

India allows sugar exports of 6m tonnes

REUTERS, Mumbai

India will allow the export of 6 million tonnes of sugar in 2022/23, in line with market expectations, as the country's production is set to jump to a record high for the second straight year, the government said in on Saturday.

The south Asian country is the world's biggest producer of sugar and the second biggest exporter of the sweetener.

New Delhi has allocated 6 million tonnes of sugar to mills based on their production in the past three years, the government said in a notification.

Russia seeks sanctions exemptions for state bank

REUTERS

Russia wants the West to ease restrictions on state agriculture lender Rosselkhozbank to facilitate Russian grain exports, according to four sources familiar with the request, made during talks to extend a deal on food shipments from Ukraine.

Moscow suspended its participation in the secure Black Sea grain corridor in late October but rejoined after four days, easing fears of further disruptions to grain exports from key supplier Ukraine at a time of rampant global food inflation.

President Vladimir Putin has reserved Russia's right to halt the United Nations-brokered agreement again, while UN chief Antonio Guterres is pushing Moscow to agree to extend the pact beyond its scheduled expiry on November 19.

Russia has not detailed its demands publicly beyond calls to unblock Russian fertiliser stuck in European ports and warehouses and resume exports of ammonia, an important ingredient in fertiliser, through a Russia-Ukraine pipeline.

The four sources, who declined to be identified due to the sensitivity of the subject, said Russia was asking Western countries to allow state lender Rosselkhozbank to restore its relations with correspondent banks despite Western sanctions.

This would allow the bank, which has not had a major role in the international grain trade so far, to process payments for Russian grain and other foodstuffs, two of the sources added.



PHOTO: SUZIT KUMAR DAS

Farmers sow onions of a pre-season variety at Bagertila village under Faridpur sadar upazila on Friday, investing around Tk 1.10 lakh with expectations to harvest around 150 maunds (one maund equals around 37 kilogrammes). The local variety was selling for Tk 55 to Tk 65 a kilogramme in Dhaka yesterday, as per the Trading Corporation of Bangladesh. The optimum time of transplanting is December or the 1st week of January, reads Banglapedia. The bulbs reach maturity in around two months. Some 22,68,754 tonnes of the vegetable were produced in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics.

Pubali Bank to get \$50m loan from British lender

STAR BUSINESS REPORT

Pubali Bank Ltd is going to get a fund of \$50 million from the British International Investment (BII), the UK's development finance institution and impact investor, to lend to climate-related projects and boost climate mitigation activities across Bangladesh.

The green loan from BII will primarily be used for projects in the renewable energy, green buildings, textile and manufacturing sectors.

Pubali Bank will use the facility to extend climate finance loans to its corporate clients, enabling them to purchase key equipment required in climate projects and implement climate-related technological solutions.

A signing ceremony to this effect took place at the head office of the private commercial bank in Dhaka on Thursday. The package will support Pubali Bank in

building technical expertise and best practices, strengthen data collection on climate financing and climate risk, and further increase the bank's ability to originate green projects and structure climate investments in line with international standards, said the bank in a press release.

The BII will also provide a

corporate and contribute to reducing greenhouse gas emissions," said Robert Chatterton Dickson, British high commissioner to Bangladesh, in the press release.

"The UK, including BII, is committed to working with Bangladesh in expanding a trade and investment

commodity cost. Through our existing portfolio of climate-related projects and pipelines, Pubali Bank understands the complex impact of climate change in the country."

"Our partnership with the BII will enable us to grow our climate finance offering and support a wider range of clients who are preserving the environment and strengthening the economy."

M Rehan Rashid, country director of the BII, said the landmark climate investment marks BII's commitment to playing a role in supporting economic and environmental transformation in Bangladesh.

"By supporting Pubali Bank in becoming a leading participant in climate financing, BII's capital will facilitate greater resilience and sustainability across communities, businesses and industries in Bangladesh."

Mohammad Ali and Rehan Rashid exchanged the signed documents of the deal.



technical assistance package, which will strengthen the private commercial lender's rapidly growing sustainable finance portfolio. This is BII's first climate-related investment in Bangladesh.

"This new UK capital, focused on climate action, will direct much-needed climate finance toward Bangladeshi

relationship that will benefit sustainable growth in both countries."

Mohammad Ali, acting managing director of Pubali Bank, said climate change has emerged as an economic shock in Bangladesh.

"We're seeing reduced agricultural yields, damaged infrastructure, and increased

As clock ticks on G7's Russia oil price cap

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WHO'S IN THE PRICE CAP COALITION?

The G7 wealthy nations, the United States, Japan, Germany, Britain, France, Italy and Canada, are hammering out the plan with the EU and Australia.

Yellen last month said G7 members were not looking to broaden the coalition since none of the countries outside it were major suppliers of insurance or oil-related financial services.

Britain said Thursday it could ban countries from using its services to transport Russian oil purchased for a price exceeding the cap.

US Treasury Assistant Secretary for Economic Policy Ben Harris said on Sept. 9 that if China negotiates a separate 30 per cent-40 per cent discount on Russian oil because of the price cap "we consider that a win."

It will likely be weeks before the price level of the caps will be decided, government officials and analysts said.

One person familiar with the process said the cap will be determined in line with the historical average of \$63-\$64 a barrel, suggesting a natural upper limit.

Currently, Russian crude is priced at a discount to the international Brent benchmark and the G7 wants that discount as steep as possible to keep down Russian oil revenue.

Still, requiring too wide a spread could have the unintended consequence of squeezing global supplies because Russia is the world's second largest crude exporter, after Saudi Arabia. This could raise fuel prices for Western consumers.

Hoping to prevent this, coalition officials have agreed to set a fixed price when they finalise a price cap on Russian oil later this month, rather than adopting a floating rate, sources said on Thursday.

Consensus on the cap level will be reached with the aid of a "rotating lead coordinator," the US Treasury

said.
HOW DOES IT IMPACT MARITIME COMPANIES?

The plan calls for participating countries to deny Western-dominated oil transport services like insurance, finance, brokering, and navigation to oil cargoes priced above the cap.

Petroleum buyers would need to state they bought Russian petroleum at or below the cap.

Maritime services providers will not be held liable for false pricing information provided by buyers and sellers of Russian petroleum, the US Treasury said.

G7 officials believe the plan will work because the London-based International Group of Protection & Indemnity Clubs insure about 95 per cent of the global oil shipping fleet.

HOW COULD RUSSIA FIGHT BACK?

Putin has vowed to cut exports to countries that participate in the cap, but he also needs oil revenues to help fund Moscow's war efforts.

Industry players estimate that 80 per cent to 90 per cent of Russian oil can flow outside the cap mechanism using Russian and other non-Western ships and insurance.

In October, JP Morgan estimated that Russia is short about 1 million barrels of daily tanker capacity for shipping crude and 2.5 million barrels short on fuels capacity.

Moscow could end up cutting production as a result, which would apply upward pressure on global oil prices. Prices could rise even if traders fear Putin will stop exports.

Some analysts say Moscow also could withhold oil from Russian assets in other producing countries such as Libya and Iraq.

HOW WILL THE CAP BE ENFORCED?

The plan lacks a centralised enforcement mechanism leaving it up to countries implementing the cap to apply punishments for purchases above the cap.

The US Treasury warned service

companies to watch for potential evasion or fraud by Russian oil buyers. Those could include evidence of deceptive shipping practices, refusal to provide requested price information, or excessively high services costs.

Anyone who falsifies documentation or otherwise hides the true origin or price of Russian oil would face consequences under the domestic law of jurisdictions implementing the price cap, Treasury said.

The coalition has agreed the price cap will apply through the first landed sale of sea-borne oil, or when the oil is offloaded from a ship to a tank on land. This means any intermediary trades while the oil is at sea must be at or under the cap, a Western source said on Friday.

Some industry players worry that owners of tankers could face sanctions, noting the United States has no mechanism to determine what due diligence was undertaken.

Worries about potential sanctions, even if unfounded, can cause traders to avoid deals, another factor that can boost oil prices.

Govt working

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from Bangladesh have experienced a downward trend as the country's apparel buyers are facing financial hardship amid the Russia-Ukraine war.

Local garment makers believe exports will start rising again from January next year.

RFL makes foray

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development of Rainbow Paints; Sohail Rana, head of operations; Shajahan Sunny, head of sales; and Pranab Kumar, head of marketing, among others, were present at the event.



Mohammad Ali, managing director of Pubali Bank, and M Rehan Rashid, country director of Bangladesh at British International Investment, exchanged signed documents of an agreement on loan facility for climate mitigation projects across Bangladesh at the former's head office in Dhaka recently.

PHOTO: PUBALI BANK

Farmers, traders counting

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from Khetlal upazila of Joypurhat, said they usually start selling potatoes from cold storage when prices increase in August.

"But this hasn't happened in the last two years."

Biplob Kumar, manager of Ishrat Himagarh, a cold storage in Joypurhat, said his business is facing challenges due to rampant load-shedding.

"Large quantities of potatoes are rotting in many storages."

As per the Department of Agricultural Extension (DAE), potato production in the country has risen since the fiscal year of 2019-20, when 90 lakh tonnes of the crop were grown.

Overall cultivation surged to 1.13 crore tonnes the following next year while annual consumption stands at around 70 lakh. The country's 400 cold storages can accommodate

around 30 lakh tonnes.

Farmers think exporting potatoes could be the solution, but experts remain sceptical.

"Exporting of potatoes is uncertain since it is produced all over the world," said Prodip Guha, director of the DAE in Dinajpur.

Still, Bangladesh ships potatoes to countries such as Nepal, Bhutan, Sri Lanka, and some Middle Eastern nations.

US continues to be key export market

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support the use of digital tools and they are looking for digital policies aligned with international best practices."

Venkataraman cited another strong point of Bangladesh, which is its vast pool of skilled workforce, which pulls investors.

"Bangladesh is very fortunate to have a large youthful workforce that

can be a demographic dividend if used properly."

He informed that the US would continue to work with Bangladesh on the proposal to develop a business model as local apparel exporters have sought duty benefits on the shipment of garment items manufactured using American cotton.

A few years ago, the Bangladesh Garment Manufacturers and

Exporters Association proposed the US offer preferential market access to garment items made from the key textile raw material imported from the world's biggest economy.

During the conversation, Venkataraman lauded the country's astonishing development success and the graduation to a developing nation from the grouping of the least-developed countries.

Project success sharing to boost skills: industries minister

STAR BUSINESS DESK

Experiences of projects implemented successfully should be shared to give a boost to effective management skills which will contribute to the economy's growth, said Industries Minister Nurul Majid Mahmud Humayun yesterday.

He was inaugurating a daylong "Bangladesh Project Management Symposium and Excellence Awards 2022" organised by Project Management Institute (PMI) Bangladesh Chapter at Radisson Blu Dhaka Water Garden.

The event included two discussions, "Project Leadership in Crisis Times" and "Sustainable Project Management – Road to Achieving SDG Goals", participated by Golam Murshed, managing director of Walton Hi-tech Industries, Md Shafiqul Islam, director of the Padma bridge project, and Srinu Srinivasan, regional managing director for South Asia of the PMI.

Annesha Ahmed, president of PMI Bangladesh Chapter, also spoke.

StanChart Digital Trade Counter wins award

STAR BUSINESS DESK

A Digital Trade Counter (DTC) of Standard Chartered Bangladesh has recently been awarded a "Digital Experience of the Year-Banking" award at Asian Experience Awards 2022 by magazine Asian Business Review.

Launched in 2021, the DTC simplifies document submissions and allows clients to upload and track documents and trade financing applications round the clock, said a press release.

It is "yet another step in our mission to help create a more digital, low-carbon, and innovation-driven economy", said Naser Ezaz Bijoy, chief executive officer.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (NOV 5, 2022)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 65-Tk 75	0	11.11 ↑
Coarse rice (kg)	Tk 47-Tk 52	4.04 ↑	8.42 ↑
Loose flour (kg)	Tk 54-Tk 55	5.50 ↑	69.12 ↑
Lentil (kg)	Tk 100-Tk 105	0.98 ↑	16 ↑
Soybean (litre)	Tk 160-Tk 175	-1.49 ↓	15.79 ↑
Potato (kg)	Tk 25-Tk 30	0	17.02 ↑
Onion (kg)	Tk 35-Tk 40	60.00 ↑	7.14 ↑
Egg (4 pcs)	Tk 47-Tk 50	-2.06 ↓	0.0 ↑
SOURCE: TCB			