

**Banglalink  
subscribes to  
The Daily Star  
for interns**

**STAR BUSINESS DESK**

Banglalink recently partnered with The Daily Star to distribute "The Daily Star Newspaper Gift Cards" among interns of the telecommunication service provider.

Bearing the motto "Sharing Wisdom", The Daily Star subscription gift card is a new initiative of the newspaper for celebrating festive occasions.

Subscription of this newspaper can be availed for free redeeming the gift card. Corporate organisations can also collect this gift card.

The gift card can be purchased at The Daily Star's circulation hotline: 01711623906.

Shuvashish Roy, head of business at The Daily Star, and Ankit Sureka, head of corporate communications and sustainability of Banglalink, were present at an event in Dhaka marking the partnership's launching, said a press release.

"This initiative would help the interns broaden their outlook and let them enrich their knowledge," said Sureka.

**Jamuna  
Bank, Bengal  
Commercial  
Bank sign deal**

**STAR BUSINESS DESK**

Bengal Commercial Bank has signed an agreement with Jamuna Bank for a "VISA International Associate Membership".

Mirza Elias Uddin Ahmed, managing director of Jamuna Bank, and Tarik Morshed, managing director of Bengal Commercial Bank, inked the deal at the latter's head office in Dhaka, said a press release.

AKM Atiqur Rahman and Mohammed Fazlur Rahman Chowdhury, deputy managing directors of Jamuna Bank, and KM Awlad Hossain and Md Rafiqul Islam, deputy managing directors of Bengal Commercial Bank, were present.



**Workers load dried coconut leaf stalks, traditionally used in making brooms, onto a truck for transportation to Nilphamari district. Such manual labour from dawn to dusk earns them Tk 500 to Tk 700 a day. The photo was taken in Load Point area in Pirojpur's Nesarabad upazila, next to the Sandhya river, recently.**

PHOTO: TITU DAS

## Air tickets set to climb from pandemic low

AFP, Doha

Propelled by inflation, the price of air tickets has begun to take off again after tumbling during the pandemic, a reversal that looks set to intensify due to environmental pressures, experts say.

For members of the International Air Transport Association, gathered in Doha for their annual meeting this week, minds are focused on how far such increases risk undermining passenger growth targets.

The IATA is also pleading for government support in reconciling the long-term commitment to net zero carbon emissions with those ambitious targets.

The aviation industry has just gone through two years where planes flew with rows of empty seats, even as they offered fares much lower than before the Covid-19 pandemic.

But with the sector still mired in the red despite movement restrictions being largely lifted, the bargain bonanza for passengers is very much over.

In the United States, the average price of an internal flight has shot up, from \$202

in October 2021 to \$336 in May this year, according to the Federal Reserve Bank of Saint Louis.

In the European Union, the price of a return ticket before tax in April returned to that seen in the same month of 2019, after a near 20 per cent fall in 2020, according to aviation research specialists Cirium.

The oil price shock stoked by Russia's invasion of Ukraine is the most obvious factor in these price rises.

Airlines estimate that fuel prices will account for 24 per cent of their total costs this year, up five percentage points from last year.

Ticket prices are also being stoked by wider inflation -- now at 40-year highs in developed markets -- as well as stronger-than-expected demand for tickets and labour shortages.

But Scott Kirby, chief executive of United Airlines, said despite the trend clearly rising, prices had yet to shoot beyond historical norms.

"In real terms, pricing is back to 2014 levels... and it's lower than it was essentially every year before" then, he said.

"So... I don't think we're going to see demand destruction." But Vik Krishnan, a partner at McKinsey & Co, is cautious about how long the current high demand will last.

"Some of the travel that we're seeing right now is a function of all the stimulus that governments" pumped into economies during the pandemic, boosting citizens' spare income, he said.

The number one discretionary income spending is travel and that's what people are doing. But "how long that lasts remains to be seen", he added.

Beyond rising costs and fears that government stimulus will fade, airlines face commitments that sit very uneasily alongside each other.

On the one hand, they target carrying a total of 10 billion passengers by 2050, up from 4.5 billion in 2019.

And yet over the same time horizon, they are beholden to achieving "net zero" carbon emissions.

The total cost of transitioning the sector to "net zero" is estimated by the IATA at an eye-watering \$1.55 trillion.

## Stagflation: a looming crisis

FROM PAGE B4  
Our growth fell to 3.45 per cent in 2020 from a record 8.15 per cent in 2019. In 2021, the economy recovered slightly with a growth of 6.94 per cent.

The government sets a target of 7.5 per cent GDP growth in the current fiscal year. The trend clearly shows that we won't be able to reach the level of 2019 even in 2023. This means our economic growth will also slow down like most countries.

It is evident that the economy has to face double blows: stagnant or slow growth coupled with high inflation. Experts term this unusual economic condition as stagflation.

The term was first used by British Conservative Party politician Iain Macleod in a speech to the House of Commons in 1965.

Stagflation refers to a situation where prices keep rising while economic growth slumps. Consequently, unemployment goes up over a period of time.

Usually, inflation and unemployment tend to be inversely correlated. When unemployment rates increase, inflation decreases and vice versa. However, the world witnessed this unusual economic condition in the 1970s and it was devastating.

There are primarily three root causes – supply shock, poor fiscal and monetary policies – for the stagflation to happen. This is clearly detrimental to the economy from many perspectives. For households, as the economy slows down, the overall disposable income of people also gets negatively impacted.

On the other hand,

## Brussels worried about EU countries' shift back to coal

AFP, Brussels

Brussels and NGOs expressed concerns Tuesday about several EU countries, including Germany, reverting to using coal for power generation as the fall out from Russia's war in Ukraine hits energy supplies.

"We have to make sure that we use this crisis to move forward and not to have a backsliding on the dirty fossil fuels," European Commission chief Ursula von der Leyen told several European media in an interview.

"It's a fine line and it is not determined whether we are going to take the right turn," she added.

The shift – a reaction to power-hungry Europe being increasingly starved of Russian gas and oil – seriously undermines the EU's vaunted ambition to become climate neutral by 2050.

That goal is one of the cornerstones of von der Leyen's policies at the helm of the EU executive.

Germany, Austria and the Netherlands have in the past couple of days said they will ease restrictions on power stations fired by fossil fuel.

German Economy Minister Robert Habeck on Tuesday described Russian energy giant Gazprom's slashing of gas supplies to Europe as an "attack on us" from Moscow.

## UK inflation hits

FROM PAGE B4

Countries around the world are being hit by soaring inflation as the Ukraine war and the easing of Covid restrictions fuel energy and food price hikes.

They should also be creative in optimising revenues by unfolding all potential opportunities. Businesses can be opportunistic about acquisitions because that will enable them to expand into new markets.

Business organisations alone can't fight stagflation. The government needs to adopt a contractionary monetary policy by increasing the interest rates to curb the money supply, which would help control inflation.

Though the higher rates would hinder new investments causing unemployment to go up, the market usually recovers faster from unemployment

rates further, but it may encourage it to opt again for a quarter-point rate hike at its next meeting in August rather than "upping the ante" with a half-point rise, predicted Paul Dales, chief UK economist at Capital Economics.

It comes as Britain faces strikes across other sectors. Lawyers in England and Wales having voted to walk out from next week in a row over legal aid funding.

Teaching staff, workers in the state-run National Health Service and the postal service are also mulling strike action.

## Navana Pharma IPO price discovery from July 4

**STAR BUSINESS REPORT**

Navana Pharmaceuticals Ltd will begin the process to discover the cut-off price of its shares under the book-building method of the initial public offering on July 4.

The bidding period for eligible investors will continue until July 7, said the Dhaka Stock Exchange in a notice on its website yesterday.

It comes amid the criticism of the bidding process of the Bangladesh Securities and Exchange Commission (BSEC) since eligible investors don't get enough time to make bids and win stocks. For example, eligible investors got less than 10 seconds to win bids in case of the IPO of JMI Hospitals.

Mohammad Rezaul Karim, a spokesperson of the BSEC, said that until the Public Issue Rules were amended, the share allocation on the "first come first served" basis would continue.

An asset manager said as the BSEC has fixed the valuation process of a stock, all eligible investors quote almost the same price.

"But those who bid first win the shares. The BSEC should allocate shares among all of the top bidders."

The valuation report submission period for eligible investors through the electronic subscription system of the exchanges will start on July 12 and continue till July 14.

Eligible investors, namely pension funds, recognised provident funds and gratuity funds, that intend to submit applications must maintain a minimum investment of Tk 1.5 crore. It is Tk 3 crore for other eligible investors.

The minimum bidding value shall be Tk 20 lakh, said the notice.

Navana Pharmaceuticals plans to raise Tk 75 crore through the IPO.

The company's net profit after tax stood at Tk 19.18 crore and earnings per share were Tk 2.39 in the July-March period of the current financial year.

## Unilever launches liquid product refill machines

**STAR BUSINESS DESK**

Unilever Bangladesh has introduced a refill machine in Bangladesh for dispensing liquid products among consumers as part of an innovative approach in reducing plastic use.

Currently, two machines have been placed at Unimart in Gulshan 2 and Agora at Japan Garden City in Mohammadpur.

Abdul Hamid, director general of the Department of Environment (DoE), inaugurated the machine at Gulshan 2 recently, said a press release.

"By adopting a 'test, learn and refine' mentality, we have developed innovative solutions that will help people cut their use of plastic for good," said Zaved Akhtar, managing director of Unilever Bangladesh.



**Kazi Raihan Zafar, a director of Midland Bank Ltd, attends the bank's 9th founding anniversary at its head office in Gulshan, Dhaka on Monday. Md Ahsan-uz Zaman, managing director of the lender, and Md Zahid Hossain, deputy managing director, were also present at the programme.**



**Md Nazrul Islam Mazumder, chairman of Exim Bank, inaugurates the bank's 141st branch -- Exim Shubo Sakal -- in Gulshan, Dhaka yesterday. Mohammed Haider Ali Miah, managing director of the bank, Mohammad Abdullah, Nasreen Islam and Md Nurul Amin, directors, Firoz Hossain Md Humayun Kabir and Shah Md Abdul Bari, additional managing directors, and Md Zoshim Uddin Bhuiyan and Maksuda Khanam, deputy managing directors, were present.**



**Alamgir Kabir, chairman of Southeast Bank Ltd, attended the bank's 661st board meeting at its head office in Dhaka yesterday. In the photo, Kabir greets Anjuman Ara Shahid with a bouquet as a new director of the board of directors during the meeting. Duluma Ahmed, vice-chairperson of the bank, Jusna Ara Kashem, director, and M Kamal Hossain, managing director, were present.**