

UCB's Tk 50cr open-ended mutual fund gets go-ahead

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission has approved an open-ended mutual fund named UCB Income Plus Fund worth Tk 50 crore.

Of the fund, UCB Asset Management has provided Tk 5 crore and the rest of the fund is open for sell for the general investors.

Price of each fund unit is Tk 10. Mutual funds pool money from investors to channel it into securities such as stocks, bonds, and other assets. Depending on the profits earned, investors are then paid their share as dividends.

Open-ended mutual funds are not listed with the stock market but one can buy them from a fund manager's office on the basis of its net asset value.

Huawei, bKash sign MoU on financial inclusion

STAR BUSINESS DESK

Huawei has signed a memorandum of understanding (MoU) with bKash over enabling more people to participate in financial inclusion and benefit from the digital economy in Bangladesh.

Pan Junfeng, president of Huawei South Asia region and CEO of Huawei Bangladesh, and Kamal Quadir, founder and CEO of the mobile financial service provider, signed the deal at Huawei Bangladesh Academy in the capital on Wednesday.

"The joint effort of bKash and Huawei aims at driving financial inclusion and eliminating poverty for Sustainable Development Goals with innovative solutions," said Kamal at the programme titled "Smart Fintech: Inclusive. Innovative. Inspiring Bangladesh".

"Our partnership will drive the growth of the digital economy in Bangladesh, setting a remarkable example to other EM (emerging markets) countries in the region, when it comes to financial inclusion," said Pan in a press release.

Among others, Sarder M Asaduzzaman, assistant resident representative of United Nations Development Programme, and Susan Vize, officer-in-charge of the United Nations Educational, Scientific and Cultural Organization Dhaka office, were present.



Payra port officials say that although capital dredging works are now finished, maintenance work is now ongoing to maintain navigability of the Rabnabad channel.

PHOTO: SOHRAB HOSSAIN

Govt to revise contract for capital dredging of Rabnabad channel

STAR BUSINESS REPORT

The government has decided to revise its contract with Jan De Nul, which was appointed for capital dredging of Payra Port's Rabnabad channel, as the Belgian company has completed the work ahead of schedule.

A meeting of the cabinet committee on government purchase yesterday approved the revision proposal of Payra Port Authority regarding its project on "Capital and Maintenance Dredging of Payra Port Rabnabad Channel".

However, the contract's value of Tk 5,629.18 crore will remain the same following revision, according to a press release from the finance ministry.

Addressing a virtual press briefing after the meeting, Syed Mahmud Khan, additional secretary of the Cabinet Division, said Jan De Nul was originally supposed to complete the capital dredging works within one year and then maintain the channel for another six months.

Now though, the deadline for completing capital dredging has been

shortened to eight months while the timeframe for maintenance has been extended to 12 months, he added.

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With the completion of capital dredging, Rabnabad channel now has the highest depth while Chattogram port, the biggest seaport in Bangladesh, only just recorded the berthing of a vessel with 10 metres draft in January this year.

Larger mother vessels will now be able to load or unload their goods directly from

the jetty of Payra port instead of through lighter vessels at the outer anchorage.

Ships with a draft of up to 10.5 metres, ranging 225 metres long and 30 metres wide, can now dock at the jetty, said Rear Admiral Mohammad Sohail, chairman of Payra Port Authority.

The project was initiated in January 2021 in a bid to turn Payra port into a major shipping hub for the country by facilitating the access of larger vessels.

Port officials say that although capital dredging works are now finished, maintenance work is now ongoing to maintain navigability of the channel.

Meanwhile, the cabinet committee on economic affairs yesterday approved a proposal of Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) to make a 10-year contract with Intraco Refueling Station Ltd.

Under the deal, BAPEX will supply Intraco with surplus gas produced in Bhola for distribution among industrial units of Gazipur in Dhaka by initially compressing 5 MMcfid of the fuel and later 20 MMcfid in cylinders.

PM calls for strengthening economic ties with Vietnam

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday emphasised on enhancing economic cooperation between Bangladesh and Vietnam for the mutual benefit of the two countries.

She made the observation while outgoing Ambassador of Vietnam Pham Viet Chien called on her at Gono Bhaban, Ihsanul Karim, the PM's press secretary, told reporters.

During the meeting, they expressed satisfaction over the growing bilateral relations, the press secretary said.

Hasina mentioned that Bangladesh and Vietnam have many common issues like their victorious struggles for liberation of their countries.

The people of the country admired the Vietnamese struggle for independence, the PM said adding that during their Liberation War against the Pakistani military junta, people of Bangladesh used to chant slogans "Bangla will be Vietnam".

Talking about the agricultural sector, she said Bangladesh is a densely populated country and it has a huge population, so researchers have been engaged in boosting agricultural production.

The PM also laid emphasis on improving connectivity with South Asian countries.

She thanked the Vietnamese envoy for completing his tenure successfully and also congratulated him on the success of his country in the socioeconomic arena.

\$2B BUDET SUPPORT

ADB working on the fund for Bangladesh

STAR BUSINESS REPORT

Asian Development Bank (ADB) is working to provide around \$2 billion in budgetary support to Bangladesh this fiscal year in a co-funding initiative it plans to lead, a move that would to some extent relieve the existing pressure on the foreign exchange reserve.

"We are working on it. I am positive. We have some internal matters among the financiers," said Edimon Ginting, the ADB's country director for Bangladesh, yesterday. He was talking to reporters after a meeting with the planning minister at Sher-e-Bangla Nagar in the city.

The fund would come in two phases: \$1.05 billion in April and about \$1 billion more in June, learned The Daily Star from the finance ministry officials involved with the proceedings.

Of the sum, the Manila-based multilateral lender will provide \$400 million, Japan International Cooperation Agency \$250 million, Asian Infrastructure Investment Bank \$250 million and South Korea \$150 million.

German inflation expected to ease significantly

REUTERS, Berlin

Inflation is expected to ease significantly in Germany in March on the back of lower energy prices, preliminary data from six economically key states in the country showed on Thursday.

The inflation rate in Brandenburg and Baden-Wuerttemberg fell to 7.8 per cent year-on-year. It slowed to 7.2 per cent in Bavaria, 7.1 per cent in Hesse and 6.9 per cent in North-Rhine Westphalia. In the eastern state of Saxony, inflation declined to 8.3 per cent in March.

In February, inflation rates for the six states had been between 8.3 per cent and 9.2 per cent.

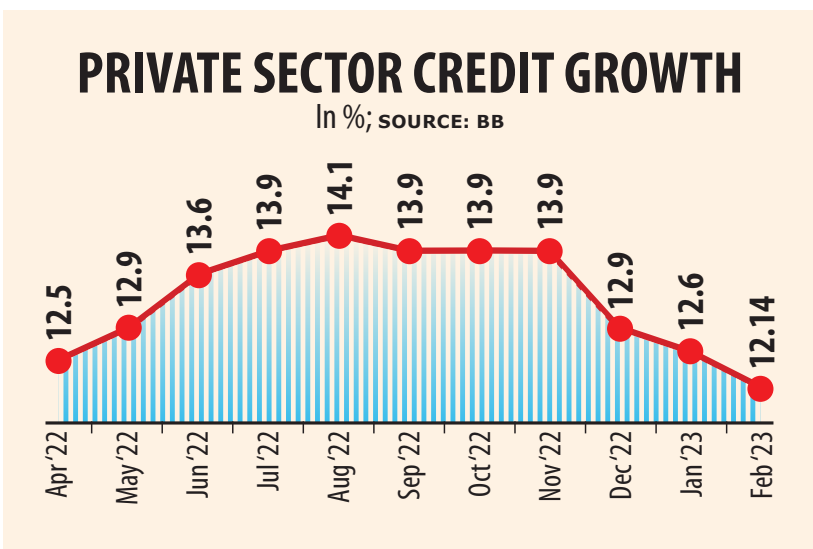
National inflation data will be published at 1200 GMT. Economists polled by Reuters expect the rate of price rises to ease to 7.5 per cent from 9.3 per cent in February in Europe's largest economy. Inflation in Germany and the euro zone is no longer the result of a pure supply-side shock, but a demand-side issue,

ING economists Carsten Brzeski and Franziska Biehl said.

"It is not only higher energy and commodity prices which are being passed through to consumers, it is also widening profit margins in some sectors which are contributing to inflationary pressures," the economists wrote in a note.

Workers are increasing their wage demands and gaining bargaining power in an extremely tight labour market. Wage negotiations for Germany's public sector failed to yield agreement this week although employers offered almost 6 per cent pay growth per year for 2023 and 2024.

"The unions are in a strong position, so we still assume that the eventual deal will be more front-loaded," Citi economist Christian Schulz said. "It will directly raise inflation as local authorities will have to hike rubbish administrative fees and health insurers raise contribution rates to pay for the higher costs."



Private credit growth slows

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Imports have already declined.

Bangladesh's imports dropped 5.66 per cent year-on-year to \$44.031 billion in the July-January period of the current fiscal year, according to central bank data.

Mohammad Ali, managing director of Pubali Bank Ltd, attributed the slowing growth of private credit to reduced trade financing as imports are falling.

"There is also a slowdown in

demand for loans to import raw materials used in producing goods for the export markets."

He said owners are holding a minimum stock of raw materials to keep their factories operational. "Importers are also doing the same."

"The interest rate has risen on loans and advances. As a result, the cost of borrowing has gone up. This has made a section of borrowers cautious."

Govt prepares guideline

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The project yielded satisfactory results upon its successful completion, according to a document on the new guidelines.

Commercial cultivation of white-leg shrimp will initially be allowed only in coastal areas as well as farms that have the required infrastructure, including biosecurity and quarantine facilities.

White-leg shrimp cannot be cultivated by traditional means for the sake of ensuring biosafety. This means that unauthorised antibiotics, chemicals or pesticides cannot be used, the ministry said.

Before marketing any vannamei raised at a farm, the producer should inform the concerned officer of the Fisheries Department, who will then check the health of the shrimp some 8 to 10 days before harvesting.

Also, the shrimp heads must be intact while flour, tapioca and other impurities cannot be used for increasing their weight, it added.

And until the construction of a government quarantine station, importers and other concerned organisations will need their own quarantine facilities.

This is because imported brood vannamei shrimp needs to be tested for disease in an approved laboratory

before being farmed.

"The guideline was prepared so that farmers can cultivate vannamei shrimp in the right way without facing any complications," said KH Mahbulul Haque, director general of the Department of Fisheries.

Frozen food exporters who had been pursuing the government to allow the cultivation of non-native shrimp in the face of falling export earnings for over a decade welcomed the new guideline.

Shyamal Das, managing director of MU Sea Food Limited, said India started commercial farming of white-leg shrimp many years ago while Bangladesh has just begun.

"Now, we have to work on moving forward in the international market," he added.

The Department of Fisheries had been unwilling to grant permission for cultivating non-native shrimp in fear of negative impacts on biodiversity and the environment.

Introduced in the US in the 1970s, commercial cultivation of white-leg shrimp started to expand in the 1980s, reaching many Asian countries such as China, Thailand, Indonesia and India.

As such, production of the shrimp soared, making huge strides in the global market.



China committed to economic opening up: premier

REUTERS, China

China is committed to opening up the world's second-largest economy and delivering reforms that can help stimulate growth, Premier Li Qiang said on Thursday, adding that geopolitical tension would only hold back development worldwide.

Li's comments at an international business summit in the island province of Hainan, are his latest calls for Beijing to bolster its economic recovery in the face of strained relations with the United States and its allies over everything

from Russia's war in Ukraine to technology exports and Taiwan.

His comments were delivered on a panel alongside the prime ministers of Malaysia, Singapore and Spain - which all have close trade and diplomatic ties with Beijing.

"No matter what changes take place in the world, we will always adhere to reform and opening up," Li, who took office this month, told the panel at the annual Boao Forum.

"We will introduce a series of new measures in expanding market access and optimising the business environment ... Peace is a prerequisite

for development," he said.

Covid curbs battered China's economy for three years before being dropped in December, and Li said there were signs a recovery was starting to take hold.

China has set itself a modest target for gross domestic product growth of about 5 per cent this year, after significantly missing its target for 2022. That is lower than what the International Monetary Fund and some private forecasters think it can achieve.

"Judging from the situation in March, it's better than in January and February. In particular, major economic

indicators such as consumption and investment continue to improve, while employment and prices are generally stable," Li said.

In veiled comments aimed at the United States, which is working with its allies to stymie China's access to advanced technologies such as microchips, Li said Beijing opposed trade protectionism and decoupling.

Relations between the two superpowers have been tense for years and worsened last month after the United States shot down a high-altitude balloon off the US East Coast that it says was a Chinese spying craft.