

Covid sets back fight against poverty in Asia by 2 years: ADB

STAR BUSINESS REPORT

The Covid-19 pandemic has set back the fight against poverty in Asia and the Pacific by at least two years, and many in the region will likely find it harder than before to escape poverty, according to a report from the Asian Development Bank (ADB).

The region's economic growth this year is expected to reduce extreme poverty—defined as living off less than \$1.90 a day—to a level that would have been achieved in 2020 had the pandemic not happened, according to Key Indicators for Asia and the Pacific 2022, released yesterday.

Data simulations also show that people in the region with lower pre-pandemic levels of social mobility—the ability to escape poverty—may experience longer-lasting setbacks.

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The Covid-19 crisis interrupted a long trend of poverty reduction in Asia and the Pacific. Although economies are recovering, progress is uneven. The pandemic may also have worsened forms of poverty beyond income, such as food insecurity and inadequate access to health services and education, according to the report.

"The poor and the vulnerable have been hit hardest by Covid-19, and while economies are recovering, many people may find that getting out of poverty is even more difficult than before," said ADB Chief Economist Albert Park in a press release.

"Governments in the region should focus on resilience, innovation, and inclusiveness to provide more balanced economic opportunities and greater social mobility for everyone."

By 2030, the prevalence of extreme poverty in the region is expected to drop below 1 per cent. At the same time, about 25 per cent of the population is projected to achieve at least middle-class status, defined as having income or consumption of \$15 or more a day, adjusted for purchasing power parity.

However, this outlook is threatened by differences in social mobility as well as other uncertainties. Developing Asia faces the potential for stagnation, ongoing conflicts involving key global actors, increased food insecurity, and energy price shocks, said the ADB.



Chewed as a popular pastime mostly with slaked lime, betel nuts and flavourings, betel leaves of three sizes being wrapped in stacks of 72, counted as one bira in Bangla, each of which sells anywhere from Tk 10 to Tk 100 in Ichladi area of Barishal's Wazirpur upazila. The stacks are transported around the country for sale. The photo was taken recently.

PHOTO: TITU DAS

Cost of living crisis dominates UK leadership campaign

AFP, London

With double-digit inflation and an economy teetering on the brink of recession, the cost-of-living crisis has dominated the race for Downing Street.

But the two candidates vying to succeed Boris Johnson as Conservative party leader and UK prime minister have differing approaches to the problem.

UK inflation is currently at 10.1 per cent -- the highest level in 40 years -- with predictions that it could climb to 13 per cent in October.

Analysts at Citibank believe it could even surge beyond 18 per cent next year on the back of soaring energy costs.

A new energy price cap is due to be announced on Friday, as some experts predict certain households could soon be paying an eye-watering 6,000 (\$7,100) a year for gas and electricity.

A University of York study suggested that more than half of UK households or 15 million people will be unable to keep their homes heated properly by January next year.

The leadership frontrunner Liz Truss has promised tax cuts and reversing increases in National Insurance contributions that fund the public health

service and welfare payments.

She is also proposing to axe taxes on fuel which pay for the transition to cleaner energy and rejected "sticking plaster" solutions to the cost-of-living crisis such as direct government aid.

Supporters of the current foreign secretary say she is planning an emergency budget within weeks if she wins the internal party vote.

Her opponent, Rishi Sunak, believes cutting taxes will not have any effect on low-income households as they do not earn enough to pay them anyway.

The former finance minister -- privately wealthy through his career in business and by marriage -- favours direct help for low-income families more likely to be affected by the rise in prices.

He has called promises of tax cuts during an economic slump and skyrocketing inflation a "fairy tale". Instead, he has proposed a cut in sales tax (VAT) on energy bills and to lower taxes on commercial properties (business rates).

Both candidates have officially backed the UK's ambition to achieve carbon neutrality by 2050.

But Truss, who favours all-out investment in energy including controversial fracking technology where it

is backed by locals, called for a better way to achieve it without hurting people and business.

She wants more energy to come from the North Sea and backs current UK government policy on investment in nuclear power and renewables.

Truss backed remaining in the European Union before the 2016 referendum on membership of the bloc, switching sides after the public voted to leave.

Now unashamedly pro-Brexit, she has spearheaded proposed legislation to override parts of the Northern Ireland Protocol the UK signed with the EU governing post-Brexit trade in the province.

She has promised to take all EU law off the UK statute book to help "turbocharge" growth.

Like Sunak, she has made no proposals to address chronic post-Brexit labour shortages in the UK, particularly of seasonal workers.

Sunak has been an ardent Brexiteer for years and was one of the main backers of the creation of free ports to boost growth.

Truss has called for an overhaul of regulators in the City of London financial district if she becomes prime minister.

Prime Bank teams up with Robi Axiata

STAR BUSINESS DESK

Prime Bank recently signed an agreement with Robi Axiata Ltd to offer its advanced digital services to end beneficiaries of the mobile network operator.

ANM Mahfuz, deputy managing director of Prime Bank, and Shihab Ahmad, chief commercial officer of Robi Axiata, inked the deal through a virtual signing ceremony, a press release said.

Under the agreement, the bank will be offering its digital services and solutions to Robi's customers, distributors and retailers.

Syed Sazzad Haider Chowdhury, chief operating officer of the bank, and AM Shakhawath Hossain, general manager for marketing at Robi, were also present.

Berger 'Asia's Best Employer Brand 2022'

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Berger Paints Bangladesh recently won the "Asia's Best Employer Brand 2022" award of the World HRD Congress at Pan Pacific, Marina Square in Singapore.

Afrina Nazneen, officer for culture and employer branding of the human resources department at Berger Paints, received the award, a press release said.

A total of 25 companies from Singapore, India, Thailand, Bangladesh, Malaysia, Philippines, Cambodia, and Indonesia were awarded under this category.

The companies were selected based on intensive research that was conducted in the last 24 months. Dr Indira Parikh, former dean of the Indian Institute of Management in Ahmedabad, led the research.

IMF holds talks with Sri Lanka on debt restructuring

REUTERS, Colombo

A team from the International Monetary Fund (IMF) will meet Sri Lanka's president on Wednesday for talks to finalise a bailout package, including restructuring debt of about \$29 billion, amid the nation's worst financial crisis in more than seven decades.

The second such IMF visit in three months comes as the Indian Ocean island scrambles to lock down a staff-level pact with the global lender for a possible \$3 billion programme to pave its way out of the crisis.

"The IMF team will meet with the president and a finance ministry delegation later today," an official at the presidential secretariat told Reuters, declining to be identified as he was not authorised to speak to the media.

The team will also hold talks with the central bank governor and other officials, including representatives of Sri Lanka's financial and legal advisers Lazard's and Clifford Chance.



Adil Chowdhury, president and managing director (current charge) of Bank Asia Ltd, and Nasima Akter Nisha, president of WE, exchange signed documents of an agreement on supporting women entrepreneurs at Bank Asia Tower in Karwan Bazar, Dhaka on Tuesday.

PHOTO: BANK ASIA

Bank Asia, WE sign deal

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Bank Asia has signed an agreement with Women & e-Commerce (WE) to ensure necessary support for women entrepreneurs of cottage, micro, small and medium enterprises (CMSMEs) under "Neelima", which is the lender's special service platform for women entrepreneurs.

Adil Chowdhury, president and managing director of Bank Asia, and Nasima Akter Nisha, president of WE, inked the deal at Bank Asia Tower in Karwan Bazar, Dhaka on Tuesday, a press release said.

Under the agreement, Bank Asia and WE will work together to

empower women entrepreneurs of CMSMEs through necessary training programmes for improving their skills and ensuring financial access, which will ultimately strengthen women empowerment initiatives of the bank as supported by the Bill & Melinda Gates Foundation.

Shafiuzzaman, additional managing director of the bank, Md Sazzad Hossain, deputy managing director and chief operating officer, Mohammad Ziaul Hasan Molla, deputy managing director, Imana Haque Jyoti and Irin Parveen, executive directors of WE, along with other officials of the bank, were present at the event.

Japan eyes

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"In addition to securing the operations of the 10 reactors that are already back online, the government will spearhead an effort to do all it takes to realise the restart" of the others whose safety has been approved, Kishida said.

The prime minister, who joined the meeting remotely after testing positive for Covid-19, also urged policymakers to consider "constructing next-generation nuclear reactors equipped with new safety mechanisms".

Before the Fukushima disaster, around a third of Japan's power generation came from nuclear sources, but in 2020 the figure was less than

five percent.

Japan's government has overhauled and strengthened nuclear safety standards, and wants nuclear power to account for 20 to 22 per cent of electricity production by 2030, as part of efforts to reach carbon neutrality.

Tom O'Sullivan, a Tokyo-based energy consultant at Mathyos Advisory, said building next-generation reactors in Japan would be a "major step", because "all the current reactors are conventional ones". Bringing more existing nuclear plants online will need to be approved by local governors, which could prove "politically challenging", O'Sullivan told AFP.

Stocks snap six days of gains

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Jute Spinners declined the most, giving up 9.7 per cent. Samata Leather Complex, ICB AMCL Second Mutual Fund, Fareast Islami Life Insurance, Acme Pesticides, Bangladesh Industrial Finance Company, and Kay & Que (Bangladesh) were among the major losers.

Orion Pharma was the most-traded stock on the day, with its scrips worth Tk 77 crore changing hands. Bangladesh Export Import

Company, IPDC Finance, Maksons Spinning Mills, Metro Spinning, and Orion Infusion also witnessed significant turnover.

The Caspi, the all share price index of the bourse in the port city of Chattogram, slipped 66 points, or 0.36 per cent, to close at 18,503.

Turnover dipped 34 per cent to Tk 28 crore.

Losers outnumbered gainers with 75 stocks advancing, 137 retreating, and 75 remaining unchanged.

Cambodia's textile

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"The study found that some factories and industries still do not adhere to the proper principles or maintain good working conditions, which is a challenge. Those factories need to be reorganised to keep them from taking undue advantage of workers," he said.

The Ministry of Labour and Vocational Training is set to hold six additional tripartite meetings to discuss the 2023 minimum wage for textile-related sectors -- on August 24 and 31, and September 7, 14, 22 and 23. This year's minimum wage is \$194.

The National Council on Minimum Wage (NCMW) said that at the first meeting, on August 15, it presented updated figures of formal data and reputable academic research on social criteria -- such as household status, inflation rates and the cost of living -- and economic criteria including productivity, competitiveness of the country, the labour market situation and sectoral profitability to negotiate the 2023 minimum wage.

"We listened to the positions of each representative and party in terms of change in social and economic criteria," the NCMW said in a statement.

Lanka widens

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the bank, with inflation forecast to peak at a record 65 per cent by September. The lack of foreign currency pushed Sri Lanka into defaulting on some of its \$51 billion external debt pile in April. A delegation from the International Monetary Fund was due on Wednesday to continue talks with Sri Lankan officials on a bailout.

But IMF assistance could be delayed if Sri Lanka's creditors, the biggest being China, refuse to restructure some of their loans.

Beijing has not publicly

shifted from its offer of issuing more loans rather than taking a haircut on existing credit. Worker remittances, a key source of foreign exchange for Sri Lanka, have dropped by more than 50 per cent to \$1.6 billion in the six months to June compared to the same period last year.

Rajapaksa, 73, fled to Singapore after months of protests culminated in demonstrators storming his official residence in July. He has since flown to Thailand but wants to return home, according to his party.



Arif Quadri, managing director of United Commercial Bank, and Md Jaker Hossain, director for SME and Special Programmes Department of the Bangladesh Bank, recently signed an agreement on providing term loan facilities to CMSME entrepreneurs at 7 per cent interest under the CMSME Refinance Scheme against term loans of the BB at the latter's head office in Dhaka. Abdur Rouf Talukder, BB governor, was present.

PHOTO: UNITED COMMERCIAL BANK



Md Jaker Hossain, director for SME and Special Programmes Department of the Bangladesh Bank, and Khwaja Shahriar, managing director of LankaBangla Finance, exchange signed documents of an agreement on providing term loan facility to CMSME entrepreneurs at 7 per cent interest rate under CMSME Refinance Scheme against term loan of the BB at the latter's head office in Dhaka recently. Abdur Rouf Talukder, governor of the central bank, was present.

PHOTO: LANKABANGLA FINANCE