

## Brac Bank launches real-time cash deposit machines

STAR BUSINESS DESK

Brac Bank has launched 39 real-time cash deposit machines (RCDMs) in Dhaka, Gazipur, Chattogram, Sylhet, Rajshahi, Khulna, Rangpur, Bogura, Jashore and Pabna in the first phase.

The machine allows customers to deposit cash any time and any day of a week to their Brac Bank accounts and pay credit card bills within minutes, a press release said.

"RCDM will bring immense convenience to the customers as they can deposit money anytime and any day without visiting a branch. The machines will be deployed across the country in phases as part of the pursuit of strengthening our alternate banking channel," said Nazmur Rahim, head of alternate banking channels at Brac Bank.

The customers can deposit minimum Tk 10 and maximum Tk 50,000 in a single transaction.

The deposited amount will instantly be reflected on the beneficiary account balance with transaction notification through short message service (SMS).

## China offers relending facility for transport

REUTERS, Beijing

China's central bank said on Friday it launches a 100 billion yuan (\$15 billion) relending facility to support the transport, logistics and storage sectors which have been hit hard by Covid-19.

The People's Bank of China (PBOC) will better combine its broad-based and structural policy instruments, and constantly optimise its structural policy system, it said in a statement posted on its Wechat account.



A roadside mustard oil salesman is seen funneling the product into bottles before selling it to passing customers. This mobile vendor currently sells about 120 litres of mustard oil each day at about Tk 260 per litre thanks to increased demand in the face of rising soybean oil prices. The photo was taken from the Ferry Ghat intersection of Khulna city on Saturday.

PHOTO: HABIBUR RAHMAN

# Global scramble for metals puts Africa into mining spotlight

REUTERS, Johannesburg

The need to secure new sources of metals for the energy transition amid sanctions on top producer Russia has increased the Africa risk appetite for major miners, who have few alternatives to the resource-rich continent.

Companies and investors are considering projects they may have previously overlooked, while governments are also looking to Africa, anxious to ensure their countries can procure enough metals to feed an accelerating net-zero push.

This year's Investing in African Mining Indaba conference, which runs May 9-12 in Cape Town, will see the highest-ranking US government official in years attending, organisers say, as well as representatives from the Japan Oil, Gas and Metals Corporation (JOGMEC), in a sign of rich countries' rising concern about securing supply. "The reality is that the resources the world wants are typically located in difficult places," said Steven Fox, executive chairman of New York-based political risk consultancy Veracity Worldwide.

The US administration wants to

position itself as a strong supporter of battery metals projects in sub-Saharan Africa, he said.

"While Africa presents its challenges, those challenges are no more difficult than the corresponding set of challenges in Canada. It may be easier to actually bring a project to fruition in Africa, than in a place like Canada or the US," he added.

The United States has voiced support for new domestic mines, but projects have stalled. Rio Tinto's Resolution copper project, for example, was halted over Native American claims on the land, and conservation issues.

Certainly, the risks of mining in sub-Saharan Africa remain high. The acute security challenge facing mines in the gold-rich Sahel region was highlighted last month when Russia's Nordgold abandoned its Taparko gold mine in Burkina Faso over an increasing threat from militants.

And even in the continent's most industrialised economy, South Africa, deteriorating rail infrastructure is forcing some coal producers to resort to trucking their product to ports.

Yet with Russia's 7 per cent of global

nickel supply, 10 per cent of the world's platinum, and 25-30 per cent of the world's palladium off the table, Africa's rich deposits of those metals start looking a lot more attractive.

"As a mining company, there aren't many opportunities and if you are going to grow, you're going to have to look at riskier countries," said George Cheveley, portfolio manager at Ninety One.

"Clearly, after Russia-Ukraine people are more sensitive to geopolitical risk and you cannot predict which projects are going to work out and which are not," he added. Kabanga Nickel, a project in Tanzania, secured funding from global miner BHP in January, and CEO Chris Showalter said it is seeing increased demand from potential offtakers. Western sanctions on Russia over its invasion of Ukraine are forcing metals supply chains to reconfigure along geopolitical lines, Showalter said.

"Not everyone's going to be able to get clean battery metals from a friendly jurisdiction, so I think some difficult decisions will have to be made, and it is going to force people to make some new decisions about where they want to source."

## A Rouf Chowdhury reelected as Bank Asia chairman

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A Rouf Chowdhury has been re-elected as chairman of Bank Asia at the 473rd meeting of the board of directors of the bank held recently.

He is the main sponsor of Bank Asia Ltd. Chowdhury is an eminent businessperson and industrialist of the country.



He is the chairman of Rangs Group and Sea Resources Group and one of the directors of Mediaworld which owns The Daily Star, the highest circulated English daily in the country.

He has established reputed organisations in transport, medicine, real estate, IT, banking, deep sea fishing and in other sectors of the country that are contributing immensely to the country's employment generation and economic development.

Chowdhury was the president of Bangladesh Basketball Association for four years.

He has been a member of the executive committee of Kurmitola Golf Club for over 20 years.

Chowdhury is actively associated with many social activities.

## Karmasangsthan Bank gets new chairman

STAR BUSINESS DESK

Md Nurul Amin, former senior secretary, has been appointed as chairman of Karmasangsthan Bank last month.



He had been serving as a senior secretary of the ministry of planning prior to joining the bank, a press release said.

Amin also served as secretary to the ministry of Chattogram Hill Tracts Affairs.

He started his professional career in administration cadre in 1986.

He worked in different capacities in the ministries of Primary and Mass Education, Religion and the Prime Minister's Education Assistance Trust in his long career.

He has a special reputation for knowledge, efficiency, honesty, discipline, dutifulness and fairness in administration.

He obtained his master's degree in management from the University of Dhaka.

# Understanding country

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2001 and since then has been flagged as a very risky investment destination. Sovereign risk increases when the budget deficit of the country is high as it must pay a large portion of its revenue just to service debts.

b) Exchange rate environment: How much a country's currency fluctuates has a direct impact on the returns that investors can expect. Whether it is multinational companies repatriating money or individual investors taking back funds, they all prefer a stable exchange rate environment with few fluctuations. This is affected by unexpected changes in inflation and interest rates which are affected by central bank policies. Thus, the macroeconomic situation has a large impact. This means Bangladesh Bank's managed exchange rate with the USD has been useful to these investors. If the foreign reserves of the country are high, then it can manage exchange rate movements by selling the foreign reserves. However, if the level goes down beyond a certain level, the country may not be able to support its trade obligations so this must be managed carefully.

c) Trade credit: If the trading partner cannot or is unwilling to pay their share of the business, then international investors will not invest in the country. This is more than just

the business culture of the country as it goes beyond to include the legal framework, options for receiving payment and support from national authorities.

d) Convertibility/repatriation: If it is difficult for investors to repatriate money from an economy that does not represent an attractive investment destination. Often currencies are not widely traded in the international market and large withdrawals may cause major forex losses that sacrifice overall returns.

2) Political risk: This is the most popular risk in this list and the one most people consider when investing in a developing country. This largely encompasses the nature of the political system and the stability of the political regime.

a) Political stability: If a country undergoes strikes, political upheavals, and disruptions on a regular basis, it suffers from low political stability and therefore is a riskier destination than a country which has peaceful transitions of power and there are fewer disruptions to business. For example, Bangladesh's relative political calm has improved the investment profile internationally.

b) Nature of political system: The norms in the political system, especially regarding the transfer of power, treatment of business interests,

ideologies of the political parties and the quality of international relations built by the country, all have a bearing on the attractiveness of a country politically as an investment destination.

3) Market risk: This relates to the legal environment in which a firm does business, the intellectual property regime, ease of doing business, banking structure in the host country and dispute resolution options available.

a) Legal environment: How easy it is to receive legal support and structured dispute resolution mechanisms plays a major role in the ease of doing business in the country. Since companies prefer to settle matters outside of costly litigation in courts, this is something they care about greatly. This is an area which is sorely lacking in Bangladesh.

b) Ease of doing business: Support with setting up a business, obtaining permits, setting up a supply chain and obtaining financing will all determine whether a company finds the hassle worth it to set up in a country. The banking structure and the norms which govern international settlements will also be important as multi-national companies receive and repatriate funds on a regular basis so international and local banks with strong international

settlement regimes will be very important. The structure of tax laws and how supportive it is to businesses will have a major effect as well.

c) Intellectual property laws: This is becoming an increasingly important aspect for developing countries and those with laws which protect IP interests are highly regarded.

4) Security: Investors must feel their investment destination is a secure place before they choose to invest. If they feel as if the country is not secure and they and their businesses are at risk of harm due to ideological, religious, or political reasons, then they will be unlikely to invest.

A more comprehensive list must be used to evaluate potential investment opportunities with guidelines on how to update the status of those assumptions. Bangladesh must excel in mitigating the risks outlined above and be very transparent about the risks investors face before we can hope to attract the levels of foreign direct investment we have targeted. Close government collaboration with global banks and professional firms with an international presence will go a long way to making Bangladesh an attractive investment destination. Of course, we need to do some hard work to refine our domestic set up too.

The writer is an economic analyst

## Companies envision taxis

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"We were at the end of the flight test expansion campaign at test points well above what we expect to see in normal operations," Joby executive chairman Paul Sciarra told analysts.

"I'm really excited about where we are right now; we have demonstrated the full performance of our aircraft." Its eVTOL aircraft have a maximum range of 150 miles (241 kilometers), a top speed of 200 miles per hour and a "low noise profile" to avoid an annoying din, the company said.

Joby has announced partnerships with SK Telecom and the TMAP mobility platform in South Korea to provide emissions-free aerial ridesharing. "By cooperating with Joby, TMAP will become a platform operator that can offer a seamless transportation service between the ground and the sky," TMAP chief executive Lee Jong Ho said in a release.

Joby has also announced a partnership with Japanese airline ANA to launch air taxi service in Japan.

And Toyota has additionally joined the alliance, with an aim to explore adding ground transportation to such a service there, Joby said.

Hurdles on the path include establishing infrastructure and adapting attitudes to make air taxis a part of everyday life. "For mass adoption, people need to have a mindset change," Bristow said.



Nur Mohammed, chairman of Jamuna Bank Ltd, inaugurates the bank's Zonal Business Development Meeting in Rajshahi recently. Kanutosh Majumder, Md Belal Hossain and Md Ismail Hossain Siraji, directors of the bank, were present.

PHOTO: JAMUNA BANK

## Budget can't get rid

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ignoring the actual implementation capability may give some political dividend but it ruins credibility, he said.

"A higher target also erodes the motivation of officials because they know that these are unrealistic and are not achievable."

The WB, in the update, also said the large gap between budget and execution limits the ability to enforce accountability in public finances and weakens the credibility of the budget.

"It also reduces effective implementation of public investment and service delivery, affecting the overall development outcomes of government programmes."

Selim Raihan, executive director of the South Asian Network on Economic Modeling, thinks Bangladesh needs big budgets to ensure

adequate allocation for health, education and social protection.

"From that perspective, a bigger budget is appreciable. We are doing that too every year but we are failing to implement that," he said.

In order to raise the size of the budget, a higher tax collection is necessary and reform in the tax system is needed. But the opposition to reforms is very strong. Besides, there is a lack of capacity to spend, said Raihan, also a professor of economics at the University of Dhaka.

"The budget has fallen into a cycle of low revenue collection, low implementation capacity and low spending. This cycle needs to be broken."

Khondaker Golam Moazzem, research director of the CPD, argues that the political economy of a bigger budget target

is it provides the scope to take up a large number of projects knowing fully well that they will not be implemented.

"Governments initiate many projects for political reasons and many of them are implemented over a long period. It has a demonstration effect."

In the case of a cost spiral, the longer implementation period provides the leeway to the dishonest people to take advantage of increased cost, he said.

Moazzem points out the efficiency of public agencies to implement the budget. "Public agencies can't utilise resources and implement projects if the number of schemes exceeds their capacity."

The CPD recommended fiscal targets be set in a realistic manner by taking into account current macroeconomic trends.