

US eyes trade deal-lite as Southeast Asian leaders gather

AFP, Washington

The United States is preparing a scaled-back version of a trade pact as Southeast Asian nations gather in Washington, where President Joe Biden is seeking to show solid commitment in the face of a rising China.

Leaders from the Association of Southeast Asian Nations will meet Biden for dinner Thursday at the start of a two-day summit, part of a renewed US focus on Asia after months of intense effort on Ukraine.

Before Russia's invasion of Ukraine, the Biden administration had made clear that its top priority was competition with China due to its rapid technological advances and rising assertiveness both at home and abroad.

Kurt Campbell, the top White House official on Asia, said the United States would raise areas of cooperation with ASEAN leaders including fighting the Covid pandemic and disaster relief.

He also said he expected "substantial interest" by Southeast Asian nations in the Indo-Pacific Economic Framework, or IPEF, the latest acronym-branded US trade initiative, which was mentioned late last year by Secretary of State Antony Blinken in Indonesia.

"We're quite confident that we're going to be able to have a substantial launch with a very broad range of potential players," Campbell said at the US Institute of Peace.

Koji Tomita, Japan's ambassador to Washington, told a separate event that he expected IPEF to be unveiled formally a week later when Biden visits Tokyo and Seoul.

Former president Barack Obama had proposed the Trans-Pacific Partnership, billing it as a high-standards deal that would let the United States lead the emerging trade order in Asia.



A vendor balances a stack of new ledger books, going from one shop to another in the capital's Bangshal in search of people who have stuck to the traditional method for keeping accounts instead of going digital. Made in Moulvibazar, these books are priced anywhere from Tk 50 to as much as Tk 500. The photo was taken yesterday.

PHOTO: PRABIR DAS

UK economic growth slows in Q1

AFP, London

Britain's economy grew at a slower pace in the first quarter compared with the final three months of last year as the country battled soaring inflation, official data showed Thursday.

The economy grew 0.8 per cent in the January-March period compared with expansion of 1.3 per cent in the fourth quarter of last year, the Office for National Statistics said in a statement.

After solid output in January, the UK economy posted zero growth the following month and contracted by 0.1 per cent in March, ONS data showed.

It comes after the Bank of England (BoE) last week warned that Britain risks falling into recession with UK inflation expected to top 10 per cent, a four-decade high, by the end of the year.

Consumer prices are surging worldwide on supply strains as economies reopen from pandemic lockdowns – and in the wake of the Ukraine war that is aggravating already high energy costs.

Responding to Thursday's data, finance minister Rishi Sunak said Britain's economic recovery from the pandemic was "being disrupted by (Russian President Vladimir) Putin's barbaric invasion of Ukraine and other global challenges".

Sunak, however, added in a statement that UK "growth in the first few months of the year was strong, faster than the US, Germany and Italy".

While the UK economy grew for a fourth quarter in a row, and is above pre-pandemic levels, output in the first three months of 2022 was the lowest for a year.

"Our latest monthly estimates show GDP fell a little in March, with drops in both services and in production," said Darren Morgan, director of economic statistics at the ONS.

"Construction, though, saw a strong month, thanks partly to repair work after the February storms." Growth over the entire first quarter was driven by expansion in a number of service sectors, including hospitality and transport, Morgan added.

However, the contraction in March and slower first-quarter output as a whole "suggest the economy had less momentum than we thought even before the full hit from the cost-of-living crisis has been felt", noted Paul Dales, chief UK economist at Capital Economics.

"The risk of recession has just risen," he said, adding that "strong price pressures will probably mean the BoE will raise interest rates further".

The Bank of England last week raised its main interest rate by a quarter point to one per cent to tackle runaway UK inflation. It was the fourth straight increase by the BoE, while its key rate now stands at the highest level since the global financial crisis in 2009.

That is hiking borrowing costs for consumers and businesses, further impacting spending.

Britain's cost-of-living crisis was blamed in part for British Prime Minister Boris Johnson's Conservative party losing control of key councils in recent local elections.

Brac Bank to provide custodial services to Blue-Wealth Assets

STAR BUSINESS DESK

Brac Bank and Blue-Wealth Assets have signed an agreement for the bank to provide custodial services to the latter such that they can operate a "Blue-Wealth 1st Balanced Fund", a new open-ended mutual fund.

Tareq Refat Ullah Khan, deputy managing director of the bank, and Md Tajul Islam, managing director of Blue-Wealth Assets, signed the agreement at the bank's head office in Dhaka last month, said a press release.

Khan Muhammad Faisal, senior manager of the bank, Md Azmul Hasan Jahid, associate relationship manager of the transaction banking team, Sohail Hoque, chief compliance officer, and Mubashir Ahmed, manager for operations and fund management of Blue-Wealth Assets, were present.

Iraq strikes deal with Iran to secure summer gas imports

AFP, Baghdad

Iraq has agreed to pay \$1.6 billion in debt to Iran by June 1 to secure a steady gas supply for power generation through the summer, its electricity minister said.

Chronic underinvestment through decades of war and sanctions has left Iraq dependent on imports from its eastern neighbour for a third of its gas needs.

But US sanctions on Iranian oil and gas have complicated Iraq's payments for the imports, leaving it in heavy arrears and prompting Iran to respond by periodically switching off the taps.

The result has been extended power cuts across much of the country, particularly during the summer, when temperatures routinely reach 52 degrees Celsius (126 degrees Fahrenheit) sending demand for refrigeration and air conditioning soaring.

"We have reached agreement on supply in sufficient quantities. We have agreed on 50 million cubic metres (per day) during the four summer months," acting electricity minister Adel Karim told state television late Wednesday.

During winter, Iraq will import between 10 million and 20 million cubic metres per day of Iranian gas, he added.

"They agreed to supply us with the gas but they had conditions. They are demanding... \$1.6 billion," Karim said, adding the payment will have to be made "by the start of June".

The figure represents Iraq's arrears for 2020, which have yet to be settled because of the arcane payment method Iraq is obliged to use to comply with an exemption from US sanctions on Iran.

Iraq is not allowed to simply hand over cash to Iran. Payments must be used to fund imports of food and medicines.

Karim said gas imports from Iran are currently flowing at 38 million cubic metres per day.

Alternatives under consideration include a connection to the Turkish national grid to supply electricity to Iraq's second city Mosul and a link to Kuwait and Saudi Arabia to help power the south.

Happy marriage between

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for instance, fair value accounting (allocating value to each component) or charge the negotiated value as capital expenditure and don't charge anything as service for three years.

The above two examples are good enough to make the investors and managers of an organisation understand the significance of accounting in the growing, complex digital world. It is not only to assess your organisation's true financial position, but also the comparative position against the competition/industry.

Hence, discharging the full responsibility to accountants without

adequate understanding may prove to be suicidal. Often the management has better understanding of the future than the accountant.

Management with a bit of understanding of accounting and accountants with better understanding of the business may benefit from the free flow of information between the two groups and this may in turn solve the long standing problem. To make it even more complex, the accounting can vary from industry to industry. For instance, telecom accounting has certain provisions which are different than those in textile.

When a husband and

wife complement each other based on trust and mutual understanding, the couple is bound to have a blissful conjugal life. Similarly, accounting and management are very closely related with diversified qualities. If these two groups complement each other, building on trust and respect, then business is bound to prosper.

Working in isolation is like a separation between husband and wife. It will not make any parties happy. Let's try to work on these dynamics of making everyone happy and build a successful company.

The author is a telecom and management expert.

Turning a hobby into a full-time

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Akib launched a fishing game called 'One taka ticket' to promote ethical fishing. During the game, anglers will buy tickets at Tk 1, but they can't take away more fish than they will consume. Rather, they would release all the fish.

His business of selling baits grew in the next two years and he transformed his factory from a small shack into a modern unit.

In February this year, the 38 year-old authored a book 'Chhip Borshi' and received the Indo-Bangla Friendship Award for his role in promoting ethical fishing in the Indian subcontinent last month.

Akib says he has never thought that his business would come this far.

"My business is growing every day. It can grow further since the market at home and abroad is huge."

One day, Akib caught a big Katal fish from a waterbody, handed it over to this correspondent and wanted to know what his feelings are.

The fish used its full force to get released. The entrepreneur released the fish into the waterbody.

He said, "I never forget to show respect to this vitality of fish. I have to take care of fish species and the nature around us."



Md Showkat Ali Chowdhury, chairman of Eastern Bank, cuts a ribbon to inaugurate the bank's new branch at the Suvastu Zenim Plaza in Dhanmondi residential area in Dhaka yesterday. Ali Reza Iftekhar, managing director of the bank, was present.

PHOTO: EASTERN BANK



Tanjil Chowdhury, chairman of Prime Bank, virtually presides over the bank's 27th annual general meeting yesterday. The shareholders approved a 17.50 per cent cash dividend for 2021. Zaem Ahmed, executive committee chairman of the bank, Anwaruddin Chowdhury, audit committee chairman, Sharif MNU Bhuiyan, chairman of risk management committee, Azam J Chowdhury, former chairman, and Hassan O Rashid, managing director, were present.

PHOTO: PRIME BANK

How Sri Lanka's economy went into

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Days after taking office, Gotabaya appointed Mahinda prime minister and unveiled the biggest tax cuts in Sri Lanka's history, worsening chronic budget deficits.

Ratings agencies soon downgraded the country out of concern that the public debt was spiralling out of control, making it harder for the government to secure new loans.

The tax cuts were spectacularly ill-timed: just a few months later, the coronavirus began spreading around the world.

International tourist arrivals dropped to zero and remittances from Sri Lankans working abroad dried up – two economic pillars the government relied upon to service its

debt. Without these sources of overseas cash, the Rajapaksa administration began using its stockpiles of foreign exchange to make loan repayments.

Sri Lanka was soon burning through its foreign reserves at an alarming rate, prompting authorities in 2021 to ban several imports including – critically – fertiliser and agricultural chemicals farmers need to grow their crops.

The government sold this policy as part of an effort for Sri Lanka to become the world's first completely organic farming nation, but its effects were disastrous.

As much as a third of the country's agricultural fields were left fallow by farmers and the resulting drop in yields hit the production of tea – a vital export earner.

The policy was eventually abandoned at the end of 2021 after protests from agricultural workers and skyrocketing food prices.

By late 2021, Sri Lanka's reserves had shrunk to \$2.7 billion, down from \$7.5 billion when Rajapaksa took office two years earlier.

Traders began struggling to source foreign currency to buy imported goods.

Food staples such as rice, lentils, sugar and milk powder began disappearing from shelves, forcing supermarkets to ration them.

Then gas stations started running out of petrol and kerosene, and utilities could not purchase enough oil to meet the demand for electricity.

Long queues now form each day around the

country by people waiting hours to buy scant supplies of fuel, while blackouts keep much of the capital Colombo in darkness each night.

President Rajapaksa appointed a new central bank chief in April, who soon announced that Sri Lanka would default on its \$51 billion foreign debt to save money for essential imports.

The move failed to shore up Sri Lanka's deteriorating finances, and it only had around \$50 million in useable foreign exchange at the start of May.

The country is now in negotiations for an International Monetary Fund bailout.

Mahinda Rajapaksa, the prime minister, resigned on Monday in

an effort to placate the public after weeks of protests over government mismanagement.

But central bank chief Nandalal Weerasinghe said Wednesday that unless a new administration took charge soon, the country was facing an imminent economic collapse.

"No one will be able to save Sri Lanka at that stage," he said.

Russia puts sanctions on Gazprom units

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industry and households.

Germany operations, based on Russian gas production, cover the entire gas value chain from pipeline transmission to storage and supplies to

wholesalers and retailers.

Gazprom gave up ownership of the firm last month without explanation, forcing Germany's energy network regulator to take control of operations there.

Those operations include Germany's biggest gas storage facility at Rehden in Lower Saxony, with 4 billion cubic metres of capacity.

The German economy ministry said it was

examining the Russian announcement on Gazprom Germania but still had no details. The supply of gas is currently guaranteed and is being constantly checked, the ministry said.