

## Islami Bank wins BB remittance award

STAR BUSINESS DESK

Islami Bank Bangladesh has won Bangladesh Bank's remittance award for 2019 and 2020.

Mohammed Monirul Moula, managing director of Islami Bank Bangladesh, received the award from Finance Minister AHM Mustafa Kamal at Krishibid Institution Bangladesh on Thursday, said a press release.

Fazle Kabir, governor of Bangladesh Bank, Ahmed Munirius Saleheen, secretary to the expatriates' welfare and overseas employment ministry, Sheikh Mohammad Salim Ullah, secretary to financial institutions division (FID) at the finance ministry, Abu Farah Md Nasser, deputy governor of Bangladesh Bank, and Md Abul Bashar, executive director, ANM Siddiquir Rahman and Miftah Uddin, executive vice-presidents of Islami Bank Bangladesh, were present.

## Emirates announces 'significantly' lower loss

AFP, Dubai

Emirates airline announced a "significantly reduced" annual loss of \$1.1 billion dollars on Friday, five times lower than a year before, as pandemic travel restrictions ease.

Losses came in at 3.9 billion dirhams (\$1.1 billion) in the 2021-2022 financial year to March, with revenues up 91 per cent, as the airline expanded its global capacity and reinstated flights, Emirates said in a statement.

The Middle East's largest carrier said it received a capital injection of \$954 million from its owner, the government of Dubai, to help it survive the crisis.



Around 100 types of dried sea fish are sold in the New Market area next to the Kuakata sea beach in Patuakhali while prices range from Tk 200 to Tk 3,500 per kilogramme. The photo was taken last week.

PHOTO: TITU DAS

# US consumer sentiment near 11-year low

REUTERS, Washington

US consumer sentiment slumped to its lowest level in nearly 11 years in early May as worries about inflation persisted, but consumer spending remains underpinned by a strong labor market and massive savings, which should keep the economy expanding.

The University of Michigan's survey on Friday showed the deterioration in sentiment was across all demographics, as well as geographical and political affiliation. Gasoline prices and the stock market have a heavy weighting in the survey.

Gasoline prices resumed their upward trend this month, setting an average record high of \$4.432 per gallon on Friday, according to AAA. Fears that the Federal Reserve will have to aggressively tighten monetary policy to bring down inflation have unleashed a massive stock sell-off on Wall Street.

"Just because consumers resent paying higher prices and are suffering limited availability doesn't mean they aren't still making those purchases," said Michael Pearce, a senior US economist at Capital

Economics in New York. "As goods shortages and prices ease over the rest of this year, we expect confidence will bounce back."

The University of Michigan' preliminary consumer sentiment index tumbled 9.4 per cent to 59.1 early this month, the lowest reading since August 2011. Economists polled by Reuters had forecast the index dipping to 64.

The survey's gauge of current economic conditions dropped 8.4 per cent to 63.6. That was the lowest reading since 2013, and 36 per cent of consumers attributed their negative assessment to inflation. Its measure of consumer expectations declined 9.9 per cent to 56.3.

Consumers viewed buying conditions for long-lasting manufactured goods as the worst since the survey started tracking the series in 1978.

"The dip in confidence does not warrant any immediate change to our near-term forecast for consumer spending as the relationship between spending and sentiment is loose, particularly in the short run," said Scott Hoyt, a senior economist at Moody's Analytics in West

Chester, Pennsylvania.

Even as consumers stressed about high prices, long-term inflation expectations appeared to be anchored.

The survey's one-year inflation expectations were at 5.4 per cent for the third straight month. Its five-year inflation expectations were unchanged at 3.0 per cent for the fourth month in a row.

Stocks on Wall Street rebounded after a tumultuous week, while the dollar fell against a basket of currencies. US Treasury yields rose.

Though inflation is likely to remain elevated, there are growing signs that price pressures have peaked.

A separate report from the Labour Department showed import prices were unexpectedly flat in April as a decline in the cost of petroleum offset gains in food and other products. Import prices had surged 2.9 per cent in March.

Economists had forecast import prices, which exclude tariffs, would climb 0.6 per cent. In the 12 months through April, import prices rose 12.0 per cent after accelerating 13.0 per cent in the year through March.

## Romo Rouf reelected Bank Asia vice-chairman

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Romo Rouf Chowdhury has been re-elected as vice-chairman of Bank Asia at the 473rd meeting of the bank's board of directors recently.

Chowdhury is one of the sponsor shareholders as well as sponsor directors of the bank, said a press release.

He has more than 30 years of experience as an industrialist. He is one of the successful young entrepreneurs of the country.

Chowdhury holds directorship of various sister concerns of Rangs Group and Sea Fishers Group.

Currently he holds the position of chairman of Rancon Agro Machineries, Rancon Electronics, Rancon Infrastructures and Engineering,

Rancon Car Hubs, and Rancon Hospitality. He is also the vice-chairman of Rancon Holdings, Rancon Motorbikes, and Ranks Petroleum.

Besides, Chowdhury is the managing director of Rancon Motors, Rangs, Rangs Properties, Rancon Automobiles, Ranks Telecom and 10 other renowned companies.

He completed his graduation in engineering from Durham University in the United Kingdom.



## Russia using energy as weapon Germany says

AFP, Berlin

German Economy Minister Robert Habeck accused Russia on Thursday of using energy as "a weapon", after Moscow slapped sanctions on Western energy firms and slowed gas flows to Europe.

"It has to be said that the situation is coming to a head, in such a way that the use of energy as a weapon is now being realised in several areas," Habeck told reporters in Berlin.

Ukrainian Foreign Minister Dmytro Kuleba, on a visit to the German capital, said Moscow had shown itself to be an unreliable supplier.

Kuleba urged Europe to end its heavy dependence on Russian gas that was helping to finance Moscow's war machine.

"This energy oxygen for Russia must be turned off and that is especially important for Europe," Kuleba said at a joint press conference with Habeck.

"Europe must get rid of this complete dependence on Russian gas, since Russia has shown... that it is not a reliable partner and Europe cannot afford that." Russia on Thursday said it would stop sending natural gas via the Polish section of the Yamal-Europe pipeline as part of retaliation for Western sanctions over its invasion of Ukraine.

## Ship export

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Shipbuilders were particularly hard hit by the global recession a decade ago. Some European buyers cancelled several export orders handing a huge loss to the entrepreneurs. As a result, some completed ships could not be exported.

Thereby, they were unable to repay the loan, and the debt has now grown to be around Tk 5,500 crore, Bari said.

Ananda Shipyard saw the creation of forced loans of Tk 620 crore with a bank in 2008. Now, the company owes around Tk 1,400 crore to the bank.

Western Marine Shipyard said it borrowed Tk 350 crore from various banks and leasing companies between 2009 and 2014. It now owes Tk 1,600-1,700 crore to the lenders.

**WHAT DID GOVT PROMISE AND DID**

In January, the cabinet approved the Shipbuilding Industry Development Policy 2020 to facilitate the growth of the labour-intensive sector and

generate export earnings. The policy aims to fetch \$4 billion through ship exports by 2025.

Under the policy, benefits and loans can be accessed by shipbuilders. This will also help create more jobs and reduce the country's import dependence.

In order to implement the policy, there are plans to reduce taxes and VAT as well as provide long-term loans to public and private shipbuilders.

Wishing anonymity, an official of the industries ministry said, "We met with the concerned stakeholders on several occasions. But no dedicated funds have been formed yet. We are working on it and trying to find out any alternatives to resolve the issue."

Prof Zakaria says the government has adopted many plans for the industry. But implementation is very slow. He says the testing of model ships has started at the Buat.

In early 2021, the AEOSIB requested the finance and commerce

ministries to form a Tk 6,000 crore refinancing fund. However, no progress has been made yet to this effect, Bari said.

Recently, the central bank moved to unveil a Tk 2,000 crore refinance scheme for the sector.

The matter is at the final stage, said Md Sirajul Islam, an executive director and spokesperson of the Bangladesh Bank, in April. The AEOSIB has sought the refinancing facility at a 4 per cent interest rate.

A building to carry out the testing of a ship's model has been constructed at the Buat at a cost of around Tk 50 crore. The facility will help see whether a ship has been properly designed or not and find out the ship's performance, said Prof Zakaria.

He points out that the country's infrastructure needs to be improved to attract orders for new ships.

"Investment is needed in research and development to take the industry to the next level and build bigger ocean-going vessels."

## Russia inflation

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in 2024, according to the Central Bank.

"Looking ahead, we expect monthly increases in prices to ease further from May," Capital Economics said.

Inflation has been speeding up for months due to a number of factors including the post-pandemic recovery and high prices for raw materials. Putin's decision to send troops to Ukraine has added sanctions and the resulting logistical difficulties as factors.

Putin on Thursday said Western countries were worse hit by sanctions imposed on Moscow over Ukraine than Russia, which he insists has been resilient in the face of "external challenges".

## Hungary holds up EU plan to ban

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plight, and officials are scrambling behind the scenes to patch up a compromise.

But, as Hungary's Foreign Minister Peter Szijjarto told the Spanish daily El Pais this week, Budapest has told von der Leyen they have "a problem" with her proposals.

"We can't accept it, unless she offers us a solution," he said.

Hungary's Prime Minister Viktor Orban, often the odd man out in Brussels' decision making, has informed von der Leyen and French President Emmanuel Macron, who holds the EU presidency, of his concerns.

Hungary is landlocked and, like neighbouring Slovakia, all but 100 per cent dependent on Russian oil from a single pipeline to supply its refinery, which is calibrated to process only Russian crude.

Budapest has demanded to be exempted from the embargo for at least four years and wants 800 million euros (\$830 million) in EU funds to re-tool the refinery and boost the capacity of a pipeline to Croatia.

A European diplomat told AFP that Slovakia, the Czech Republic, Bulgaria and even Croatia are queuing up behind Hungary's more vocal opposition with similar

demands.

The embargo as envisaged by Brussels would see most member states halting Russian crude imports by the end of the year and refined fuels by the end of next.

Hungary, the Czech Republic and Slovakia have been offered a two-year derogation to the embargo, but Hungary has dismissed this as insufficient.

After the sanctions package was announced with some fanfare on May 4, 10 days of backroom negotiations has failed to find a breakthrough, and tension is mounting.

Diplomats in Brussels dismissed reports the oil embargo could be removed

from the plan to allow the other much more minor measures to take effect — arguing that this would be seen as weakness.

"If this package is adopted without an oil embargo, I believe President Putin can celebrate," warned Ukrainian Foreign Minister Dmytro Kuleba.

Kuleba, who will join his EU colleagues on Monday, said "it will be the first case when the unity of the European Union will be broken because of the position of one country — Hungary."

Hungary has proposed exempting deliveries by pipeline from the export ban. Of the 2.8 million barrels of Russian

crude that arrive in the EU every day, only 0.7 million come by pipe.

But this idea has been coolly received in Brussels. "That would undermine the unity and solidarity of the 27 in sharing the burden of the embargo," one diplomat said.

"Orban wants guarantees on European funding and on energy security so he can tell the Hungarian people: 'See, you have nothing to worry about,'" he said.

Hungary's right-wing populist government has capped fuel prices since last year, but the Ukraine war has already sent world energy prices higher even before an embargo.



Kutubuddin Ahmed, chairman of Sheltech Group, receives the Order of Civil Merit (or Orden del Mérito Civil) in the Knight's Cross (Cruz) category from Francisco de Asís Benítez Salas, ambassador of Spain to Bangladesh, at the Spanish embassy in Dhaka on Thursday. The Order of Civil Merit was established by King Alfonso XIII of Spain in 1926 to recognise "the civic virtue of officers in the service of the nation, as well as extraordinary service by Spanish and foreign citizens for the benefit of Spain".

PHOTO: SHELTECH GROUP

## Investment rises despite

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It has pumped about Tk 2,000 crore into the sector and employs 4,000-5,000 people. Despite sluggish business, shipbuilders are expected to continue their investment spree because of the local industry's potential.

Another reason is the market leaders of the global shipbuilding sector are not interested in producing small-sized ships of less than 25,000 DWT (deadweight tonnage) where Bangladesh can lead the way.

Globally, the market size of the shipbuilding sector is \$1,600 billion whereas the small ships' market is worth around \$400 billion.

If Bangladesh can grab 1 per cent of the market, the amount will be \$4 billion, according to Prof NM Golam Zakaria, head of the naval architecture and marine engineering department at the Bangladesh University of Engineering and Technology.

Recently, the government signed a contract with two foreign

companies to set up a shipbuilding facility at the Payra seaport in Patuakhali with an investment of \$1.58 billion to cut import dependence for vessels and market ships globally.

State-run Bangladesh Steel and Engineering Corporation under the industries ministry will provide land to Gentium Solutions, a Singapore and Australia-based company, and Damen Shipyards Group, a Dutch company, to construct the shipyard.