

Forex reserves to rise to \$30b within this month BB says

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves will rise to approximately \$30 billion at the end of June this year, said the central bank yesterday.

Forex reserves stood at \$29.9 billion as of June 12 this year, including the export development fund and other foreign assets, down from \$41.8 billion recorded at the end of June 2022, according to the Bangladesh Bank data.

The banking watchdog said the current level of international reserves is still equivalent to approximately 5 months of imports. This exceeds the standard benchmark of three months' import coverage, indicating the country's relatively strong reserve position.

The central bank said the projected growth of reserves to \$30 billion further strengthens the country's capacity to withstand external shocks and meet its financing obligations promptly.

Economy will return to high growth trajectory next year: BB

STAR BUSINESS REPORT

Bangladesh's economy is poised to regain its high growth trajectory by the next year as price effects of the Russia-Ukraine war have largely stabilised and significant improvement has taken place in containing global pandemic situation, projects the Bangladesh Bank (BB) yesterday.

"With a pandemic-free environment and stabilised conditions from the Russia-Ukraine war, Bangladesh's macroeconomic outlook appears to be stable in the near term, poised to regain its high growth trajectory by 2024," said the BB in its monetary policy for July-December period this year.

The positive outlook by the central bank comes after the provisional estimate by the Bangladesh Bureau of Statistics showed a slowing growth to 6.03 per cent in the current fiscal year ending this month, down from 7.1 per cent in the 2021-22 fiscal year.

The BB said despite the positive developments – declaration of end to the Covid-19 pandemic by World Health Organisation and falling prices of commodities and energy in 2023 – rising inflation and exchange rate pressure remain critical challenges that Bangladesh continues to face.

The central bank said it has placed highest priority on containing inflation while vigilantly managing exchange rates and other macroeconomic instabilities.

The BB has decided to increase the policy interest rate to increase the cost of funds for the borrowers, remove lending rate cap as well as moving towards a market-driven unified exchange rate.

Intel to invest \$25b in new Israel plant

AFP, Jerusalem

US chip giant Intel will spend \$25 billion on a new plant in Israel, officials said Sunday, with Prime Minister Benjamin Netanyahu calling it the country's single largest foreign investment.

The "agreement in principle" would see the semiconductor firm build the facility in southern city Kiryat Gat that would open by 2027 and operate at least until 2035, Israel's finance ministry said.

As part of the deal, Intel's taxes to Israel would rise from five to 7.5 percent, the finance ministry said in a statement.

Intel in return would receive a grant of 12.8 percent of its outlay, the ministry said, in line with Israel's capital investment encouragement law.

Netanyahu said the new plant would constitute "the largest investment in Israel".

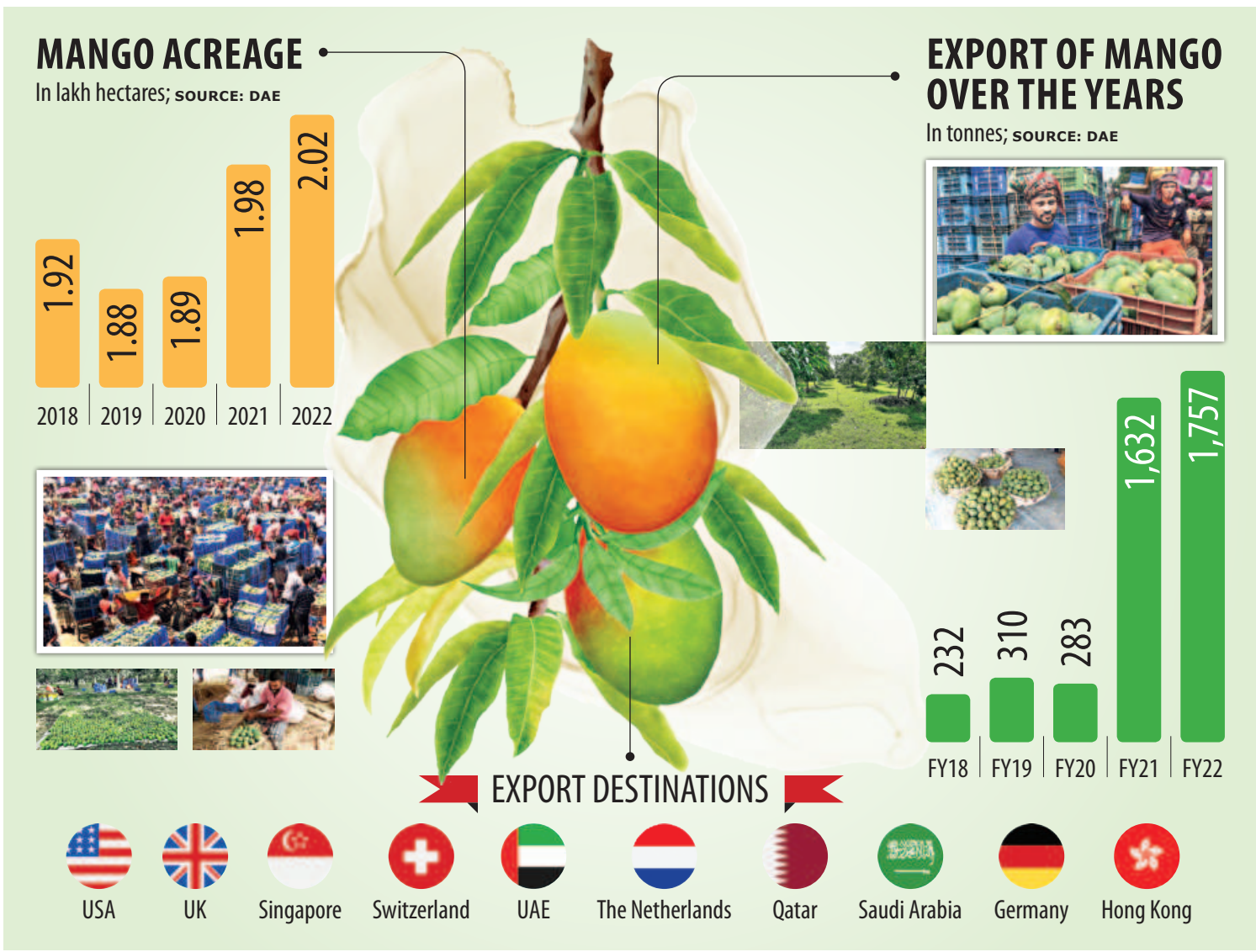
"This is a great show of confidence in Israel's economy, and shows the strength of the free economy we built here and the technological economy developing here," the Israeli leader said.

The two sides would begin finalising the deal in a process expected to take a number of weeks, according to the ministry.

A spokesman for Intel in Israel had no immediate comment.

Intel has been operating in Israel since the 1970s with development centres and a production site that employ some 12,000 people out of the company's global work force of 130,000, the finance ministry said.

In 2017, Intel acquired Israel-based Mobileye, which makes technology for automated driving systems in vehicles, for just over 15 billion dollars.



Mango exports jump as quality improves

SUKANTA HALDER

Bangladesh's export earnings from mango have jumped this year as local growers are supplying an improved quality of the popular fruit through both private and public initiatives.

About 1,757 tonnes of mango were exported by air in 2022 while 600 tonnes of the fruit have been shipped so far this year, according to data from the Department of Agricultural Extension (DAE).

The DAE officially inaugurated mango exports for the current season on May 25.

"Till now, mango exports have been mostly limited to our ethnic markets living abroad. But this year, we have been able to export to the mainstream market," said Mohammad Arifur Rahman, director of the DAE's Exportable Mango Production project.

"We have already exported 450 kilograms of the fruit," he said, adding that the shipment was made to a supermarket chain in Switzerland.

There are currently 66 registered mango exporters that ship the fruit to about 28 countries, mainly the United Kingdom, Saudi Arabia and Italy.

The season for mango export begins in May and ends in September.

"Our exports start with shipments of Gopal Bhog and other mango varieties, namely Himsagar, Langra and Amrapali," Rahman said.

"We are getting a very good response. We expect to achieve an export target of 4,000 tonnes this year," he added.

Under the project, the DAE aims to train 8,400 farmers on mango production technology, namely good agricultural practices, in major mango producing areas such as

Rajshahi, Chapainawabganj, Sathkhira, Chuadanga, Meherpur and hill tract districts.

This year, the DAE is working with 990 mango growers, he said.

Md Rezaul Karim, director of the Plant Quarantine Wing of the DAE, which issues plant health certificates for exports, said 600 tonnes have been exported to different countries so far while shipments will continue well into August.

There are currently 66 registered mango exporters that ship the fruit to about 28 countries, mainly the UK, Saudi Arabia and Italy

There is a lot of demand for the summer fruit among consumers in European and Middle Eastern countries, said Md Monjurul Islam, adviser of the Bangladesh Fruits, Vegetables and Allied Products Exporters Association.

"As such, there is a possibility of crossing the amount of mango exported last year," he added.

Kawser Ahmed Rubel, chief executive officer of Global Trade Link, an exporting company, said they shipped mango to only London last season.

But this time around, they have sent the fruit to London as well as Germany and Switzerland.

"So far, we have exported 20 tonnes of mango. The target is to export 100 tonnes this season," he added.

Rubel also said that earlier, there were many communication gaps between foreign buyers and local suppliers, but

the situation has improved a lot over the years.

"Mango exports have increased compared to last season. One of the reasons for this is that the process of obtaining a phytosanitary certificate for export has been simplified," he added.

There was a jump in exports at the beginning of the season compared to the same time last year as many new entrepreneurs and exporters have joined the business, according to Manzurul Hannan, managing director of Hortex Foundation.

"This is very encouraging," he said.

Hortex is a government-sponsored agency working to facilitate the export of fresh produce.

Hannan said mango exports have increased as a result of the overall public-private initiatives, with the government having taken up an exportable mango production scheme.

"Besides, we have developed international standard packaging, and this is also helping the entrepreneurs a lot," he added.

Hannan also said that some farmers are growing export-quality mangoes while the entry of new exporters in the segment has also boosted shipments for the past few years.

Bangladesh ranks ninth in mango production in the world, according to the UN's Food and Agriculture Organisation.

The global mango market size reached a value of nearly \$57.33 billion in 2021, having grown at a compound annual growth rate of 6.4 per cent since 2016. The market is expected to grow from \$57.33 billion in 2021 to \$77.94 billion in 2026 at a rate of 6.3 per cent, according to the Business Research Company.

Journey towards nature-positive business

ARIJIT CHAKRABORTI

Nature supplies us with essentials like air, water and food, among other necessary resources in our daily lives in order to help us survive. It is thus evident that if nature is under threat, it would cause a significant impact on humankind.

Business refers to a set of activities carried out by an entity or an individual to produce goods and services of commercial value. However, any business requires the use of at least some natural resources. Therefore, the diminishing natural reserves would have a direct impact on businesses as well.

Businesses often contribute to the damage caused to natural resources through the excessive use of water, polluting water bodies by releasing liquid waste, polluting the air by emitting greenhouse gases, and expelling harmful solid waste materials on fertile land and in water bodies. Often, the production of harmful materials, such as non-biodegradable plastics, is also the reason for damage to the earth's natural resources.

Due to such collective activities worldwide, the natural world is declining at an unprecedented rate today. The foundations on which our modern economy and society are running, are eroding faster than ever. According to an analysis by PwC, more than half of the world's gross domestic product is significantly or moderately dependent on nature.

The global economy has grown 25 times in the last 50 years. At the same time, the global wildlife population has declined by 69 per cent, according to Living Planet Index 2022.

The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services has assessed that land degradation, another phenomenon on

natural decline, negatively impacts 3.2 billion people globally, and accounts for an economic loss of nearly 10 per cent of the global GDP.

Considering these data points, it is evident that some immediate actions need to be taken in order to slow down this decline of nature. However, a significant impact can only be made if actions pertaining to the

same are taken collectively by all stakeholders.

This fast decline of nature also calls for urgent action on the part of businesses. Businesses face new risks from nature loss in the form of reduced productivity, higher input costs and a greater degree of climate threats. Additionally, businesses need to address the emerging actions and reactions of various stakeholders – namely regulators, consumers and investors. Therefore, businesses must start developing nature-positive strategies and integrating them into their operations.

The starting point for business leaders should be to develop a thorough understanding of what nature means for their respective businesses, and identify the direct and indirect touchpoints with nature – considering both inputs and outputs of their business activities.

For example, an agribusiness may identify land, water, fertilisers, pesticides, electricity and seeds as their input touchpoints with nature and build strategies to become nature positive in terms of the utilisation of each of these. Similarly, for an apparel manufacturing business, the strategy should be around carefully choosing input materials – like cotton produced through another nature-positive business entity.

Depending upon the identified touchpoints with nature, the business then needs to formulate its strategy to make each of them nature positive by undertaking various measures. Furthermore, business leaders need to upskill their workforce to execute nature-positive initiatives and deliver sustainable outcomes.

With the pace with which nature is diminishing today, it is crucial that the actions to repair the damage start immediately. Therefore, business leaders need to redefine business leadership and demonstrate the same through their journey towards building nature-positive businesses.

The writer is a partner with PwC. The views expressed here are his own.



A view of the Russian oil producer Gazprom Neft's Moscow oil refinery on the south-eastern outskirts of Moscow. Russia has been redirecting its energy supplies from Western countries which have imposed restrictions and sanctions on trade with Moscow after its invasion of Ukraine. China and India purchase most of the re-routed Russian energy.

PHOTO: AFP/FILE

Russian oil to make up 30% of India's imports

ONGC chief says

REUTERS

Russia may account for almost a third of India's oil imports by the end of the current financial year, Arun Kumar Singh, the head of India's Oil and Natural Gas Corp Ltd, was cited as saying on Saturday by Russian news agency Interfax.

"The share of Russian oil imports, which was less than 2 per cent in 2021/2022, has increased tenfold to 20 per cent in the oil import basket," Singh was quoted as saying at a St Petersburg International Economic Forum panel.

The level may reach 30 per cent by the end of the 2023/24 financial year, he added.

"Then, guaranteed trade between the two countries will grow even stronger and Russia will have a major role to play in ensuring India's energy security."