



Plastic pots specifically designed to be hung off window grilles and balcony railings, meeting the yearning for greenery amidst shrinking open spaces in this ever-expanding concrete jungle of Dhaka. There are a couple of types and sizes with prices ranging from Tk 50 to Tk 100. The photo was taken at Agargaon in the capital last Saturday. PHOTO: FIROZ AHMED

# IMF eyes expanded access to emergency aid for food shocks

REUTERS, London/Washington

The International Monetary Fund is looking for ways to provide emergency funding to countries facing war-induced food price shocks and will discuss measures at an executive board meeting on Monday, sources familiar with the matter told Reuters.

The plan, which has not previously been reported, will be presented at an informal board session.

It would allow the IMF to help Ukraine and other countries hit hard by Russia's war in Ukraine without imposing conditions required in a regular fund program, said the sources, who asked not to be named since the matter is still under review. The size and scope of the measures was not yet clear.

A formal vote backing the measure - which has been developed by the IMF staff in recent months - is expected before the Fund's annual meetings in October, the sources said.

If approved, it would temporarily increase existing access limits and allow

all member countries to borrow up to an additional 50 per cent of their IMF quota under the IMF's Rapid Financing Instrument, and the Rapid Credit Instrument that serves low-income countries, the sources said.

"The concept is simple, but it could help many countries," said one of the sources.

Food prices surged worldwide after the start of the war given blocked supply routes, sanctions and other trade restrictions, although a UN-brokered deal that allowed resumed exports of grain from Ukrainian ports last month has begun to help improve trade flows and lower prices in recent weeks.

The Washington-based lender projected in July that inflation will reach 6.6 per cent in advanced economies this year, and 9.5 per cent in emerging market and developing economies, posing a "clear risk" to current and future macroeconomic stability.

Many African countries and other poor nations suffering food shortages and acute hunger have clamored for increased

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funds, but it was not immediately clear how many countries would seek the additional financing aid.

The IMF proposal would offer some limited help to Ukraine, but its officials say they need a "full-fledged" financing package as they scramble to keep the government running while fighting the first major war in Europe since World War Two.

An IMF spokesperson last week told Reuters the global lender "continues to closely engage with the Ukrainian authorities and is currently exploring all feasible options to provide further support to Ukraine in these challenging circumstances."

Ukraine's overseas creditors have backed a two-year freeze in payments on almost \$20 billion in international bonds, but the country must make \$635 million in principal payments on prior IMF loans beginning in mid-September.

The IMF in March approved \$1.4 billion in emergency funding for Ukraine under the RFI instrument to help meet urgent spending needs and mitigate the impact of the war.

Its economy is expected to contract by 35 per cent this year.

Russia's war against Ukraine has altered global patterns of trade, production, and consumption of commodities in ways that will keep prices at historically high levels through the end of 2024, the World Bank reported in August.

Food is the single largest category in inflation baskets - the selection of goods used to calculate the cost of living - in many developing nations, accounting for around half in countries like India or Pakistan and on average for some 40 per cent in low-income countries, IMF data shows.

## NRB Bank re-elects audit committee chairman

STAR BUSINESS DESK

NRB Bank has re-elected its audit committee chairman recently.



The chairman, Md Motior Rahman, is an independent director of the bank.

He started his banking career in Pubali Bank as a probationary officer in 1973, said a press release.

He also worked in Islami Bank Bangladesh, Prime Bank and Jamuna Bank during his 40-year-long banking career.

Rahman obtained a postgraduate degree in accounting from the University of Dhaka.

## Initiative for female RMG workers' healthcare

STAR BUSINESS DESK

MTB Foundation and the Ispahani Islamia Eye Institute and Hospital (IIEI&H) signed an agreement recently on running a project to provide healthcare to female garment workers in Dhaka.

AKM Akhtaruzzaman, the hospital's chief executive officer (CEO), and Samia Chowdhury, the foundation's CEO, signed the deal at the latter's head office, said a press release.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank (MTB), Rais Uddin Ahmad, deputy managing director, Gazi Md Nazrul Islam Faisal, director of community services, and Neherin Maqsood, associate manager of MTB Foundation, were present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (SEP 12, 2022)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 62-Tk 75	-4.2 ↓	14.17 ↑
Coarse rice (kg)	Tk 47-Tk 52	-4.81 ↓	6.45 ↑
Loose flour (kg)	Tk 50-Tk 52	7.37 ↑	56.92 ↑
Lentil (kg)	Tk 100-Tk 110	-2.33 ↓	20 ↑
Soybean (litre)	Tk 170-Tk 175	2.37 ↑	32.18 ↑
Potato (kg)	Tk 24-Tk 30	-6.9 ↓	35 ↑
Onion (kg)	Tk 40-Tk 45	-5.56 ↓	-2.3 ↓
Egg (4 pcs)	Tk 42-Tk 45	-3.33 ↓	19.18 ↑

SOURCE: TCB



Mohammed Younus, chairman of Shahjalal Islami Bank, presides over the bank's 346th board meeting at its corporate head office in Dhaka recently. Mohiuddin Ahmed, vice-chairman of the bank, Muhammed Shahidul Islam, managing director, and directors were present. PHOTO: SHAHJALAL ISLAMI BANK

## Rising prices stoke fear of UK recession

FROM PAGE B4

"This would mean that the UK enters a technical recession for the first time since lockdown restrictions ended," Jake Finney, an economist at PwC, said.

Paul Dales at Capital Economics said a "disappointingly small rebound in real GDP in July suggests that the economy has little momentum and is probably already in recession."

In August, the Bank of England forecast a recession for the world's fifth-biggest economy lasting from the end of 2022 until early 2024, due in large part to the hit to living standards from energy prices, pushed up by the war in Ukraine.

But last week Liz Truss announced a cap on domestic energy tariffs which - along with an expected round of tax cuts - reduced the risk of such a protracted hit to the economy, albeit at a cost of 100 billion pounds (\$116 billion) or more to Britain's already stretched public finances.

The Office for National Statistics

(ONS) said anecdotal evidence suggested that the surge in power prices was changing consumer behaviour and demand for energy had fallen.

Electricity prices leapt by 54 per cent in the 12 months to July, part of the surge in power costs that led to new Prime Minister.

Gross domestic production had fallen by 0.6 per cent in June, which included two days of public bank holidays to celebrate the late Queen Elizabeth's 70 years on the British throne.

An ONS spokesperson said the impact of the holidays was not a big factor in July.

Samuel Tombs, at Pantheon Macroeconomics, said a national holiday scheduled for September 19, the day of the queen's funeral, would reduce economic output by 0.2 percentage points this month, but a recession would probably be narrowly avoided.

Despite the slowing economy, the

BoE is expected to raise interest rates again on September 22 as it seeks to combat an inflation rate above 10 per cent.

A heat-wave in July, which brought record-breaking temperatures, might have been another factor behind the fall in power demand although there were signs that it boosted ice cream manufacturers and visits to amusement parks and golf clubs, the ONS said.

Services output grew by a monthly 0.4 per cent in July but industrial production was down 0.3 per cent and construction dropped by 0.8 per cent, reflecting the jump in prices for materials, part of the broader inflation surge, as well as lost working hours because of the extremely hot weather.

Separate trade figures also showed the impact of soaring prices with the value of imports of fuel hitting an all-time high of 11 billion pounds in July and representing a record 21 per cent of all goods imports.

## Stocks fall for second day

FROM PAGE B4

Orion Pharma, Bangladesh Shipping Corporation, JMI Hospital Requisite Manufacturing, Nahee Aluminum Composite Panel, and LafargeHolcim Bangladesh were among the stocks that saw significant gains.

JMI Hospital Requisite Manufacturing topped the gainers' list, advancing 9.97 per cent.

S Alam Cold Rolled Steels, Bangladesh Welding Electrodes, and Union Capital, rose more than 9 per cent, while Fareast Islami Life Insurance and Bangladesh Monospool Paper Manufacturing were up more than 8 per cent.

Sonargaon Textiles suffered the highest correction, sliding 9 per cent.

Orion Pharma and Eastern Housing gave up more than 4 per cent and Shinepukur Ceramics, Yeakin Polymer, and Sunlife Insurance Company declined more than 3 per cent.

The Caspi, the all-share price index of the Chattogram Stock Exchange, lost 61 points, or 0.31 per cent to end at 19,198.

Of the issues that traded on the bourse in the port city, 110 advanced, 81 declined, and 100 did not show any price movement.

Turnover dropped more than 34 per cent to Tk 27 crore.

## India's rice export curbs

FROM PAGE B4

Rice loading has stopped at Indian ports and nearly one million tonnes of grain are trapped there as buyers refuse to pay the government's new 20 per cent export levy on top of the agreed contract price.

Though there are some buyers ready to pay higher prices for new contracts, shippers are currently sorting out pending contracts, Nitin Gupta, vice president for Olam India's rice business. As Indian exporters stopped signing new contracts, buyers are trying to secure supplies from rival Thailand, Vietnam and Myanmar, which have raised the price of 5 per cent broken white rice by around \$20 per tonne in the past four days, dealers said.

But even these suppliers are reluctant to rush for contracts as they

are expecting prices to strengthen.

"We expect prices to rise further over the coming weeks," a trader based in Ho Chi Minh City said.

Vietnam's 5 per cent broken rice RI-VNBKN5-P1 was offered at \$410 per tonne on Monday, up from \$390-\$393 per tonne last week, traders said.

China, the Philippines, Bangladesh and African countries such as Senegal, Benin, Nigeria and Ghana are among leading importers of common grade rice, while Iran, Iraq and Saudi Arabia import premium grade basmati rice.

Supply disruptions from the Covid-19 pandemic and more recently the Russia-Ukraine war has jacked up the prices of grains but rice has largely bucked the trend due to bumper crops and ample inventories at exporters over the past two years.

## US faces risk

FROM PAGE B4

a strong labor market without inflation under control."

While American GDP contracted in the first two quarters of 2022 - fitting the classic definition of a recession - Yellen again stressed that this was not the case.

"We're not in a recession. The labor market is exceptionally strong.... There are almost two job vacancies

for every worker who's looking for a job," she stressed.

Jobs indeed remain tight, with a significant labor shortage.

Unemployment did tick up slightly in August, to 3.7 per cent, in part due to more people participating in the work force - a sign that many workers left on the sidelines due to the Covid-19 pandemic are returning to the labor market.

## Global reinsurers see inflation, war driving higher rates

REUTERS, Berlin

Global geopolitical tensions, high inflation and climate change have heightened demand for risk protection and will lead to increasing premiums, top reinsurers said at the industry's annual gathering in Monte Carlo.

Reinsurers insure the insurers and have been pushing up premiums in recent years as they have faced higher losses.

"On top of impacts from Covid-19 and increasing losses from natural catastrophes, the reinsurance industry is now confronted with issues like inflation, risk of recession and geopolitical tensions," said Moses Ojeisekhoba, Swiss Re's chief executive officer reinsurance, in a statement on Monday.

"As we see cost drivers accelerating in this dynamic risk environment, insurance premiums must be carefully calibrated to keep pace," he added.

Reinsurers meet their insurance clients in Monte Carlo to hammer out contracts ahead of the key January 1 reinsurance renewal season.

Rates could rise in the "mid-single digit" percent range, S&P analysts said last week, while a Moody's customer survey showed expectations for double-digit rate rises in US property reinsurance.

Rates could rise by 10 per cent or more in some markets, Munich Re and Hannover Re executives also told media briefings on Sunday and Monday, given the strength of inflation.