

## Oil hits new highs

REUTERS, London

Oil hit new peaks on Wednesday with Brent crude touching the highest since April as tighter supply owing to Saudi and Russian output cuts offset concerns over slow demand from China and a report showing rising U.S. crude inventories.

Saudi Arabia's cabinet said on Tuesday that it reaffirms its support for precautionary measures by the Organization of the Petroleum Exporting Countries and its allies, known as Opec+, to stabilise the market, state media reported.

Brent crude rose 64 cents, or 0.7 percent, to \$86.81 by 1012 GMT and touched \$86.94, the highest since April 13. US West Texas Intermediate (WTI) crude gained 78 cents, or 0.9 percent, to \$83.70. The US benchmark touched \$83.81, the highest since November 2022.

Crude posted its sixth consecutive weekly gains last week and hit its highest levels since mid-April on Monday, helped by a reduction in OPEC+ supplies and hopes of stimulus boosting oil demand recovery in China.



Retailers sold farmed brown eggs at Tk 150 to Tk 165 per dozen in Dhaka yesterday, according to TCB. This is 10 percent higher than that a week ago.

PHOTO: STAR/FILE

## Biman signs code sharing deal with Gulf Air

STAR BUSINESS REPORT

In a new business strategy, Biman Bangladesh Airlines has signed its first strategic code sharing agreement with Gulf Air to enhance travel connectivity, convenience, and accessibility for passengers traveling between Bangladesh and the Gulf region.

The landmark partnership agreement was signed yesterday through an online meeting between representatives of the national flag carriers of Bangladesh and Bahrain.

With this agreement, Biman and Gulf Air will closely collaborate to expand their flight networks and offer an extensive range of options for their passengers.

The code sharing agreement will enable travellers to seamlessly book flights operated by either airline, providing increased flexibility and efficiency in travel planning.

Also, passengers will be able to travel from Dhaka to Bahrain and Bahrain to Dhaka with onward connections to Chattogram and Sylhet by both airlines.

"We are thrilled to join hands with Gulf Air in this code sharing agreement, which marks a significant milestone for both airlines," said Shafiu Azim,

managing director and CEO of Biman.

"This partnership will unlock new possibilities for our customers and strengthen the bonds between Bangladesh and Gulf countries," he added.

Captain Waleed Al Alawi, CEO of Gulf Air, said they are delighted to be partnering with Biman Bangladesh Airlines.

"Through this code sharing agreement, we are looking forward to offering our passengers an expanded network of destinations and more travel choices," he added.

The code sharing agreement between Biman and Gulf Air will also benefit both airlines through enhanced operational efficiency and shared expertise in the aviation industry.

Code sharing is a partnership between two airlines that allows an airline to place its two-letter identification code on the flight schedules of another. This means that flights can be marketed by one airline and operated by another.

For instance, Gulf Air may be in agreement with Biman whereby it operates Biman flights on a particular route. This flight would be enlisted with Biman's identification code (BG), but actually be run by Gulf Air.

## Eggs now Tk 15 costlier per dozen

SUKANTA HALDER

The price of eggs has gone up by as much as Tk 15 per dozen in retail markets, forcing consumers who are already overburdened with high inflation to spend more to avail the low-cost source of protein.

Retailers were selling farmed brown eggs at Tk 150 to Tk 165 per dozen in Dhaka yesterday, as per the Trading Corporation of Bangladesh (TCB).

This is 10 percent higher than that a week ago.

Prices have increased over the last seven days, said Nurul Alam Shikdar, a retailer of Pallabi, who was asking Tk 174 for a dozen.

The weather was quite hot around a week or so ago and many layer poultry died and laid lesser eggs for not being able to eat properly, said Mohammad Amanat Ullah, president of an association of egg merchants in Tejaon.

"In addition, layer production has also been low," he added.

There is a daily demand for 20 lakh to 22 lakh eggs at the Tejaon market but a maximum of 15 lakh is available now,

he said.

"We bought 100 eggs for Tk 1,190 on Tuesday. The price was Tk 1,200 on the following day but Tk 1,040 a week ago," he said.

Supply of eggs from the outer edges of the city has been disrupted for rains over the last couple of eggs, said Moshir Raham, managing director of Paragon Group.

"Rains affect the entire supply chain," he said.

Capitalising on this situation, some traders held back their stocks to create an artificial crisis and raise prices, said a dealer in Dhaka, seeking anonymity.

"Even though they have enough eggs, they are supplying less. So, the price is going up," he said.

About 3.5 crore to 4 crore eggs are sold around the country on an average every day.

In fiscal year 2022-23, 2,337 crore eggs were produced around the country, according to the Department of Livestock Services. It was 2,335 crore the previous fiscal year.

## Miniso to open in Sylhet

STAR BUSINESS DESK

Miniso Bangladesh, a retail chain of Miniso in the country, will launch its 25th store in Sylhet through a franchise.

Shabnam Shehnaz Chowdhury, managing director of Miniso Bangladesh, and franchisee Md Rezwan Selim, proprietor of Softex Retail, signed an agreement in this regard at the former's head office in Dhaka recently, said a press release.

Shah Adeeb Chowdhury, Shah Rayeed Chowdhury and Chowdhury Asifuzzaman, directors of Miniso Bangladesh, were present.

The retail chain's stores are currently in Dhaka, Chattogram, Khulna, Bogura and Rajshahi.

## Standard Bank promotes official to DMD post

STAR BUSINESS DESK



Standard Bank Ltd has recently promoted an official to the post of deputy managing director (DMD).

The official, Md Mohon Miah, was serving as the head of business development, Shariah secretariat, internal control & compliance division and an Islamic banking conversion project in the bank.

Miah joined Standard Bank in 2020. He previously served Islami Bank Bangladesh Ltd as a deputy managing director and head of corporate investments, said a press release.

Obtaining a master's degree in Islamic history and culture from the University of Dhaka, he had started his banking career as a probationary officer in 1985.

STOCKS		
DSEX ▼	CASPI ▼	
<b>0.29%</b>	<b>0.21%</b>	
6,296.99	18,622.94	

COMMODITIES		
Gold ▲	Oil ▲	
<b>\$1,926.12</b>	<b>\$83.67</b>	
(per ounce)	(per barrel)	

ASIAN MARKETS				
MUMBAI	TOKYO	SINGAPORE	SHANGHAI	
▲ 0.23%	▼ 0.53%	▲ 0.12%	▼ 0.49%	
65,995.81	32,204.33	3,313.79	3,244.49	

## Can Bangladesh hit dev goals

FROM PAGE B1

processes, which results in a spike in outward remittance from Bangladesh, he said.

"We need to innovate the technologies that are suitable for us."

In the era of the fourth industrial revolution, artificial intelligence (AI), deemed as the most important technological development in recent times, is expected to contribute to the economy and generate millions of jobs in new areas globally. At the same time, AI is believed to be taking away millions of traditional jobs.

"So, Bangladesh should prepare to adopt it and find out how we can make the most of it," Murshid said.

Today, Bangladesh is not a small economy – the nation is set to become a trillion-dollar economy in less than two decades, doubling from nearly \$450 billion now.

The country aims to become an upper-middle-income country by 2031 and a developed nation by 2041.

"So, we should focus on R&D like other countries did," Murshid said.

A number of analysts have called for following in the footsteps of other countries that have built their economies, created wealth and raised the living standards of their people through innovation. One of the countries that stand out in the arena is China.

The country was struggling even in the 1980s with half of its population being poor and the economy was growing at a slower pace.

After the opening up of the economy in 1979, the Chinese government started to invest massively in R&D in order to make the economic growth sustainable. It also invited foreign investors.

The big investment in R&D and its hard-working population made China "the factory of the world" and put the economy on a higher growth trajectory.

China's expenditure on R&D reached \$456 billion in 2022, up 10.4 percent year on year, according to the country's National Bureau of Statistics. Currently, China is the largest spender in the world in agricultural R&D.

The country leads globally in the areas of innovation, technology

and adoption. It is particularly true in agriculture, manufacturing and outsourcing.

Today, China is the second-largest economy in the world.

According to Murshid, the agricultural sector of Bangladesh has seen some innovation over the years and most of them came through the Bangladesh Rice Research Institute.

"But there is more scope to carry out research in other sectors as well. But the government is not providing adequate funds and it has no clear plan for it."

The first time the government allocated any funds aimed at R&D was in the fiscal year of 2019-20 when it set aside Tk 50 crore, clearly highlighting the lack of focus on the side of the authorities in the previous years.

The government has made a special allocation of Tk 100 crore for research, innovation and development for the current fiscal year of 2023-24.

The private sector is not doing much as well. According to the University Grants Commission of Bangladesh, 125 universities in the country spent close to Tk 153 crore on research in 2020, which was less than 1 percent of their combined annual budget.

The outlay aimed at research activities at all universities in the country is around one percent of their collective budget.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, a think-tank, says almost all developed countries focused on R&D and STEM (Science, Technology, Engineering, and Mathematics)-based education when their economy was taking off with a view to raising productivity.

"From that sense, Bangladesh is lagging far behind although the economy has been growing at a stellar pace for the past one decade."

In Bangladesh, the government seems to be pleased just by elevating the primary school enrollment rate to 100 percent. Similarly, companies are running their operations by adopting technologies and solutions from global sources instead of going for innovation, he said.

"As a result, value addition of firms is low and the income of per unit

exported item is also minimum."

The success of the country's largest export earning garment sector, which has turned Bangladesh into the second-largest supplier globally, also hinged upon shipping low-priced clothing items using low-cost labour.

The remittance, another lifeline of the economy, also grew on the basis of the toils of unskilled workers. So, funds transferred by the migrant Bangladeshis have not gone up as expected.

For example, more than 11.35 lakh Bangladeshis left the country for jobs abroad last year. But remittance flow through official channels dropped 6.65 percent to \$21.28 billion in 2022, data from the Bureau of Manpower, Employment and Training and the Bangladesh Bank showed.

Moazzem says a positive side is that the government has kept some funds in the national budget in the last few years. Most of the funds have been used in knowledge generation-based activities.

He, however, adds that some of the projects are not related to R&D.

"Our R&D budget should be used in innovating products, services and technologies that are commercially viable. The allocation needs to be increased and the government should pay heed to it."

The economist also urged the private sector to come forward to invest in R&D and recommended the government encourage entrepreneurs to do so by way of giving incentives, cutting taxes, and offering low-cost loans.

Moazzem thinks internationally renowned companies from other countries should be invited to invest in setting up R&D centres.

He, however, points out that R&D activities will not be encouraged until the government removes barriers related to intellectual property laws.

"This is because when a company innovates something, the rights linked to the innovation should be protected. However, the existing law is not protecting innovators properly."

Mahmudul Hasan Sohag, an entrepreneur, says globally, private companies mainly fund research

activities whereas most of the firms in Bangladesh have no long-term vision to invest in R&D.

He says most of the investments behind R&D generally fail and only a few pay back, so local companies have no patience to go for the primary spending.

"Our companies have mainly the trading mentality, so there is little technology and product innovation in the country."

According to the co-founder of Rokomari.com, an e-commerce platform, the private sector may say that there are not enough researchers in Bangladesh, while universities may argue there are not enough fund providers.

"So, we need some crazy companies to bring a breakthrough and set an example."

### EBL joins the fray

FROM PAGE B1

for which Bangladesh Bank called for applications from the third week of June.

EBL plans to become a sponsor in the Digi10 Bank PLC alongside The City Bank and other private banks.

Early this week, The City Bank said it would invest Tk 13.88 crore in the proposed Digi10 Bank Plc.

Apart from these banks, Bank Asia, bKash, Pragati Life Insurance, ACI Ltd, Padma Bank, Banglalink and Crystal Insurance have also made public their decision to invest in setting up digital banks.

The central bank's move comes within a week after it approved guidelines regarding the establishment of digital banks, which will provide financial services alongside the existing 61 conventional banks.

In its guideline published earlier, the central bank said digital banks will not be allowed to provide any service to clients directly through physical counters and cannot issue any physical instruments.

Likewise, digital banks would not be permitted to give out loans to carry out foreign trade or term loans to medium and large industries, according to Bangladesh Bank.

## BPC again seeks time

FROM PAGE B1

The project aims to facilitate the unloading of imported crude oil and finished products with improved safety at a low cost and within a short time.

As such, it aims to reduce system losses experienced in the existing lighterage operation of imported crude oil and finished products, according to project documents.

The SPM will be able to unload 120,000 tonnes of crude oil from tankers in 48 hours and 70,000 tonnes of diesel in 28 hours.

Under the project, three oil depots for crude oil and three storage tank farms for diesel will be set up at Moheshkhali in Cox's Bazar to ensure energy security by enhancing the country's capacity to store fuel.

The project will establish a SPM and Pipeline End Manifold, set up a total of 220 kilometres of offshore and onshore pipelines, tanks and farms at Moheshkhali as well as carry out land acquisition.

The BPC said they have to spend an additional Tk 537 crore for the project due to the fluctuation of the US dollar, and \$3.5 crore for the claim settlement of contractors and consultants, according to a document.

However, they have to pay another Tk 59 crore to the government due stipulations of the recent circular on income tax and value-added tax on the payment of contractors and consultants.

Project Director Md Sharif Hasnat, also a deputy general manager at Eastern Refinery, could not be reached over phone for a comment by the time this report was filed.

"We have scrutinised the project and raised our queries at the PEC meeting," said Abdul Baki, member (secretary) of the industries and energy division of the Planning Commission.

"The project is almost complete but due to fluctuating dollar prices, they have to pay almost all of the proposed amount. Apart from that, the BPC has some claims from contractors and consultants," he added.

Baki also said they raised some

specific observations in the PEC meeting and asked the BPC to submit relevant documents soon.

"The project is very crucial for the country. If the project is launched, it will save a huge amount of money for the government," he added.

In a recent programme, State Minister for Power, Energy and Mineral Resources Nasrul Hamid said the SPM project is near completion.

"We have built 110 kilometres of pipeline from Moheshkhali to Patenga, which will save us about Tk 1,000 crore a year," he said.

"We will supply fuel from Patenga to Dhaka through another pipeline, which is also almost complete," Hamid added. The pipeline was already commissioned in July, but later faced technical glitches and failed.

The state minister hoped they would be able to inaugurate it in October this year while BPC officials also hoped to open the project within the next two-three months.

### Fakir Knitwear

FROM PAGE B1

research and development facilities in various parts of the country, and plan to set up similar industrial units at the BSMSN.

Sheikh Yusuf Haroon, executive chairman of Beza, said Fakir Knitwear is well known in its respective sector as a developing business with a good reputation in local and international markets.

"Therefore, linking up these investors with Beza will lead to increased investment in the economic zone as well as diversification of products," he added.

Haroon also said that although there are many challenges in providing services to the investors of economic zones, Beza is successfully ensuring water, gas and electricity connections through coordination with related government agencies.

Also, Beza has been working with various development partners to ensure international standards of central effluent treatment plants at the BSMSN, he added.