

Bank Asia holds 500th board meeting

STAR BUSINESS DESK

The 500th meeting of the board of directors of Bank Asia Ltd was held at the Sheraton Dhaka in Banani last week. Romo Rouf Chowdhury, chairman of the bank, presided over the meeting, said a press release.

Rumee A Hossain, chairman of the board executive committee of the bank, Zakia Rouf Chowdhury, Romana Rouf Chowdhury, Enam Chowdhury, Md Abul Quasem, and Helal Ahmed Chowdhury, directors, were present.

Dilwar H Choudhury, chairman of the board audit committee, Ashrafal Haq Chowdhury and Nafees Khundker, directors, virtually joined the meeting.

Adil Chowdhury, president and managing director, and SM Anisuzzaman, company secretary, along with other senior officials were also present.



Romo Rouf Chowdhury, chairman of Bank Asia, poses for photographs with directors and high officials of the bank at their 500th board of directors' meeting at the Sheraton Dhaka in Banani last week. PHOTO: BANK ASIA



ASM Shahidullah Khan, chairman of One Bank, cuts a cake at the bank's corporate head office in Dhaka recently to celebrate its 24th founding anniversary. PHOTO: ONE BANK

One Bank celebrates 24th founding anniversary

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One Bank Ltd recently celebrated the 24th anniversary of its operation in the banking sector of Bangladesh.

ASM Shahidullah Khan, chairman of the bank, cut a cake at the bank's corporate head office in Dhaka to celebrate the founding anniversary, said a press release.

Shawket Jaman, director of the bank,

Former Chief of Naval Staff Admiral Aurangzeb Chowdhury, independent director, and Md Monzur Mofiz, managing director, along with senior executives of the bank were present.

The bank began its journey on July 14, 1999 as a private commercial bank.

Currently, the bank runs its banking activities across the country with 111 branches, 171 ATM booths, 39 sub-branches and 17 collection booths.

Southeast Bank organises agent banking confce

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Southeast Bank Ltd recently organised the "Southeast Bank Agent Banking Half-Yearly Conference 2023" for Chattogram division.

Nuruddin Md Sadeque Hossain, managing director of the bank, inaugurated the conference as the chief guest, said a press release.

All the partners of agent outlets of the bank's agent banking in the Chattogram division participated in this conference along with other officials of the bank.

The conference reviewed the overall in-depth progress of Southeast Bank's agent banking operations in the first half of the year and then discussed various policies to achieve the business goals for the remaining half of the year.



Nuruddin Md Sadeque Hossain, managing director of Southeast Bank, poses for photographs with participants of the conference styled "Southeast Bank Agent Banking Half-Yearly Conference 2023" for Chattogram division recently. PHOTO: SOUTHEAST BANK

Pran Dairy signs deal with Rakub to assist farmers

STAR BUSINESS DESK

Pran Dairy Ltd signed a deal with Rajshahi Krishi Unnayan Bank (Rakub) on supply chain finance to assist the dairy farmers of the north-western part of Bangladesh.

Niranjan Chandra Debnath, managing director of Rakub, and Uzma Chowdhury, director (corporate finance) of Pran-RFL Group, signed the deal at the latter's head office in Badda, Dhaka last week, said a press release.

Under the deal, farmers will get money in their bank account after providing milk to Pran Dairy. Besides, if farmers show interest in establishing a dairy

farm, they will get the desired loan from the bank.

"This initiative will help our dairy sector go ahead. Under the deal, dairy farmers and milk processors will be beneficial," said Debnath.

"Rakub will support in providing the working capital. Pran will be able to process a large amount of milk obtained in flash season and convert it into powder milk which will help us meet the demand during the lean season," said Chowdhury.

Raisul Alam Mondal, chairman of Rakub, Ahsan Khan Chowdhury, chairman and chief executive of Pran-RFL Group, and high officials of both the organisations were present.



Niranjan Chandra Debnath, managing director of Rajshahi Krishi Unnayan Bank, and Uzma Chowdhury, director (corporate finance) of Pran-RFL Group, exchanged signed documents of a deal on supply chain finance to assist the dairy farmers of the north-western part of Bangladesh at the latter's head office in Badda, Dhaka last week. PHOTO: PRAN-RFL GROUP

House Building Finance opens six branches

STAR BUSINESS DESK

Bangladesh House Building Finance Corporation (BHBFC) recently opened six branches in as many districts across the country.

The new branches are in Barguna, Narail, Meherpur, Nilphamari, Sariapur and Bandarban. The state-run BHBFC now has branches in every district of the country.

Md Abdul Mannan, managing director of the institution, virtually inaugurated the branches from the corporation's headquarters in Dhaka, said a press release.

High officials of the corporation were present at the programme.



Md Abdul Mannan, managing director of Bangladesh House Building Finance Corporation, virtually inaugurates six branches in six different districts across the country from the corporation's headquarters in Dhaka recently. PHOTO: BHBFC

What happens when the Black Sea

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The current global food crisis, however, is far from over. The WFP said last month that multiple emergencies had overlapped creating the largest and most complex hunger and humanitarian crisis in more than 70 years.

In 2022, a record 349 million people experienced acute hunger and 772,000 teetered on the edge of famine, the WFP said in an annual review.

What is the state of global food supplies?

Global corn stocks began the 2021/22 season at a six-year low and so Russia's invasion of Ukraine, one of the world's top corn exporters, led to a significant jump in prices.

A sharp increase in exports from Brazil, however, has since helped to boost supplies along with the export of nearly 17 million tonnes of corn through the corridor.

The US Department of Agriculture has forecast global corn stocks by the end of the 2023/24 season will be at a five-year high.

Global wheat stocks are tighter and are forecast to be at an eight-year low at the end of the 2023/24 season, USDA data shows.

What would it mean for the world food programme?

The WFP buys several million tonnes of food commodities every year of which about 75 per cent are grains.

In 2021, WFP purchases totalled 4.4 million tonnes with Ukraine its top source, providing 20 per cent of the total.

Ukraine mainly supplies wheat and split peas.

Most of the food goes to Africa along with some countries in Western Asia such as Yemen and so the WFP tends to source most supplies from eastern Europe, which is closer than major producers in North or South America.

The WFP has shipped 725,200 metric tonnes through the corridor. It will have to look elsewhere, potentially at a higher cost when a funding shortfall has already forced it to reduce activities in some countries.

What has been exported?

Under the pact to create a safe shipping channel, Ukraine has been able to export 32.9 million tonnes of agricultural products, including 16.9 million tonnes of corn and 8.9 million tonnes of wheat.

Before the conflict, Ukraine was exporting roughly 25 to 30 million tonnes of corn a year, mostly through the Black Sea, and 16 to 21 million tonnes of wheat.

The capacity to ship grain through the Black Sea under the pact has been limited by the inclusion of only three ports. For a full breakdown of the countries and quantities exported:

Why is Russia withdrawing from the pact?

Russia has repeatedly said it sees no reason to extend the deal. It says commitments made to remove obstacles to Russian food and fertiliser exports have not been fulfilled.

Moscow's demands have included the reconnection of Russian Agricultural Bank (Rosselkhozbank) to the SWIFT payment system.

How much will Bangladesh benefit?

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The settlement of LCs in the rupee may solve the problem to some extent, Mansur said.

The growing trade in the rupee will help India make its currency a reserve currency, he added.

The US dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling are the reserve currencies.

Prof Mustafizur Rahman, a trade analyst, also said that trading in the INR would not bring much impact on the reserve level as a certain volume of US dollars will neither be added to the reserve nor leave it.

He said some global brands that have a presence in India may continue to purchase goods from Bangladesh in the USD.

Rahman, also a distinguished fellow at the Centre for Policy Dialogue, said the risk facing the taka will still be there since the INR may fluctuate.

He suggested attracting more lines of credit and more foreign direct investments in the rupee from the neighbouring country.

"Then it will benefit our economy."

Atiur Rahman, a former governor of the Bangladesh Bank, said the beginning of trade in the rupee is a very first but very important step for bilateral trade.

"If Bangladesh can increase its exports to India, the benefits of the mechanism will expand. So, Bangladesh needs to find out new avenues to export more to the neighbouring country."

If India offers a new line of credit in the rupee and the loan is used in settling LCs regarding fuels, it can lessen the pressure on the forex reserves to some extent, he said.

The former governor suggested using UPAS (Usance Payable at Sight) LC to import products from India. "This will reduce costs and popularise the system."

The BB rolled out UPAS LC, an import system carried out on the basis of buyers' credit, in 2012.

"We are not going to replace the US dollar. Instead, we are supplementing it," said Amit Kumar, country head of SBI.

He said the benefits of trade in the INR are the reduction of net demand for the US dollar, the lowering of costs stemming from currency conversions, and cutting the processing time needed to carry out trades.

Kumar said a market-based exchange rate is beneficial for Bangladesh.

"The taka has depreciated steeply against the US dollar in the last one year. The rupee has not witnessed such a fall. So, settling of trades is good for Bangladesh."

The taka has depreciated by around 10 per cent against the INR in the past one year while it weakened by around 25 per cent against the USD.

According to the SBI official, trading in the INR would be cost-efficient since hedging will not be involved. On the other hand, trades in the US dollar involve costs related to currency hedging, he said.

The move comes as India pushes to make the rupee a global currency. The Reserve Bank of India (RBI) has already put in place a mechanism to settle international trade in the currency.

The central bank of India has allowed banks from 18 countries to make payments in the rupee. The countries include Sri Lanka, Israel, Russia, Germany, Singapore and the UK. Now, Bangladesh has been included in the list.

"India wants to make the rupee a tradable currency. So, the launch of trade settlements with Bangladesh in the rupee is a good initiative from their perspective," said Mamun Rashid, a trade analyst.

He said the initiative is good but its effectiveness will depend on the private sector since exporters will decide whether they will accept their earnings in the rupee instead of the US dollar.

"In our previous experience with

China, we saw the Chinese private sector prefer the US dollar instead of the renminbi. So, it is important to see how the private sector in India reacts."

He said the rupee and the taka have not fluctuated against the US dollar at the same pace, so a higher depreciation of the Bangladeshi currency may work in its favour.

However, the rupee can also fluctuate, he said.

The losses stemming from the currency conversion for Bangladeshi traders might still be there despite using the rupee.

Usually, if an Indian buyer enters into a deal with a seller from Bangladesh, the former has to convert the rupee into the USD first. The Bangladeshi seller gets payments in the American currency and converts them into the taka to use them.

Indian importers, who will use the rupee-linked mechanism, might not face any loss from conversion since their currency will be used during transactions. However, the risks remain for Bangladeshi companies since the rupee replaces the US dollar for them.

Bangladesh's annual imports from India stand at around \$20 billion. So, the demand for the US dollar will be there among importers.

Md Fazlul Hoque, a former president of the Bangladesh Knitwear Manufacturers & Exporters Association, says he is not sure how the mechanism will reduce the pressure on the forex reserve.

He said most of the exporters except those in the agro-based sector are dependent on global markets for raw materials. And they will continue to need US dollars to purchase raw materials from other countries.

The central bank will have to be careful so that this group of exporters can't receive payments in the INR against their shipments to India since the reserve will fall if such happens, he said.

Dollar hovers around 15-month low

REUTERS, London/Sydney

The dollar edged lower on Monday against a basket of currencies after suffering its biggest weekly drop of the year as traders waited on economic data and policy decisions before selling it down any further.

The euro continued climbing, rising 0.1 per cent to \$1.1234, after hitting a fresh 16-month high earlier in the day. Versus the yen the dollar fell 0.28 per cent to 138.36 yen per dollar, after touching its lowest against the Japanese currency in two months on Friday.

"Last week's US disinflation shock altered the FX landscape, but a few days without key data releases will tell us whether that impulse can keep the dollar on the back foot as the FOMC risk event draws nearer," Francesco Pesole, FX strategist at ING, said.

"Euro/dollar appears a bit overstretched in the short term and could face a correction this week," he added.

Last week's US inflation data fuelled investors' bets that the Federal Reserve was close to the end of its rate hike cycle, and the dollar index had its biggest weekly decline since November 2022, falling 2.25 per cent on the week.

US producer prices barely rose in June and the annual increase in producer inflation was the smallest in nearly three years, data showed on Thursday, a day after data showed consumer prices rose modestly last month.

Over in Germany, the Bundesbank said on Monday the euro zone's largest economy may shrink this year by more than the 0.3 per cent decline expected only a few weeks ago, despite a small bounce in the second quarter.

Industry-heavy Germany is bearing the brunt of a drop in global demand for goods - the result of higher borrowing costs dampening investment and people spending more on leisure, travel and other services in the aftermath of the pandemic.

Both the Fed and European Central Bank are expected to raise interest rates next week, but beyond that, market pricing implies the Fed will likely stop, before cuts next year, while in Europe another hike probably beckons.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (JUL 17, 2023)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 60-Tk 75	0	-2.88 ↓
Coarse rice (kg)	Tk 48-Tk 50	0	-2 ↓
Loose flour (kg)	Tk 50-Tk 52	-4.67 ↓	24.39 ↑
Lentil (kg)	Tk 90-Tk 100	0	-11.63 ↓
Soybean (litre)	Tk 162-Tk 165	-4.39 ↓	-5.22 ↓
Potato (kg)	Tk 38-Tk 42	9.59 ↑	45.45 ↑
Onion (kg)	Tk 60-Tk 70	-10.34 ↓	36.84 ↑
Egg (4 pcs)	Tk 46-Tk 50	3.23 ↑	23.08 ↑

SOURCE: TCB