

Use renminbi as second currency for imports: MCCI

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry (MCCI) yesterday suggested the central bank should consider China's renminbi (RMB) as a second currency for international trading, especially for importing raw materials from China.

The recommendation was made by a delegation of the MCCI in a meeting with Bangladesh Bank Governor Abdur Rouf Talukder at his office in Dhaka.

MCCI President Md Saiful Islam led the delegation at the meeting.

The chamber also advised using the Chinese currency in case of Bangladesh's imports in large volumes.

The adoption of RMB as the second currency in international trade would be a great relief in easing up the demand of the US Dollar to a great extent, it said.

The RMB was already officially recognised as a second reserve currency in Bangladesh, the MCCI said in a statement.

The governor assured his support and mentioned that a necessary circular will be issued to clarify that businesses can use RMB in case of import from China.

He requested MCCI to support the government in overcoming the challenges together.

Set a vision for green affordable housing: IFC

STAR BUSINESS REPORT

The International Finance Corporation (IFC) has recommended that Bangladesh formulate a vision for providing green affordable housing.

It also recommended forming regulations and incentives for banks, financial institutions, house builders and developers, and home-buyers with additional incentives for green affordable housing.

These suggestions came at a roundtable on "Affordable Housing - Roadmap Development", organised by IFC with the support of Policy Research Institute (PRI) at Renaissance Dhaka Gulshan Hotel.

The recommendations were included in the IFC's "Affordable Housing Sector Development Roadmap", based on the main takeaways from five roundtables organised

by the international financial institution.

The roadmap suggested setting up the Bangladesh Mortgage Refinance Company.

It also stressed on the importance of designing and implementing a "PPP Demonstration Affordable Housing Project" on land parcels identified by RAJUK.

Setting up of a "Shelter Fund" to support private sector developers, and improving public land management to improve access to land for affordable housing are necessary for affordable housing, the roadmap says.

Ahsan H Mansur, executive director of the PRI, said the housing sector in Bangladesh has enormous potential to become the country's number one sector as this trend exists in most developed countries.

"To tap this potential, there should be a combined effort from stakeholders, including banks, developers, land owners

and customers," he added.

Besides, many other related industries, such as cement, rod and ceramics manufacturing, would be created if the sector takes off.

"Most importantly, a large number of jobs would be created and boost the country's economy."

Earlier, IFC organised five roundtables on the key challenges and opportunities in the urban affordable housing sector of Bangladesh to identify crucial interventions or initiatives where the World Bank Group can jointly work with relevant public and private stakeholders to put together the building blocks for developing the industry.

Mansur said if the government and regulatory authorities provide adequate policy support for the sector, then millions of limited income people can get their dream home with the assistance of

IFC and World Bank.

Planning Minister MA Mannan said the government is ready to facilitate the policy support for ensuring affordable homes for lower-income and lower-middle income people.

In its roadmap, IFC suggested forming a working committee with members from different stakeholder departments and organisations of the government and private sector so that the next steps as per the roadmap occurred during the sixth roundtable can be followed for actionable projects.

As a part of this support for the sector, IFC has also subscribed to Bangladesh's first-ever privately placed housing bond by BRAC Bank Limited, investing up to \$50 million equivalent in Bangladeshi taka to help the lender expand its affordable housing programme.

Yusuf Flour's share trading resumes today

STAR BUSINESS REPORT

The trading of the shares of Yusuf Flour Mills Ltd will commence today under the SME platform of the Dhaka Stock Exchange, after a gap of a decade.

The trading code for the company is YUSUFLOUR and the company code is 74003, according to a filing on the DSE yesterday.

The reference price will be the last closing price of the company traded on the over-the-counter market which was Tk 23.80 on May 3, 2012.

Yusuf Flour Mills will be the 15th company that will be traded on the DSE-SME, a small-cap board, of the premier bourse of Bangladesh.

As per un-audited financial statements, the profit after tax of the company was Tk 9.1 lakh and earnings per share of Tk 1.50 in the January-March quarter of 2022. It was Tk 8 lakh and Tk 1.32 respectively in the same period the previous year.

Marico profit drops in Apr-Jun

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Marico Bangladesh, a subsidiary of the Indian multinational consumer goods company, reported a 4.7 per cent year-on-year decline in profit in the April-June quarter.

The profit for the quarter stood at Tk 102 crore, down from Tk 108 crore a year ago.

Earnings per share of the manufacturer of Parachute coconut oil and Saffola edible oil slipped to Tk 32.67 in April-June against Tk 34.29 registered during the same quarter last year, according to the audited financial statements.

The board of the multinational company declared a 300 per cent interim cash dividend for the period that ended on June 30 based on the three-month financials, said Marico in a filing on the Dhaka Stock Exchange.

Shares of Marico Bangladesh fell 0.58 per cent yesterday.

IPDC profit up 7pc in Q2

STAR BUSINESS REPORT

IPDC Finance Ltd posted a 7.27 per cent year-on-year increase in profit in the April-June quarter of 2022.

The earnings per share were Tk 0.59 from April to June, which was Tk 0.55 during the same three-month period last year, according to the unaudited financial statements of the non-bank financial institution.

The EPS was Tk 1.19 in the first half of 2022, up 7.2 per cent from Tk 1.11 last year.

IPDC's net operating cash flow per share stood at Tk 13.29 in the negative in the January-June period, an improvement from Tk 16.92 in the negative in 2021.

Shares of the NBF closed 1.88 per cent lower on the Dhaka Stock Exchange yesterday.

Ukraine aims for \$15-20b IMF loan by year-end

REUTERS, London

Ukraine aims to strike a deal for a \$15-\$20 billion programme with the International Monetary Fund before year-end to help shore up its war-torn economy, the country's central bank governor Kyrylo Shevchenko told Reuters.

Battered by Russia's invasion launched on February 24, Ukraine faces a 35 per cent-45 per cent economic contraction in 2022 and a monthly fiscal shortfall of \$5 billion and is heavily reliant on foreign financing from its Western partners.

Shevchenko, 49, speaking during his visit to London, also said he hoped to agree on a swap line with the Bank of England "within weeks", though he did not specify the amount.

Kyiv had already submitted its request to the IMF, the governor said, and was now in consultation with the fund over the new financing that he hoped would provide as much as \$20 billion over two or three years in form of a Stand-By Arrangement (SBA) or an Extended Fund Facility (EFF).



With the current housing prices being far above the reach of general people, the International Finance Corporation has suggested a number of measures that may help lower-and-middle-income segments afford their dream home.

PHOTO: STAR/FILE

Record \$10b foreign aid

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The Manila-based development lender provided around \$1 billion in assistance for Covid-19 vaccinations.

Besides, it has almost disbursed all its budgetary support for this fiscal year, as a result of which the total amount has increased.

Japan is the second biggest financial support provider with \$2.20 billion.

Several mega projects funded by Japan, including that of the Dhaka metro rail, Matarbari port and coal-fired power project, are being implemented in full swing following the easing of the coronavirus

restrictions.

The third highest amount, \$1.67 billion, was lent by World Bank.

A good amount of funds has been disbursed by World Bank to support efforts aimed at tackling the pandemic along with regular loans.

According to officials, there was not much use of the World Bank fund initially. But necessity has arisen and the government spent a majority of the fund as Covid-19 support.

China came fifth, with the amount lent being \$1 billion.

However, the amount of foreign aid for which new commitments were made reduced to \$8.21 billion in fiscal

year 2021-21 from \$9.44 billion in the previous one.

Besides, the principal and interest payments of foreign loans are also increasing.

Last fiscal year, \$2.01 billion was paid as principal and interest payments. It was \$1.91 billion previously. There was \$48.54 billion in the pipeline in the form of foreign aid till June 30 this year and it was \$50.34 billion in the previous year, the data shows.

Bangladesh has set a target to receive \$12.98 billion in foreign assistance from the development partners in the current fiscal year.

Slow progress in BREB solar pump

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Under the project, the BREB wants to produce 19.3 megawatts of electricity and reduce carbon emission by 13,624 tonnes.

However, only five pumps have been connected to the national power grid, said the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry in an evaluation report on the project released last month.

The report comes at a time when Bangladesh is going for power cuts across the country to manage soaring import costs of fuel for the Russia-Ukraine war and reduce pressure on falling foreign exchange reserves.

The IMED report said the project could not be completed on time for the pandemic which hiked prices of various materials and caused shipment delays.

Weaknesses in the feasibility study and slow implementation efforts also caused delays, said officials at the IMED.

At the current pace, the IMED said, a total 705 solar pumps, including the already established 75, were likely

to be established within the project deadline, that is December 2022.

The installation of the rest of the 1,295 pumps is unlikely to be completed within the deadline, it said.

Mohammad Hannan Sarkar, a farmer at Tangail sadar upazila, set up one of the solar powered irrigation pumps in February. He earlier used to avail electricity from the mains.

The new pump has a capacity of 4KW and can water a maximum of 6 acres of land.

Hannan said the solar irrigation pump can be switched on from 8:00am to 4:30pm and stops automatically when it rains.

He said he would have to use the pump to irrigate farmland for three months as per his contract with the BREB.

"I have been told that the electricity that will be generated during the rest of the time will be purchased from me and added to the national grid," he said.

Md Sakil Ibne Sayeed, director of the project, claimed that they had already set up 150 solar irrigation

pumps under the scheme.

"We are not getting enough customers to purchase the solar pump locally," he said.

"It's like a new model in Bangladesh. It costs much more than the normal pump. But the longevity period of our pumps will be higher than the normal ones that expires after 20 years," he said.

On weaknesses in the feasibility study, Sayeed, also an executive director of the BREB, said they conducted the study in fiscal year 2016-17 when around 60 per cent of the population was under electrification.

But electricity connections increased later, discouraging many from using solar power for irrigation, he added.

MA Razzaque, research director of the Policy Research Institute, said implementation of such projects should now be given topmost priority.

"It is high time to consider bold measures with a time-bound and accountable implementation process and to tackle carbon emissions and strengthen energy security," he said.

Solar irrigation pumps prove

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of land every season. But the charge is lower during the Aman season, he said. Dabirul Islam, a farmer in Nizpara village, says he has been availing the irrigation facility from a solar-supported pump. "I would have been in big trouble due to the drought if the solar pump was not there. It is quite reasonable and affordable."

The charge would be around Tk 9,000 if the land is irrigated through diesel-operated pumps, the farmer said, adding that he is paying Tk 4,000 per acre.

Hamidul Islam, a farmer in Banpara village, was able to begin his Aman cultivation on 1.7 acres of land as he used the irrigation support from a solar-run pump.

Around 70 farmers in the village are receiving irrigation support from Krishna Chandra, the pump operator.

Hamidul himself has set up a solar-powered irrigation pump on his land in another area and is supplying water to 70 farmers as well.

Abu Reza Mohammad Asaduzzaman, upazila agricultural officer in Birganj, said renewable energies such as solar power-run pumps can cut dependency on fossil fuels.

The pumps helped farmers during

a drought-like situation and when there is a power shortage and the cost of diesel is high, he said.

Salek Solar Power Ltd (SSLP) has set up 70 solar-powered pumps in Bogura's Sonatala upazila with financial assistance from the World Bank, the Japan International Cooperation Agency and state-owned Infrastructure and Development Company Limited (IDCOL).

Abu Saleh, a farmer in Koloshdah village under the upazila, said, "We are getting support from the solar pump. There is no water crisis in the dry season. We are getting sufficient water."

Jahurul Islam, a farmer in Digdair village in the same upazila, said: "Prices of diesel and electricity are higher, but the cost of irrigation that relies on solar-powered pumps is lower. We are not suffering from power cuts or higher prices of diesel."

According to SSLP, it has 84 solar-based pumps in four northern districts - Bogura, Gaibandha, Sirajganj and Panchagarh, supporting the irrigation of around 10,000 bighas of land.

IDCOL has set up 1,523 solar-powered pumps, accounting for 42.08 MWP, or more than 84 per cent of the countrywide installed capacity.

The Barind Multipurpose Development Authority has installed pumps with a capacity of 4.11 MWP, the Bangladesh Agriculture Development Corporation set up 152 pumps with a combined capacity of 1.97 MWP, and Bangladesh Rural Electrification Board set up 150 pumps with a capacity of 1.2 MWP.

Work on youths

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Sanem and ActionAid Bangladesh jointly organised the event at Amari Dhaka hotel in the capital.

D-8 wants

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account the current global challenges, including the high prices of food and fuel, that are causing global inflation and affecting the low-income and developing countries the most.

Among the D-8 countries, also known as Developing-8, Egypt was the last one to agree to ratify the PTA, Foreign Minister AK Abdul Momen said at a press conference after the ministerial meeting. "We hope to significantly boost trade in the days to come," Momen said.

"We have been talking about the demographic dividend in the last 15 years and the rest 15 years will end soon."

"Yet, Bangladesh is in a mixed position to reap the outcome of the demographic dividend. We have to take proper measures, including large-scale investments in education and health sectors to cash in on the demographic dividend," said Raihan.

Bangladesh moves

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the process and the BTTC suggested joining the initiative, he said after the meeting held at the ministry.

In the near future, Bangladesh may send a formal letter expressing interest to join the trade bloc if there is political agreement within the country, said Ghosh.

In fact, it is important for Bangladesh to sign the agreement with the RCEP as the country also needs to join the global value chain to retain duty benefits after the LDC graduation, he said.

Earlier, Bangladesh had not shown any interest in joining the RCEP to safeguard its revenue generation from duties on imports.

On the other hand, none of the would-be RCEP signatories asked

Bangladesh to join their ranks prior to its launch in November 2020. China initiated the RCEP as a free trade agreement among itself, the 10 Association of Southeast Asian Nations (Asean) states and Australia, India, Japan, South Korea and New Zealand.

BB teams

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A money changer is permitted to hold a maximum of \$25,000 at the close of each business day.

Cash beyond this limit will have to be deposited with their respective bank's foreign currency account. The balance of that account must not exceed \$50,000 at any point in time.