Iraq in final stages of talks on $27b TotalEnergies agreement

REUTERS

Talks between French oil major TotalEnergies and Iraq to resolve sticking points in a long-delayed $27 billion energy deal "have reached advanced stages", Iraqi oil minister Hayan Abdel-Ghani said on Sunday.

"We will activate the deal very soon," Abdel-Ghani said at an energy event.

The proposed deal, which Baghdad hopes will revive foreign investment in the country, was signed in 2021 for TotalEnergies to build four oil, gas and renewables projects with an initial investment of $10 billion in southern Iraq over 25 years.

However, disputes between Iraqi politicians over the terms of the deal.

Iraq's demand for a 40 per cent share in the project is a key sticking point while TotalEnergies wants a majority stake, sources told Reuters.

Asked if the issue of Iraq's share in the project was resolved, Abdel-Ghani said: "It's not the time to discuss the shares and we will announce them when an agreement is reached."

Abdel-Ghani also said that Iraq is committed to maintaining its 220,000 barrel per day (bpd) oil output cut in line with its quota under the latest Opec+ agreement.

The country is also ready to increase production if required to do so by producer group Opec+.

"We obliged some oil companies operating in the south to cut production to come in line with Opec+'s agreed rates," he added.

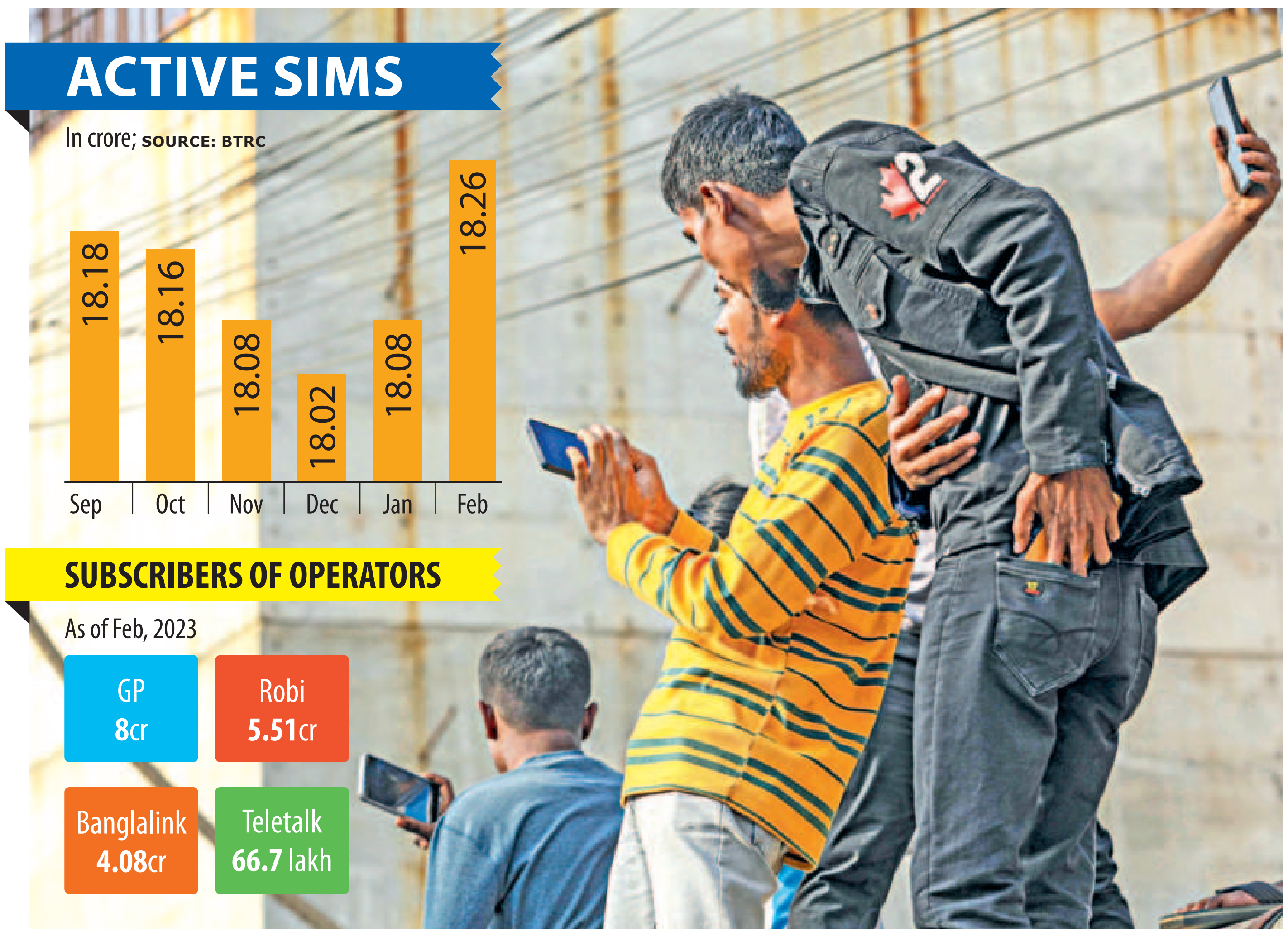
UK to help Kazakh exports bypass Russia

REUTERS, *Astana*

Britain will help Kazakhstan develop export routes bypassing Russia, British Foreign Minister James Cleverly said on a visit to the Central Asian nation on Saturday, when he also signed a memorandum on supplies of critical minerals.

Cleverly said London valued the position of Astana -- which has traditionally been closely allied with Moscow -- on the Ukrainian conflict. Kazakhstan has refused to support Russia's invasion or recognise its annexation of Ukrainian territories.

"The UK greatly appreciates Kazakhstan's consistent and principled position in supporting Ukraine's territorial integrity and your desire to bring about resolution to the war in line with the UN charter," he told a briefing.



Mobile subscriber numbers up in Feb

MAHMUDUL HASAN

The number of mobile subscribers in Bangladesh continued to grow for a second month in February on earlier falling for several months, with all but Teletalk displaying a solid performance.

The operators gained about 18 lakh customers in February, taking the total to 18.26 crore, according to Bangladesh Telecommunication Regulatory Commission (BTRC).

The robust growth is expected to give a breath of fresh air to the country's telecom sector as operators lost about 3.5 million customers in the latter half of last year.

Third-placed operator Banglalink continued to be the top performer in customer acquisition securing 7.1 lakh new customers while Grameenphone added 5.8 lakh and Robi Axiata 5.3 lakh.

Banglalink, which crossed a milestone of four crore subscribers in January, had 4.08 crore customers at the end of February.

On a year-on-year basis, the number of customers of the operator grew by 8.35 per cent, the highest among the operators, in February.

"We attribute this uptick in customer preferences to our ongoing investment in network expansion, enabling our customers to experience Ookla certified fastest 4G while utilising our innovative and quality digital services," said Taimur Rahman, chief corporate and regulatory affairs officer.

As per Ookla's Speedtest Intelligence report, Banglalink delivered the fastest average download speed among the top local mobile network operators with 19 Mbps in the fourth quarter of 2022.

It recently completed the deployment of 4,000 base transceiver stations, taking its total to more than 14,500. The expansion resulted in a roughly 40 per cent expansion of Banglalink's total coverage.

With 5.8 lakh new customers in February, top operator Grameenphone took its total number of customers to almost 8 crore.

Although it failed to attract a large pool of customers after a sales ban on its SIMs was lifted in early January, the good performance in January is a sign of relief for the operator.

Earlier on June 29, the telecom regulator banned Grameenphone's SIM sales until it "improves its quality of service, including bringing down the call drop rate". The ban was eventually lifted on January 2.

During the six-month ban period, it lost almost 5 million customers, taking a toll in the country's total mobile subscriber base and undermining the government's digital connectivity ambition.

Khairul Basher, head of communications at Grameenphone, attributed the gain to its drive towards connecting towers via optical fibre cables, saying it delivers customers with more quality services.

According to him, its optical fibre connectivity was at over 35 per cent, up from 17 per cent a year ago.

With new 5.3 lakh customers, second largest operator Robi's subscriber numbers stood at 5.51 lakh in February.

"In last of couple of months, we have optimised our network capacity as well as redesigned spectrum allocation for enhancing quality of services," Shahed Alam, chief corporate and regulatory officer at Robi Axiata Ltd.

State-owned Teletalk lost about 10,000 customers in February, taking its customer numbers to 66.7 lakh.

Bank panic raises specter of 2008

REUTERS, *Washington*

The lightning speed at which the banking industry descended into turmoil has shaken global markets and governments, reviving eerie memories of the financial crisis. Like 2008, the effects may be long lasting.

In the space of a week, two US banks have collapsed, Credit Suisse Group AG needed a lifeline from the Swiss and America's biggest banks agreed to deposit $30 billion in another ailing firm, First Republic Bank, in a bid to boost confidence.

Evoking recollections of the frenzied weekend deals to rescue banks in the 2008 financial crisis, the turmoil prompted monumental action from the US Federal Reserve, US Treasury and the private sector. Similar to 2008, the initial panic does not seem to have been quelled.

"It does not make any sense after the actions of the FDIC and the Fed and the Treasury (last) Sunday, that people are still worried about their banks," said Randal Quarles, the former top banking regulator at the Federal Reserve. He now faces renewed criticism over his agenda at the Fed, where he oversaw efforts to reduce regulations on regional banks.

"In an earlier world, it would have calmed things by now," Quarles said.

The collapse of Silicon Valley Bank, which held a high number of uninsured deposits beyond the $250,000 Federal Deposit Insurance Corporation (FDIC) guaranteed limit, shook confidence and prompted customers to withdraw their money. U.S. bank customers have flooded banking giants, including JPMorgan Chase & Co (JPM.N), Bank of America Corp and Citigroup Inc (C.N) with deposits. That has led to a crisis of confidence and steep selloff in smaller banks.

ANALYSIS

"We do a lot of contingency planning," said Stephen Steinour, chief executive of Huntington Bancshares Inc (HBAN.O), a lender based in Columbus Ohio. "We started to do the 'what if scenario' and looked at our playbooks."

As banks grapple with short-term shocks, they are also assessing the long term.

The swift and dramatic events have fundamentally changed the landscape for banks. Now, big banks may get bigger, smaller banks may strain to keep up and more regional lenders may shut. Meanwhile, US regulators will look to increase scrutiny on midsize firms bearing the brunt of the stress.

US regional banks are expected to pay higher rates to depositors to keep them from switching to larger lenders, leaving them with higher funding costs.

"People are actually moving their money around, all these banks are going to look fundamentally different in three months, six months," said Keith Noreika, vice president of Patomak Global Partners and a former Republican Comptroller of the Currency.

The current crisis may feel frighteningly familiar for those who experienced 2008, when regulators and bankers huddled in closed rooms for days to craft solutions.

67% RMG export earnings

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good capacity for producing cotton-based apparels, we are still lagging behind in the non-cotton sector," he added.

Hassan went on to say that while only 25 per cent of the textiles consumed worldwide are made of cotton, 75 per cent of Bangladesh's garment industry is concentrated on making cotton clothes.

"So, huge opportunities await but we have a capacity shortage when it comes to making high-end garments such as sportswear, lingerie and outerwear," he said.

"To increase Bangladesh's hold on the global non-cotton apparel market, we need to increase efficiency and technical know-how in the industry," the BGMEA chief added.

Hassan then said more investments are needed in backward linkage industries while the environmental aspect of industrial production should be kept in mind.

During the first two months of 2023, garment exports from Bangladesh grew by some 10 per cent year-on-year.

A significant part of the growth was contributed by shipments to the European Union (EU), the largest export destination for Bangladesh.

Exports to the EU amounted to $4.22 billion during the January-February period, registering year-on-year growth of 8 per cent.

However, Bangladesh saw negative growth in exports to eight of the 27 countries in the EU, namely Germany, Austria, Bulgaria, Denmark, Finland, Latvia, Malta, Poland and Slovenia, the data says.

During the two-month period, exports to Germany fell 12.37 per cent to $1.17 billion. On the other hand, shipments to France and Spain grew by 14 per cent and 22 per cent to $477.87 million and $645.68 million respectively.

At the same time, exports to the US fell roughly 14 per cent to $1.33 billion from $1.54 billion. Shipments to Canada also dropped by some 3 per cent to reach $206.80 million.

However, exports to the UK saw 21.63 per cent year on-year growth to stand at $964 million during the first two months of the current calendar year.

Bangladesh's exports to non-traditional markets rose remarkably in the January-February period, showing year-on-year growth of 42.51 per cent to hit $1.64 billion from $1.15 billion.

Currently, the share of export earnings from clothing sent to non-traditional markets stands at 19.64 per cent. Japan is the top destination among major non-traditional markets, fetching $321.12 million during the period.

Exports to other non-traditional markets such as Australia, India, South Korea, Turkey and the UAE are also rising but shipments to Russia, China, South Africa and Chile have declined, the data shows.

Tax collection growth slows

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the current fiscal, which is unlikely in view of the annual average growth of tax collection.

The NBR posted 12 per cent annual growth in tax collection in the last five years, according to its data.

During the current fiscal year, tax collection started slowing since September 2022 amid falling customs tariff and direct taxes following import tightening by Bangladesh Bank, and reduced profits of firms.

In the July-February period, collection of tariffs from imports and exports grew only 4 per cent year-on-year to Tk 59,198 crore.

Taxmen logged 6 per cent growth in income tax collection to Tk 60,437 crore in the eight months ending in February compared to Tk 56,860 crore for the same period a year ago.

Only value added tax (VAT) collectors could post double digit growth.

Revenue officials collected Tk 76,400 crore as VAT, the indirect tax paid by consumers while purchasing goods and services, in the July-February period of fiscal 2022-23, up 15 per cent from a year ago.

BB to impose 4% penal interest

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Speaking to The Daily Star, a central banker said: "The volume of overdue EDF loans is rising. So, we have moved so that these loans become regular."

The BB notice comes at a time when Bangladesh's foreign currency reserves continue to face immense pressure because of the volatility in the foreign exchange regime caused by the Russia-Ukraine war.

Owing to higher import bills against moderate export receipts and lower remittance inflow, the reserves slipped to a six-year low of $31.15 billion earlier this month. This means the reserves have fallen by about 30 per cent from the $44.14 billion recorded in March last year.

Afghan female entrepreneurs seek out foreign markets

REUTERS, *Kabul*

Dozens of Afghan businesswomen took part in an exhibition in Dubai remotely this week to promote carpets, jewellery, dried fruit and other handmade goods as part of a push to access international markets after work options for women shrank in Afghanistan under the Taliban administration.

The three-day exhibition, held at a hotel in Dubai and organised by the United Nations Development Programme and the Afghan Women's Chamber of Commerce and Industry (AWCCI), began on Thursday and includes 26 female-run businesses.

Due to visa and travel restrictions, most business owners joined via video link from the Afghan capital, where they said some restrictions on women in public life as well as the country's struggling economy were hampering their businesses.

Rayhana Karim, from the AWCCI, said at the exhibition in Dubai that they were working to create a brand for products, labelling them "Made by Afghan Women", to reach consumers abroad wanting to support women's rights.

"The end-consumers in Europe, the United States and the UAE, they want to support Afghan women, we need to provide them with an opportunity," Karim told Reuters.

"You are supporting an Afghan woman when buying a quality product ... and you are enabling her to stand on her own two feet, to gain financial independence and to start to have a seat at the table."

Local production of pharma

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Md Halimuzzaman, chief executive officer of Healthcare Pharmaceuticals.

A central waste treatment plant has been set up in the park at a cost of Tk 100 crore and this is about to be commissioned.

In Bangladesh, companies are also raising their capacity to manufacture finished formulation, which includes both small molecule synthetic drugs and complex biologics and vaccines.

And Muktadir believes that the rising API production would help the pharmaceuticals sector grow its share in the global generic drug market, valued about $400 billion.

Local companies export products to 157 countries in Asia, Africa, North America, South America and Europe.

Medicines exports rose more than 11 per cent year-on-year to $188 million in 2021-22, data from the Export Promotion Bureau showed. The pharmaceuticals exports have grown almost three folds in the last seven years.

Pharma-makers also think that Bangladesh should focus on potential API markets across the world. The global market is estimated to reach $216 billion in 2027.

"Diplomatic efforts should be initiated so that once API is available, Bangladesh can have a ready market," said Muktadir.

Beacon Pharmaceuticals' Alam said there was no need to worry about the challenges Bangladesh would face in the post-LDC era.

"This is because we have already introduced pharma products in the local market and these products should be considered as prior art."

Prior art is any evidence that one's invention is already known.