

## ‘Dealers to lose licence for artificial fertiliser crisis’ Agri minister says

STAR BUSINESS REPORT

Dealers will lose their trade licence if they try to create a fertiliser crisis in the country as there is enough of it in stock to meet the demand until January next year, Agriculture Minister Muhammad Abdur Razzaque said yesterday.

Stern action will also be taken against those who create the artificial crisis, the minister added.

He spoke at an event at the auditorium of the Bangladesh Agricultural Research Council (BARC) at Farmgate in the capital.

The government gave Tk 28,000 crore in fertiliser subsidy last year, Awami League Presidium Member Kazi Zafarullah said at the event as the chief guest.

However, for the first time in 11 years, the government raised the price of urea fertiliser by Tk 6 per kg with effect from August 1 this year. Farmers now have to pay Tk 22 per kg for the fertiliser.

The last time the government increased the price was in June 2011, when it was raised to Tk 20 from Tk 12 per kg. Two years later, the government reduced the price to Tk 16 per kg.

## Nagad campaign seeks to activate unused accounts

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Mobile financial service Nagad launched a campaign yesterday offering customers who have not topped-up their accounts after December 31, 2021 a Tk 10 cashback on a Tk 20 recharge or 1 GB of internet data at only Tk 10.

Customers can avail this offer only once, said a press release.

## Oil steady

REUTERS, London

Oil prices were largely steady on Monday as a relatively tight global supply picture competed with fears of a recession and a rising dollar.

Brent crude futures for October settlement fell 34 cents, or 0.3 per cent, to \$96.38 a barrel by 1105 GMT.

US West Texas Intermediate (WTI) crude for September delivery - due to expire on Monday - was down 42 cents, or 0.4 per cent, at \$90.35. The more active October contract was down 27 cents, or 0.3 per cent, at \$90.17.



Trucks are parked right next to freight wagons at Noapara Railway Station in Jashore to load onions, potatoes and other commodities imported from India for transportation to markets around the country. The photo was taken on Saturday.

PHOTO: HABIBUR RAHMAN

# China steps up easing, cuts lending benchmarks

REUTERS, Shanghai

China cut its benchmark lending rate and lowered the mortgage reference by a bigger margin on Monday, adding to last week's easing measures, as Beijing boosts efforts to revive an economy hobbled by a property crisis and a resurgence of Covid cases.

The People's Bank of China (PBOC) is walking a tightrope in its efforts to revive growth. Offering too much of stimulus could add to inflation pressures and risk capital flight as the Federal Reserve and other economies raise interest rates aggressively.

However, weak credit demand is forcing the PBOC's hand as it tries to keep China's economy on an even keel.

The one-year loan prime rate (LPR) was lowered by 5 basis points to 3.65 per cent at the central bank's monthly fixing on Monday, while the five-year LPR was slashed by 15 basis points to 4.30 per cent.

The one-year LPR was last reduced in January. The five-year tenor, which was last lowered in May, influences the pricing of home mortgages.

"All told, the impression we get from all the PBOC's recent announcements is that policy is being eased but not dramatically," said Sheana Yue, China economist at

Capital Economics.

"We anticipate two more 10 bps cuts to the PBOC policy rates over the remainder of this year and continue to forecast a reserve requirement ratio (RRR) cut next quarter."

The LPR cuts come after the PBOC surprised markets last week by lowering the medium-term lending facility (MLF) rate and another short-term liquidity tool, as a string of recent data showed the economy was losing momentum amid slowing global growth and rising borrowing costs in many developed countries.

Shares of Chinese developers listed in Hong Kong rose 1.7 per cent, while China-listed property stocks were relatively stable in morning deals.

But worries over widening policy divergence with other major economies dragged the Chinese yuan, to near two-year lows. The onshore yuan last traded at 6.8258 per dollar.

In a Reuters poll conducted last week, 25 out of 30 respondents predicted a 10-basis-point reduction to the one-year LPR. All of those in the poll also projected a cut to the five-year tenor, including 90 per cent of them forecasting a reduction larger than 10 bps.

China's economy, the world's second biggest, narrowly avoided contracting in

the second quarter as widespread Covid-19 lockdowns and a property crisis took a heavy toll on consumer and business confidence.

Beijing's strict 'zero-Covid' strategy remains a drag on consumption, and over recent weeks cases have rebounded again. Adding to the gloom, a slowdown in global growth and persistent supply-chain snags are undermining chances of a strong revival in China.

A raft of data, released last week, showed the economy unexpectedly slowed in July and prompted some global investment banks, including Goldman Sachs and Nomura, to revise down their full-year GDP growth forecasts for China.

Goldman Sachs lowered China's 2022 full-year GDP growth forecast to 3.0 per cent from 3.3 per cent previously, far below Beijing's target of around 5.5 per cent. In a tacit acknowledgement of the challenge in meeting the GDP target, the government omitted a mention of it in a recent high-profile policy meeting.

The deeper cut to the mortgage reference rate underlines efforts by policymakers to stabilise the property sector after a string of defaults among developers and a slump in home sales hammered consumer demand.

## Fareast Finance suffers losses in 2020

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Fareast Finance & Investment Ltd posted losses in the year that ended on December 31, 2020.

The non-bank financial institution reported negative earnings per share of Tk 1.74 for the year against a negative EPS of Tk 4.38 in 2019.

The net asset value per share slipped to Tk 1.11 from Tk 2.85, while the net operating cash flow per share returned to a positive Tk 1.84 from a negative Tk 1.19 in 2020.

Fareast Finance's board recommended no dividend for the financial year, according to a filing on the Dhaka Stock Exchange yesterday.

Shares of the company were unchanged at Tk 6.40 on the premier bourse of Bangladesh yesterday.

## Meghna Bank, Khulna Development Authority sign MoU

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Meghna Bank Ltd and KDA School & College, an educational institute established by the Khulna Development Authority (KDA), signed a memorandum of understanding (MoU) at the KDA office in Khulna recently.

Sohail RK Hussain, managing director of Meghna Bank, and Brig Gen SM Merazul Islam, chairman of the KDA, inked the MoU, a press release said.

Under the deal, the bank will give computers to establish an ICT lab on the college campus in a bid to educate students in computer.

Runu Reza, member of finance and administration at the KDA, Kimiwa Saddat, senior executive vice president of the bank, and Sufia Akter, executive vice-president, were present.

## Britain to hire health workers from Nepal

REUTERS, Kathmandu

Britain will recruit health professionals from Nepal under its first labour agreement with the Himalayan country, officials said on Monday, helping Britain offset a labour gap while Nepal bids to boost remittances from migrant workers.

A joint statement by Nepal government and the British Embassy in Kathmandu said they had signed a preliminary agreement to allow "fair and ethical recruitment" of Nepali healthcare professionals in the British health sector.

They will "receive equal rights, privileges, protection and dignity as health professionals from the UK", it said.

Millions of Nepali workers, mainly in the Middle East and Malaysia, sent home \$8.33 billion in the year ending mid-July, an increase of 2.2 per cent from the previous year, even as activists say working conditions are poor for many Nepalis abroad.

Britain will launch a pilot phase of the recruitment that will begin with nurses, though no time frame was given.



Md Sazzad Hossain, deputy managing director and chief operating officer of Bank Asia, poses for a photograph with participants, guests and the bank's officials after a training workshop at the Bank Asia Institute for Training and Development at Lalmatia in Dhaka recently.

PHOTO: BANK ASIA



Syed Mahbubur Rahman, managing director of Mutual Trust Bank, and Ahmed Kamal Khan Chowdhury, group adviser of Software Shop, exchange signed documents of an agreement on payment gateway services at the bank's corporate head office in Gulshan, Dhaka yesterday. Chowdhury Akhtar Asif, additional managing director of the bank, Md Khalid Mahmood Khan, deputy managing director, Chowdhury AHM Lutful Huda, chief executive officer of Software Shop, and Shahzada Redwan, director, were present.

PHOTO: MUTUAL TRUST BANK

## Bank Asia organises workshop for officials

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Bank Asia has organised a workshop on "Trust Fund Management in Payment and Settlement Services" at the Bank Asia Institute for Training and Development (BAITD) at Lalmatia in Dhaka recently.

Md Sazzad Hossain, deputy managing director and chief operating officer of Bank Asia, inaugurated the workshop, said a press release. Anwar Ullah, deputy director of payment systems department at Bangladesh Bank, conducted the training which was attended by around 250 officials.

BM Shahidul Haque, head of the BAITD, Hossain Ahmad, chief information officer of the bank, Quazi Mortuza Ali, head of post office banking, Md Moniruzzaman Khan, head of alternative delivery channel, Subir Kumar Chowdhury, head of branch operations division, and other senior officials of the bank were also present.



Safiul Alam Khan Chowdhury, managing director of Pubali Bank, poses for photographs after inaugurating Shariah-based online Islamic banking services in 491 branches and 93 sub-branches from its head office in Dhaka yesterday. Mohammad Ali, additional managing director, Zahid Ahsan, deputy managing director, and Dewan Jamil Masud, general manager of Islamic banking wing, were present.

PHOTO: PUBALI BANK



Zafar Alam, managing director of Social Islami Bank, inaugurates the bank's special "Asset Development Campaign" at the bank's head office in Dhaka recently. Abu Reza Md Yeahia, additional managing director of the bank, Md Shamsul Hoque and Mohammad Forkanullah, deputy managing directors, and Muhammad Mizanul Kabir, head of special asset management division, were present.

PHOTO: SOCIAL ISLAMI BANK

## UK economy shrank record 11pc in 2020

REUTERS, London

Britain recorded its biggest fall in output in more than 300 years in 2020 when it faced the brunt of the Covid-19 pandemic, as well as a larger decline than any other major economy, updated official figures showed on Monday.

Gross domestic product fell by 11.0 per cent in 2020, the Office for National Statistics said. This was a bigger drop than any of the ONS's previous estimates and the largest fall since 1709, according to historical data hosted by the Bank

of England.

British statisticians regularly update GDP estimates as more data becomes available.

The ONS's initial estimates had already suggested that in 2020 Britain suffered its biggest fall in output since the "Great Frost" of 1709. But more recently the ONS had revised down the scale of the fall to 9.3 per cent, the largest since just after World War One.

Even before the latest revisions Britain's economic slump was the largest in the Group of Seven, and the latest downward revision

makes it greater than Spain's, which recorded a 10.8 per cent fall in output.

However, the ONS cautioned against direct comparisons with other countries as most - with the exception of the United States - had not yet undertaken the same type of in-depth revisions as Britain had.

The downward revision in GDP reflected lower contributions from healthcare and retailers than previously thought.

"The health service faced higher costs than we initially estimated,

meaning its overall contribution to the economy was lower," ONS statistician Craig McLaren said.

The ONS had already factored in a fall in routine care provided by Britain's National Health Service as it focused on treating Covid-19 patients and limiting the spread of the disease in hospitals.

A closer look at the increased costs faced by individual retailers also led to a downward revision of the sector's contribution, while factory output was revised up to take account of lower raw material costs.

## India's inflation may ease below 6pc

REUTERS, Mumbai

India's headline retail inflation may ease below 6 per cent by the fourth quarter of this financial year, bringing an end to the current cycle of rate hikes, analysts said over the weekend.

Following the release of minutes from the central bank's monetary policy committee on Friday, analysts said the Reserve Bank of India (RBI) may hike repo

rates by 50-60 basis points by December.

"We expect the RBI to deliver two 25 bps rate hikes at the September and December meetings, taking the repo rate to 5.90 per cent," Rahul Bajoria, chief India economist at Barclays said.

India's consumer inflation dipped to 6.71 per cent in July, easing for the third month in a row, but remained above the RBI's mandated target band of 2 per cent-6 per cent for a seventh straight month.