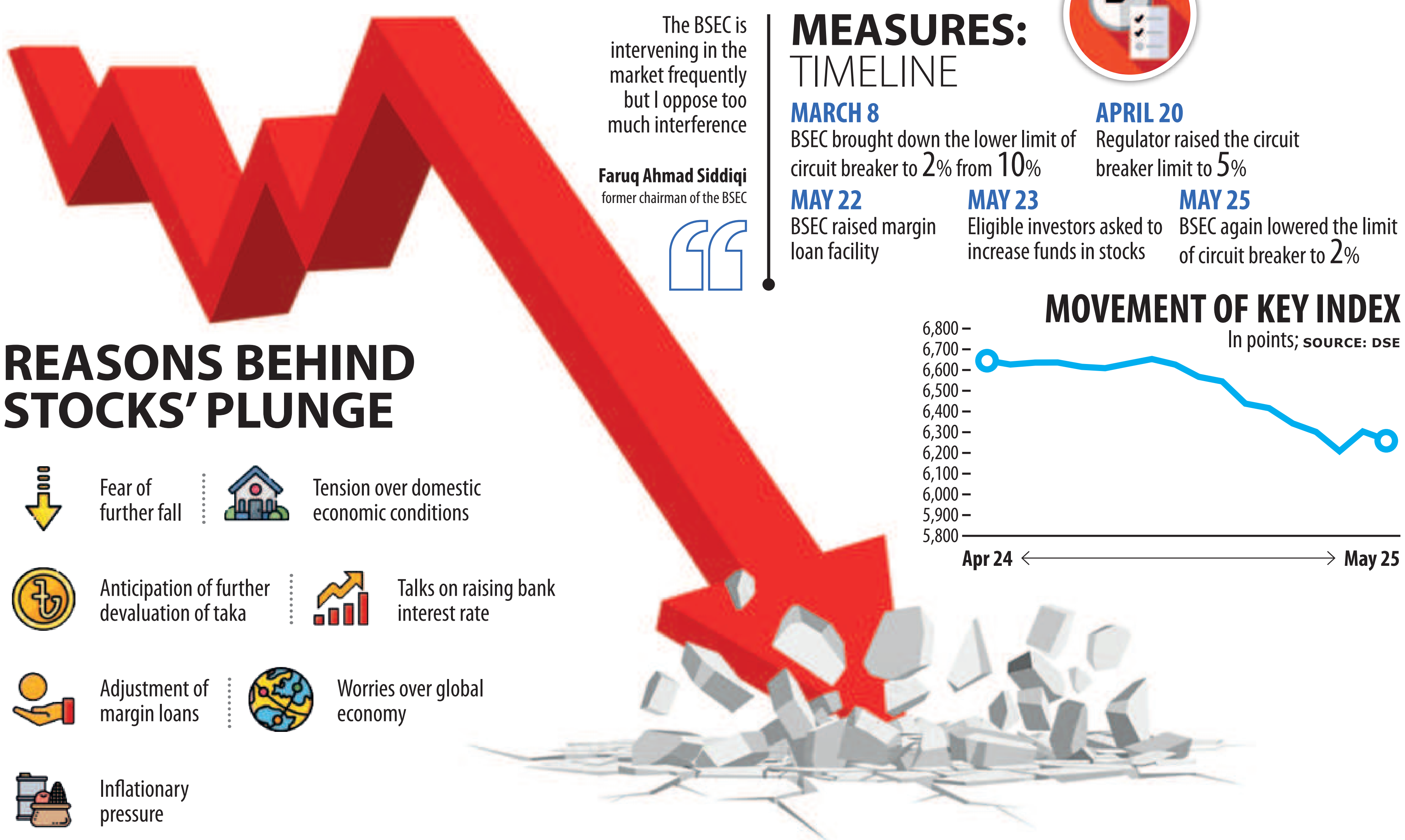
Star BUSINESS



Regulator steps up efforts to stop freefall of stocks

Lowers the maximum decline allowed in a day to 2pc

AHSAN HABIB

The stock market regulator in Bangladesh has stepped up its efforts to forestall the freefall of shares despite criticism from institutional investors and analysts as uncertainty is deepening owing to the raging Ukraine war, persistently higher inflation and fresh coronavirus flareups.

The Bangladesh Securities and Exchange Commission (BSEC) is using tools under its disposal as the key index of the Dhaka Stock Exchange has lost 10 times in the last 11 trading days.

The regulator's latest move, which came yesterday, will not allow an individual stock to slip more than 2 per cent on a single day, down from 5 per cent previously, as it reset the lower limit of the circuit-breaker.

Just three days ago, the BSEC raised the margin loan facility to 100 per cent, from 80 per cent earlier.

But market watchers are opposed to frequent intervention from the regulator since it is not the job of the commission to protect the market from falling and the interference rather disrupts the natural course of the market.

"The BSEC is intervening in the market frequently but I oppose too much interference," said Faruq Ahmad Siddiqi, a former chairman of the BSEC.

For example, reducing the lower limit of the circuit-breaker may stop the index from sliding in the short run, but it will slow the movement of the market in the long run.

Because of the limit, investors may not be keen in buying shares assuming that further fall might be on the way.

"Frequent regulatory intervention can't bring any good outcome for the market. Rather, it erodes the confidence of people," said Siddiqi.

Siddiqi thinks raising the credit facility limit has not been a good idea.

"If the market falls further, both investors and lenders will fall into trouble."

On May 23, the BSEC also raised the investment requirement for the eligible investors that want to qualify for the quota benefit during initial public offerings, in a bid to increase the liquidity in the market.

Turnover on the Dhaka Stock Exchange fell to Tk 513 crore yesterday, the lowest in a month.

Siddiqi also argues that if the regulator allows the demand and supply-based market movement and the index to move naturally, a group of investors will surely enter the market, sending the key index to higher levels.

A top official of a merchant bank, preferring anonymity, says the BSEC has brought down the circuit breaker limit to stop the spread of the growing panic.

"Panic has been the main reason for the fall in the market in recent weeks. But such a step is not a global standard."

In the last 11 days, the DSEX, the benchmark index, plunged 511 points due to the worry among investors about the worsening economic indicators.

Yesterday was not the first time the regulator had lowered the ceiling a stock is allowed to go down in a single day.

On March 8, the BSEC fixed the maximum limit a stock would be allowed to give up in a single day at 2 per cent from the previous 10 per cent. It raised the limit to 5 per cent on April 20.

On March 19, 2020, the regulator imposed the floor price on all stocks by calculating their average prices from the preceding five days to stop the index from plummeting after the coronavirus pandemic hit the country.

This irked institutional and foreign investors as the liquidity dried up. It even kept the market closed for two months in the middle of 2020, one of a few countries in the world that had done so.

The BSEC removed the floor price in June last year.

Because of the regulatory moves, the number of buyers became thinner since the prices did not reflect the real demand and supply scenarios, said the merchant banker.

READ MORE ON B3

Now comes sugar price shock

SUKANTA HALDER and MOHAMMAD SUMAN

Consumers are already bearing the brunt of the high prices of edible oil, wheat and rice for the Russia-Ukraine war and unfavourable weather conditions on the domestic front.

Adding salt to injury, India's decision to limit sugar export has started to fuel prices of the sweetener in Bangladesh due to concerns over a supply crunch in the coming days.

The neighbouring country imposed a cap, saying it would allow export of just 1 crore tonnes of sugar with effect from June 1 in order to ensure availability and price stability in its own domestic market.

The second biggest producer of sugar after Brazil exported 70 lakh tonnes of sugar in fiscal year 2020-21.

Bangladesh was one of the buyers along with Sri Lanka, Indonesia, Afghanistan and United Arab Emirates, according to reports our correspondent from New Delhi.

Bangladesh is heavily dependent on the import of sugar.

The country annually requires nearly 18 lakh tonnes of refined sugar according to the Bangladesh Trade and Tariff Commission.

Some 98 per cent are imported, mostly from Brazil, as production at state mills is insignificant.

State mills under the Bangladesh Sugar & Food Industries Corporation (BSFIC) produced 19,500 tonnes of sugar from locally grown sugarcane until March during the current fiscal year of 2021-22.

The amount was 40 per cent of the total production of 48,000 tonnes of last fiscal year, according to the BSFIC.

According to Custom House, Chattogram, about 4.85 lakh tonnes of refined and raw sugar worth Tk 1,897 crore was imported in the last 10 months of fiscal year 2011-22.

Currently raw sugar faces a Tk 3,000 customs duty per tonne, 30 per cent regulatory duty, 15

READ MORE ON B3

STOCKS

DSEX ▼	CASPI ▼
0.38%	0.65%
6,187.64	18,162.40

COMMODITIES

Gold ▼	Oil ▲
$1,849.77	$111.20
(per ounce)	(per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.56%	▼ 0.26%	▼ 0.48%	▲ 1.19%
53,749.26	26,677.80	3,179.58	3,107.46

SUPPLY CRISIS AMID WAR

Govt to buy MOP fertiliser from Canada

SOHEL PARVEZ

Bangladesh is likely to buy the bulk of its muriate of potash (MOP) from Canada and other countries to meet its requirement for 7.5 lakh tonnes of the chemical fertiliser to produce rice and other crops for the next fiscal year, said officials of the agriculture ministry yesterday, dispelling concerns of a shortage due to the war in Ukraine.

The ministry already awarded contracts to private bidders to buy 2.27 lakh tonnes of the MOP from the international market. It has almost finalised the process of buying another 4 lakh tonnes from Canada under a state-to-state arrangement.

"We will face no crisis of fertiliser, no chance," said Agriculture Secretary Md Sayedul Islam.

Bangladesh does not produce the MOP although state factories produce 10 lakh tonnes of urea and insignificant quantities of triple super phosphate (TSP) and diammonium phosphate.

It used to import roughly 75 per cent of its requirement for the crop production ingredient from Russia, Belarus and the rest from Canada, said Islam.

The Russia-Ukraine war, which broke out by the end of February this year, created concerns amidst sanctions on Russia and Belarus on whether farmers would have the MOP fertiliser available to grow rice, potato and other crops in the next fiscal year of 2022-23 beginning from July.

READ MORE ON B3

Though prices of fertiliser have increased due to Russia-Ukraine war, the government is at a comfortable position in ensuring availability of fertiliser for the next fiscal year, said an official.

PHOTO: MOSTAFA SHABUJ

BB sits with bankers today to talk forex volatility

STAR BUSINESS REPORT

Bangladesh Bank will sit with the Association of Bankers, Bangladesh (ABB) today to discuss the ongoing foreign exchange volatility in the country's banking sector.

A Bangladesh Bank official said they would ask the ABB, a platform of managing directors of banks, to set exchange rates to purchase and sell dollars to exporters, importers and remitters based on the central bank's inter-bank exchange rate.

Bangladesh Bank Governor Fazle Kabir will take part the meeting to be held at the central bank headquarters in the capital.

The country's foreign exchange market has been facing an acute dollar shortage in the last couple of weeks due to soaring import payments.

Against this backdrop, the central bank has

READ MORE ON B3

Prime Bank introduces 24X5 trade shop

STAR BUSINESS DESK

Prime Bank has introduced a customised trade solution for its diverse local and global clients under which they will get a 24 hour service in 5 days a week, attending to the growing trade volume of its valued customers.

Hassan O Rashid, managing director of Prime Bank, inaugurated the service in Dhaka recently, a press release said.

Under this service, general trade services will be offered from 8am to 10pm and query-based customer support will be provided from 10pm to 8:00am.

"Prime Bank has always played an important role in promoting and handling international trade and this 24/5 Trade Service initiative, I believe, will benefit our clients immensely," said Rashid.

A farmer tends to his patch of green chillies at Rohobol of Bogra's Shibganj upazila, which accounts for around 5 per cent of the vegetable eaten around the country, according to the Department of Agricultural Extension. The cultivation takes place ahead of the monsoon as the plant cannot tolerate excess water. The photo was taken on Monday. PHOTO: MOSTAFA SHABUJ

The Achilles' heel of Russian oil: insurance

REUTERS, *London/New Delhi/Tokyo*

Russia has so far deflected much of the impact of sanctions on its oil trade but the insurance industry threatens to throw a spanner in the works unless Moscow and its customers can plug a gap left by Western underwriters.

Insurers from Europe and the United States, which dominate the international marine market, are curtailing coverage for Russian oil tankers, industry sources say, to avoid breaching sanctions imposed in the wake of Moscow's invasion of Ukraine. Even non-Russian vessels are now at risk of being dropped by Western insurers if they carry Russian crude.

The moves by Western insurers could undermine Moscow's recent success in rerouting supplies of crude from Europe and the United States to Asia, accelerate the decline in its European business and blow a bigger hole in energy markets as restrictions ensnare the world's second-biggest crude exporter.

The pullback is expected to hit over June and July, when policies that were withdrawn this month in anticipation of tougher European Union restrictions fully expire, four shipping and industry sources told Reuters. They declined to be named because of the sensitivity of discussing Russian-linked business.

"There is an ongoing pressure for international marine insurers to not cover shipping companies worldwide for carrying Russian oil," said Maria Bertzeletou, an analyst at Greece-headquartered Signal Maritime Services, a leading manager of oil tankers.

"Turmoil or a short-term hiatus on marine insurance cannot be ruled out."

Ships are commercially required to have protection & indemnity (P&I) insurance, which covers third party liability claims including environmental damage and injury. Separate hull and machinery policies cover vessels against physical damage.

While insurance companies based in countries that are big buyers of Russian oil might be able to step in, their ability to cover potentially huge policy risks by getting their own insurance policies from reinsurers also looks set to be hit.

Just as the marine insurance market is dominated by Western firms, the global reinsurance market is dominated by US and European companies that now need to heed a broad range of sanctions targeting Russian shipping interests and banks.

"It will be challenging now to identify a reinsured claim that would not in some way be caught by those sanctions," said Mike Salthouse, head of claims at North, a member of the International Group, an association of insurers who provide P&I insurance to around 90 per cent of ocean-going ships.

Without reinsurance, an insurer writing a policy for an oil tanker would likely need a government guarantee to cover potential liabilities that could run into billions of dollars.

"There are probably insurers in Russia that are capable of writing third party liability and reinsurance programmes that could then be backed by a sovereign fund from China or Russia or a combination of both," said Salthouse, who is also chairman of the International Group's sanctions sub-committee.

"That is technically possible. It depends on what the political will is and what markets Russia will focus its cargoes on."

German consumer mood improves

AFP, *Frankfurt*

German consumers remained troubled by the impact of the war in Ukraine despite a modest improvement in their confidence heading into June, according to a key survey published Wednesday.

Pollster GfK's forward-looking barometer rose to minus 26 points for June, up from minus 26.6 the previous month, an historic low for the indicator.

The improvement in consumer sentiment was "marginal", GfK consumer expert Rolf Buerkl said.

"Despite the relaxation of coronavirus-related restrictions, the Ukraine war and inflation above all are weighing on the mood of consumers," Buerkl said.

The outbreak of the war has driven increases in the cost of energy, food and raw materials for which Ukraine and Russia are key suppliers.

Pfizer may sell drugs at cost to poor nations

AFP, *Davos*

US pharmaceutical giant Pfizer on Wednesday said it would sell its patented drugs on a not-for-profit basis to the world's poorest countries, as part of a new initiative announced at the World Economic Forum in Davos.

"The time is now to begin closing this gap" between people with access to the latest treatments and those going without, chief executive Albert Bourla told attendees at the exclusive Swiss mountain resort gathering.

"An Accord for a Healthier World" focuses on five areas: infectious diseases, cancer, inflammation, rare diseases and women's health -- where Pfizer currently holds 23 patents, including the likes of Comirnaty and Paxlovid, its Covid vaccine and oral treatment.

"This transformational commitment will increase access to Pfizer-patented medicines and vaccines available in the United States and the European Union to nearly 1.2 billion people," Angela Hwang, group president of the Pfizer Biopharmaceuticals Group, told AFP.

Five countries: Rwanda, Ghana, Malawi, Senegal and Uganda have committed to joining, with a further 40 countries -- 27 low-income and 18 lower-middle-income -- eligible to sign bilateral agreements to participate.

"Pfizer's commitment sets a new standard, which we hope to see emulated by others," Rwanda's President Paul Kagame said.

But he added that "additional investments and strengthening of Africa's health systems and pharmaceutical regulators" would also be needed.

BB, Mercantile Bank ink deal on refinance fund

STAR BUSINESS DESK

Mercantile Bank recently signed a participation agreement with Bangladesh Bank to avail refinance fund under the "Supporting Post Covid-19 Small Scale Employment Creation Project (SPCSSECP)."

Nurun Nahar, executive director of Bangladesh Bank, and Md Quamrul Islam Chowdhury, managing director of Mercantile Bank Ltd, signed the agreement on the central bank premises in Dhaka, a press release said.

Under this agreement, Mercantile Bank will distribute the fund of the SPCSSECP programme to returning migrant workers, unemployed or underemployed youths, rural and women entrepreneurs at a lower interest rate.

Abu Farah Md Nasser, deputy governor of Bangladesh Bank, Dong Dong Zhang, principal financial sector specialist of Asian Development Bank, Md Jaker Hossain, general manager of SME and special programme department, Rozina Akter Mustafi, deputy general manager, and Adil Raihan, deputy managing director of Mercantile Bank, were present.

Private sector engagement

FROM PAGE B4

project of $33 million to strengthen the adaptive capacity of coastal communities, especially for women to cope with the impacts of climate-induced salinity on their livelihoods and water security.

Developed country parties channel climate finance through bilateral, regional and multilateral channels. Non-UNFCCC-related funds such as those established by multilateral development banks or UN programmes, bilateral donor governments, and other grant providers also provide climate funds to contribute to mitigation and adaptation. However, accessing these funds often takes two to three years and involves complex application and approval procedures.

In 2009, developed countries committed (as part of the Copenhagen Accord) to jointly mobilise $100 billion per year by 2020 from a wide variety of sources: public and private, bilateral and multilateral, and alternative to address the needs of developing countries.

According to the Climate Policy Initiative, the private sector engagement in adaptation and climate resilience is still not adequate presently. Their engagements are mostly in mitigation measures. Some notable success stories are discernible in the area of mitigation, especially the large-scale roll-out of solar systems in rural Bangladesh.

As Bangladesh is adversely affected by climate change, it is increasingly being felt that the private sector needs to be more engaged in adaptation activities. But as adaptation projects are often not profitable, attracting private sector funding for adaptation projects is a challenge. A lack of country-level climate risk and vulnerability data needed for investment decision-making also holds the private sector back from investment in climate change.

Now the question that may be posed is: how can the private sector be encouraged to finance adaptation projects? A number of policy options may be considered to address the issue. The policy-makers can deploy a range of public policy and public finance mechanisms to motivate private sector investments in adaptation.

The public sector and NGOs may take up programmes to aware the private sector that they are not immune from the adverse effects of climate change. Climatic events (flood, super cyclone, drought and storm surge) adversely affect infrastructure, production and the supply chain of the private sector, and this, in turn, affects their investments and economic returns.

The public sector can take action to increase the demand for adaptation products and services. Necessary rules and regulations related to evaluating, disclosing and managing climate risk may be framed.

Market studies outlining climate risks specific to local areas to help the private sector better understand the risks affecting different enterprises may be funded or undertaken. Viable business models may also be exhibited for the private sector.

Potential private sector-led adaptation options may include input supply for climate-resilient agriculture, cold storage in high temperatures for potatoes and tomatoes, development of irrigation equipment, and mechanisation of agriculture.

In addition, the private sector may be given research and development support and concessionary finance to procure capital assets such as to make weather-resilient fibre-glass boats (instead of boats made from wood). From a climate change adaptation perspective, fibre-glass fishing boats are much more stable in turbulent weather and more resilient in flood conditions.

Concessionary loans or finance may also encourage private sector engagement. Exemption of customs duty, VAT and other border charges on the import of equipment to address climate change such as early warning equipment, rainwater harvesting equipment and desalinisation plant may also spur private investment. Tax holidays for the operation of cold storages may also act as a fiscal incentive for the private sector.

The policy-makers may also unlock and scale up private sector investments in adaptation activities by de-risking their investments through the use of policies. De-risking involves activities such as directly investing in adaptation initiatives, supplying early-stage funding for emerging adaptation technologies to help bring them to the market and provisioning of soft loans.

Last but not the least, private sector financing has to be emphasised and motivated through different policy support to generate adequate funds for the climate cause. Increased awareness of the private sector about the significance of investment in climate change for continuing their business operations is of paramount importance.

The author is a climate change analyst and an adjunct lecturer at the Faculty of Business Studies at the University of Dhaka. He can be reached at ma_yusuf@hotmail.com

US to end

FROM PAGE B4

The Russian government has attempted to pay in domestic currency, but many of the bonds do not allow repayment in roubles.

The government still faces a dozen debt service deadlines this year.

The next one, on May 27, is for 100 million euros in interest on two bonds: one requires payment in dollars, euros, pounds or Swiss francs only; the other can be paid in roubles.

According to reports by Reuters and The Wall Street Journal on Friday, the Russian Finance Ministry transferred funds out of the country early to make the payments and avoid default.

BB, Bank Asia sign deal on refinance facility

STAR BUSINESS DESK

Bank Asia signed a participation agreement with Bangladesh Bank for refinance facility under the Supporting Post Covid-19 Small Scale Employment Creation Project (SPCSSECP).

Nurun Nahar, executive director of Bangladesh Bank, and Md Arfan Ali, president and managing director of Bank Asia Ltd, signed the agreement on the central bank premises in Dhaka on May 24, a press release said.

Under the agreement, Bank Asia will have the participation to finance the targeted vulnerable groups such as returning migrant workers, unemployment/underemployed youths and rural entrepreneurs with a special focus on women entrepreneurs at minimum interest under the SPCSSECP refinance fund of $150.00 million by Asian Development Bank (ADB).

Abu Farah Md Nasser, deputy governor of Bangladesh Bank, was the chief guest and Dongdong Zhang, principal financial sector specialist of ADB, was the special Guest at the signing ceremony.

Md Shaminnor Rahman, head of MSME and Agri Division, and Samiul Anam, AVP, head of CMSE, channel banking of Bank Asia, were also present.

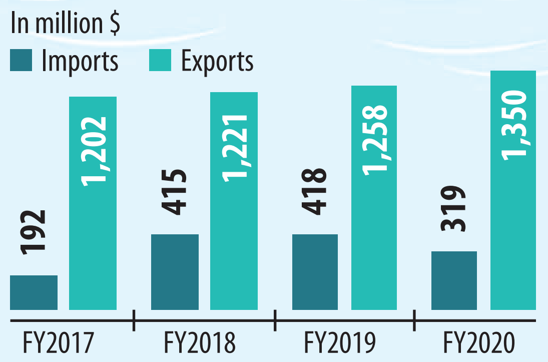
Md Arfan Ali, president and managing director of Bank Asia Ltd, and Nurun Nahar, executive director of Bangladesh Bank, exchange signed document of an agreement on the central bank premises in Dhaka on Tuesday on refinancing facility under Supporting Post Covid-19 Small Scale Employment Creation Project. PHOTO: BANK ASIA

Subhash Chandra Das, general manager of Sonali Bank, and Md Farhad Hossain Khan, director of Shah Amanat International Airport, exchanged singed documents of an agreement at the civil aviation's head office on Sunday over the collection of charges and fees. Md Shafiqul Islam, member of the civil aviation authority (finance), and Anup Kumar Talukdar, deputy secretary to the civil aviation and tourism ministry, were present. PHOTO: SONALI BANK

UCB Investment Ltd announced the closure of the country's largest perpetual bond issuance, the Islami Bank Bangladesh Ltd (IBBL) 2nd Perpetual Mudaraba Bond worth Tk 800 crore, at the IBBL Tower in Dhaka recently. Prime Bank Investment acted as a co-arranger and issue manager and Islami Bank Capital Management as the other co-arranger. Mohammed Monirul Moula, managing director of IBBL, Tanzim Alamgir, managing director of UCB Investment, Khandoker Raihan Ali, chief operation officer of Prime Bank Investment, were present. PHOTO: UCB INVESTMENT

SOURCE: NORDIC CHAMBER IN BANGLADESH

Bangladesh's trade with Nordic countries



AT A GLANCE

Exports fetched about $500m from Nordic countries in FY2010

Shipment rose to $1.35b in FY20

Bilateral trade was $1.67b in FY20, up from $1.4b in FY17

Nordic countries: Denmark, Finland, Iceland, Norway and Sweden

Nordic nations accounted for 5.12pc of Bangladesh's total exports in FY20

More than 100 Nordic companies operate in Bangladesh

Noted companies: Grameenphone, Novo Nordisk, LM Ericsson, Nokia, Maersk, Swedish Motors (Volvo), Wartsila, Ikea Supply, Arla Foods (Dano), ABB, H&M, and Bestseller

Trade with Nordic countries on the rise

Says industries minister

STAR BUSINESS REPORT

Bangladesh's trade with Nordic countries has bounced back after the Covid-19 pandemic and is now growing gradually, said Industries Minister Nurul Majid Mahmud Humayun.

He made this comment at a seminar on promoting business on Tuesday.

The embassies of Denmark, Norway and Sweden, in collaboration with the Nordic Chamber of Commerce and Industry in Bangladesh, organised the seminar to promote Nordic businesses and investments in Bangladesh.

Humayun said the amount of foreign direct investment (FDI) from Nordic countries was not very large as of now but in the years before the pandemic the FDI flow from northern European nations was rising.

"This is one area where Bangladesh wishes to see more progress," he added.

In fiscal year 2019-20, the Bangladesh-Nordic trade volume stood close to $1.67 billion, which is greatly and very helpfully in Bangladesh's favour with Bangladeshi exports amounting to $1.35 billion while imports $0.2 billion. The seminar is a part of an overall Nordic celebration to commemorate 50 years of bilateral relations between the northern European countries and Bangladesh.

The industries minister mentioned that more than 5 per cent of Bangladesh's total exports go only to the Nordic region.

From the standpoint of Bangladeshi exports, this is quite impressive given the fact that Nordic countries are not very populous and a lot of the shipments are comprised of consumer goods.

"Some Nordic investments in Bangladesh, especially in the areas of telecommunications and ICT, manufacturing and logistics, agriculture and food production as well as power and energy, truly stand out," he said.

Currently, more than 100 Nordic companies do business in Bangladesh, which is a signal of a dynamic partnership in transition.

Some of the Nordic investments and imports have even gone beyond business purposes and helped empower millions of people. Winnie Estrup Petersen, ambassador of Denmark to Bangladesh, Espen Rikter-Svendsen, ambassador of Norway to Bangladesh, and Alex Berg von Linde, ambassador of Sweden to Bangladesh, stressed the importance and need for sustainability.

They also discussed the areas where Nordic companies are well placed to supply many advanced skills, goods, services and technical solutions that Bangladesh will need to continue on its path of sustainable development and economic growth.

"We, the Nordics, bring our long-standing experience in balancing social progress, economic growth, and sustainability. We bring our values, knowledge and resources; and be it for a green economic transition or the blue economy, we are here with you," said Norwegian ambassador Svendsen.

He went on to say that Bangladesh should join forces with Nordic countries on issues such as climate action, multilateralism, democracy, human rights, gender equality and inclusive development.

"Here's to 50 years and beyond!" Svendsen said.

The ambassadors believe the event also created an opportunity for Nordic companies to network with their Bangladeshi counterparts and highlight their work related to sustainability in Bangladesh.

The scope for increased commercial interactions between Nordic countries and Bangladesh was also emphasised during the event, where the added value of Nordic companies in areas such as sustainability, green transition, blue economy, smart cities, urbanisation, and digitalisation was discussed as well.

The strong relation between Nordic countries and Bangladesh was reaffirmed as well while the speakers opined that there remained a scope to strengthen economic ties further through increased trade and investment.

Census to include new data this time

STAR BUSINESS REPORT

For the first time, the Bangladesh Bureau of Statistics (BBS) will include data on remittance, returning migrants, and foreign nationals in the next digital population and housing census 2022, which will take place from June 15 to 21.

Dr Dipankar Roy, an official of the BBS, unveiled this information at a four-day training session on how to conduct the census at the Bangabandhu International Conference Center yesterday.

"The census will collect all the data on remittance and returning migrants for the last two years. At the same time, all Bangladeshi nationals who are temporarily staying abroad for less than six months will be counted too," said Roy, team leader of the technical support team.

He said the census will also incorporate all possible datasets focusing on achieving Sustainable Development Goals (SDGs). This will be the last census held until 2030, when the country is scheduled to achieve the SDGs.

The census will record the number of foreigners living in Bangladesh as well as their nationalities. In addition, the BBS will now accurately count the number of people whose ages are in the triple digits.

In the past, those above 100 years of age were previously listed as 99-year-olds, meaning that accurate data on their numbers was unavailable.

Around 3.7 lakh numerators will collect the data countrywide by using 3.95 lakh tablet computers. The authorities will collect data through the Computer Assisted Personal Interviewing system by using the Geographic Information System.

Speaking as chief guest, Finance Minister AHM Mustafa Kamal said all the people must come under the census to help the government ensure proper planning. "We can't work well in the economy if the statistics are incorrect as all ideas and plans will be shattered," he added.

In a video message, Planning Minister MA Mannan said they want a correct, impeccable census.

"So, we have appointed many senior officials to monitor the field level activities of numerators," he added.

OECD sees global digital tax deal pushed back to 2024

REUTERS, *Davos, Switzerland*

The Organisation for Economic Cooperation and Development (OECD) on Tuesday acknowledged for the first time that a global digital tax deal may take a year longer to implement.

The deal, which the OECD had hoped to sign off on in the middle of this year, would give other countries a bigger share of the tax takes on the earnings of big U.S. digital groups such as Apple Inc and Alphabet Inc's Google.

It is the first of two pillars of the biggest overhaul of cross-border tax rules in a generation.

Now comes sugar price shock

FROM PAGE B1

per cent value added tax (VAT) and four per cent advance income tax.

In the last one year, the price of sugar has increased by about 7 per cent, according to the Trading Corporation of Bangladesh yesterday.

Yesterday, wholesale prices in markets of Dhaka and Chattogram went up by Tk 50 to Tk 60 per maund (around 37 kilogrammes) amidst reductions in supplies from dealers.

Prices at Khatunganj wholesale market, the country's largest commodity hub at Chattogram, reached Tk 2,835 to Tk 2,850 a maund from Tk 2,770 to Tk 2,780 three days ago, said traders there.

At some retails in Dhaka and Chattogram, prices also edged up by Tk 2 to Tk 5 per kilogramme (kg) to reach Tk 85 to Tk 90.

Abdur Rahman, a wholesale trader in Khatunganj, claimed that there was no crisis of the product in the market. However, every dealer had reduced providing supplies, he said.

He added that refiners had also reduced deliveries from mills. However, varying scenarios were unearthed in Dhaka.

Seven retailers in Kawran Bazar, one of the capital's largest kitchen markets, said sugar was being sold at the price which has been prevailing for the past one month and dealers so far had not informed them about any price hike.

However, Nurul Alam Shikdar, owner of Mamun General Store in Pallabi Extension area of Mirpur, said the price of both one kg packets alongside that of loose sugar had increased by Tk 5. Dealers could not give him any specific reason behind the price rise, he said.

One refiner said India's export curbs would have an impact in the world market.

Mostafa Kamal, chairman and managing director of the Meghna Group of Industries, which runs a big refinery here, said they were observing the developments. He did not want to comment further.

Abul Hashem, vice president of Bangladesh Sugar Merchants Association, said at present there were different types of information floating around in the market about sugar.

The overall situation indicates that the price of sugar will increase further, he said.

BB sits with bankers

FROM PAGE B1

depreciated the exchange rate of the taka against the US dollar six times this year.

The exchange rate of the taka stood at Tk 87.90 per dollar yesterday, down 3.65 per cent year-on-year.

The majority of banks are now selling the American greenback at about Tk 95-97 per dollar to importers by ignoring the bills for collection selling rate, the rate at which importers purchase USD from lenders set by Bangladesh Bank.

Similarly, banks now also purchase USD at Tk 95-96 per dollar from exporters.

This has left the foreign exchange market in a haphazard situation.

The central bank is now giving efforts to bring back stability in the foreign exchange market.

As part of the move, the central bank yesterday injected $50 million into the market in order to help banks settle import bills.

The central bank has so far supplied a record $5.81 billion to the market this fiscal year.

The foreign exchange reserves are now hovering around $42 billion in contrast to $46.15 billion in December. The reserves surpassed a record $48 billion in August.

Md Jaker Hossain, general manager and head of SME and special programme department at Bangladesh Bank, inaugurates a training course on "Women Entrepreneurship Development Programme" under the project of Skills for Employment Generation Programme, Tranche-3 as a part of employment generation and inclusive national economic growth at Pubali Bank Training Institute (PBTI) in Dhaka recently. Arifuzzaman, deputy general manager of the BB, Md Jahid Iqbal, joint director, and Mohammad Ali, additional managing director of Pubali Bank, were present.

PHOTO: PUBALI BANK

Govt to buy MOP fertiliser

FROM PAGE B1

To secure supplies of the fertiliser, the government floated a tender early this month.

Bangladesh consumed over 55 lakh tonnes of fertiliser until this fiscal year and it met most of the demand to produce foods from Saudi Arabia, Morocco, Tunisia, Egypt, China, Lebanon and Qatar apart from Canada, Russia and Belarus, said agriculture ministry officials.

The main season for use of fertiliser begins from November and continues until February when Boro, the largest crop, is grown.

"It is true that prices of fertiliser have increased due to the war. However, we are at a comfortable position in ensuring availability of fertiliser for farming the next fiscal year," said Sheikh Bodiul Alam, deputy chief for fertiliser management and monitoring wing at the ministry.

Officials said the concern over the supply of the MOP has been created after the war as the nation depended on Russia and Belarus for the ingredients. Sources of supply of other fertilisers remained unaffected.

The agriculture ministry projects a requirement for 55.5 lakh tonnes of chemical fertiliser for the fiscal year of 2022-23 although high prices of the ingredients are expected to increase the state's subsidy expenditure to provide the input to farmers at reduced prices.

The government has allocated Tk 15,000 crore as subsidy for the fiscal year of 2022-23, up from a revised allocation of Tk 12,000 crore in the current fiscal year.

The agriculture ministry estimates that the total subsidy bills would amount to Tk 25,000 crore to Tk 30,000 crore this fiscal year.

Alam said the state also has a good stock of 15.5 lakh tonnes of fertiliser, including 2.5 lakh tonnes of the MOP.

"There will be no crisis of MOP," said Riaz Uddin Ahmed, executive secretary to Bangladesh Fertiliser Association, adding that private firms already took steps to import around 2 lakh tonnes from Canada and Jordan.

Regulator steps up efforts

FROM PAGE B1

"The slashing of the lower limit of the circuit-breaker will save the market from massive declines, but it will impact it in the long run. Foreign investors may pull out their investments and institutional investors may also feel shaky."

"The frequent use of the tool makes investors hesitant," he said, adding that retail investors, however, might feel happy to see a slower decline in the index.

About the recent fall, Mohammad Emran Hasan, chief executive officer of Shanta Asset Management, says it was mostly driven by the panic sales by the retail investors.

In Bangladesh, retail investors dominate the market, controlling 80 per cent of capitalisation. This has deepened the volatility of the market since many individuals lack adequate knowledge about the market, behave like day traders, and are reactive to local and global developments and panic-driven.

According to Hasan, investors are edgy since the economy is now in a discomfort situation.

Bangladesh's economy has come under immense pressure owing to surging import bills, which have caused the foreign exchange reserves to slip to $42 billion since exports and remittance inflows have not kept pace with the escalating foreign purchases.

This has hurt the local currency and forced the central bank to devalue the taka six times just this year.

Another worry for investors is the elevated level of inflation, led by global commodity prices and supply disruptions.

And Bangladesh might not get relief from the higher cost of living immediately.

This is because worsening supply-demand imbalances, including from the war in Ukraine, and further commodity-price gains could keep the pace of inflation persistently high for a longer period, according to researchers at the International Monetary Fund.

The market might suffer another setback if the lending rate, which has been capped at 9 per cent since April 2020, is hiked since it would tighten the money supply. A number of economists have already called for the withdrawal of the ceiling.

"The deepening of uncertainty has dented the confidence of retail investors," said Hasan.

The Sri Lankan economic crisis, which was largely caused by the plummeting foreign currency reserves and piling up of foreign debts, also made local investors in Bangladesh worried about the economy's future.

"But Sri Lanka's economic condition is much different than ours," Hasan said.

Experts say instead of attempting to protect the index, the regulator should focus on helping the exchanges get rid of perennial challenges.

They urge the regulator to improve corporate governance, ensure discipline, take stern actions against speculators and manipulators, and enhance investment climate.

WHEAT EXPORT

India has no immediate plan to lift ban

Says minister

REUTERS, *Davos*

India has no immediate plans to lift a ban on wheat exports, but will continue with deals which are done directly with other governments, Commerce Minister Piyush Goyal told Reuters.

The world's second biggest producer of wheat banned private overseas sales of the grain on May 14 after a scorching heat wave curtailed output and domestic prices hit a record high. Global wheat prices surged after the decision.

"Currently there's instability in the world, if we were to do that (lift the ban), it would only help black marketeers, hoarders and speculators. Neither will it help the really vulnerable and needy countries," Goyal said when asked if New Delhi had any plans to allow private exports to resume.

"The smarter way to do it is through the government to government route, by which we can give affordable wheat grain to the most vulnerable poor," he said in an interview on Wednesday at the World Economic Forum in Davos.

Nike not renewing franchise deals in Russia

REUTERS

US sportswear maker Nike has not renewed agreements with its largest franchisee in Russia, the Vedomosti daily reported on Wednesday, marking the latest exit by a major U.S. brand since Russian forces entered Ukraine.

Nike said on March 3 it would temporarily suspend operations at all its Nike-owned and -operated stores in Russia in response to Moscow's actions in Ukraine and has said that those still open are operated by independent partners.

The head of Inventive Retail Group (IRG), which operates Nike-branded stores in Russia through its subsidiary Up And Run, said Nike was no longer supplying goods to Russia, Vedomosti reported.

Indian farmers harvest wheat against the backdrop of Taj Mahal in Agra. Wheat prices surged to a record high on May 16 after India decided to ban exports as a heatwave hit production.

PHOTO: AFP/FILE

Local polls behind India's wheat, sugar export curbs

PALLAB BHATTACHARYA

Electoral calculations appear to be one of the key factors behind India's decision to curb sugar and wheat export, according to industry analysts.

Two states -- Prime Minister Narendra Modi's home state Gujarat and Himachal Pradesh -- will witness fresh assembly elections this year-end and the government is in no mood to take any chances with a possible surge in the prices of sugar and wheat in the domestic market in the run-up to the polls.

By restricting the export, the government of Modi, whose Bharatiya Janata Party is in power in Gujarat and Himachal Pradesh, hopes to build up sufficient domestic stock to keep the prices in check in order to keep the voters happy, particularly during the coming festive season in October when India's two biggest festivals -- Durga Puja/Dusshera and Diwali -- are scheduled.

According to officials, allowing unregulated export, particularly by private traders taking advantage of rising international prices of wheat and sugar, could have added to a fall in their availability at home and increased prices. The government is keen to avoid this by keeping a tight leash on wheat and sugar export.

India may have faced criticism for its curb on wheat export but the Modi government obviously does not want to upset the voters at home, industry insiders and officials said.

Sources in the BJP said a victory in Gujarat and Himachal Pradesh is expected to send the desired optics for the BJP in the run-up to the assembly elections in the key states of Rajasthan (now ruled by the Congress), Madhya Pradesh (BJP-ruled) and Chhattisgarh (Congress-governed), besides the northeastern state of Tripura, now in the BJP's control.

ANALYSIS

To top it all, there are fresh general elections in early 2024 when the Modi government's handling of the economy is likely to come under close scrutiny.

India is already grappling with rising food inflation and there are speculations that the Reserve Bank of India might go for a lending rate hike. In view of this, the government would not like to face any fresh risk of price rise, the BJP source said.

The government is continuously monitoring the situation in the sugar sector, including production, consumption, export as well as price trends in the wholesale and retail markets all over the country.

Prices of sugar in the domestic market in the last 12 months are under control, said officials.

The wholesale prices of sugar in India are range-bound between 3,150 rupees and 3,500 rupees per quintal, while retail prices are also within control in the range of 36 rupees to 44 rupees per kilogramme in different parts of the country.

India has been the highest producer and the second-largest exporter of sugar in the world in the current year. Its decision to restrict sugar export came in the light of record exports of the product, according to official estimates.

In the sugar season of 2020-21, against a target of six million tonnes, about seven million tonnes were exported.

In the current sugar season of 2021-22, contracts for export of about nine million tonnes have been signed and about 8.2 million tonnes were dispatched from sugar mills for exports and nearly 7.8 million tonnes have been exported. The export of sugar in the current season is the highest.

The decision to cap sugar export will ensure that the closing stock of sugar at the end of the season (September 30) remains 6 million to 6.5 million tonnes, which is 2-3 months' stocks. India's monthly requirement in the domestic market is around 2.4 million tonnes, officials said.

Crushing in the new sugar season starts in the last week of October in Karnataka state, in the last week of October to November in Maharashtra, a major sugar-producing state, and in November in Uttar Pradesh, another key manufacturing state. So generally, up to November, the supply of sugar takes place from the previous year's stock, they pointed out.

Against the backdrop of the unprecedented growth in exports of sugar and the need to maintain sufficient stock and safeguard the interests of the common people by keeping prices in check, the government of India has decided to regulate sugar exports from June 1, the officials said.

Private sector engagement for unlocking climate finance

MOHAMMAD ABU YUSUF

Climate change is a reality and it is mainly caused by humans. Despite contributing less than 0.47 per cent to global greenhouse gas emissions, Bangladesh is one of the most climate-vulnerable countries with millions of people and livelihoods at risk.

Bangladesh has developed Bangladesh Climate Change Strategy and Action Plan 2009, comprising 44 programmes under six thematic areas to deal with adverse impacts of climate change and support low carbon economic growth. The government has demonstrated its commitment to undertake both adaptation and mitigation efforts by allocating funds from its annual budgets.

Bangladesh created "The Bangladesh Climate Change Trust Fund" in 2009 for adaptation, mitigation and research. Up to 2020-21, the government allocated Tk 3,900 crore to this fund from its own resources.

According to the Climate Budget Report of 2021-2022, Bangladesh's climate-related budget involving 25 ministries and divisions is $2.96 billion, which is 0.73 per cent of the country's GDP.

Between 2015-16 and 2021-2022, Bangladesh doubled its climate budget. Still, the public sector financing through budgetary provisions seems grossly inadequate given the large investment needed for climate change adaptation and resilience building.

Increased awareness of the private sector about the significance of investment in climate change for continuing their business operations is of paramount importance

The World Bank estimates that the country would need $5.7 billion per year as adaptation finance by 2050. This amount is more than five times higher than the current expenditure for climate change adaptation.

In order to help climate victims and support their livelihood (livelihood is at stake due to increased sea level and salinity, flood, drought, storms etc.) and shelters, adaptation projects are essential. As Bangladesh is the least responsible for carbon emissions, adaptation is Bangladesh's priority to combat the impacts of climate change.

The draft National Adaptation Plan (NAP) has identified 15 priority climate programmes (activities, deliverables programmes and interventions identified), for which an approximate Tk 7,30,600 crore will be required. Despite commitments from developed country parties, multilateral development banks (MDBs), and other development partners to ramp up investments in adaptation, funding from the private sector would be essential as public spending alone can't meet the demand for investment for climate change.

It is notable that Bangladesh is raising climate finance from the United Nations Framework Convention on Climate Change (UNFCCC)-related financial institutions such as the Green Climate Fund (GCF), the Adaptation Fund, and the LDC Fund to meet its mitigation and adaptation commitments, including the formulation of the NAP, under the Paris Agreement.

With the funding support of the GCF, Bangladesh is implementing an adaptation

READ MORE ON B2

US to end Russia debt payment exemption

AFP, *Washington*

The United States will end an exemption allowing Moscow to pay foreign debt held by American investors with funds held in Russia, the US Treasury said Tuesday, a move that could push Vladimir Putin's country closer to default.

The escape clause to the drastic financial sanctions imposed on Moscow after it invaded Ukraine in late February, which allowed US banks to receive and process the payments to creditors, ends as of 0401 GMT Wednesday, two days before Russia's next debt service payment is due.

US Treasury Secretary Janet Yellen last week hinted at the move announced Tuesday, saying the exemption was put in place to allow financial institutions to adjust but that it was "time-limited." Punishing Western sanctions on Russia have largely severed the country from the international financial system, including blocking Moscow's ability to access funds held in US banks to pay its foreign creditors.

The latest move scraps the final outlet, which was forcing Putin's government to drain its war chest of reserves to make payments.

Yellen had signaled the default was the goal, part of President Joe Biden's efforts to intensify the pressure on Putin as the war rages on.

"Russia is not able right now to borrow in global financial markets, it has no access to capital markets. If Russia is unable to find a legal way to make these payments... they technically default on their debt," Yellen told reporters last week.

READ MORE ON B2

An aerial view of oil tank cars and railroad freight wagons in Omsk, Russia on Tuesday. Russia is still bringing in vast amounts of cash from its energy exports, and is forcing countries in Europe to pay in roubles to avoid sanctions.

PHOTO: REUTERS

M&S pulls out of Russia

REUTERS, *London*

British retailer Marks & Spencer will end its franchise agreement in Russia in the coming months and joined rivals in warning about the outlook for the current year amid a worsening cost-of-living crunch.

The 138-year-old clothing and food company ceased shipments in March to FiBA, its Turkish franchise partner in Russia, and said on Wednesday it would pull out of the relationship there, taking a charge of 31 million pounds ($39 million).

Several high-profile western firms have announced plans to leave Russia since its invasion of Ukraine including McDonald's, Starbucks and Renault.

M&S had previously said it was unable to close its 48 Russian stores, which employ about 1,000 people, due to complex legal arrangements with its local partner.