



GEN Bangladesh nominates MD

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Global Entrepreneurship Network (GEN) Bangladesh, which connects Bangladeshi entrepreneurs, entrepreneurship support organisations and ecosystem enablers, has nominated a managing director recently.

The nominee, Md Sabur Khan, is the chairman of Daffodil International University and a former president of the Dhaka Chamber of Commerce and Industry, said a press release.

He initiated many projects like Startup Market, boosted up Oitijer Haat, Jibika Project to help the young and disadvantage group to explore their product and to become self-sustained.



NRB Bank re-elects executive committee chairman

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NRB Bank has re-elected the chairman of its executive committee.

Ali Ahmed is a director of Mirravale Holdings, BJ Brown Business Machines, AAB Estate and AAB Investment Holding, a press release said.



Hilsa that remained unsold for long being packed and encased with salt as a last-ditch effort to remove water, effectively halting bacterial activity and preventing it from going to waste. In Dhaka, such salted fish is sold for around Tk 400 to Tk 500 per kilogramme whereas a mid-sized fresh hilsa sells for Tk 1,200 to Tk 1,300 per kilogramme. The photo was taken on Port Road in Barishal last week.

PHOTO: TITU DAS

More trouble ahead for bruised Indian rupee

REUTERS, Bengaluru

India's battered rupee will trade not far from its lifetime low against the US dollar into next year and remain vulnerable to a worsening trade balance and an aggressive US Federal Reserve rate-hiking campaign, according to a Reuters poll.

Sinking with other emerging currencies against a strong dollar, the rupee has hit rock-bottom multiple times this year and weakened over 7 per cent in 2022.

The Sept. 1-6 Reuters poll of 40 FX analysts expected the rupee to weaken to 80/\$ in a month and remain around there until end-November, despite the Reserve Bank of India's burning through dollar reserves in active defence of the currency since May.

Although it was expected to recover slightly to around 79.74/\$ by end-February and 78.50/\$ by end-August, the expected 2 per cent gain over the 12-month horizon would fall well short of recouping that 7 per cent loss for the year.

Despite the median showing a marginal recovery, nearly half of analysts polled, 18 of 40, expected the partially convertible rupee at or breaching the 80/\$ mark in six months to a new record low. Fewer than 40 per cent predicted that in an August poll.



"Until the Fed puts on the brakes and prices of crude oil continue to decline meaningfully, the INR and other EM currencies will probably continue hitting all-time lows against the US dollar," said Brendan McKenna, international economist and FX strategist with Wells Fargo Securities.

"Underwhelming growth momentum and a slowdown in China are now growing on the RBI's radar screen...which could exacerbate the sell-off over the next couple

of months or so."

Asked what would be the rupee's lowest point against the dollar over the next three months, 19 analysts who answered an additional question gave a median of 81, with a range of 80.00-83.34/\$.

That was slightly weaker than the 80.50/\$ consensus in last month's poll.

Almost a three-quarters majority, 41 of 56, who answered another additional question said emerging market currencies would fall either marginally or significantly against the greenback over the next three months.

While India's 13.5 per cent growth last quarter was the fastest among major economies it has had little effect on the rupee since base-effects were mainly responsible for the strong burst in growth.

Already shaken by higher oil prices and stubbornly-high inflation, the rupee is likely to weaken further if the Fed goes for another 75 basis-point hike at its next meeting.

That one move alone, which is likely to be followed by more hikes, would be more than the total 60 basis points worth of rate hikes expected from the RBI by end-March.

Ballooning trade and current account deficits, set to deteriorate to a decade high, were also expected to put more pressure on the rupee.



Kazi Akram Uddin Ahmed, chairman of Standard Bank, unveils the bank's first-ever sustainability report at its head office in Dhaka recently. Khondoker Rashed Maqsood, managing director of the bank, Md Touhidul Alam Khan, additional managing director, and Md Ali Reza, acting company secretary, were present.

PHOTO: STANDARD BANK



Md Shafquat Hossain, head of retail banking division of Mutual Trust Bank, and Hasan Mehdi, chief executive officer of Dotlines Bangladesh, exchange signed documents of an agreement over internet banking services at the bank's corporate head office in Gulshan, Dhaka recently. Syed Mahbubur Rahman, managing director of the bank, and Matin Mahbubul, president of Dotlines Bangladesh, were present.

PHOTO: MUTUAL TRUST BANK

China's trade with Russia

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The agency has not published the ranking for August yet.

Russian President Vladimir Putin said at an economic forum in Vladivostok on Wednesday that Chinese demand for Russian energy was rising.

Russia's Gazprom (GAZP.MM) said on Tuesday it had signed an agreement to start switching payments for gas supplies to China to

yuan and roubles instead of dollars.

Chinese legislator Li Zhanshu, ranked No.3 in the Communist Party, will attend the Vladivostok forum, the most senior Chinese official to visit Russia since the Ukraine war began and underlining the close ties between the countries.

In the first eight months of this year, bilateral trade between China and Russia jumped 31.4 per cent to \$117.2 billion.

Some entities

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he said, adding that the rule covers only individual people but needs to include the corporate sector.

Commercial disputes are now a common thing and Bida has already suggested creating a dedicated court in Dhaka and Chattogram to expedite associated processes, said Islam.

Though there is an alternative dispute resolution system in the country, its activities are not at an expected level, he said. Among the challenges, many service providers ask for undergoing many unnecessary processes and this is one place where Bida should work on, he said.

The process takes time and it is possible to manage it, said Islam, who is also a former secretary to the Ministry of Health and Family

Welfare, adding that the land registration process should also be made easier.

The taxation system also should be made easy so that people are encouraged to pay it. "Our entrepreneurs do not want to evade tax, rather they want to pay, so the process should be made easy and harassment free," he said.

All the tax systems should be brought into the digital sphere as any manual process can increase the hassle for people while monitoring also becomes tougher, he said.

The entrepreneurs have reservations about the imposition of advance income tax as it sometimes forces them to pay high tax compared to what the actual tax requirements are, he added.

China's trade falters

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weakening yuan has failed to give China's exports the competitive edge they need to make up for softening external demand.

The slower growth is also in part due to unflattering comparisons with strong exports last year, but also worsened by more Covid restrictions as infections spiked and heatwaves disrupted factory output in southwestern areas.

Export hub Yiwu imposed a three-day lockdown in early August to contain a Covid outbreak, disrupting local shipments and delivery of Christmas goods amid the peak season.

Bucking the broader trend, auto exports remained robust in August, jumping 47 per cent from a year earlier, according to Reuters calculations based on customs data.

In the first eight months, China exported 1.9 million units of cars, up 44.5 per cent, supported by strong demand for new energy vehicles in Southeast Asia.

Weak domestic demand, weighed by the worst heatwaves in decades, a property crisis and sluggish consumption, crippled imports.

Inbound shipments rose just 0.3 per cent in August from 2.3 per cent in the month prior, well below a forecast 1.1 per cent increase. Both imports and exports grew at their slowest pace in four months.

China's imports of crude oil, iron ore and soybeans all fell, as the strict Covid curbs and extreme heat disrupted domestic output.

Baking temperatures, however, led to the fastest increase in coal imports this year as power generators scrambled for additional fuel to meet surging electricity demand.

"The remarkably slower imports growth indicated the sector has faced a wave of headwinds in recent months, which is not expected to ease anytime soon," said Bruce Pang, a chief economist at Jones Lang Lasalle.

"Covid outbreaks disrupted supply chains and demand, while the power rationing measures hurt production. The broad dollar strength also brings pressure on imports."

This left a narrower trade surplus of \$79.39 billion, compared with a record \$101.26 billion surplus in July, marking the lowest since May when Shanghai was emerging from lockdowns.

Probashi Kallyan Bank gets new MD

STAR BUSINESS DESK

State-run Probashi Kallyan Bank appointed a new managing director on Tuesday.

The appointee, Md Mazibur Rahman, was serving Sonali Bank as deputy managing director and previously worked in Rupali Bank as a general manager, said a press release.

He started off his professional career at Rupali Bank as a senior officer in 1998.

He obtained a bachelor's degree in agricultural economics and rural sociology and a master's degree in agricultural production economics from Bangladesh Agricultural University.



European bankers warn on recession, China and US banks

REUTERS, Frankfurt

Deutsche Bank chief Christian Sewing, painting a bleaker assessment of the German economy, warned on Wednesday that China was a considerable risk for the nation and that Europe needed big banks to fend off American competitors.

The CEO of the nation's top lender said Germany would "no longer be able to avert a recession" after it became too dependent on Russian energy.

Russia has halted gas supplies via a major pipeline to Germany, intensifying an economic battle between Moscow and Europe and raising the prospects of recession and energy rationing in some of the region's richest countries.

Sewing, speaking at a banking conference in Frankfurt, said Europe had learned how dangerous it was to be "too dependent on individual countries or regions". He also said Germany must now face the "awkward question" of dealing with China, given its "increasing isolation and growing tensions".

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 7, 2022)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice	Tk 62-Tk 70	-3.65 ↓	10 ↑
Coarse rice	Tk 47-Tk 52	1.2 ↑	6.45 ↑
Loose flour	Tk 47-Tk 52	20.73 ↑	59.68 ↑
Lentil	Tk 100-Tk 110	0	20 ↑
Soybean (loose)	Tk 172-Tk 175	6.44 ↑	31.44 ↑
Potato	Tk 24-Tk 30	-6.9 ↓	28.57 ↑
Onion (local)	Tk 40-Tk 45	0	0
Egg	Tk 40-Tk 43	1.22 ↑	13.7 ↑

SOURCE: TCB

Stop currency swap deals abroad

Qatar tells local banks

REUTERS, Doha

Qatar's central bank has told banks in the Gulf state not to exchange its currency with entities outside the country without prior permission, five sources told Reuters, in a move, bankers say aims at ending the rial's divergence against the dollar.

The Qatari rial, officially fixed at 3.64 to the dollar since 2001, has in the offshore market been quoted below its peg for the most part since mid-2017 when four Arab states boycotted Doha in a political row, which was resolved in early 2021.

In the communication sent to treasury directors at local banks on Monday, the Qatar Central Bank (QCB) instructed banks not to engage in any swap deals to obtain rials or dollars with any entity outside Qatar, the sources with knowledge said. The notice said banks should seek permission from QCB before conducting any such transactions, they added.

QCB, in response to a Reuters query, said it "is not taking any action to limit the capacity of banks to engage in swap transaction with counterparties". "Such matters are left to the commercial and risk management judgement of banks," the central bank said, adding that any such directive would be published on its website.

A currency swap agreement involves the exchange of one currency for another over a specific time horizon in addition to the payment of a premium. It is a tool used to lock-in a fixed exchange rate or hedge against currency fluctuations.

Last year, Saudi Arabia, the United Arab Emirates, Bahrain and Egypt ended a row with Doha that had seen the four nations

sever political, economic and travel ties with Qatar over allegations it supports Islamist militants, which Doha denies. During the dispute, tiny but wealthy Qatar, among the world's largest gas exporters, sued banks in the UAE and Saudi Arabia, accusing them of causing damage to its economy by what it called overseas currency manipulation.

Qatar settled a separate suit against Emirates NBD Bank and Abu Dhabi Commercial Bank earlier this year and a New York judge dismissed a case against Saudi Arabia's Samba Bank, but it's not immediately clear whether a case against First Abu Dhabi Bank is still pending.

During the 3-1/2-year embargo, foreign currency, especially the dollar, was scarce in Qatar, bankers say. QCB required banks to seek approval to buy USD on a case-by-case basis. Post-boycott there was an expectation that the price of the Qatari rial would come in line with the peg but that has not happened. On Tuesday, brokers were quoting 3.6805/3.6855 rials to the dollar in the offshore market.

Qatar's central bank foreign reserves and hard currency liquidity has risen about 3.8 per cent in the past two years to 211.3 billion rials in July, official data shows, from 203.6 billion rials in 2020.

"It doesn't make sense that Qatari rial is still not trading at the peg," said a Gulf economic expert who declined to be named due to the sensitivity of the matter.

"Qatar is receiving more dollar revenue than ever before and, because of all the fans coming to Qatar for the World Cup, there is bound to be a much larger than normal demand for rials on international markets." Qatar hosts soccer's World Cup in November.