



Jamena Begum turns betel nuts to expose all sides to the sun and dry those evenly in Sannyashgachha village at Jashore's Keshabpur upazila. The seeds are first soaked in water before being dried, husked and cut into pieces to be chewed with betel leaf. Jamena collects the seeds from different areas and sells those at wholesale for Tk 3,700 to Tk 4,000 per maund (around 37 kilogrammes). Some 345,801 tonnes were produced around the country in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken recently.

PHOTO: HABIBUR RAHMAN

School banking gaining traction

AKM ZAMIR UDDIN

School banking is increasingly gaining popularity among students, exemplified by total deposits in such accounts surpassing Tk 2,300 crore in July despite ongoing economic hurdles such as rising inflation.

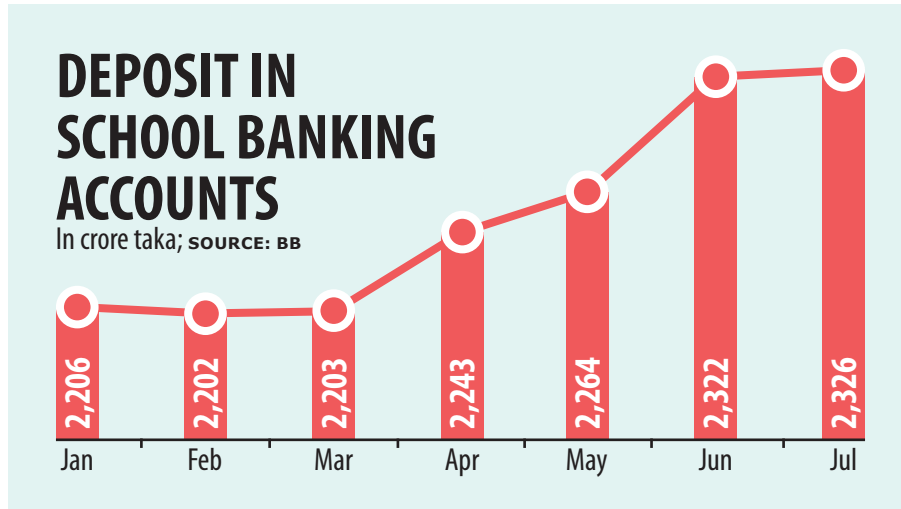
Students deposited Tk 2,326 crore in the accounts as of July this year, up 7 per cent year-on-year, according to Bangladesh Bank.

The number of accounts under school banking rose 13.6 per cent year-on-year to 31.89 lakh in July this year.

A number of banks earlier took a set of measures to widen school banking operations as per instructions of Bangladesh Bank, which mainly gave a boost to financial inclusion among students, said a central bank official having substantial knowledge on the matter.

The number of accounts and the outstanding balance under the school banking programme would have increased manifold had not the coronavirus pandemic and the ongoing economic crises hit the economy, he said.

The financial condition of a large number of parents of students is now



critical due to the upward trend of inflation, which has already eroded their income base.

Deposits in banks usually decline in the time of inflation, but the matter is different for school banking.

In addition, educational institutions remained closed for a majority of 2020 and 2021 in attempts at weaking the pandemic, putting an adverse impact on the school banking operations.

"Despite all the odds, it is a positive sign that both the outstanding deposits and the number of accounts under the school banking programme rose in recent times," the official said.

The central bank introduced school banking in 2010 as a part of its efforts to widen financial inclusion and make students financially literate.

The scheme aims to instil the habit of savings into students and make them

more efficient in money management.

So far, 55 banks have rolled out school banking operations, allowing students aged 11 years to 17 years to open accounts.

The accounts come with a number of advantages, such as waivers on fees and charges, free internet banking, low minimum balance requirement and debit card availability at low costs.

Accounts can be opened with a minimum deposit of Tk 100.

Saiful Amin, head of branches of The City Bank, said they were laying more emphasis on widening the school banking operations in rural areas rather than in urban ones.

"The City Bank is aiming at expanding the banking operation in order to create deposit habits among students and strengthen their knowledge about financial literacy," he said.

"We are trying to speed up our financial inclusion programme by carrying out different initiatives including to widen our school banking operations," he said.

The bank has already instructed all branches to give some emphasis on school banking like it does for others, Amin said.

"We hope that the school banking operation of The City Bank will spread more in the days ahead," he said.

5,200 factories inspected by FBCCI, Bida in last one year

The apex trade body says

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) along with Bangladesh Investment Development Authority has inspected some 5,200 local factories in the last year to ensure workplace safety.

The FBCCI Safety Council shared the information in a two-day training workshop on occupational safety and health, which was organised in association with International Labor Organization (ILO) at the FBCCI office in Dhaka yesterday.

The safety cell representatives from four chambers and 12 associations and ILO representatives took part in the workshop.

Occupational safety and health will become more important for Bangladesh in case of international trade after the country's graduation to a developing nation, Md Jashim Uddin, president of the FBCCI, said at the inaugural day of the event.

The industry owners should come forward to ensure occupational safety and health, Jashim Uddin said.

Decent workplace would increase the productivity of the workforce, so the entrepreneurs should consider spending on safety as an investment, he said.

Many sectors produce world-class products and decent workplace will pave the way to export these products, Jashim Uddin added.

Korea, US agree to implement liquidity measures

REUTERS, Seoul

The United States and South Korea agreed on Saturday to implement liquidity facilities to stabilise financial markets if needed, Korea's finance ministry said after a teleconference between finance chiefs of the two countries.

The won is near its lowest level since March 2009, and has weakened 17 per cent against the surging US dollar so far in 2022, amid a broad sell-off in emerging market currencies as the Federal Reserve aggressively raises interest rates.

"The two countries are ready to work closely together to implement liquidity facilities when necessary, such as when financial instability is aggravated by the spread of (a) liquidity crunch in major economies, including Korea," the ministry said in a statement after the call between the US Treasury Secretary Janet Yellen and South Korea finance minister Choo Kyung-ho.

The agreement reached on Saturday repeats the US statement made when Yellen last visited Seoul in July, amid growing calls for the Bank of Korea to arrange a currency swap with the Federal Reserve to stabilise the dollar-won market.

Strong dollar an unstoppable force endangering other currencies

AFP, United States

The dazzling rise of the US dollar, which has hit one record after another, is raising fears of a currency crash of a severity not seen since the 1997 Asian financial crisis reverberated around the world.

The Federal Reserve's rapid, steep interest rate increases and the relative health of the US economy has caused investors to flood into the dollar, driving the greenback up and sending the British pound, Indian rupee, Egyptian pound and South Korean won and others to uncharted depths.

"The moves are definitely getting extreme," said Brad Bechtel of Jefferies, warning that the exchange rates could fall further creating a

"dire situation."

Most other major central banks also are forcefully tightening monetary policy to bring down inflation, but so far the moves have not helped stabilize the currency market, nor has Japan's direct intervention to support the yen last week.

Many fear that the same will be the case with the Bank of England's plan announced Wednesday to conduct emergency purchases of government bonds to support the pound.

"We have our doubts that the BoE's plan will be the silver bullet to kill all of the angst that has been pressuring the pound ... considering its plan doesn't have permanency," said Patrick O'Hare of Briefing.com.

Others, especially emerging market countries, are even worse off.

The Pakistani rupee has lost 29 per cent of its value against the US dollar in the past year, and the Egyptian pound has weakened by 20 per cent.

Those countries, and others like Sri Lanka and Bangladesh which "benefitted from cheap and plentiful liquidity," when interest rates were low during the pandemic, "are all suffering from tighter global liquidity," said Win Thin, head of currency strategy at BBH Investor Services.

"Those countries with the weakest fundamentals are likely to be tested first but others may join them," he warned.

Those countries rely on imported oil and grain which have seen prices soar, widening their trade deficits and fueling inflation, massive blows to their currencies.

Bangladesh poised

FROM PAGE B1

Exporters Association (BGMEA), said the January-June period receipts includes previous work orders put on hold by the European retailers and brands.

The Russia-Ukraine war has started to impact garment shipments, raising inflation and recession fears in European markets, he said.

One indicator is that garment shipments earned some \$3.75 billion in August but declined to nearly \$3 billion at the end of September, he said.

"We are trying to make up for the losses increasing shipments of garment to new and emerging Asian markets like Japan, India and Korea as those markets are still performing strong and showing great promises," Azim also said.

In the January-June period, European nations imported apparel worth \$47.75 billion, up 25.03 per cent from the corresponding period of last year, said the Eurostat.

Local exporters are hopeful that

a recent drastic fall of cotton prices in international markets will give a significant boost to the generation of new work orders, especially because Bangladesh was a net importer of cotton.

Cotton sold for 84.11 cents per pound in international futures markets from \$1 and \$1.05 per pound last month. As a result, local garment manufacturers will turn more competitive in international markets even amidst apprehensions over recession and inflation.

MA Razzaque, research director of Policy Research Institute, said Bangladesh has been bagging more work orders from the European retailers and brands because of China's sympathy towards Russia.

A type of reservation has been created among Europeans about China sympathising with Russia after the war's outbreak in February this year, he said.

As a result, signing of a major EU-China Comprehensive Agreement on

Investment has also been stalled, he said.

So, China is under pressure because of geo-political tension and the work orders are shifting to other countries like Bangladesh, Razzaque also said.

If the recession and inflation in Europe do not last long, Bangladesh has the potential to gain more from the China-centric geo-political tension.

However, the global recession and inflation are major determining factors for trade also in Bangladesh, Razzaque said.

He also said Bangladesh and China were in the same position with regard to cotton product export to Europe as the local manufacturers' strength is in making cotton-based garment items.

But Bangladesh is lagging behind in selling manmade fibre garment items to the European markets as China is stronger than Bangladesh in this segment, Razzaque also said.



Md Habibur Rahman, secretary of Power Division, attended "Idcol-Industry dialogue for advancing investments in energy efficiency and environment friendly technologies" at InterContinental Dhaka recently. Alamgir Morshed, executive director of Idcol, Nazmul Haque, chief investment officer, Munira Sultana, chairman of Sustainable and Renewable Energy Development Authority (SREDA), Khondkar Morshed Millat, director of sustainable finance department of Bangladesh Bank, Taro Katsurai, senior representative of Jica Bangladesh office, and Miran Ali, vice-president of BGMEA, were present.

PHOTO: IDCOL

Greece-Bulgaria pipeline to boost non-Russian gas flows

REUTERS, Sofia

Greece and Bulgaria started commercial operation of a long-delayed gas pipeline on Saturday which will help decrease southeast Europe's dependence on Russian gas and boost energy security.

The 182 km pipeline will provide a relief to Bulgaria, which has been struggling to secure gas supplies at affordable prices since the end of April, when Russia's Gazprom cut off deliveries over Sofia's refusal to pay in roubles.

Russia has decreased its gas deliveries to Europe after the West imposed sanctions on Moscow over its invasion of Ukraine, leaving European Union countries scrambling to secure alternative supplies amid surging prices.

"This pipeline is a game changer. It's a game changer for Bulgaria and for Europe's energy security. And it means freedom. It means freedom from dependence on Russian gas," European Commission President Ursula von der Leyen said during an inauguration ceremony in Sofia attended by the leaders of Bulgaria, Greece, Azerbaijan, Romania, Serbia and North Macedonia.

"Both here in Bulgaria and across Europe people are feeling the consequences of Russia's war. But thanks to projects like this, Europe will have enough gas for the winter," she said.

The Interconnector Greece-Bulgaria (IGB) pipeline will transport 1 billion cubic meters (bcm) of Azeri gas to Bulgaria.

With an initial capacity of 3

bcm per year and plans to later raise this to 5 bcm, the pipeline could provide non-Russian gas to neighbouring Serbia, North Macedonia, Romania and further to Moldova and Ukraine.

It will carry gas from the northern Greek city of Komotini to Stara Zagora in Bulgaria. IGB is linked to another pipeline, part of Southern Gas Corridor that carries Azeri gas to Europe.

On Friday, gas operators in Bulgaria, Romania, Hungary and Slovakia proposed to transport increased Azeri shipments through their networks to central Europe.

The 240 million euro (\$235.18 million) pipeline is controlled by a joint venture between Bulgarian state energy company BEH, Greek gas utility DEPA and Italy's Edison.