

Oil prices hit multi-month lows

REUTERS

Oil prices settled higher on Friday, recouping some of this week's losses on strong US job growth data, but closed the week at their lowest levels since February, rattled by worries a recession could hit fuel demand.

Brent crude settled up 80 cents to \$94.92 a barrel, 11 per cent off last Friday's settlement. US West Texas Intermediate crude settled up 47 cents to \$89.01, off 8 per cent in the week. US job growth unexpectedly accelerated in July as nonfarm payrolls increased by 528,000 jobs, the largest gain since February, the US Labour Department reported, read more

"This is strong economic data that's supporting the oil market rise today," said Bob Yawger, director of energy futures at Mizuho.

Oil traders this week have fretted about inflation, economic growth and demand, but signs of tight supply kept a floor under prices.

The number of oil rigs, an early indicator of future output, fell seven to 598 in the week to August 5, the first weekly decline in 10 weeks, energy services firm Baker Hughes Co said in its closely followed report on Friday.

Musk accuses Twitter of fraud

AFP, San Francisco

Elon Musk has accused Twitter of fraud, alleging the social media platform misled him about key aspects of its business before he agreed to a \$44 billion buyout, as their court fight heats up.

The Tesla boss lodged the claim as he fights back against Twitter's lawsuit seeking to force him to close the deal, which he has tried to cancel.

Musk argued in the filing to a Delaware court that the number of users actually shown advertising on the platform is about 65 million lower than the firm's 238 million figure.



Effective steps have to be taken to enhance the capacity and efficiency of workforce under the Bangladesh Delta Plan 2100, experts say.

PHOTO: STAR/FILE

Improve infrastructure, workforce efficiency

Speakers suggest taking effective steps for Delta Plan

STAR BUSINESS REPORT

The implementation of various projects under the Bangladesh Delta Plan 2100 (BDP 2100) requires taking effective steps to build physical infrastructure as well as enhance the capacity and efficiency of the workforce, speakers said at a seminar yesterday.

The speakers also called upon the concerned authorities to revise and update the plan every two to five years to ensure sustainable development.

In addition, they urged the government to strengthen the capacities of its ministries and departments, and emphasised on using modern technologies for all their activities.

The seminar, styled "Bangladesh Delta Plan 2100: Private Sector Involvement to achieve a Safe, Climate-Resilient and Prosperous Delta", was organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at its auditorium in Dhaka.

FBCCI President Md Jashim Uddin said private sector participation in the implementation of such large and long-term projects is not as obvious as it should be.

So, the private sector could be made more

involved in various development activities through public-private partnerships (PPP), he added.

He went on to say that although the government and its development partners, environment and climate-related funds, and PPPs are considered as potential sources of public funding, there is ample scope for the private sector to increase its contribution.

"Resources in the country are limited so appropriate steps must be taken to properly implement the Delta Plan by utilising these resources," Uddin added.

The FBCCI president believes that increased private sector participation in the implementation of long-term plans for managing floods, river erosion, the water supply, waste and drainage could improve the pace and quality of work being done.

The potential of using waterways for transportation also should be harnessed to reduce traffic congestions in urban areas.

"It is very important to open the waterway routes between Dhaka and the adjacent districts. So, the private sector could play an important role to this end," he said.

The BDP 2100 is a long-term techno-

economic mega plan that integrates all delta-related plans and policies, enveloping a Delta Vision and strategies that make it possible to integrate sector plans and policies for the long term and to present actionable interventions with a roadmap for realization.

The government had approved the BDP 2100 on September 4, 2018, to secure the future of water resources and mitigate the likely effects of climate change and natural disasters.

"Bangladesh is moving forward with considerable efficiency but still, more skills need to be acquired and that is why it is very important to further build institutional capacity," said Shykh Seraj, founding director and head of news at Channel I.

Architect Iqbal Habib, member secretary of the Bangladesh Paribesh Andolon, said if private organisations that could play a strong role in implementing the BDP 2100 are added only in name, then the dream of implementing such projects will amount to nothing.

Shamsul Alam, the state minister for planning, said there is a huge scope for private sector investment in Delta Plan programmes.

Agri subsidy should continue to ensure food security

Economists say

STAR BUSINESS REPORT

The government should continue giving subsidies to the agriculture sector to ensure food security and shun imports, economists said yesterday.

Bangladesh should continue subsidising the agricultural sector as much as possible so that no threat hits the country, said Prof Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

"We can take risks in any other sector, but not in agriculture,"

He made the comments at a panel discussion on "Inflation and consumption", at the Strategy Summit 2022 held at Radisson Blu Dhaka Water Garden.

The Valor of Bangladesh (VoB), a platform to facilitate constructive dialogue amongst industry leaders, corporates and academia, organised the daylong event.

The policymakers should be very cautious before hiking prices of the agriculture sector's elements, because any negative impact originated from here will result in rising the country's spending for grain imports, he said.

The country is facing an extreme pressure to reduce subsidies, but, at the same time, the government has to work on ensuring balanced use of fertiliser in the agriculture sector, the economist said.

Policymakers should be very cautious before hiking prices of the agriculture sector's inputs, because any negative impact from here will result in rising import cost

At the summit, Bangladesh Bank's Chief Economist Habibur Rahman highlighted different programmes Bangladesh Bank is taking for the farmers.

About inflation and the recent oil price hike, Rahman said people with fixed income will have to suffer, as they are the worst hit and will need support in the days to come, he said.

Khondaker Golam Moazzem, research director of the CPD, and Humayun Rashid, managing director of the Energypac Power Generation Limited, also spoke at the event.

The summit congregates some leading industry high-ups through a series of panel discussions to share their perspective on the macroeconomic challenges to build a sustainable future.

Anis A Khan, chairman of the VoB, opened the summit where Syed Mahbubur Rahman, managing director and CEO of Mutual Trust Bank Ltd; Professor Shibli Rubayat-Ul-Islam, chairman of Bangladesh Securities and Exchange Commission, also shared their views.

Presented by MTB and powered by Sajida Foundation, the summit comprised of eight-panel discussions on inflation and consumption, energy infrastructure, forex matrix, RMG and manufacturing, agro-economics, banking and finance, digital economy, and ESG.

The Daily Star is the media partner of the summit, which was attended by over 40 senior economists and executives of various companies.

Valere Healthcare

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Similarly, patients, who will also have to sign up at the platform, will book a time slot from one of the doctors registered with the site and there will be options to choose in-person, voice or video call consultations.

Patients' medical history or record of health information will be kept on the site.

"When a doctor writes a prescription, usually the doctor and the patient can see it. But when it is recorded digitally on the website, greater transparency will be maintained in the prescription of medicines," said Islam.

It will be a boon for doctors too, he said.

"It will enable them to see patients at a comfortable time. Even a doctor can see a patient while commuting in vehicles," he said.

VHC will facilitate video and voice call consultations through Zoom or Google Meet. Patients will have to pay through digital means and doctors will also be paid similarly.

"The core of our idea is connectivity between doctors and patients. We are tagging patients with doctors without any hassle," he added.

How VHC is Equipping Itself

According to Islam, VHC will not have its own labs, clinics or hospitals. But it will facilitate patients with access to doctors online and the information about their nearest suitable hospital analysing symptoms online.

It will operate an integrated platform consisting of a job portal, training centre, laboratory and a healthcare portal and combine human resources with information technology (IT) and IT-enabled services.

Not only ensuring doctors' appointment, the platform will connect with diagnostic centres and hospitals in advance to enable emergency medical help, qualitative diagnosis, healthcare packages, patient-centric hospital and medical services, secure storage of health records and provisions of remote healthcare monitoring, online nursing and updating medical

information.

For that, Valere Healthcare aims to engage about 550 existing local diagnostic centres and hospitals.

It will eventually be able to facilitate healthcare to about 20 million people in a year, said Islam.

The venture will also assist hospitals and clinics to adopt ISO standards to deliver quality services.

About future aims, he said they want to add public hospitals to the platform.

"The moment the patient knows the doctor is there and doctor knows patient is coming, then whole scenario will change," he said.

"We want to reduce the price and increase volume," he said.

Asked why Islam, who is a sexagenarian, is taking up such a venture, when people usually go to retirement at such an age, he spoke of his belief that everyone should have a mission in life that helps to keep oneself alive.

"I think life is to do something and it can be done with taking care of people. If a doctor makes a 30-second call to a patient to know about his health, then the whole day of the patient will change," he said.

Industries fear severe impacts

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export oriented industries will bear the brunt of the fuel price hike.

Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, said primarily, the fuel price hike will severely affect the livelihood of people as inflation will go up further.

"The production cost will increase and the prices of goods will move higher in the local markets."

The export sector, the biggest source of foreign currencies for Bangladesh, will be seriously hit as the cost of production will go up but buyers will not increase the prices of goods immediately, said Islam.

"As a result, exporters will lose their competitiveness in the international markets."

He urged the government to consider the price hike as a temporary

Links lead

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"As much as I am concerned, there is no such content in our website. But we will look into why the links are leading to our site," he added.

"Our office closed is closed today (Saturday). A quick measure will be taken tomorrow discussing with our management and information systems officials," he added.

"We will also see whether legal action can be taken," he said.

An IT expert said the BSEC website might have already been compromised and it was done with the intention to give legitimacy to the betting platforms.

Another expert said the content could have been uploaded from the host end of the BSEC server.

"Given the current dollar crisis, a huge amount of foreign currency is going out of the country through such online betting," said AKM Fahim Mashroor, a former president of the Bangladesh Association of Software and Information Services. "Bangladesh Bank and other law enforcing agencies must act with urgency," said Mashroor, also chief executive officer of Bdjobs.com and AjkerDeal.

measure, saying the price should be revisited since oil prices are falling in the international markets.

On Thursday, oil prices dropped to their lowest levels since Russia's invasion of Ukraine in February this year as the possibility of an economic recession globally is growing.

Benchmark Brent crude futures settled down 2.75 per cent at \$94.12 a barrel, the lowest close since February 18, reported Reuters.

Islam recommended the government give subsidies from the Gas Development Fund and the Energy Development Fund.

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, said the fuel price hike would affect the agricultural sector.

"As a result, food inflation will rise and the food security will be a cause of concern for Bangladesh."

Costlier fuel to hit farmers hard

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Farmers usually rely on the rains to ensure that their fields are well supplied with water. But as they have had to irrigate the fields mainly by using diesel-run pumps, their production cost has gone up.

Many are facing a dearth of funds to get the job done.

Bangladesh has 15.85 lakh irrigation pumps, of which 78 per cent are run by diesel.

Irrigation accounted for over 15 per cent of the 46 lakh tonnes of diesel required by the country in fiscal year 2020-21, according to data of Bangladesh Petroleum Corporation.

Kanchi said his cost of tilling the land had already soared 66 per cent year-on-year to Tk 2,500.

Irrigation cost also shot up by a similar rate this year to Tk 3,000, be it per acre or per bigha.

The latest hike is going to push up his irrigation cost further.

"I estimated that I need an additional Tk 1,200 for irrigation just for the latest diesel price hike," he said, adding that he would have to

bear higher expenses for harvesting and threshing too.

"I am really worried over the back-to-back diesel price hike as well as the price hike of fertiliser," he said.

"Now it would be blessing if there is any rain," said Kanchi, who has cultivated Aman on seven bighas of land.

Morshid Mondal, a farmer at Kalai upazila of the northern Joypurhat district, said renting a power tiller cost Tk 30 per decimal of land.

"But they will double the rent as the government increased oil prices. Rice production is no longer a profitable job," he said.

Dulal Chandra Mohanta, a farmer in Nawabganj upazila of Dinajpur district, said, "We are more distraught than ever before for the high cost of diesel and fertiliser."

Toroni Chandra Roy, a grower at Nawabganj upazila, said, "I was thinking of installing a pump to irrigate my land but am backtracking for the diesel price hike."

Jahangir Alam Khan, an agricultural economist, said the increased cost of urea and diesel

would have a negative effect on the current Aman season.

"As the next crop of Boro is irrigation dependent, cultivation of the crop will suffer too because of the increase in production cost. It appears that overall production of rice will decline and increase import dependence," he said, adding that the hike goes against the government's call to not keep any piece of farmland uncultivated.

"Farmers have really fallen into trouble for the increase in the price of diesel. The only way out is to provide cash incentives to growers," he said.

Mohammad Jahangir Alam, a professor of the Department of Agribusiness and Marketing at Bangladesh Agricultural University, said farmers grow rice on 73 per cent of their land.

It appears that the overall production cost of farmers will increase by 40 per cent, he said, adding that an increase in transport cost would fuel prices of fresh farm produce at consumer level, which would affect food and nutrition security of low-income people.

Economists question logic, timing

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target of 5.7 per cent for the year, according to the Bangladesh Bureau of Statistics.

The increase in fuel prices is higher in the domestic market compared to the international market due to the devaluation of the local currency against the US greenback, Rahman said.

The decision to raise fuel prices was taken suddenly even though it should have been taken in steps as such a big rise will be costly for the economy, said Ahsan Mansur, executive director of the Policy Research Institute (PRI).

The main impact of the price hike will be on individual consumers, particularly those in urban areas, as transport cost is going to be higher.

However, a positive impact is that the government's fiscal management will be easier as the subsidy pressure will soften now, said Mansur, a former economist of the International

Monetary Fund.

The government allocated Tk 82,745 crore, or 1.90 per cent of the country's GDP, as subsidies for fuel, electricity, gas, and fertiliser in the budget for fiscal 2022-23.

So, if the prices were not adjusted, the subsidy pressure would have soon surpassed Tk 100,000 crore.

Prof Selim Raihan, executive director of the South Asian Network on Economic Modeling, said although it was necessary to adjust fuel prices to reduce the subsidy pressure, costs have risen abnormally.

"I don't see any justification to raise prices to such an extent. The price hike will impact the peoples' livelihoods and economic activities, especially that of the agricultural sector and SMEs who are already in a tight corner due to the pandemic and high inflationary pressure," he added.

Raihan went on to say the government should have a

transparent mechanism to adjust fuel prices in the local market so that any changes are in line with the international market, as is the case in India.

"Corruption and mismanagement in the sector should also be curbed," he said.

M Asaduzzaman, former research director of the Bangladesh Institute of Development Studies, said inflation will only increase further, pushing up food inflation in rural and urban areas as well.

"So, the question is timing. International petroleum prices have been on a downturn in recent days so this is a bad timing [for hiking fuel prices]," he added.

Asaduzzaman agreed that while the price adjustment was called for, the question is why was there such a sudden astronomical spike.

"Now, the cost of adjustment will very high," he said.