

US targets Chinese, UAE firms in new Iran oil sanctions

REUTERS, Washington

The United States on Monday imposed sanctions on Chinese and other firms it said helped to sell tens of millions of dollars' in Iranian oil and petrochemical products to East Asia as it seeks to raise pressure on Tehran to curb its nuclear programme.

The US Treasury and the US State Departments imposed sanctions on a total of six companies, four based in Hong Kong, one in Singapore, and one in the United Arab Emirates (UAE) in actions that were announced in separate statements.

The Treasury accused Persian Gulf Petrochemical Industry Commercial Co. (PGPICC), one of Iran's largest petrochemical brokers, of using the firms to facilitate the sale of Iranian petroleum and petrochemical products to East Asia.

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The Treasury targeted UAE-based Blue Cactus Heavy Equipment and Machinery Spare Parts Trading LLC, which it said helped sell millions of dollars of Iranian-origin petroleum products to Hong Kong-based Trilliance Petrochemical Com Ltd., which has previously been sanctioned by the United States.

It also targeted Hong Kong-based Farwell Canyon HK Limited and Shekulai International Trading Com, Limited for facilitating such sales for onward shipment to buyers in East Asia.

The Treasury accused PGPICC of using the firms' bank accounts, along with those of Hong Kong and Malaysia-based PZNFTR Trading Limited, to collect millions of dollars in proceeds.

Separately, the State Department sanctioned Singapore-based Pioneer Ship Management PTE LTD for allegedly managing a vessel that carried Iranian petroleum products and Hong Kong-based Golden Warrior Shipping, Co. Ltd., for alleged transactions related to Iranian oil and petroleum products.



Labourers are working at a construction site in the southwestern city of Khulna. Although the demand for real estate properties has remained unscathed so far from the global uncertainty and the stress in the local economy, industry people say sales might slow down in the coming months for a number of external and internal factors. The photo was taken yesterday.

PHOTO: HABIBUR RAHMAN

UNCERTAINTY IN ECONOMY

Realtors go slow in taking up new projects

JAGARAN CHAKMA and MD ASADUZ ZAMAN

Real estate companies in Bangladesh are cautiously taking up new projects as the war in Ukraine, the strain on foreign currency reserves, the dollar shortage, runaway inflation and higher construction costs have cemented worries that sales of flats might slow in the coming months.

One of the realtors that has cut the number of new projects is Assurance Developments Ltd.

"As part of risk mitigation, we have reduced the number of projects by 40 to 50 per cent," said Md Arifur Rahman, chief executive officer of the company.

"We are not launching new projects at this moment in order to ensure that our investment does not get stuck."

Arifur says the construction cost has gone up by Tk 1,500 to Tk 12,000 per square foot depending on the size and locations of the properties.

Building Technology & Ideas Ltd (bti), one of the top realtors in the country, says it is initiating new projects after an in-depth analysis due to the present condition of the economy.

The hike in raw materials prices has pushed up the price of flats by Tk 1,000 per square foot on an average, said FR Khan, managing director of bti.



As a result, the prices of flats have gone up by Tk 10 lakh to Tk 50 lakh in the past six months.

Khan says that the pressure of higher global inflation and the Russia-Ukraine war have directly affected the real estate sector in Bangladesh and apprehends that the demand for flats may fall owing to the fallout of the volatility in the global economy.

Overall, the real estate sector is not at a comfortable stage at the moment as the price of land is increasing, he said, adding that developers will not be allowed to construct buildings over a third of land due to the new rules introduced in Dhaka city.

Presently, bti is implementing 73 projects.

Alamgir Shamsul Alamin, president of the Real Estate and Housing Association of Bangladesh, said: "Under the current circumstances, there is no scope for realtors to be over-ambitious."

"Realtors should move very carefully and focus on completing their ongoing projects."

Alamin says the construction cost of a Tk 1 crore flat now stands at almost Tk 1.25 crore, an increase of 25 per cent.

One of the major construction items is stone. Its freight cost was \$8 per tonne two years ago. It had risen to as high as \$28 in recent months before falling to \$19, he said.

Similarly, the price of rods

has jumped to Tk 88,000 per tonne from Tk 68,000 before the pandemic, while the price of cement has gone up by 25-30 per cent.

Tanvir Ahmed, managing director of Sheltech Group, another reputed real estate company, says his company has not cut the number of projects yet.

He thinks the situation around gas and electricity would take some time to have an impact on the real estate sector.

There has not been much impact on the prices of raw materials despite the dollar shortage. In fact, the prices of rods and cement have stabilised, he said.

Sheltech Group has about 45 ongoing and new projects.

Assurance Development's Arifur says despite the property price hike, the demand for flats has not declined.

"The sales of secondary flats have also increased owing to lower prices and availability of utility connections."

Mohammad Kayum Khan, head of mortgage at IPDC Finance Ltd, one of the leading lenders in the real estate sector, says the number of home loan seekers has remained unchanged compared to previous years.

"This indicates that the trend of flat sales is good."

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Incepta making cervical cancer vaccine

STAR BUSINESS REPORT

Incepta Vaccine is producing a vaccine safeguarding against cervical cancer at a Savar plant by importing the main ingredients.

Papilovax safeguards against human papillomavirus (HPV), a very common group of viruses that do not cause any problems in most people but some of which can cause genital warts or cancer, including that of the cervix cells in women.

The Tk 200-crore plant can produce 180 million doses a year, each costing Tk 2,500. The vaccine can be administered to healthy women from nine years to 45 years. Each person requires two doses.

Papilovax is marketed in pre-filled syringes "manufactured in aseptic environment and marketed at controlled temperature in fully sterile packaging", said the company.

Direct administration of vaccine in pre-filled syringes is easy and does not require separate dosing. As a result, the vaccine can be administered more safely and easily at the correct dose, it added.

"We are working with Imperial College in England to manufacture the main ingredient of this vaccine at our plant," Abdul Muktedir, chairman and managing director of Incepta Pharmaceuticals, told The Daily Star.

Incepta Vaccine announced of embarking on the production through an event at Pan Pacific Sonargaon Dhaka yesterday.

Every year over 10,000 women die of cervical cancer in Bangladesh and over 5 crore women are at risk of it. Ignorance and years of neglect are to blame.

National Prof Shahla Khatun said the price was quite high for many, especially people with low incomes.

Big tech should share Europe network costs

EU states say

REUTERS, Milan

France, Italy and Spain are stepping up pressure on the European Commission to come up with legislation that ensures Big Tech firms partly finance telecoms infrastructure in the bloc, a document showed on Monday.

This was the first time the three governments have expressed their joint position on the issue.

EU regulators said in May they were analysing the question of whether tech giants Alphabet's Google, Meta and Netflix should shoulder some of the costs of upgrading telecoms networks.

In a joint paper, a copy of which was seen by Reuters, the three governments said the six largest content providers accounted for 55% of internet traffic. "This generates specific costs for European telecom operators in terms of capacity, at a time they are already hugely investing in the most costly parts of the networks with 5G and Fiber-To-Home," the document said.

It urged that European telecom networks and large online content providers pay fair shares of network costs.

"We call for a legislative proposal ... ensuring all market players contribute to digital infrastructure costs," the document said.

Two Italian government officials confirmed details of the joint document. One of them said Rome's government was set to give informal support in its caretaking capacity ahead of a general election in September.

The French and Spanish governments did immediately respond to a request for comment.

According to a study released by telecoms lobbying group ETNO earlier this year, an annual contribution of 20 billion euros to network costs by the tech giants could give a 72-billion-euro boost to the EU economy.

Sanctions have huge toll on Russian economy

Says report by Yale University

AFP, Washington

The Russian economy has been deeply damaged by sanctions and the exit of international business since the country invaded Ukraine, according to a new report by Yale University business experts and economists.

Even though Moscow has been able to pull in billions of dollars from continued energy sales at elevated prices, largely unpublished data shows that much of its domestic economic activity has stalled since the February 24 invasion, according to the report released in late July.

"The findings of our comprehensive economic analysis of Russia are powerful and indisputable: Not only have sanctions and the business retreat worked, they have thoroughly crippled the Russian economy at every level," said the report from the Yale School of Management.

"Russian domestic production has come to a complete standstill with no capacity to replace lost businesses, products and talent," the 118-page report said.

The report was produced by Jeffrey Sonnenfeld, president of the Yale Chief Executive Leadership Institute, and other members of the institute, a mix of economists and business management experts.

With Moscow having halted or pared the release of official economic statistics, including crucial trade figures, Sonnenfeld's group tapped into data held by companies, banks, consultants, Russian trading partners and others to build a picture of Russian economic performance.

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Photographers take a picture during the official presentation of the updated version of 100-rouble banknotes in Moscow on June 30. JPMorgan estimates that Russia's economy will shrink 35 per cent in the second quarter of 2022 and 7 per cent for the entire year.

PHOTO: AFP

RBI to raise key interest rates Friday

REUTERS, Bengaluru

The Reserve Bank of India will hike its key interest rate on Friday, economists polled by Reuters said, but there was no consensus on the size of the move given the absence of any clear guidance from the central bank.

With inflation running at a near-decade high and the rupee trading near a record low, the RBI, which only began raising rates in May, is expected to front-load subsequent hikes to catch up with its global peers.

Predictions from the 63 economists polled between July 25 and August 1 ranged from a 25 basis point hike to one of 50 bps when the RBI meets on August 5.

Over 40 per cent of economists, 26 of 63, expected the RBI to go for a hefty 50 bps hike, taking the repo rate to 5.40 per cent. More than one-

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