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Star BUSINESS

Shwapno clocks record sales growth

AHSAN HABIB

Shwapno, the largest retail chain in Bangladesh, posted the biggest growth in turnover in the last financial year, driven by higher sales through its e-commerce platform and teleservice amid the coronavirus pandemic.

Turnover rose 18.7 per cent year-on-year to Tk 1,375 crore in the last financial year that ended in June. It was Tk 1,156 crore in the previous year, according to the recently published annual report of ACI Ltd, the owning company.

This was the highest growth of the retail chain since its inception in 2008.

"Our e-commerce and teleservice helped us increase turnover during this period," said Sabbir Hasan Nasir, executive

director of ACI Logistics, which operates Shwapno.

Its franchise expansion outside Dhaka has continued, helping it register the record sales growth whereas some competitors suffered de-growth.

"Shwapno employees were motivated to work hard as they did not see any job cut. Moreover, their increment was given despite the hard time brought on by the pandemic," Nasir said.

Shwapno has roped in several partners to deliver groceries and other everyday essentials at the doorsteps of customers.

The superstore chain has introduced its own home delivery through teleservice for the customers who prefer direct communication with the stores rather than through online platforms. It helps it make deliveries to 11,000 customers every month, according to the directors' report of ACI Logistics.

Shwapno express outlets have kept their stellar growth, serving about 14,000 customers daily.

The e-commerce platform is growing in

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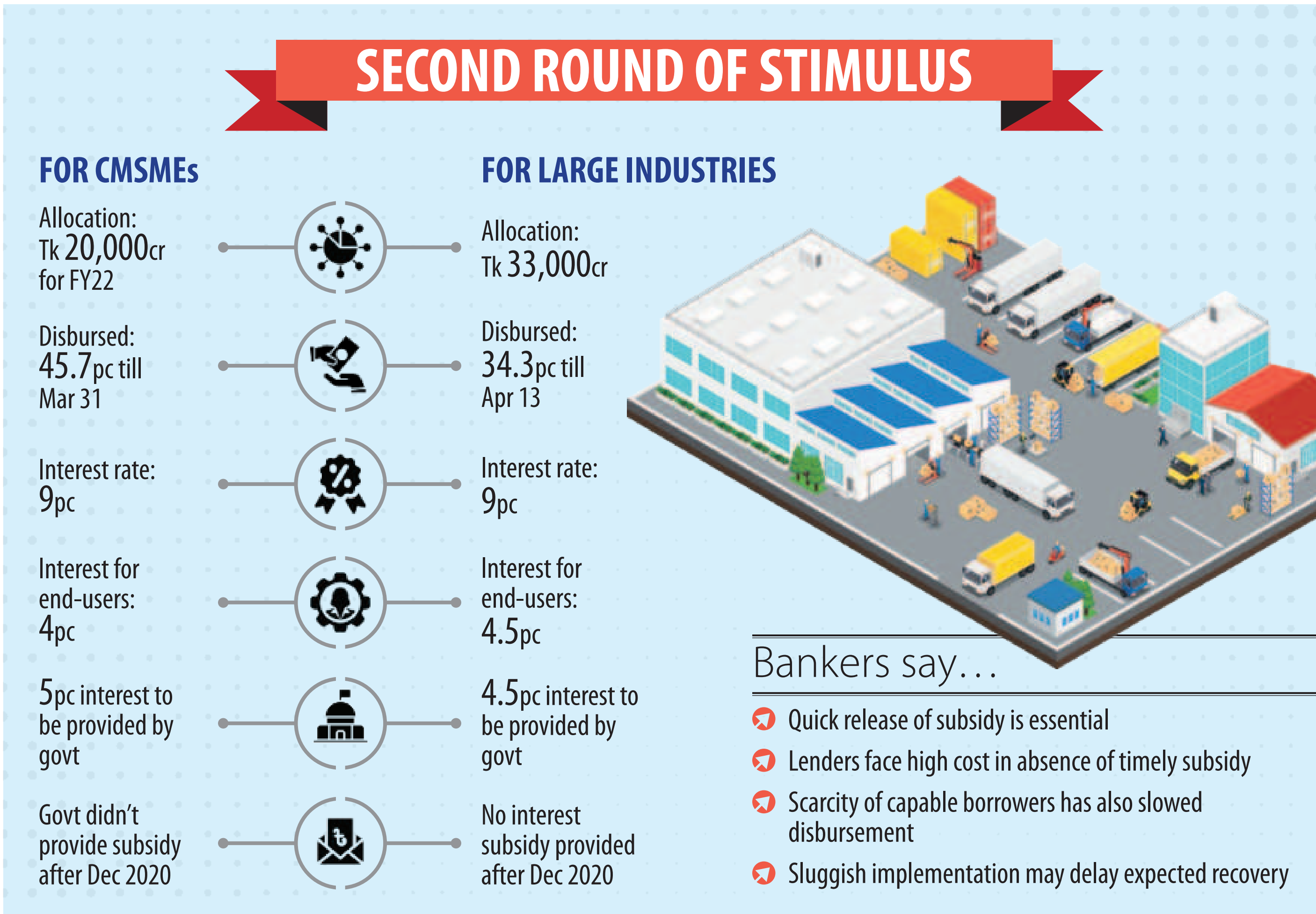

STIMULUS FUNDS

LENDING LOSES STEAM

for slow release of interest subsidy

AKM ZAMIR UDDIN

Bangladesh's economy might fail to benefit from the government's timely rollout of stimulus packages for cottage, small, medium and large industries as banks have lost the zeal to extend loans since the interest subsidy was not paid out at the expected pace as initially thought.

The unwelcome development came as banks and non-bank financial institutions disbursed only 34.3 per cent of Tk 33,000 crore funds allocated for large industries as of April 13 of the current fiscal year, according to data from the central bank.

Similarly, lenders loaned 45.7 per cent of Tk 20,000 crore set aside for the cottage, micro, small and medium enterprises (CMSMEs) between July and March.

Officials of commercial banks and the BB say that lenders had not received any interest subsidy from the government after December 2020, so they are not encouraged to disburse the loans.

Lenders were supposed to receive interest subsidies to the tune of Tk 286 crore between April 2020 and June 2021 on their CMSME loans, but they got only Tk 78.6 crore.

A central banker termed the process of providing the interest subsidy lengthy.

In April 2020, the BB unveiled the stimulus package worth Tk 20,000 crore for the CMSME sector to protect it from the impacts of the coronavirus pandemic. Of the sum, 77 per cent was disbursed.

Banks are allowed to charge a 9 per cent interest rate on their disbursed loans. The end-users get the loan at a 4 per cent interest rate. The government provides 5 per cent as an interest subsidy to lenders.

The tenure of the first round of the stimulus package expired in June last year, prompting the central bank to allocate another Tk 20,000 crore for the current fiscal year ending on June 30.

The BB official says that the central bank requested the finance ministry in February to release the subsidy for the period of January-June last year.

The ministry placed it to the Office of the Controller General of Accounts (OCGA), the debit authority of the fund, but it is yet to release the amount, he said.

The Daily Star tried to communicate with three senior officials of the OCGA, but they could not be reached for comments over mobile phones.

The BB recently sat with lenders to gear up the loan disbursement under the CMSME package. The lenders requested the central bank to take prompt measures for the release of the interest subsidy.

The scenario is the same when it comes to the stimulus package for large industries as lenders did not receive any subsidy after December 2020.

The central bank has not furnished the finance ministry with the subsidy data for 2021 and this year.

As per the government decision, lenders are permitted to enjoy an interest rate of 9 per cent on the loans under the stimulus package.

The end-users are getting the fund at a 4.5 per cent interest rate. The rest of the interest will come from the government.

The first round of the stimulus package for the large industries, involving Tk 40,000 crore, was unveiled in April 2020 and lenders collectively disbursed 82 per cent of the fund by the end of the last fiscal year. The size of the fund is Tk 33,000 crore this fiscal year.

Contacted, Mohammad Salauddin Tapadar, a joint director of the central bank who played a major role in formulating the packages, said

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Soybean oil at Tk 110 a litre for TCB cardholders

Sales begin next month

REFAYET ULLAH MIRDHA

The Trading Corporation of Bangladesh (TCB) will resume selling soybean oil at Tk 110 a litre to one crore TCB cardholder families from next month, Senior Commerce Secretary Tapan Kanti Ghosh said yesterday.

"We are procuring edible oil from local and international markets to sell at lower prices as the domestic prices have gone up thanks to a hike in global crude edible oil rates," Ghosh told The Daily Star.

This time the government is trying to import edible oil directly through the TCB, he said.

Bangladesh foreign missions have already been contacted for procuring edible oil through the state-run corporation, Ghosh also said.

"This time the price may be little higher than the previous rate of Tk 110 a litre because of a rise in its local rates."

This time the government is trying to import edible oil directly through the TCB, Senior Commerce Secretary Tapan Kanti Ghosh said

"The price is not fixed yet. But we will try to fix it at Tk 110 a litre for bottled oil," the senior commerce secretary also said.

The TCB cardholder families have been provided with edible oil at Tk 110 a litre for a month before the Eid-ul-Fitr.

Moreover, the open market sale of oil along with few other basic commodities by the TCB will restart through 400 trucks in Dhaka and other divisional cities in the middle of May, Ghosh also said.

"We will hold a meeting with the refiners, millers and wholesalers of edible oil on May 9 or 11 to know the situation of stocks, imports and global market of edible oil."

Last month, the commerce ministry requested the National Board of Revenue (NBR) to cut import duty on canola, sunflower, and olive oil to 10 per cent from the existing 32 per cent by July this year to boost their imports.

The current market situation is so volatile that the ministry may ask the NBR to implement the duty cut by this month, he added.

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STOCKS (WEEK-ON WEEK)

DSEX ▲	CASPI ▲
0.10%	0.07%
6,651.44	19,489.78

COMMODITIES (AS OF FRIDAY)

Gold ▲	Oil ▲
$1,883.86 (per ounce)	$110.56 (per barrel)

ASIAN MARKETS (FRIDAY CLOSINGS)

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.56%	▲ 0.69%	▼ 1.55%	▼ 2.16%
54,835.58	27,003.56	3,291.89	3,001.56

Eid cheers up battered tourism

Hotels, resorts doing brisk business

SUKANTA HALDER *and* MAHMUDUL HASAN

Hotels and resorts in tourist destinations across Bangladesh are enjoying brisk business thanks to the long holiday afforded by most industries in the current festival season centring Eid-ul-Fitr as they look to partially recover pandemic-induced losses.

Industry people say the busiest days were the first four days after Eid day on May 3, and they expect good business in the coming days. As such, occupancy rates crossed 90 per cent in most hotels and resorts during the holiday despite it being the off-season.

In Bangladesh, winter is the peak season for tourism, starting from November and ending in mid-April.

"The demand for room bookings was immense from May 4 to 7 as holiday makers hit the beach city of Cox's Bazar to celebrate Eid," said Abdul Kaium Chowdhury, managing director of Hotel The Cox Today.

Hotel The Cox Today, which has 270 rooms, witnessed 90 per cent occupancy during the first four days after Eid.

"However, demand will fall from tomorrow [today]," he told The Daily Star.

"This is the off-season for Cox's Bazar but still, business has been great," said Chowdhury, who is general secretary of the Cox's Bazar Hotel-Motel Owners Association.

Cox's Bazar, the country's top holiday spot with about 500 hotels, motels and resorts and 2,000 food outlets, has drawn guests in good numbers.

Rashed Mahmud, chief executive officer of Grace Cox Smart Hotel, said his hotel witnessed 100 per cent occupancy in the first four days after Eid.

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The pandemic stalled domestic tourism for the past two years but people are rediscovering the beauty of Bangladesh this time around. The photo was taken on Friday from Shada Pathor tourist spot in Sylhet's Companiganj upazila. PHOTO: SHEIKH NASIR

Production of rock halted since May 1

Company blames lack of explosives

OUR CORRESPONDENT, *Dinajpur*

Maddhapara Granite Mining Company Limited (MGMCL) has halted hard rock production since May 1 due to a lack of the explosives needed to extract the material from underground, according to company officials.

This is the second time this year that MGMCL's activities have been disrupted for the same reason.

Germania Trest Consortium (GTC), the company contracted by MGMCL to procure and maintain its mine in Parbatipur upazila of Dinajpur, had earlier suspended production on March 12 after its cache of explosives ran dry.

READ MORE ON B3

Although most businesses in the country have wrapped up their Eid-ul-Fitr holidays for the year, many roadside vendors such as these at the Baitul Mukarram Market in the capital remain shuttered amid a lack of potential customers. But with a majority of people enjoying extended vacations following two years of subdued celebrations due to Covid-19, the low number of people on the street is to be expected.

PHOTO: ANISUR RAHMAN

Solid job growth continues in recovering US economy

AFP, *Washington*

From bars to factories to warehouses, American businesses hired staff with vigor in April as the US economy recovers from the damage done by Covid-19 while grappling with inflation that has hit the highest rate in decades.

Employers in the world's largest economy added 428,000 jobs last month, the Labor Department said Friday, keeping the unemployment rate at 3.6 per cent, just above where it was before the spread of Covid-19 caused mass layoffs two years ago.

The data pointed to continued strong job growth and contained hints that some inflationary pressures may be easing -- welcome news for an economy where consumer prices have climbed at a rate not seen since the 1980s.

President Joe Biden described the data as a sign that his policies had revived the economy from the grievous damage wrought by the pandemic.

"Our plans and policies have produced the strongest job creation economy in modern times," Biden said in a statement.

The report was released two days after the Federal Reserve hiked its key lending rate by a half-percentage point to crush the wave of price increases, and signaled it plans further hikes in the months to come.

Workers' wages are a component of accelerating inflation, and the jobs report showed average hourly earnings rising only 0.3 per cent compared to March, a slower pace that in recent months and potential signal the price pressures are abating.

However, economist Joel Naroff warned wages were still trending upwards and the generally rosy picture of the labor market the data painted may convince the Fed aggressive rate hikes are needed to lower inflation.

"Sometimes good news is not necessarily good news and this report, though it shows that the economy is still moving forward solidly, may be a problem for investors," he said.

After spiking to 14.7 per cent in April 2020 following business closures across the country as the pandemic began, unemployment has declined steadily and is now just a hair above its 3.5 per cent rate before Covid-19 arrived.

The number of unemployed people was at 5.9 million last month, the Labor Department said, also not far from where it was in February 2020, while a range of businesses took on new hires.

These included the leisure and hospitality sector, which encompasses the bars and restaurants that bore the brunt of the pandemic restrictions.

That industry added 78,000 jobs last month, while manufacturers hired 55,000, transportation and warehousing took on 52,000, and employment at professional and business services firms rose 41,000.

But the labor force participation rate, which indicates the share of the population employed or searching for work, declined 0.2 percentage points from March, bringing it to 62.2 per cent, where it was at the start of the year.

Supply of workers has been an ongoing problem for employers: Other data released recently shows there are nearly two job openings for every unemployed person in the labour force.

"Looking ahead, we expect more workers to come off the sidelines in search of work and labor demand to cool as businesses feel the pinch from high inflation and tighter financial conditions," Kathy Bostjancic of Oxford Economics said.

The data indicated some improvement in racial disparities in the labor market, with the Hispanic unemployment rate falling slightly to 4.1 per cent.

Joblessness among African-American workers declined to 5.9 per cent as more women were hired, though unemployment rose for Black men.

Asian unemployment ticked up to 3.1 per cent, while it was flat for white workers at 3.2 per cent.

AIIB extends $200m credit facility to Idcol

STAR BUSINESS DESK

Asian Infrastructure Investment Bank (AIIB) has extended a $200 million long-term credit facility to the Infrastructure Development Company Ltd (Idcol) of Bangladesh for financing infrastructure projects in the country.

The Economic Relations Division (ERD) of the finance ministry and the multilateral development bank signed a loan agreement to this effect in Dhaka last month, a press release said.

The credit facility will be utilised to finance priority private sector infrastructure projects in sectors like energy, transport, ICT, energy efficiency, renewable energy, social infrastructure and so on.

Idcol will extend the financing in both the US dollar and the Bangladeshi taka to eligible projects.

Idcol, a government-owned non-banking financial institution, is the country's leading financier in the private sector infrastructure, renewable energy and energy efficiency sectors.

The state-owned organisation plays a significant role in catalysing private sector investment across these segments, according to the statement.

Fatima Yasmin, secretary of the ERD and chairman of Idcol, Md Shahriar Kader Siddiky, chief (Asia wing) of the ERD, and Alamgir Morshed, executive director of Idcol, were present.

Brazil, Guyana agree to widen energy cooperation

AFP, *Georgetown*

Brazil and Guyana on Friday agreed to broaden energy cooperation during a visit by President Jair Bolsonaro to Georgetown, in which the South American neighbors also signed infrastructure and legal deals.

Former British and Dutch colony Guyana has emerged as one of the main low-cost oil production countries and is preparing to auction offshore oil blocks at the end of the year.

"In terms of oil and gas, we have a Brazilian giant called Petrobras for whom cooperation with Guyana is becoming an ever-greater reality. That's what we hope for," said Bolsonaro.

US giant ExxonMobil announced in April the discovery of three new oil deposits in Guyana, raising estimates of the country's oil reserves to the equivalent of 11 billion barrels.

Those discoveries fueled Guyana's existing border dispute with Venezuela, which wants to explore territorial waters claimed by both countries. Guyana President Irfaan Ali evoked the idea of creating an energy corridor through his country, Brazil and Surinam.

"In the area of energy, we have discussed working together on a natural gas strategy and how that can be integrated in the development of Brazil and how we can coordinate and cooperate in this area," said Ali.

Oman Air plans daily flights

FROM PAGE B4

The industry is rebounding, riding on receding coronavirus caseloads and reopening of international borders.

"The fare will reflect the reality very soon and the passengers will be able to pay the fare they used to pay in the past," said Sunil.

When asked why people choose Oman Air, Sunil said, "We are quite known for our quality service. As Oman is very good at hospitality, passengers feel very comfortable travelling with the airline."

"We have full service so passengers get the complete experience of the product at a very reasonable price. We are trying to strike a balance so that we can keep providing quality service to customers."

In Bangladesh, Oman Air's country agent is Galaxy Travel International.

Speaking at the event in Chattogram, Galaxy President and CEO Ahmed Yusuf Walid said, "Most of the passengers choose Oman Air as we are operating regular flights from Chattogram. We want to retain their trust."

Airport sources say there are 18 flights from the Shah Amanat International Airport every week that are bound for Muscat, the capital of Oman.

Of the flights, Oman Air runs the highest number of flights. Besides, five flights are operated by SalamAir, also an airline of Oman, and three each by Bangladesh Biman and US-Bangla Airlines.

Jahidul Hasan, senior sales manager of Oman Air, Asif Chowdhury, in-charge of the Chattogram office of the airline, and Wing Commander M Farhad Hossain Khan, director of the Shah Amanat International Airport, were present at the event.

Fed makes biggest rate hike

FROM PAGE B4

He acknowledged that higher interest rates also bring their share of pain, but "everyone would be better off if we can get this job done. The sooner, the better."

To achieve that aim, he said "additional 50-basis point increases should be on the table at the next couple of meetings," however, a more aggressive three-quarter point hike is not under consideration.

The Fed's goal is to engineer a "soft landing," reining in inflation while avoiding a contraction in economic activity, and Powell said that outcome is likely.

"It's a strong economy, and nothing about it suggested... that it's close to or vulnerable to a recession," he said.

But with China's pandemic lockdowns worsening global supply snarls and the war in Ukraine pushing commodity prices higher, analysts fear factors beyond the central bank's control could undermine that goal, and perhaps plunge the US economy into a recession.

The FOMC acknowledged the "highly uncertain" impact of Russia's invasion of Ukraine and Western sanctions on Moscow, which are "creating additional upward pressure on inflation and are likely to weigh on economic activity."

In addition, Covid lockdowns in China "are likely to exacerbate supply chain disruptions," the statement said.

Though it contracted in the first quarter, Powell said the economy was healthy enough to withstand higher rates, and pointed to robust job gains and strong household and business spending.

However, central bankers cannot engineer a solution for the worker shortages that have challenged businesses and raised fears of a wage-price spiral, when employees demand higher salaries and fuel price increases.

Powell downplayed those concerns, saying some of the inflation is due to price shocks, while Fed policy can help address the "imbalance" in the labor market.

On Wednesday, payroll services firm ADP reported private employers added a weaker-than-expected 247,000 workers in April, a sign that companies are struggling to find available labor, while government data released Tuesday showed there are nearly two openings for every job seeker.

New pipeline links Baltics

FROM PAGE B4

If approved by member states, the oil ban would be the EU's toughest move yet against the Russian energy sector, which helps the Kremlin finance its war.

Last week Russia's Gazprom halted deliveries to Poland and Bulgaria as it seeks to sow divisions between European nations that have imposed sanctions.

A cut off of Russian supplies threatens to cause shortages not only in those countries but potentially across Europe.

The growing number of interconnections between gas networks, however, means European nations are better able to prevent Russia putting pressure on one country.

"Today, we are inaugurating our energy independence," Lithuanian President Gitanas Nauseda told a ceremony outside the capital Vilnius.

"This interconnector is a response to blackmail" from Russia, said his Polish counterpart Andrzej Duda.

Poland has said it is ready to completely swear off Russian gas if necessary and the Baltic states of Lithuania, Latvia and Estonia announced at the end of last month they were halting imports of Russian gas and would use their reserves.

All the nations are heavily dependent upon Russian gas imports.

The EU funded a large part of the 500-million-euro ($530 million) cost of the construction of the GIPL pipeline.

Azharul Islam, chairman of Uttara Bank Ltd, virtually presides over the bank's 39th annual general meeting recently. The meeting declared 14 per cent stock and 14 per cent cash dividends for 2021. Iftekharul Islam, vice-chairman of the bank, and Mohammed Rabiul Hossain, managing director, also attended the meeting.

PHOTO: UTTARA BANK

US, Chinese regulators in talks for audit deal

REUTERS, *Hong Kong*

US and Chinese regulatory officials are in talks to settle a long-running dispute over the auditing compliance of US-listed Chinese firms, three people briefed on the matter told Reuters.

The standoff, if not resolved, could see Chinese firms kicked off New York bourses. The US Public Company Accounting Oversight Board (PCAOB) denied an earlier Reuters report that said a team from the agency had arrived in Beijing for talks.

This week the US Securities and Exchange Commission (SEC) added over 80 firms, including e-commerce giant JD.com and China Petroleum & Chemical Corp to the list of companies facing possible expulsion.

The talks between officials from the PCAOB and their counterparts at the China Securities Regulatory Commission (CSRC) can be described as "late stage" after China made concessions in recent months, the people said.

But a PCAOB spokesperson said, "Recent reports that PCAOB officials are currently in China, or that PCAOB officials were in China earlier this year to conduct face-to-face negotiations, are untrue. The PCAOB has not sent any personnel to China since 2017."

He said the board continues to engage with the Chinese authorities but "speculation about a final agreement remains premature." As a result, the PCAOB is planning "for various scenarios".

The CSRC on Friday did not respond directly on the status of discussions. It referred Reuters to official statements from both sides but did not specify which statements. The sources asked not to be identified due to the sensitivity of the issue. Authorities in China have long been reluctant to let overseas regulators inspect local accounting firms, citing national security concerns.

But in a key concession, Chinese regulators last month proposed revising confidentiality rules for offshore listings and scrapping requirements that on-site inspections of overseas-listed Chinese firms be conducted mainly by domestic regulators. Sources told Reuters last month that a preliminary framework for audit supervision cooperation between the two countries has been formed.

The spat over audit oversight of New York-listed Chinese companies, simmering for more than a decade, came to a head in December when the SEC finalised rules to delist Chinese companies under the Holding Foreign Companies Accountable Act. It said there were 273 companies at risk but did not name them.

Reliance rakes in $100b annual revenue

AFP, *Mumbai*

Reliance Industries became the first Indian company to cross $100 billion in annual revenues after the oil-to-telecoms giant reported strong quarterly results across its energy, telecoms and retail businesses Friday.

The conglomerate, which is owned by Asia's richest man Mukesh Ambani, reported a net profit of 162.03 billion rupees ($2.1 billion) between January and March, 22.5 per cent higher than the same period last year.

Revenues from operations increased 36.8 per cent year-on-year to 2.12 trillion rupees, aided by both its legacy energy business and newer ventures such as retail.

Revenues from operations soared 36.8 per cent year-on-year to 2.12 trillion rupees, aided by its legacy energy business and newer ventures

Income in the quarter helped gross revenue cross 7.93 trillion rupees ($104.6 billion) for the financial year ended March 31.

"Despite the ongoing challenges of the pandemic and heightened geopolitical uncertainties, Reliance has delivered a robust performance," chairman and managing director Ambani said in a statement.

"Our O2C (oil-to-chemical) business has proven its resilience and has demonstrated strong recovery despite volatility in the energy markets," the billionaire added.

Revenues from Reliance's oil refinery and petrochemicals business -- which accounts for more than half of total income -- benefited from higher crude oil prices, rising 44.2 per cent year-on-year to 1.46 trillion rupees.

Workers are seen on the assembly line of RFL's second bicycle manufacturing plant in Gangachara upazila of Rangpur. PHOTO: COLLECTED

RFL Group launches new bicycle plant in Rangpur

STAR BUSINESS REPORT

RFL Group has set up its second bicycle manufacturing plant with the objective to secure a bigger slice of the Tk 1,800 crore domestic two-wheeler market, which is growing due to rising health consciousness and a quest for convenience in transportation.

The plant, established in Gangachara upazila under the northwest division of Rangpur, has already started marketing the bicycles locally, said an official of RFL.

According to the company, the annual demand for bicycles in Bangladesh is 20 lakh pieces but a majority of this demand is met through imports as only two local firms are engaged in making bikes.

These two firms cater to 40 per cent of the local demand for bicycles.

"Once the demand for bicycles was huge in rural areas. Nowadays though, it is highly preferred in urbans areas considering the traffic congestion as well as the health benefits and environmental friendliness of two-wheelers," said Kamruzzaman Kamal, director of marketing at Pran-RFL Group.

The domestic market for bicycles is growing by about 7-8 per cent each year.

The new plant has an annual production capacity of three lakh pieces. With the new unit, RFL's total annual bicycle production capacity has become 11 lakh units.

The company's first bicycle factory was established at the Habiganj Industrial Park in Shaistaganj upazila of Habiganj, where it mainly produces two-wheelers for export.

Kamal went on to say that about 300 people are employed by the new factory, which cost around Tk 60 crore to build.

Imported bikes from China and India dominated the market before 2010 in absence of domestic manufacturing. Later though, RFL entered the industry with its locally made bicycles in order to sell them at home and abroad.

"Currently, we cover around half of the total domestic demand," Kamal said, adding that RFL would consider expanding production again if demand grows further.

RFL has to import a number of raw materials, components and other accessories for making bikes from abroad, namely China, India, Malaysia, Indonesia, Vietnam and Japan. Meanwhile, it manufactures the required frames, forks, rings, tyres and tubes at its factory.

"We are still trying to meet the domestic demand along with exports year after year," he added.

Of the country's total bicycle exports worth $130.8 million in fiscal year 2020-21, RFL fetched $18.8 million. The company exported $12 million worth of bicycles the previous year.

RFL began exporting bikes in 2015 through a shipment to England. It now exports to 10 countries, including England, the Netherlands, Denmark, Germany, Austria and Belgium. The company also exports components such as bike magnets, frames, forks, tyres and tubes.

Kamal said policy support is required to develop the backward linkage industries of two-wheeler manufacturing.

For example, low cost loans, allocation of land at cheaper rates and tax benefits are needed, he said.

Most investors shy away from investing in the bicycle business as a good amount of capital is required while it also takes time to generate a return from the investment.

"So, policy support such as reduced import duty on components would encourage investment in the sector and help the domestic market expand," said Kamal.

RFL is working to export bicycles to the US by 2022, he added.

Turkey inflation spirals to 70pc

AFP, *Istanbul*

Turkey's official inflation rate spiralled to nearly 70 per cent in April, data showed on Thursday, posing a huge challenge to President Recep Tayyip Erdogan, whose unconventional economic policies are often blamed for the economic turmoil.

The consumer price index rose by 69.97 per cent year-on-year in April compared with 61.14 per cent in March, the national statistics agency said.

Erdogan insists that sharp cuts in interest rates are needed to bring down soaring consumer prices, flying in the face of economic orthodoxy.

The collapse of the lira has pushed up the cost of energy imports and foreign investors are now turning away from the once-promising emerging market.

Russia's invasion of Ukraine and the coronavirus pandemic have exacerbated the energy price spikes and production bottlenecks.

Turkey's annual inflation rate -- the highest since Erdogan's ruling AKP party rose to power in 2002, is largely linked to his unconventional economic thinking, analysts say.

Erdogan has put pressure on the nominally independent central bank to slash interest rates.

In April, the bank kept its benchmark interest rate steady for the fourth consecutive month, bowing to the pressure despite high inflation.

The biggest price increases in April were for the transport sector, standing at 105.9 per cent, while the prices of food and non-alcoholic drinks jumped 89.1 per cent.

Covid rules batter China's business confidence

EU chamber says

AFP, *Beijing*

China's strict zero-Covid policy has led to a plunge in confidence among European companies operating in the country as supply chains are tangled, revenue projections fall and staff leave, according to a business group survey released Thursday.

Beijing remains wedded to its strategy of stamping out coronavirus clusters with targeted lockdowns and mass testing, even as the fast-spreading Omicron variant makes this increasingly difficult.

But the European Chamber of Commerce said in a report that the strict containment measures in dozens of Chinese cities, including the biggest Shanghai, had caused "disruption on an epic scale".

"While the war (in Ukraine) has had an impact on European businesses operating in China, Covid-19 presents a far more immediate challenge and has caused a considerable drop in business confidence," the Chamber added.

Its survey of more than 370 members was conducted in late April. Nearly a quarter of respondents are now considering moving current or planned investments in China to other markets -- more than doubling from two months ago.

Production of rock halted

FROM PAGE B1

MGMCL is responsible for supplying the necessary explosives to GTC so that the consortium between Germania Corporation Limited of Bangladesh and JSC Trest Shakhtospetsstroy, a Belarusian state concern for oil and chemistry, can carry out its activities as per the related contract.

Production eventually resumed on March 28 after a shipment of explosives arrived from Thailand but as the supply gradually depleted, GTC was forced to halt its production once again on May 1.

Sources at MGMCL say the mine needs Tk 5-6 crore worth of explosives annually to extract rock from underground. Different countries such as Australia, India and China are primary sources to attain explosives but the MGMCL authorities continually fail to import them in a timely manner.

As a result, rock production has been disrupted five times so far since the contract was signed with GTC in September 2013.

The mine suffers losses of about Tk 1.5 crore for each day that rock extraction activities remain halted due to the lack of explosives.

The authorities of MGMCL said an impromptu action was taken to transfer three employees for their alleged failure to procure the required explosives on time.

All three of the people in question were transferred on April 12.

Considering the high demand for the key construction material, MGMCL's stockyard now bears a barren look as production remains suspended.

Sources at MGMCL say there are only around 50,000 tonnes of rock left in the stockyard.

The 5/20 size rock has the highest demand but MGMCL currently does not have any in stock and so, daily sales have dropped significantly, they said.

Pinak Iqbal, general manager of production at MGMCL, refused to comment on the issue at first but eventually informed that production remains suspended for the explosive shortage.

Soybean oil at Tk 110

FROM PAGE B1

The commerce ministry has been trying to bring in palm crude edible oil from alternative sources like from Malaysia and the USA as its main producer Indonesia banned export of its refined and crude versions 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.

The government hiked bottled edible oil prices by Tk 38 a litre and the loose ones by Tk 44 a litre with effect from May 6.

A litre of bottled soybean oil is sold at Tk 198, up from Tk 160, and the loose oil at Tk 180 a litre, up from Tk 136. The government increased the rates based on the base price of imported crude oil at $1,750 a tonne, up from the previous rates of $1,400 for soybean oil and $1,300 for palm oil, Ghosh said.

Earlier on March 16, the government reduced the value added tax on import of soybean and palm oil to 5 per cent from the previous 15 per cent.

Bangladesh monthly needs around 1.67 lakh tonnes of edible oil and the demand rises to around 3 lakh tonnes during Ramadan.

Only 2 lakh tonnes out of the country's annual demand of 20 lakh tonnes of edible oil come from local production and the rest from imports.

Bangladesh annually imports some 5 lakh tonnes of crude soybean oil and some 24 lakh tonnes of soybean seeds.

Around 4 lakh tonnes of edible oil are produced from the imported seeds, according to the commerce ministry data.

Shwapno clocks record

FROM PAGE B1

terms of orders and user base and makes deliveries against more than 30,000 orders each month.

The private-label brands of the chain clocked a 71.7 per cent increase in the number of products in its assortment and a 9.7 per cent year-on-year sales growth.

Through all of these initiatives, Shwapno netted record-breaking sales of Tk 151.8 crore in June last year. It made operating profit in July 2020 and in the months of May and June of 2021.

Presently, it operates through more than 200 outlets.

With 52 newly opened express outlets, Shwapno has continued extending its footprint outside Dhaka and now has a presence in 31 districts, giving it a 49 per cent market share in the segment.

However, ACI Logistics incurred a loss of Tk 142 crore in 2020-21, albeit down 9.56 per cent year-on-year.

The lower finance cost helped the company narrow losses. The net finance cost fell 12.6 per cent to Tk 125 crore in 2020-21, according to the financial report of Shwapno.

"Shwapno has been making operating profits since the last quarter of 2020-21 and our projection is that it will log net profits from 2025," Nasir told The Daily Star.

"As the operating profit is in the positive territory, the higher turnover will pave the way for us to make net profits in the coming years."

Lending loses steam

FROM PAGE B1

the stimulus packages had given a boost to the economy at the height of the pandemic.

He, however, declined to comment on the sluggish release of the interest subsidies.

Md Serajul Islam, spokesperson and executive director of the BB, said that the central bank had to send recommendations to the finance ministry on the release of the subsidy after conducting inspections on the loans.

"We will disburse the fund just after getting approval from the Office of the Controller General of Accounts."

Another BB official says that the economy will not rebound at the expected pace if the implementation of the packages remains sluggish.

Emranual Huq, managing director of Dhaka Bank, requested the authorities to release the subsidy as quickly as possible in a bid to speed up the implementation of the stimulus packages.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said that lenders had selected capable borrowers to disburse the loans during the first round of the packages.

"It is a bit difficult to find out efficient borrowers as many borrowers who had taken up loans have failed to pay back on time."

Eid cheers up battered

FROM PAGE B1

There are 70 rooms at the hotel and about 50 per cent of them were booked even on Eid day.

"With this kind of response from guests, it can be inferred that the whole month of May, especially in the holidays, will see good business as many have already started making bookings," Mahmud added.

Resorts in other parts of the county also welcomed a good number of tourists amid the Eid festivities.

The Palace Luxury Resort, built on 150 acres of land with 100 rooms and 32 villas in a village of Habiganj district, was almost fully booked during the Eid holidays.

"Compared to the festival seasons during the last two years of the pandemic, our business was good," said Joseph Gomes, general manager of the resort.

"We are now in the recovery phase of the pandemic and the pace of the recovery is pretty good," he added.

Md Abdullah Al Kafi, managing director at Meghmati Village Resort in Mymensingh, said the prolonged length of this year's Eid holiday propelled domestic tourism.

The occupancy rate was almost 100 per cent in the village concept-based resort, which also markets organic food.

"We have identified a different trend this year that many guests came to our resort in the morning of Eid day," he said.

Kafi went on to say that the pandemic stalled domestic tourism for the past two years but people rediscovered the beauty of Bangladesh this time around.

Pradip Sanyal, executive director of the Bhawal Resort and Spa in Gazipur, said 90 per cent of their rooms were booked for the last few days centring the Eid festival.

Industry people say the busiest days were the first four days after Eid day on May 3, and they expect good business in the coming days

Md Jahirul Islam, operation head (in charge) of Mermaid Beach Resort, said business during this Eid season met 80 per cent of their expectation.

Nitai Chandra Sutradhar, finance and accounts manager of the Nokkhotrobari Resort in Gazipur, said 22 rooms were booked out of the 29 available during May 4, 5 and 6. But despite the influx of tourists, hotel and resort owners continue to reel from pandemic-induced losses.

Chowdhury of Hotel The Cox Today said the losses during the pandemic will take several years to recover.

"The business that we lost in the last two years may never be covered," he added.

Islam of Mermaid Beach Resort said they have put aside all the setbacks of the pandemic and are taking the current year positively.

"There are no more restrictions related to Covid-19 this year and I have to say that business has been fairly fruitful as a result. We are considering this year as the year of transition and next year as the year of business," he added.

According to the Bangladesh Outbound Tour Operators Association, more than five lakh people could visit India during the Eid holidays this time. Besides, many are expected to go to the Maldives, Thailand, Nepal, and Dubai.

According to a recent survey by the Bangladesh Bureau of Statistics (BBS), India is the top choice for Bangladeshis to travel abroad, followed by Saudi Arabia, Malaysia, and Thailand.

"We have seen that a good number of tourists went outside the country during this Eid, especially to countries which provided visas and improved the facilities suitable for the new normal," said Kamrul Islam, general manager (public relations) of US-Bangla Airlines.

According to him, the top destinations for tourists were Kolkata, Kathmandu, Maldives and Dubai.

The Madhabkunda waterfall in Moulvibazar is seen teeming with tourists just days after Eid-ul-Fitr celebrations as a long holiday amid relaxed Covid-19 restrictions has prompted people to start travelling once again.The photo was taken on Thursday.

PHOTO: MINTU DESHWARA

Eid brings Moulvibazar tourism back to life

MINTU DESHWARA

The name "Sreemangal" makes the heart tremble, according to a man who came to visit the ever-popular tourist destination to enjoy the Eid holiday with his family.

Following two years of stagnation due to the coronavirus pandemic, the tourism industry in Moulvibazar is enjoying good business at last as vacation spots across the region are seeing an influx of travellers thanks to the lifting of restrictions on public movement.

"Almost all the affordable rooms at resorts and luxury hotels in the district have been booked since May 4," said Kazi Shamsul Haque, general secretary of the Sreemangal Parjatan Seba Sangstha, a collective of local businesses related to the tourism industry.

"As such, it can be estimated that there are currently more than 4,000 tourists in the district," added Haque, also owner of the Nishorgo Eco Resort.

Selim Ahmed, president of the Sreemangal Parjatan Seba Sangstha and owner of the Grand Selim Hotel, said some 50,000 to 70,000 tourists could visit Moulvibazar during this Eid-ul-Fitr season.

"As a result, the local tourism industry might be able to do business worth about Tk 25 crore to Tk 30 crore at this time," he added.

Shahin Ahmed, a ticket collector of Lawachara National Park, told this correspondent that not many visitors had arrived in the past two Eid seasons as the Covid-19 crisis had put a damper on celebrations.

"This year though, we earned more than Tk 2.5 lakh in the first two days after Eid from ticket sales alone. So, we hope more tourists will continue to come," he said.

Backward-linkage industries are enjoying similar benefits as the huge presence of visitors is keeping them all busy.

"We used to solely work on producing betel leaf but are now benefitting from increased tourism as we have become involved in various professions related to the industry," said Saju Marchiang, publication and information secretary of the Khasi Social Council, a platform for members of the Khasi community in Kamalganj upazila.

Saiful Islam, manager of Fahim Enterprise, said the local tea leaf business was not in a very good state for the past two years due to Covid-19.

But since tourists have finally returned this year, thousands of people are director or indirectly benefitting from about 200 tea shops spread across the region, he added.

Mir Nahid Ahsan, deputy commissioner of Moulvibazar, said about one tenth of the people currently travelling in the country have come to the district.

Ahsan informed that the local authorities had held meetings to discuss safety measures for tourists prior to the Eid celebrations.

However, the authorities were prompted to hold another meeting in the wake of an incident on May 5, when volunteers of the upazila administration assaulted tourists at the ticket counter of the Jaflong tourist centre.

"We are working to strengthen security now so that all tourists can travel at peace. As such, additional police have been deployed along with the tourist police in Sreemangal, Kamalganj and Madhabkunda since that day," he said.

Ahsan went on to say that they initiated a local tourist bus service to facilitate travel between various spots in Moulvibazar.

"Many of them cannot see everything in time due to transport issues and so, they could make use of this opportunity now," he added.

Mohammad Shahin Mia, a tourist from Rajshahi, said he came to the district with a view to enjoying a vacation at a very low cost.

"I thought it would cost a lot because after everything has become pricey in the wake of Covid-19. That's why I thought I'd go home but instead, I got on a Moulvibazar tourist bus," Mia said.

"It made our tour so much easier and budget-friendly. We could also visit all of our desired tourist spots with much less hassle and in just one day," he added.

Officials of the Sreemangal Parjatan Seba Sangstha say the number of visiting tourists has never been so high.

During a recent visit to the area, this correspondent found that travellers were braving the extreme heat to spend time with their loved ones at various destinations.

People like Subha Begum, who live in large metropolitan areas like Dhaka, said they came to enjoy a break from city life during the Eid holiday.

Poppy Begum and her husband Mumin Mia said there are a number of new places to visit for young couples too.

"The tea gardens along with the lights reflecting on water surfaces all together give you a sense of romance," she said.

Oman Air plans daily flights from Dhaka

SHIMUL NAZRUL *and* FM MIZANUR RAHAMAN, *Ctg*

Oman Air plans to start running daily flights from Dhaka to serve the growing number of passengers from the country as the Hazrat Shahjalal International Airport (HSIA) in the capital is set to make its new terminal operational, said Sunil V A, regional vice-president of the airline.

Currently, the national airline of the Middle Eastern country runs three flights a week from the HSIA, the largest airport in Bangladesh.

"We want to fly daily from Dhaka," said Sunil in an interview with The Daily Star on the sidelines of an event in Chattogram recently.

At present, the airline operates seven flights a week from the Shah Amanat International Airport located in the port city of Chattogram.

Sunil said the runway of a new terminal at the HSIA is under construction.

"We are hoping that the airport will fully open up by June and we will get slots and operate daily flights from there."

The company's major target is Oman-Muscat bound passengers. There are already a lot of people from the Chattogram region living and working in the Middle Eastern country.

It caters around 70 per cent of passengers from Chattogram bound for Oman while it is 40 per cent from Dhaka and other parts of the country.

For the flights from Chattogram, the company is going to shift from narrow-body planes to wide-body aircraft, depending on demand. Currently, it runs flights with Boeing 737 narrow-body aircraft.

"We also operated Dreamliner in the past when demand picked up," Sunil said, referring to Boeing's wide-body jet airliner.

Currently, Oman Air runs three flights a week from Hazrat Shahjalal International Airport in Dhaka

He pointed out that the overall business is getting bigger in Bangladesh.

There are lots of developments going on in the country. New terminals are coming up. A number of key infrastructure projects in Dhaka and Chattogram would be ready by 2023.

"I am happy to see the metro rail in Dhaka. I heard that a few more hotels are coming up in the airport area in Chattogram, so all of them will really help."

Sunil sees a huge business opportunity in the fast-growing country.

"Lots of foreigners and workers are coming to the port city and lots of expatriates will come to live here."

Oman Air looks to diversify in Bangladesh as it is a growing market.

"We have a very strong network in Europe and the Middle East. Our vision is to grow with the city of Chattogram," said the senior official.

Sunil admitted that the airline industry went through tough times in the last two years because of the coronavirus pandemic as international travels were mostly suspended during the period.

"When the pandemic hit, we had certain issues with our aircraft because lots of people were travelling from Oman to Chattogram and we were not able to manage aircraft at that time properly."

"Because of lockdowns and no flights, we had 85 per cent of our flights suspended. It was really a tough time as we had to keep paying the bills and salaries."

READ MORE ON B2

Fed makes biggest rate hike since 2000

AFP, *Washington*

The Federal Reserve announced its biggest rate hike since 2000, with a half percentage point increase as it works to crush soaring US inflation.

With inflation at the highest rate in four decades, Federal Reserve Chair Jerome Powell sent a message directly to the American people, expressing concern for the pain caused by rising prices, and pledging to use all available tools to bring them down.

But he told reporters he remains confident the economy is strong enough to withstand rate increases without tipping into a recession.

After a quarter-point hike in March, the US central bank's policy-setting Federal Open Market Committee (FOMC) pushed the benchmark interest rate above 0.75 per cent as it works to cool the economy, and confirmed more increases "will be appropriate."

The hike will raise the costs of all types of borrowing, from mortgages to credit cards to car loans, cooling demand and business activity.

Inflation has become an overriding concern after the world's largest economy saw annual consumer prices surge 8.5 per cent over the 12 months to March -- the biggest jump since December 1981.

Policymakers continue to believe inflation will gradually return to the Fed's two-per cent target as it raises borrowing costs, but in a statement following the conclusion of its two-day meeting, the FOMC said it will be "highly attentive to inflation risks."

In an unusual move, Powell opened his news conference speaking to the American people.

"Inflation is much too high. And we understand the hardship that is causing," he said, promising to use all tools available to bring it down "expeditiously."

READ MORE ON B2

Construction workers pass planks of wood to their colleagues above during the construction of new apartments in Monterey Park, California. Inflation in the US has become an overriding concern after the world's largest economy saw annual consumer prices surge 8.5 per cent over the 12 months to March -- the biggest jump since December 1981.

PHOTO: AFP/FILE

New pipeline links Baltics to European gas network

AFP, *Jauniunai*

Poland and the Baltic states Thursday inaugurated a new gas pipeline that links the north-eastern EU with the rest of the bloc, a crucial step towards reducing dependence on Russian gas.

The 508 kilometre-long (316-mile) pipeline linking Poland and Lithuania's gas networks will eventually be able to transport around two billion cubic meters of gas per year in either direction.

Thanks to existing links in the region, Latvia, Estonia and even Finland will also have access to the wider European gas pipeline network.

The European Union's executive unveiled Wednesday plans for a gradual ban on Russian oil imports as part of a raft of new sanctions to punish Moscow for invading Ukraine.

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