



Reza Ahmad

IDLC Finance gets new chief investment officer

STAR BUSINESS DESK

A new chief investment officer has been appointed at IDLC Finance who will also serve as the lead director of IDLC Investments.

The appointee, Reza Ahmad, previously served as adviser of finance, treasury management and investment and trade at Ananta Group and financial adviser at Energypac Engineering, said a press release.

He also worked in Hongkong and Shanghai Banking Corporation (HSBC), Citi NA, Standard Chartered Bank and Eastern Bank in Bangladesh.

Ahmad obtained a master's degree in accounting from the University of Dhaka.

Malaysia may cut palm oil export tax

REUTERS, Kuala Lumpur

Malaysia's commodities ministry has proposed cutting export tax on palm oil by as much as half to help fill a global edible oil shortage and grow the market share of the world's second largest palm oil producer.

Plantation Industries Minister Zuraida Kamaruddin said on Tuesday her ministry has proposed the cut to the finance ministry. Malaysia could reduce the tax, likely a temporary measure, to 4 per cent 6 per cent from the current 8 per cent, Zuraida said. A decision could be made as early as June.



The all too familiar clamour of buyers and sellers is yet to be revived at Karwan Bazar, one of the biggest commodity marketplaces in the capital, following the Eid-ul-Fitr holidays. On top of this, a few customers who did arrive were forced to make a hasty retreat for sudden showers yesterday afternoon.

PHOTO: PALASH KHAN

Russia's sanctioned oligarchs lose luxuries

AFP, London

From superyachts and mansions to private jets and works of art, mega-rich Russians are being deprived of their expensive playthings, under swingeing sanctions that implicate them in Vladimir Putin's war in Ukraine.

The seizing and freezing of assets is proving the toughest trial yet for the Kremlin-favoured "oligarchs", many of whom got rich on the back of the collapse of the Soviet Union.

In Britain, more than 100 oligarchs and their families have been slapped with restrictions. The United States has sanctioned 140 and the European Union more than 30.

UK Transport Secretary Grant Shapps has said the move was designed to hit them where it hurts – denying them "access to their luxury toys".

The British capital has for years been dubbed "Londongrad" after becoming a haven for Russians to keep their money, educate their children and pursue litigation.

"The welcome mat is now being

taken away from Russian oligarchs," The Economist wrote.

Even the high-profile Roman Abramovich has been targeted, forcing him to put Chelsea Football Club, which he bought in 2003, up for sale.

But acting against so many in a highly globalised major economy is "totally uncharted territory", said researcher Alex Nice, from the Institute for Government think-tank.

Whenever the war ends, a deep rift between the West and Russia will remain, even if the assets are just frozen, rather than expropriated, he added.

"There doesn't seem to be any prospect that these sanctions will be lifted any time soon," said Nice.

In Moscow, the independent Russian political analyst Konstantin Kalachev said Putin's "special operation" in Ukraine could last "for years" – and even be widened to fulfil his dream of recreating the Russian empire. If the decision is down to Ukraine, "they will never lift them (sanctions)", he told AFP.

There's no question that the sanctions

have hit home.

Forbes magazine last month removed 34 Russians from its annual billionaire list citing the "avalanche of sanctions".

"The war is an absolute disaster for them," said Elisabeth Schimpföessl, a lecturer in sociology at Aston University in Birmingham, central England, and author of a book called "Rich Russians".

Petr Aven, known for his extensive collection of Russian art, told The Financial Times newspaper he was unsure if he was "allowed to have a cleaner or a driver" and faced expulsion from the UK.

His long-term business partner, Mikhail Fridman, told Bloomberg news agency he was "in shock" and also struggling to pay a cleaner. Many oligarchs have multiple citizenships and are not rushing back to Russia.

The West has been a "base that they can go to at any moment when they fear prosecution in Russia", said Schimpföessl.

"Oligarchs never bothered developing Russia's rule of law."

The scale of assets targeted is staggering.

Keep in mind Ukraine war

FROM PAGE B4

The war and the dragging pandemic have sent the prices of commodities and everyday items to a new high as the global supply chain has received a renewed blow. As a result, inflation is rising to record levels in many countries.

"Inflation has had an impact in many countries. It is bound to have an impact on Bangladesh," said Sen.

Inflation in Bangladesh rocketed to a 17-month high in March driven by higher food costs.

The economist thinks that the war can create a crisis related to the prices of oil, gas, metals, fertilizer, wheat and other foodgrains.

"So, there have to be some block allocations by taking this situation into account. There has to

be additional allocation to tackle the fallout stemming from the war and any new wave of coronavirus. We have to put in place institutional preparedness to meet up those contingencies."

Sen was also asked about the country's perennial failure of implementing budgets in their entirety.

One way to encourage public spending, he advises, would be to decentralise public spending by increasing block allocations for the lower-tier governments such as union councils and municipalities.

"The upcoming budget should focus on raising the spending capacity of the local government to reduce the pressure on the central government. We will have to rely more on the local governments."

To start with, 10 per cent of the budget should go to the local governments. "We have to create scopes for them to spend. This will help them use funds when they are needed. Otherwise, if we continue relying on ministries, the allocation will not be utilised."

He called for increasing the spending capacity of the implementing agencies.

According to Sen, expenditure may shoot up to meet the contingency needs amid higher oil prices. And the budget deficit will widen too as revenue generation may face shortfall and export earnings may not be at the expected level.

"However, there is no need to panic since Bangladesh's budget deficit has not gone out of control."

As the possibility of

another coronavirus wave can't be ruled out, Sen suggests Bangladesh focus on the health sector particularly.

"We need to analyse the drawbacks in order to find out why we are not being able to use the allocation for the sector properly and where reforms are needed."

Sen urged the government to pay special heed to bring in institutional reforms in some key areas such as health and social protection, instead of just raising allocations.

He warns that the number of people queuing for support from social safety net schemes such as the operation run by the Trading Corporation of Bangladesh, which sells some essential goods at subsidised rates, may go up.

"Some funds have to be allocated for these people. But what is even more important is to reform the social safety net sector so that the people who need the support get it."

Teesta shoal

FROM PAGE B4

said Shamim Ashraf, deputy director of the DAE in Lalmonirhat.

A good number of families of the farmers in the char areas depend on the crops grown on the river bed during the dry period, he said.

DAE officials have prepared a report and sent it to the agriculture ministry.

Although the river bed is not recorded as arable land, the crops produced on the river bed support the country's food security, the official said.

Germany readies crisis

FROM PAGE B4

companies, such as refineries, under its wing, the three officials said.

Asked for comment on the measures, Germany's economy ministry pointed to statements by its head, Vice-Chancellor Robert Habeck, that the country had made "intense efforts" in recent weeks to reduce its use of Russian energy.

Last month, Berlin approved a legal change to allow it take control of energy companies as a last resort.

It is now discussing how it could use the measure in practice, such as by taking control of the PCK refinery

operated by Russia's Rosneft in Schwedt near Poland, two of the people said. It accounts for most of Germany's remaining Russian oil imports and could be hit by a European Union oil embargo.

Rosneft declined to comment on any possible German action.

One of the people said the nationalisation of energy companies was an option being considered but it would have to be weighed carefully and justified on the grounds of securing energy supplies rather than to punish Russia.

Germany could also take stakes in other companies,

said two people familiar with the matter. In 2018, it made a similar move when state development bank KfW bought 20 per cent of energy network operator 50Hertz to fend off an offer from China's State Grid.

The final government emergency package has not yet been finalised. One of the people cautioned that taking minority stakes in companies and intervention at the Schwedt refinery remained under discussion but had not been decided.

Officials are also examining how KfW can alleviate pressure on critical companies by supporting

them with further loans, or emergency credit lines they could use if energy prices soar and trigger costly margin calls on their market positions.

Earlier this year, KfW helped German energy firm Uniper, EnBW's gas division VNG and coal-fired power plant operator Leag cope with volatility in energy markets.

KfW declined to comment on which companies it had helped.

Germany is also examining how it would ration gas in an emergency. Its regulator is considering whether to give industry priority over households,

which would be a reversal of the current policy where businesses would be cut off first.

The discussions are unfolding against the backdrop of war in Ukraine and an increasingly charged stand-off between Moscow and Brussels, which has backed tough sanctions to isolate Russia.

Russian President Vladimir Putin told his armed forces at a parade on Monday they were fighting for their country but offered no clues as to how long their assault on Ukraine, which the Kremlin calls a special military operation, would last.

Mohd Safwan Choudhury re-elected Bank Asia vice-chairman

STAR BUSINESS DESK

Mohd Safwan Choudhury has been re-elected vice-chairman of Bank Asia at the 473rd meeting of the board of directors of the bank recently.

Choudhury is an eminent industrialist of the country.

He is the managing director of M. Ahmed Tea & Lands Company, Phulbari Tea Estates, M. Ahmed Cold Storage, Premier Dyeing & Calendaring and M. Ahmed Food & Spices, says a press release.

He is also a former president of the Sylhet Chamber of Commerce & Industry and served as the chairman of Bangladesh Tea

Association.

Chowdhury is the president of the Friends In Village Development Bangladesh (FIVDB), a non-government organisation (NGO) providing primary education to underprivileged children.



Stocks break gaining streak

STAR BUSINESS REPORT

The stocks in Bangladesh dropped yesterday after increasing in the last couple of days.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), slid 32 points, or 0.48 per cent, to 6,665 at the end of the day.

However, the turnover of the premier bourse rose to Tk 1,258 crore while it was Tk 1,208 crore a day back.

At the DSE, 130 stocks advanced, 205 declined and 45 others remained unchanged.

ACI Formulations rose the most with a 10 per cent growth. Bangas, National Feed Mills, Dacca Dyeing, and Envoy Textile were also among the gainers' list.

Imam Button shed the most, dropping 5 per cent followed by Savar Refractories, JMI Hospital, Bangladesh Monospool Paper, and The Peninsula Chittagong.

Beximco Ltd became the most traded stock with shares worth Tk 36 crore changing hands followed by JMI Hospital, Shinepukur Ceramic, Eastern Housing, and Unique Hotel.

The Chittagong Stock Exchange (CSE) also dropped yesterday. The CASPI, main index of the port city bourse, fell 65 points, or 0.55 per cent, to 11,718.

Among 309 stocks, 124 advanced, 155 fell and 30 remained unchanged.



Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, virtually inaugurates a month-long "Entrepreneurship Development Programme" at the bank's regional centre in Chattogram yesterday. SM Rabiul Hassan, principal of the Islami Bank Training and Research Academy, presided over the event, which was attended by Arif Hossain Khan, head of Bangladesh Bank's Chattogram Office (current charge), Meah Md Barkat Ullah, head of Chattogram South Zone, and Mohammad Nurul Hossain, head of Chattogram North Zone.

PHOTO: ISLAMI BANK BANGLADESH



Mohammed Yunus, chairman of Shahjalal Islami Bank, attended the celebration of the bank's 21st founding anniversary at the lender's head office in Dhaka yesterday. Md Sanaullah Shahid, Md Towhidur Rahman and Khandaker Sakib Ahmed, directors, Ekramul Haque, KAM Majedur Rahman and Nasir Uddin Ahmed, independent directors, Abdul Aziz, managing director (current charge), SM Mainuddin Chowdhury and Mian Quamrul Hasan Chowdhury, additional managing directors, and Md Shahjahan Shiraj, M Akhter Hossain and Md Nazimuddoula, deputy managing directors, were present.

PHOTO: SHAHJALAL ISLAMI BANK