to finance essential imports.

Utilities unable to pay for fuel have imposed long daily blackouts to ration power, while long lines snake around service stations each morning as people queue for petrol and kerosene.

Hospitals are short of vital medicines, the government has appealed to citizens abroad for donations and record inflation has added to everyday hardships.

Public anger over government mismanagement of the crisis is at a fever pitch and thousands of protesters have been camped outside the seafront office of President Gotabaya Rajapaksa to demand his resignation for more than two weeks.

Nationwide demonstrations have seen crowds attempt to storm the homes and offices of other government figures.

Last week a man was shot dead when police fired on a road blockade in the central town of Rambukkana -- the first fatality since largescale protests began last month.

Finance minister Ali Sabry, who is part of the delegation meeting with the IMF in Washington, warned last week that the economic situation would likely deteriorate even further.

"It is going to get worse before it gets better," Sabry told reporters. "It is going to be a painful few years ahead."

China firm to invest $50m in Bepza EZ

STAR BUSINESS REPORT

Chinese company Venus Beauty Ltd is going to set up a hair fashion accessories manufacturing factory in the Bepza Economic Zone with an investment of $50 million.

This fully foreign-owned company will annually produce 226.09 million pieces of fashion accessories, plastic combs, mirrors, headbands, ponytailor and ponyband.

Around 4,000 Bangladeshi nationals will get employment opportunities in this factory, Bangladesh Export Processing Zones Authority (Bepza) said in a statement yesterday.

Venus Beauty has another diversified product manufacturing factory named Tung Hing (BD) Manufacturing Ltd in the Cumilla Export Processing Zone.

Around 4,000 Bangladeshi nationals will get employment opportunities in the factory, Bepza said

Nafisa Banu, member (finance) of Bepza, signed a deal with AMM Shamsuddin Chowdhury, executive consultant of Venus Beauty Ltd, in this regard at Bepza Complex in Dhaka yesterday.

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, attended the signing ceremony along with Md Zakir Hossain Chowdhury, executive director (administration), Nazma Binte Alamgir, executive director (public relations), Md Tanvir Hossain, executive director (investment promotion), Md Khorshid Alam, executive director (enterprise services) and Md Hafizur Rahman, project director of the Bepza Economic Zone.

Bangladesh has long been suffering from a lack of direct shipping services with Europe, its biggest export destination, mainly due to limited access of large ships to Chattogram port. PHOTO: STAR/FILE

New direct shipping service in the offing

To connect Chattogram port with Barcelona, Rotterdam

DWAIPAYAN BARUA, *Chattogram*

Another direct container shipping service between Chattogram and two European ports is going to be introduced next month while initiatives are underway for launching direct services connecting a few more destinations in the European Union (EU).

Earlier in February, an Italian shipping company launched direct services between Chattogram and Italy, opening the door for transport of the country's export cargo directly to any destination in the EU avoiding transhipment ports.

Switzerland-based maritime logistics service provider Commodity Supplies AG has taken the initiative to launch the service.

Three of its chartered vessels will operate from Barcelona in Spain to Chattogram to the largest European Port of Rotterdam in the Netherlands.

Reliance Shipping and Logistics, the firm's Bangladeshi agent, applied to the Chittagong Port Authority (CPA) chairman on Sunday to grant permission for running the direct liner shipping using ships MV Spica, MV Andromeda J and MV Music.

Reliance Shipping Chairman Mohammed Rashed hoped they would get the CPA's permission soon.

Once the permission is granted, they have a plan to launch the service in the third week of May, when one of the three ships will start from Barcelona for Chattogram, he said.

The country has long been suffering from a lack of direct shipping services to Europe, its biggest export destination, mainly due to limited access of large ships at Chattogram port.

Currently, exports-laden containers are first transported on small feeder vessels to transhipment ports, including the Port of Colombo, Port of Singapore, Port of Tanjung Pelepas, Port Klang of Malaysia and some others in China.

The containers are then loaded onto bigger mother vessels to reach destinations in Europe, the US and Africa.

At present, the transhipment ports, particularly the Port of Colombo, are facing prolonged vessel congestion. It takes around 40 days to reach the country's export cargoes to destinations in the EU.

Rashed said once the new service is available, it would be possible to send export cargoes to Barcelona in 20 days to 22 days.

CPA Chairman M Shahjahan told The Daily Star that direct shipping services to destinations in the EU would always be welcomed and prioritised.

He said the permission would now be provided through official procedures.

Shahjahan also informed that within the next few months there would be more ships sailing directly from Chattogram to Europe and other destinations as more countries have already expressed keen interest in this regard.

Sources said the Port of Leixões of Portugal was in the process of signing a memorandum of understanding with the CPA to enable direct shipping services while Slovakia had conveyed their interest.

Confirming it, the CPA chairman said the United Arab Emirates had also shown interest in this regard.

He hoped that these engagements would reduce export lead time and increase the country's export orders.

No limit on number of MFS transactions

Cash-in limit doubled

MAHMUDUL HASAN

Digital transactions in the country are set to get a boost as Bangladesh Bank has allowed customers to make an unlimited number of transactions through mobile financial services (MFSs).

Bangladesh Bank also more than doubled the monthly cash-in limit for MFS customers, according to a circular issued yesterday.

These changes are set to give customers an opportunity to make more transactions through MFSs as many people now rely on such facilities for a host of payments and bills.

Earlier, a customer could make 25 cash-in transactions and 20 cash-out transactions per month.

The central bank has now set the cash-in limit at Tk 5 lakh per month, up from Tk 2 lakh earlier.

Of the amount, a customer will be able to cash-in Tk 2 lakh through agents and Tk 3 lakh through bank transfer each month.

The cash-in limit from the agent point will be Tk 30,000 per day and Tk 50,000 through bank transfer. The cash-out transaction amount limit has remained unchanged, meaning that a customer will be able to cash-out Tk 1.5 lakh per month and Tk 25,000 per day.

Bangladesh Bank had earlier increased the monthly person to person transaction limit for MFSs to Tk 200,000 from Tk 75,000 on the onset of the pandemic in 2020.

The changes are set to give customers an opportunity to make more transactions through MFS as many people now rely on this mode of payment

Dewan Nazmul Hasan, chief executive officer of Trust Axiata Pay (TAP), welcomed the central bank's decision to increase the limit and withdraw transaction restraints.

"This will help micro merchants use MFS services more frequently," he said.

A client is allowed to keep a maximum deposit of Tk 3 lakh in their MFS account.

Currently, over 11 crore account holders now conduct 2 crore transactions through MFSs each day.

MFS operators register Tk 2,366 crore in average daily transactions, employing 11.23 lakh agents, according to the latest central bank data.

The numbers mentioned in this data would have been higher if Nagad could be included. Launched in 2019, Bangladesh Post Office's MFS arm is yet to get a full-fledged licence.

People now top-up mobiles, pay at shops and e-commerce platforms, utility bills and various educational fees, transfer money among banks, send remittance, receive education stipends and much more though MFSs.

Safety net disbursements through MFS were also initiated in May 2020 right after the pandemic hit. In 2021, the amount disbursed stood at about Tk 14,000 crore.

The MFS providers are bKash, Rocket, mCash, upay, Trust Axiata Pay (tap), MY Cash, TeleCash, Tap 'n Pay, FSIBL, Rupali Bank, OK Wallet, Islamic Wallet and Nagad.

Govt looking for new edible oil

FROM PAGE B1

allowing the export of any kind of edible oil, such as rice bran oil, from the country without prior approval from the ministry.

Talking to The Daily Star, Tapan Kanti Ghosh, senior secretary of the commerce ministry, said he would send the recommendation letter to the NBR in a day or two requesting to reduce the duty by 22 percentage points.

This will be mainly to encourage importers to import canola and sunflower oil to avoid any supply crunch of edible oil in the domestic market, he said.

The move from the commerce ministry comes as the Bangladesh Trade and Tariff Commission (BTTC) recently recommended the government bring harmonisation in import duty and taxes of sunflower, canola and olive oil in line with soybean and palm oil that have only 5 per cent value added tax.

At present, the total tax incidence to import sunflower oil is 32 per cent, canola oil at 37 per cent and olive oil at 58 per cent.

The BTTC recommended it be brought down to 10 per cent, Ghosh said.

The BTTC has also recommended that the commerce ministry reduce the duty on import of canola and sunflower oil for the Indonesian ban and to increase supply of edible oil in the domestic markets.

But, Ghosh remains upbeat on the availability of palm oil from Malaysian markets.

Moreover, he is looking for big supplies of different types of edible oil like sunflower, canola and soybean oil from different countries such as Canada, the US, China and Malaysia.

Canada is particularly a very good source for canola oil while the US is a very good source of soybean oil, he said.

The price gap between soybean oil and palm oil in local markets has remained very minimal recently. So, the country can rely on other edible oils like canola, sunflower and soybean oil, Ghosh also said.

The senior commerce secretary also said there was adequate stocks of edible oil to serve the domestic markets but if supplies were not increased, a deficit could arise of the item.

Earlier on March 16, the government reduced the VAT on the import of soybean and palm oil to 5 per cent from 15 per cent to reduce the price in the local retail markets.

This caused prices of edible oil to decline by anywhere from Tk 8 to Tk 10 per litre at the retail level.

Bangladesh's annual requirement of edible oil is 20 lakh tonnes.

Demand rises during Ramadan by 2.5 lakh tonnes to 3 lakh tonnes because of food habits of people in this month of fasting, according to data from the commerce ministry.

Only around 2.03 lakh tonnes can be provided through local production and the rest of the demand has to be met through imports.

Of edible oil imports, some 5 lakh tonnes comprises crude soybean oil while some 24 lakh tonnes of soybean seed are imported.

From the imported soybean seed, 4 lakh tonnes of edible oil is produced, the commerce ministry data also said.

The price of edible oil has been fluctuating in the local and international markets over the last two years.

Crude soybean oil was sold at $700 per tonne in the international markets in the beginning of 2021. But now it has skyrocketed to reach nearly $1,900 per tonne.

Similarly, the price of crude palm oil was at $620 per tonne in the international markets in the beginning of the 2021. It has come to reach $1,800 per tonne now.

However, Bangladesh has fixed the price of soybean oil for the local markets, fixing the base price of crude soybean oil at $1,400 per tonne and crude palm oil at $1,300 per tonne, Ghosh said.

"This is an opportunity to brand rice bran oil in the domestic market," said Md Mahmodul Hasan, assistant chief of the BTTC.

EU, India agree to broaden trade ties

REUTERS, *New Delhi*

The European Union (EU) and India agreed on Monday to set up a trade and technology council to step up cooperation, as the bloc's chief held talks with officials in New Delhi who have seen a flurry of top visits since the start of the Ukraine war.

European Commission President Ursula von der Leyen is on a two-day trip to India's capital, part of Western efforts to encourage New Delhi to reduce ties to Russia, its main weapons supplier, following Moscow's invasion of Ukraine.

India has refrained from explicitly condemning Russia's invasion, while calling for an immediate end to violence. Moscow calls its actions in Ukraine a "special military operation".

The United States is the only other country that has a technical agreement with the EU similar to the one signed on Monday with India.

"I think this relationship today is more important than ever," von der Leyen said in her opening remarks during a meeting with Indian Prime Minister Narendra Modi.

"We have a lot in common but we are also facing a challenging political landscape." She identified cooperation on security, climate change and trade as the main areas of focus.

Pakistan seeks hike in size of IMF programme

REUTERS, *Islamabad*

Pakistan has sought an increase in the size and duration of its $6 billion International Monetary Fund (IMF) programme, the country's Finance Minister, Miftah Ismail, said on Monday.

Ismail made the comments in a video statement following talks with the IMF in Washington.

It came after the fund said Islamabad has agreed to roll back subsidies to the oil and power sectors ahead of a resumption next month of a review of the IMF's support for the country.

Default loan rescheduling

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In 2019, the central bank also permitted the defaulters to reschedule loans by paying only 2 per cent as a down payment. Under the facility, NPLs amounting to Tk 52,769 crore were regularised, the highest on record in a single year.

Although the provision lasted only for a year, many delinquent borrowers are still enjoying the same facility under special consideration with prior approval from the central bank.

As a result, the default loans that are being rescheduled by unscrupulous borrowers violating the rules have turned into a crisis for the banking sector since lenders don't get the money despite extending the facility.

Habib said the NPLs might pile extra pressure on the banking sector as many businesses have not turned around.

Emranul Huq, managing director of Dhaka Bank, said the lower volume of default loans rescheduled in 2021 did not reflect the actual scenario in the banking sector.

"NPLs may increase this year, which will push up the loan rescheduling once again," he said, adding that borrowers were able to evade the default category in the last two years thanks to the loan moratorium and forbearance.

Md Arfan Ali, managing director of Bank Asia, says there is no scope to rely on the rescheduling figure of 2021 to assess the health of the banking sector.

"Both NPLs and loan rescheduling may return to the previous level in the absence of the moratorium."

Salehuddin Ahmed, a former governor of the central bank, urged the central bank to ensure corporate governance in the banking sector to contain NPLs.

"It is good that the economy is picking up from the pandemic-induced business slowdown. And a good number of borrowers have repaid their loans on time despite the crisis," he said.

But corporate governance has not improved in the banking sector in recent times, he said.

Ahmed says the financial health of some banks has worsened after they had allowed their defaulted borrowers to reschedule loans by ignoring BB rules.

"Banks should exercise due diligence in rescheduling loans."

EU needs to recycle more to hit green energy goals: study

AFP, *Paris*

Europe must act fast to secure supplies of crucial metals required for a green energy transition and its best bet is to recycle, a report said Monday.

The 27-nation EU aims to be "carbon neutral" by 2050 -- reducing greenhouse gases to a level where the amount produced is balanced out by the amount removed from the atmosphere.

The bloc also wants to wean itself off dependence on Russian oil, coal and gas.

To this end, it is seeking not only to use less energy but also to increase the amount of energy generated domestically from renewable resources.

That includes producing electric vehicles and batteries, bringing in more wind, solar and hydrogen technologies, and creating infrastructure to distribute this clean power.

But expanding clean technologies will require substantial inputs of raw metals and -- in initial stages at least -- much of this will probably have to be imported, according to the study by Belgium's KU Leuven university.

To bring carbon dioxide (CO_2) emissions down to "net zero" by 2050, the EU will need "35 times more lithium" than it uses today and "seven to 26 times the amount of increasingly scarce rare earth metals", the "Metals for Clean Energy" report said.

Stocks break gaining streak

STAR BUSINESS REPORT

The stock index in Bangladesh yesterday broke out of a gaining streak of four sessions while turnover of Dhaka Stock Exchange (DSE) tumbled to reach less than Tk 600 crore.

The DSEX, the benchmark index of the DSE, dropped 16 points, or 0.24 per cent, to 6,666 at the end of the day.

Turnover of the DSE plummeted 33 per cent to Tk 593 crore from that the previous day.

The short term profit-booking tendency of cautious investors cut down the price of the board, said International Leasing Securities in its daily market review.

Meanwhile, the investors reduced their participation significantly in the market that caused the turnover to decrease 33.8 per cent.

Turnover of the DSE plummeted 33 per cent to Tk 593 crore from that in the previous day

Moreover, the world's markets tumbled again as China's Covid outbreak is getting worse, it added.

At the day's end, both the DS30, the blue chip index, and DSES, the Shariah-based index, lost 9.55 points and 6.91 points respectively.

Among the sectors, general insurance rose 2.9 per cent, engineering 1.3 per cent and paper and printing increased 0.9 per cent.

As per the turnover, investors' attention was mainly concentrated on engineering (15.5 per cent), financial institutions (11.5 per cent) and pharmaceuticals & chemicals (11.3 per cent).

At the DSE, 113 stocks advanced, 222 declined and 42 remained unchanged.

United Insurance Company topped the gainers' list with a rise of about 7.85 per cent. Provati Insurance Company, Imam Button Industries, Asia Pacific General Insurance Company and Agrani Insurance Company also saw major gains.

Bangladesh Monospool Paper Manufacturing Company shed the most with a 4.98 per cent

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Although most shops in Pabna have stocked up on various goods in anticipation of increased Eid sales, traders are struggling to make the most of this festival season as customer turnout remains low.

PHOTO: AHMED HUMAYUN KABIR TOPU

Pabna traders yet to get expected Eid sales

Higher prices force many shoppers to cut budget

AHMED HUMAYUN KABIR TOPU, *Pabna*

After enduring two years of coronavirus-induced losses, shopkeepers in Pabna were eying good sales in the ongoing month of Ramadan as people buy all types of goods as part of the Eid-ul-Fitr festival.

Although customer turnout at various markets is increasing each day as the celebrations draw nearer, overall sales are yet to reach their peak as people have cut budgets to keep spending in check amid higher inflation, according to local traders.

During a visit to prominent shopping centres in Pabna, this correspondent found that shop owners have put on display a huge collection of clothing items in their stores but are not getting enough customers.

"Most female customers usually buy cosmetics along with their new dresses, but this year, most of them have cut cosmetic shopping as the prices of dresses and other necessaries have increased"

"We got very little sales during the last two Eid-ul-Fitr festivals due to the alarming Covid-19 situation when markets were kept shut," said Md Imdadul Islam, owner of Isha Matching Corner, a fashion house in the Pabna New Market.

"I have a huge collection of clothing items this year but I have not been able to sell more than 30 per cent of my products since the 20th day of the fasting month."

During a visit to his shop on Friday, it was found that although many customers were present, most of them were unable to buy anything considering the higher prices.

Shaira Ahmed, a homemaker, had planned to buy two saris, but she found out their prices to be Tk 8,000 each, which is Tk 2,000 higher than her budget.

"If I had gone ahead with the plan, I would have to give up on other shopping, so I have bought just one sari," she said.

However, Islam defended his prices, saying production costs have surged owing to higher raw material prices.

"The price of clothes has increased by Tk

150 to Tk 200 for each Tk 1,000 product in the wholesale markets due to the hike in raw material prices. So, we are bound to sell at higher prices too."

Md Alauddin, another shopkeeper in the New Market, said most middle-income people are not doing a lot of shopping this year, leading to lower sales.

"The middle-income groups are the main customers but most of them have cut their Eid shopping."

In the previous years, he used to sell more than Tk 1 lakh worth of products each day, but this year, daily turnover stands at Tk 30,000 to Tk 40,000.

"Before Ramadan, I had targeted to recover a portion of the last two years' losses, but poor festival sales have made me worried about whether I'll even be able to finish Eid stocks," Alauddin added.

Most customers generally agreed that they have had to cut down on Eid shopping this year due to the higher prices of almost all products.

"The price of necessary commodities has rapidly increased, which has, in turn, raised the cost of living. At this stage, I have to cut the budget for Eid shopping," said Md Shahidur Rahman, who teaches at a college. He usually buys two sets of clothes for each of his family members every year, but this year he is buying just a single set.

During visits to various other markets in the district town, it was also found that there were huge gatherings of people but not everyone was making purchases.

"Most female customers usually buy cosmetics along with their new dresses, but this year, most of them have cut cosmetic shopping as the prices of dresses and other necessaries have increased," said Ashraful Bari, who owns a cosmetics shop at the Khan Bahadur Shopping Mall.

Despite the huge turnout of shoppers, traders are not getting enough customers, he claimed.

"Traders wait for the sales ahead of Eid every year. However, businessmen could not post expected Eid sales due to the coronavirus pandemic in the last two years," said ABM Fazlur Rahman, director of the Pabna Chamber of Commerce and Industries. "Now, rising living costs have brought more disappointment."

However, he went on to say that Eid sales may increase in the last moments ahead of the festival, so there is nothing to be worried about at the moment.

Ha-Meem Group eyes $1b exports by 2024

REFAYET ULLAH MIRDHA

Ha-Meem Group, one of the top textile and garment manufacturers in Bangladesh, is eyeing massive expansion to export $1 billion worth of apparel items by 2024, said its owner.

In order to attain the target, the group has been expanding its business for the last few years and is going to set up a denim mill and a spinning factory in the next one year.

The group is establishing the new denim factory with an investment of $100 million in Tangail to produce five million yards of denim fabrics per month.

Its existing denim mill produces five million yards of fabrics, of which 40 per cent is consumed by the group and the remainder is sold to other garment factories.

The new spinning mill will make woven fabrics for the group's own garment factories as well for other apparel manufacturers in the country.

"Production at both denim and spinning mills will start next year," said AK Azad, chairman and chief executive officer of Ha-Meem, during an interview recently.

The entrepreneur started business in 1984 with a small factory in Dhaka's Motijheel with 57 machines after graduating from the University of Dhaka.

Today, Ha-Meem Group has 39 business concerns in various sectors, mainly textile, garment, media and tea, with an annual turnover of $966 million.

The group employs more than 65,000 workers, mostly at its textile and garment units. Another 10,000 workers will be recruited soon for the garment and textile sectors, said Azad, a former president of the Federation of Bangladesh Chambers of Commerce & Industry.

Ha-Meem Group has 39 business concerns in various sectors, mainly textile, garment, media and tea, with an annual turnover of $966 million

In 2021, Ha-Meem exported garment items worth $580 million and another $200 million worth of denim and woven fabrics were sold in the local markets. The local sales are considered deemed exports.

Rifat Garments, a unit of the group, has been the biggest exporter of woven fabrics since the fiscal year of 2011-12. It won the gold trophy from the government for the fiscal year 2017-18 after racking up $172 million through the shipment of woven items. It has also been one of the top taxpayers among garment factories.

Speaking about his investment plan in the denim segment, Azad said denim fabrics have a lot of demand from garment manufacturers, and his denim factory is always overbooked with orders from international buyers.

The move from the group comes as Bangladesh has to import a lot of denim fabrics from China and Pakistan every year to meet the demand from local factories.

The country will need more denim fabrics since orders are shifting from China as international clothing retailers and brands are cutting their reliance on the world's largest supplier of apparel items.

During the interview, he also talked about the risk facing garment exporters owing to the Russia-Ukraine war and the soaring prices of raw materials and freight costs.

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PALM OIL EXPORT

Indonesia's ban leaves global buyers with no plan B

REUTERS, *Mumbai*

Global edible oil consumers have no option but to pay top dollar for supplies after Indonesia's surprise palm oil export ban forced buyers to seek alternatives, already in short supply due to adverse weather and Russia's invasion of Ukraine.

The move by the world's biggest palm oil producer to ban exports from Thursday will lift prices of all major edible oils including palm oil, soyoil, sunflower oil and rapeseed oil, industry watchers predict. That will place extra strain on cost-sensitive consumers in Asia and Africa hit by higher fuel and food prices.

"Indonesia's decision affects not only palm oil availability, but vegetable oils worldwide," James Fry, chairman of commodities consultancy LMC International, told Reuters.

Palm oil – used in everything from cakes and frying fats to cosmetics and cleaning products – accounts for nearly 60 per cent of global vegetable oil shipments, and top producer Indonesia accounts for around a third of all vegetable oil exports. It announced the export ban on April 22, until further notice, in a move to tackle rising domestic prices.

"This is happening when the export tonnages of all other major oils are under pressure: soybean oil due to droughts in South America; rapeseed oil due to disastrous canola crops in Canada; and sunflower oil because of Russia's war on Ukraine," Fry said.

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People shop for cooking oil at a supermarket in Jakarta on March 27. Indonesia's move to ban palm oil exports will lift prices of all major edible oils, industry watchers predict.

PHOTO: REUTERS/FILE

Sri Lanka exchange halts after 13pc plunge

AFP, *Colombo*

Crisis-hit Sri Lanka's stock exchange halted again Monday after a nearly 13 per cent plunge, derailing the bourse's tentative reopening after a two-week break aimed at forestalling a market collapse.

The island nation is grappling with its worst economic downturn since independence in 1948, with months of regular blackouts and acute shortages of food and fuel.

Equities have shed nearly 40 per cent of their value since January, with the local currency falling by a similar amount against the greenback in the past month.

Monday was the first morning of trade on the Colombo bourse since a weeklong Sri Lankan New Year holiday and a subsequent five-day trading halt after the government hiked interest

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