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.

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.

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."

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

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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.

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US to end

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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