



Barabari Haat, next to the Rangpur-Kurigram highway in Barabari village of Lalmonirhat sadar upazila, is one of the largest markets for the sale of cattle in Rangpur division, which comprises eight districts. Sitting every Wednesday, it draws individuals and wholesalers even from Dhaka and witnesses sale of a couple of thousand livestock each time. However, recent floods in the region have forced farmers to sell their cattle early, resulting in a surge in supply and a drop in prices.

PHOTO: S DILIP ROY

# Britons, shaken by rising cost, cut back on shopping

REUTERS, London

British consumers cut back on shopping in May in the face of fast-rising inflation, and a measure of their confidence sank to a record low this month, according to data that underscored the scale of the cost-of-living squeeze.

The Office for National Statistics said on Friday that sales volumes in May fell by 0.5 per cent on the month, a slightly smaller decline than the 0.7 per cent drop expected by economists polled by Reuters.

But the ONS also slashed its estimate for month-on-month sales volumes growth in April to 0.4 per cent from an originally reported 1.4 per cent after an annual review of its seasonal adjustments process.

May's fall was driven by weaker food sales, Heather Bovill, ONS deputy director for surveys and economic indicators, said.

"Feedback from supermarkets

**"The consumer mood is currently darker than in the early stages of the Covid pandemic, the result of the 2016 Brexit referendum and even the shock of the 2008 global financial crisis, and now there's talk of a looming recession," says Joe Staton, client strategy director at GfK**

suggested customers were spending less on their food shop, because of the rising cost of living," she said.

Earlier on Friday, Britain's longest-running gauge of consumer confidence, the GfK survey, fell to its lowest since records began in 1974.

"The consumer mood is currently darker than in the early stages of the

Covid pandemic, the result of the 2016 Brexit referendum and even the shock of the 2008 global financial crisis, and now there's talk of a looming recession," Joe Staton, client strategy director at GfK, said.

Other data published this week which has raised questions about how much higher the Bank of England can raise interest rates, after five hikes since December, without pushing the economy into a recession.

Worries about the hit to living standards contributed to two defeats on Friday in parliamentary by-elections for Prime Minister Boris Johnson's Conservative Party.

Johnson responded to the losses by pledging to do more to tackle the cost-of-living crisis. read more

Overall UK inflation is running at a 40-year high of 9.1 per cent and, according to the Bank of England, is set to rise further to more than 11 per cent in October.

Sterling weakened briefly after the retail sales data before recovering.

The ONS said food store sales fell by 1.6 per cent in May from April, the biggest monthly fall since January.

"Many customers are buying down, particularly with food, choosing value range items where they might previously have bought premium goods," Helen Dickinson, chief executive of the British Retail Consortium, said.

Automotive fuel sales volumes rose by 1.1 per cent, possibly reflecting a fall in the number of people working exclusively from home, the ONS said.

The ONS said retail sales in the three months to May fell by 1.3 per cent after falling by 1.4 per cent in the three months to April.

Compared with a year ago, sales volumes were 4.7 per cent lower.

Excluding fuel, which has soared in price, sales volumes were down by 0.7 per cent on the month and by 5.7 per cent in annual terms.

## Rethinking SMEs

FROM PAGE B4

Given the importance of SMEs to the economy, banks need to ensure that they are serving this largely underserved market. A lack of access to finance is still the main constraint hampering the growth of SMEs. This approach has to be changed.

Banks are still fighting for a few tested customers, whereas there are potential SME entrepreneurs whom they are depriving.

Taking over loans from one financial institution by another does not help the economy while onboarding a new customer will do. The government and regulators should support a credit guarantee scheme for new customers on boarded by banks. This will help banks take a major leap forward.

Addressing the needs of the manufacturing and services sectors will give additional momentum to our overall growth.

Social media, especially Facebook, LinkedIn and

Instagram, has transformed the relationship between customers and sellers in a more refined and sophisticated way. Digital marketing lets us communicate with our customers in real-time.

The strong impact of digital marketing ensures we get results quickly for our advertising campaign and acquire new customers in a short time. So, digital marketing-related training is urgently needed for our rural SMEs. Banks, NGOs and the government must take the proper initiative here.

SMEs are digitalising rapidly and expect their financial providers to follow the same.

Digitally advanced banks with a progressive fintech solution will dominate the market for short-term working capital loans initially, and subsequently, for more complex products as these firms assemble data about SME customers' business models, stock and inventory levels. This will subsequently

lead to increased product penetration post-onboarding.

Prominent banks will rapidly create new and alternative credit scoring models that are able to better predict credit risk for smaller SMEs, leveraging cloud and artificial intelligence technologies.

Technology will be a big part of the upcoming SME ecosystem for Bangladesh. Getting prepared right at this moment with a good harmony with related concerns will be the key to our future success.

It is not for the sake of SME entrepreneurs alone.

Different development goals taken by the government need the SME sector to flourish. The contribution of SMEs to the GDP has long been stuck at 25 per cent. We must break the barrier and boost the number through proper planning and synchronisation.

The author is a banker

## Bank Asia disburses loans among 220 women farmers

STAR BUSINESS DESK

As part of its financial inclusion drive, Bank Asia Ltd has disbursed agriculture loans among 220 marginal women farmers with a view to making them financially solvent.

The private commercial bank lent Tk 1.8 crore at a 4 per cent interest rate to the farmers at an event at the Rajshahi Shilpakala Academy on June 23, under the stimulus refinance scheme of the Bangladesh Bank.

Mohammad Ziaul Hasan Molla, deputy managing director of the bank, presided over the event, while Mirza Abdul Mannan, a director of the Bangladesh Bank, graced the occasion as the chief guest.

Zulfikar Akhter Hossain, district livestock officer in Rajshahi, and Md Mozder Hossain, a deputy director of the Department of Agricultural Extension, Nurun Nahar, director for programme at Heifer International Bangladesh, and Shahnaz Akter Shahin, head of the agricultural credit department at Bank Asia, Tareq Ahmed, head of the Rajshahi branch, and Md Ekram Hossain, head of the Chapainawabganj branch, were also present.

## China sets up yuan liquidity arrangement

REUTERS, Shanghai

China's central bank said on Saturday it had signed an agreement with the Bank for International Settlements to establish a Renminbi Liquidity Arrangement (RMBLA) that will provide support to participating central banks in times of market fluctuations.

The People's Bank of China (PBOC) said the arrangement's first participants, in addition to the PBOC, would include Bank Indonesia, the Central Bank of Malaysia, the Hong Kong Monetary Authority, the Monetary Authority of Singapore and the Central Bank of Chile.

Each participant will contribute a minimum of 15 billion yuan (\$2.2 billion) or the US dollar equivalent, it said. The BIS said in a separate statement that the funds could be contributed either in yuan or US dollars, and that they would be placed with the BIS, creating a reserve pool.

## Islami Bank brings Mastercard dual currency card

STAR BUSINESS DESK

Cellfin, the omni-channel banking app of Islami Bank Bangladesh Ltd (IBBL), recently rolled out a dual currency-supported virtual prepaid card of Mastercard.

Mohammed Monirul Moula, managing director of the bank, inaugurated the card at a hotel in Dhaka, a press release said.

The card enables fund transfers to cards or accounts of any bank connected to the National Payment Switch Bangladesh, the Bangladesh Electronic Funds Transfer Network or the Real Time Gross Settlement network.

Merchant payment, bill and fee payment, e-ticketing and mobile recharge can also be done. The card will enable purchase from any local or foreign e-commerce sites. Customers will have to have foreign currencies endorsed against their passports to carry out international transactions.

Vikas Varma, chief operating officer of Mastercard for South Asia, and Syed Mohammad Kamal, country manager of Mastercard, were present.

## Midland launches 2 deposit schemes

STAR BUSINESS DESK

Midland Bank Ltd recently introduced two new deposit schemes – MDB Double Benefit Plus Scheme and MDB Saalam Double Benefit Plus Scheme – on the occasion of the ninth anniversary of the private commercial lender.

Md Ahsan-uz Zaman, managing director of the bank, inaugurated the products at the bank's Gulshan head office in Dhaka, a press release said.

Customers can open the schemes at the branches and agent banking outlets as well as through the bank's internet banking application. Md Zahid Hossain, deputy managing director of the bank, was also present.

## Oil price settles up

REUTERS

Oil prices settled up by more than \$3 a barrel on Friday, supported by tight supply, but they notched their second weekly decline on concern that rising interest rates could push the world economy into recession.

Brent crude settled up \$3.07, or 2.8 per cent, at \$113.12 a barrel by 12:10 pm EDT (1610 GMT). US West Texas Intermediate (WTI) crude settled up \$3.35, or 3.2 per cent, at \$107.62.

The US Federal Reserve "was talking very hawkish which was undermining the oil rally, but sentiment is changing a little especially on strong economic data," said John Kilduff, partner at Again Capital LLC in New York. On Thursday, Fed Chair Jerome Powell said the central bank's focus on curbing inflation was "unconditional", adding to fears about more interest rate hikes.



Mirza Abdul Mannan, director of the Bangladesh Bank, hands over a cheque to a woman farmer at the Rajshahi Shilpakala Academy on June 23. Bank Asia Ltd disbursed agriculture loans among 220 marginal women farmers with a view to making them financially solvent.

PHOTO: BANK ASIA



Khan Ahmed Shuvo, member of parliament from Tangail-7 constituency, inaugurates a branch of Bengal Commercial Bank at Gorai Mirzapur upazila in Tangail yesterday. Tarik Morshed, managing director of the bank, Shahid Hossain, adviser, and Md Naser, a director of the Federation of Bangladesh Chambers of Commerce and Industry, were present.

PHOTO: BENGAL COMMERCIAL BANK



Md Nazrul Islam Mazumder, chairman of Exim Bank Ltd, virtually presides over the bank's 23rd annual general meeting yesterday. The meeting declared 10 per cent cash dividend for 2021. Mohammed Haider Ali Miah, managing director of the bank, Md Firoz Hossain, Md Humayun Kabir, Shah Md Abdul Bari, additional managing directors, Maksuda Khanam, deputy managing director, and Md Monirul Islam, company secretary, were present.

PHOTO: EXIM BANK