

Putin orders regulated prices for fuel oil

REUTERS, Moscow

Russian President Vladimir Putin has ordered the government to provide state funds to ensure a smooth heating season, including the introduction of regulated prices for fuel oil supplied for household heating in some regions, the Kremlin said on Thursday.

Russia has been tackling shortages and high fuel prices in recent months. Fuel oil is in high demand for the Arctic and other regions, which are facing a severe winter.

The document, published on the Kremlin website, said the government will provide funds for Murmansk and other Arctic regions to prepare for the heating season of 2023/2024, and for "the introduction of price regulation for fuel oil supplied for the heating season".

Despite being one of the world's top oil producers, Russia has suffered high domestic prices and shortages of gasoline and diesel in recent months as high export prices made it advantageous for refiners to sell their products abroad.

Russia on September 21 introduced a ban on fuel exports to fight high gasoline and diesel prices as well as fuel shortages during harvesting season. There is no time frame for the restrictions to be lifted.



Md Hashem Jomaddar takes away his harvest of water spinach, called kolmi shak in Bangla, for sale to vegetable vendors in Bihongon village at Barishal sadar upazila. The 60-year-old can earn up to Tk 600 from a day's sales offering each handful of the vegetable at Tk 6. A good source of dietary fibre, protein, calcium, iron and vitamins A and C, this leafy vegetable usually grows in abundance around water bodies. Nowadays farmers have taken to cultivating it since associated costs are negligible. The photo was taken recently.

PHOTO: TITU DAS

Panchagarh tea auction centre starts journey

MD QUAMRUL ISLAM RUBAIYAT, Thakurgaon

The country's third tea auction centre in Panchagarh witnessed its first day of activity as a daylong online auction was held at the Panchagarh Chamber Of Commerce and Industries' auditorium on Wednesday.

Bangladesh's first tea auction centre was set up in Chattogram in 1949 before a second was inaugurated in Sreemangal in 2017.

Commerce Minister Tipu Munshi formally inaugurated the tea auction centre in Panchagarh on September 2 this year.

Major General Md Ashraful Islam, chairman of Bangladesh Tea Board, observed proceedings, which were conducted by the Small Tea Garden Owners and Tea Traders Association of Bangladesh.

Three brokers and 25 bidders took part in the day-long auction.

A total of 113,000 kilogrammes of processed tea, produced by different tea factories in the northern region, were on offer.

Of the amount, 86,508 kgs were sold at an average rate of Tk 132.48 per kg.

MM Tea Estate fetched the highest price of Tk 212 per kg while Moli Tea Industry got the lowest price of Tk 102 per kg, said Amir Hossain, tea development officer of Bangladesh Tea Board, Panchagarh.



In a meeting on September 14, the Tea Sales Coordination Committee scheduled 12 online tea auctions in Panchagarh, with the next one to be held on October 18.

At least 12,079 acres of land is dedicated to tea cultivation across Panchagarh, Thakurgaon, Nilphamari, Lalmonirhat and Dinajpur in the Rangpur division.

Last year, about 1.78 crore kgs of processed tea, worth Tk 260 crore, was produced from plain land tea gardens, which accounted for 19 percent of the nation's total tea cultivation, according to the local office of the tea board.

Tea cultivation in the flatlands of Panchagarh commenced in the late 1990s after effective government directives that sought to make the most of favourable weather and soil conditions.

It soon expanded to other districts in the region.

In the last two decades, the northern regions have emerged as the second-largest tea cultivating hub in the nation, behind Sylhet but ahead of Chattogram.

A total of 26 tea processing factories operate in the region, 25 in Panchagarh and one in Thakurgaon, according to sources from the tea board.

52 companies have been granted approval to set up processing factories.

Yellen 'very optimistic' about outlook for US economy

REUTERS, Washington

US Treasury Secretary Janet Yellen said she was very optimistic about the outlook for the US economy, adding that inflation was coming down in the short term and the labor market was "extremely strong."

"I am very optimistic about the US economic outlook. Short term: inflation is coming down in the context of an extremely strong labor market," Yellen said at a Fortune CEO event on Tuesday.

"Medium term: we are now engaging in a very substantial program of investments to strengthen our economy, to boost our productive capacity," Yellen said.

US gross domestic product is still expanding at a pace well above what Federal Reserve officials regard as the non-inflationary growth rate of around 1.8 percent, often referred to as the "potential" growth rate.

US GDP expanded at a 2.4 percent annualised rate in the second quarter, and some estimates put the current quarter's pace at more than twice that.

The treasury secretary added she was

pleased that Congress passed a deal over the weekend that averted a government shutdown. She previously said that a US government shutdown would be a "risk factor" for a potential economic recession.

Yellen also said interest rates would return to more normal levels in the medium term.

Commenting on artificial intelligence, Yellen said progress in that field was "unbelievably rapid" and could make a significant difference in productivity.

Yellen also said the United States had an over-dependence on China in some key areas.

"I think we have an over-dependence on China in areas that are critical to our national well being," Yellen said, adding the US needed to de-risk some of that without completely disengaging from China.

Yellen visited China in July and has been one among a number of key officials in the administration of President Joe Biden to have made such a visit in recent months. The two countries have agreed to keep lines of communication open.

BGMEA seeks price hike from buyers again

STAR BUSINESS REPORT

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday again sought a price hike of garment items as the government is working to implement a minimum wage for four million garment workers from December this year.

BGMEA President Faruque Hassan said in a letter: "Firstly, we need our buyers to understand and internalise the wage dynamics from our respective contexts and priorities, and support us through rational price adjustments."

He also wrote letters to the buyers who are operating through liaison offices in Bangladesh, Action, Collaboration and Transformation (ACT) and American Apparel and Footwear Association (AAFA), asking to recalculate the price for orders which will be processed from the beginning of December.

"Secondly, it's time for us to think long term. The increase in cost and wage are unavoidable, and we cannot compete in certain product categories if costs

continue on this upward trend, no matter how efficient we are," he added.

He urged local garment suppliers to find new opportunities, underlining the need for constant improvisation, innovation and diversification into items that match the sector's cost and competitive trajectory.

He added that there was no alternative to investment in machines, technology and skills.

"We need to find ways to optimise costs, trade off investments in technology with resource use and reduce wastage," he added.

The BGMEA also urged the government to take appropriate measures to control inflation and to bring its workers under a special safety net programme including food rationing.

"We appreciate our buyers and development partners for their support and we urge them to find more areas to support us in ensuring the wellbeing of the workers. We are passing through a turbulent time but it's not new to us."

Global bond rout deepens

REUTERS, New York/London

A rout in government bond markets deepened early on Wednesday with benchmark US yields hitting fresh 16-year highs as investors bet that persistently high interest rates will slow world growth and dampen the appetite for riskier assets.

The Treasury rout later retreated on a cooler-than-expected US private payrolls report that helped stocks on Wall Street rebound from a sharp sell-off Tuesday that had plunged the three main US equity indexes to four-month closing lows.

Growth concerns weighed on crude oil and gold prices, and European equities edged lower for a third day as retailer shares fell on a consumer spending pullback.

How long can

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One consumer, who works for a private company, says when one of his colleagues proposed they buy the jerseys of the national cricket team taking part in the World Cup in India, he did not show any interest since the items seem luxury under the current circumstances.

Selim Raihan, a professor of economics at the University of Dhaka, says people are using various coping mechanisms to keep their heads above water since high inflation has lingered.

"Those who have the opportunities are doing additional jobs to meet the additional expenses. But those who don't have the opportunity to work are definitely cutting their consumption of food and non-food items."

The economist says the fixed-income groups are under pressure from

both economic and social aspects.

"Many of them have stopped going to social events to cut expenditures."

He urged the government to bring fixed-income groups under the social protection schemes, which currently support the poor, the elderly and other impoverished groups, so that they can handle the price pressure.

Prof Raihan called for increasing the supply of products in the market and removing the anomalies in market management.

Nobody could say how long the low and fixed-income people would have to struggle to make a decent living.

And on Wednesday, the World Bank said absent policy tightening, inflation is likely to remain elevated in the near term and gradually subside if import prices stabilise in the medium term.

IMF mission unimpressed

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next week to know about the revenue collection strategy in a bid to enable the tax administration to hit the year-wise revenue targets attached to the loan.

The IMF had set a target for the NBR to collect a minimum of Tk 345,630 crore in tax in 2022-23. This was one of the six quantitative targets attached for the first half of 2023 by the IMF for the authorisation of the second instalment of the loan.

The NBR logged Tk 325,272 crore in FY23, according to its provisional data.

In response, finance ministry officials said that while the revenue collection fell short of the IMF's floor, it was within touching distance.

Tax collection grew 8 percent in the last fiscal year, which was almost half of the 14 percent growth the NBR achieved the previous year.

At the yesterday's meeting, the IMF team also wanted to know the status of the report on the direct tax expenditure, which

includes rebates, discounts, exemptions and reduced rates of taxes.

Officials said the tax administration plans to finalise the report soon.

Taxmen, in response to the query regarding the status of the mid- and long-term revenue collection strategy, said they would finalise the strategy within two to three months.

Meeting with CPTU
The IMF mission also sat with the officials of the Central Procurement Technical Unit (CPTU). The Unit briefed the officials about the sustainable Public Procurement Policy.

It came when IMF officials met with Mohammed Shoheler Rahman Chowdhury, director-general of the CPTU, at the latter's office in the capital.

In the meeting, the CPTU informed the mission that the policy has been sent to the cabinet division for approval.

The lender also wanted to know whether the authority took proper consultation from stakeholders and published it on the website to receive

feedback from the public.

In response, the CPTU conveyed that the policy was finalised after getting the opinions and consultation.

Thanks to the new policy, green procurement will be promoted in the upcoming years.

The policy paper has been prepared to ensure that the \$25 billion that Bangladesh spends

annually on public procurement "achieves value for money on a whole life basis in terms of generating benefits not only to the organisation but also to society and the economy whilst minimising damage to the environment".

The policy would be piloted in the procurement of paper and paper products, office supplies, computer and other electronic equipment and supplies, office and other furniture or related wooden appliances, vehicles and other transportation equipment, food services and catering, hotel materials like towels and bed covers, and official paper-made publications.



Arif Quadri, managing director of United Commercial Bank, attends a celebration of UCB Investment's three-year anniversary at the bank's headquarters in Dhaka yesterday.

PHOTO: UNITED COMMERCIAL BANK

UCB Investment celebrates anniversary

STAR BUSINESS DESK

UCB Investment Ltd, a subsidiary of United Commercial Bank PLC, recently celebrated its three-year anniversary as an investment bank.

Arif Quadri, managing director and CEO of the bank, inaugurated the celebration at the bank's headquarters in Dhaka, said a press release.

Tanzim Alamgir, managing director and CEO of UCB Investment, along with other senior officials of the bank and its subsidiary organisations were present.

UCB Investment won a slew of accolades for being the "Best Investment Bank" by Finance Asia Awards, Euromoney Awards for Excellence, and Asia Money Awards in 2023, the press release added.

The investment bank has made significant contributions in the bond market, initial public offerings (IPOs), rights offerings, and mergers and acquisitions (M&A) deals as its highly skilled team of investment banking professionals provides effective solutions to its clients, it said.



PHOTO: SOUTHEAST BANK

Nuruddin Md Sadeque Hossain, managing director of Southeast Bank, presides over the bank's 3rd quarter "Business Review Meeting- 2023" at its head office in Dhaka. The bank's senior executives from head office, head of branches, in-charge of sub-branches and heads of the offshore banking units virtually joined the meeting.