

LankaBangla Finance to issue Tk 300 crore bond

STAR BUSINESS REPORT

LankaBangla Finance yesterday said its board has approved the issuance of a zero-coupon bond to raise Tk 300 crore.

The non-convertible zero-coupon bond (3rd Issue) will be issued in a face value on the Alternative Trading Board, said the non-bank financial institution in a post on the Dhaka Stock Exchange.

A zero-coupon bond is a debt security that does not pay interest but instead trades at a deep discount, rendering a profit at maturity, when the bond is redeemed for its full-face value.

India retail inflation eases to 3-month low

REUTERS, New Delhi

India's retail inflation rate touched a three-month low of 5.10 percent in January as prices of some food items rose more slowly, data showed on Monday, although the central bank is expected to wait before cutting rates as inflation remains above its target rate.

Annual retail inflation, opens new tab eased in January from 5.69 percent in December, government data showed, and was in line with a 5.09 percent forecast by a Reuters poll of 44 economists.

Last week, Reserve Bank of India (RBI) left interest rates unchanged, signalling that cuts may be some time away as it focuses on getting inflation to 4 percent on a sustainable basis.

Food inflation, which accounts for nearly half of the overall consumer price basket, rose 8.30 percent in January, compared with a 9.53 percent rise in December.

Prices of cereals rose 7.83 percent year-on-year in January compared to 9.93 percent in the previous month, while vegetable prices rose 27.03 percent compared to 27.64 percent in December, the data showed.

"CPI inflation came in slightly softer than our expectations," said Upasna Bhardwaj, chief economist at Mumbai-based Kotak Mahindra Bank. But uncertainties about food inflation are likely to keep the central bank "cautious in the near term", she said.

The central bank forecasts retail inflation at an average of 5.4 percent in the current fiscal year ending in March, and at 4.5 percent for the next fiscal year.

Drivers behind rising female-headed households

- Poverty
- Husbands not employed
- Higher living expenses
- Higher divorce rate

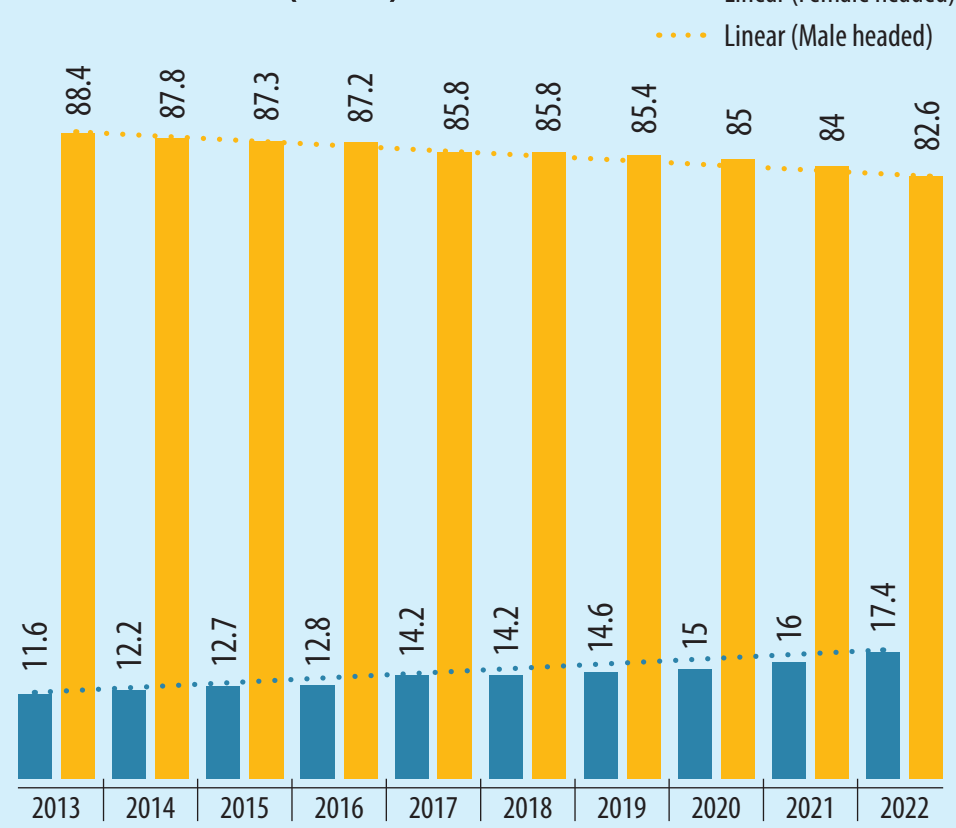
What can be done to improve their condition:

- Empowering female population
- Improving their educational and financial condition
- Providing skills development training so they can participate in formal employment
- Strengthening social safety net

BY THE NUMBERS

- Female participation in labour force rose to **42.68%** in 2022 from **36.3%** five years ago
- Participation of women at work in rural areas is **50.89%** and it is **22.59%** in urban areas

Trend of female-headed households (In %)



SOURCE: BANGLADESH BUREAU OF STATISTICS

Female-headed households rise to a decade high

TAHIRA SHAMSI UTSA

Hasina Begum, a domestic worker in the capital's Tejgaon, has to provide for her five-year-old son, who is physically challenged. Her husband left them because of the child's condition, forcing the 32-year-old to become the sole breadwinner of the family.

She manages to earn Tk 11,000 a month by working in three separate houses about 10 hours a day on average.

The income might help her foot the bills for basic essentials and ensure the son's minimum well-being, specialised physiotherapy for the child is beyond her means.

"I am working hard to make a living," she said.

Shanta Akhter, a garment worker, lives in a cramped basement room in Mirpur-7. Her tiny, windowless 72-sqft room accommodates only a small bed.

The 29-year-old earns Tk 12,500 a month, supporting her entire family, which lives in Bogura. Her husband, a drug addict, has abandoned her.

"I have to send a major portion of my salary to my daughter and parents," Shanta said.

The 12-year-old daughter is studying in Class VIII and needs Tk 1,500 a month to meet educational expenses.

"I live alone in Dhaka and work in a garment factory so that I can give her a better life," Shanta said.

Nahar Jahan, who hails from Kamrangirchar, works in four households near the University of Dhaka, earning around Tk 20,000 a month.

Her husband, a rickshaw puller, is drug addict and often demands money from her and resorts to violence if denied. Despite this, Nahar, aged 30, single-handedly manages a five-member family, which includes three of their children, with two in school.

Hasina, Shanta and Nahar are just three of the millions of women in Bangladesh who have been compelled to become the breadwinners of their families to survive.

The latest data from the Bangladesh Bureau of Statistics (BBS) shows a notable

increase in female-headed households, reaching its highest level in a decade.

In 2022, some 17.4 percent of households were led by women, up from 16 percent the year before and 15 percent in 2020. It was 11.6 percent in 2013.

In South Asia, India has 17.5 percent of households with a female head, according to the latest data available with the World Bank. It is 31.3 percent for Nepal, 12.5 percent for Pakistan, and 44.3 percent for the Maldives.

Experts, however, are not pleased about the development, saying the growing number of female-headed households can lead to acute economic instability and increase the rate of poverty.

In 2022, some 17.4 percent of households were led by women, up from 16 percent the year before and 15 percent in 2020. It was 12 percent in 2014.

The notable increase in female-led households is particularly pronounced among women aged 15 to 60, who display a heightened propensity to shoulder familial responsibilities.

Even among older women, aged more than 60, there has been a noteworthy uptick in the proportion of female-headed households, rising from 19.1 percent in 2021 to 19.7 percent in 2022.

Syed Md Saikh Intiaz, a professor of the Department of Women and Gender Studies at the University of Dhaka, describes women's increasing participation in the economic activity as a welcome development.

"Their income-generating activities are increasing day by day along with the proportion of women receiving education."

Prof Intiaz, however, said more needs to be done to empower the female population by improving their educational, financial and mental condition.

He said men's attitude is not catching up with the way women are moving forward.

"Men can't accept this progress, leaving women in a situation to get separated. Women are not sitting quietly. Rather, they are standing on their own. Thus, divorce is increasing. We need to work more focusing on men as well."

From 2006 to 2021, the gross separation rate rose from 0.6 percent to 1 percent. In 2022, it reached 1.4 percent, according to the BBS.

Regional disparities in household headship are evident: Chattogram saw a surge of 2.2 percent in female-headed households in 2022, while Sylhet witnessed an uptick of 2.1 percent, according to the BBS.

Tahmina Akhter, a professor of the Institute of Social Welfare and Research at the University of Dhaka, said divorce and separation among the upper and middle class are rising day by day. This leaves women with no option but to stand on their own feet and run a female-headed household.

She said many husbands in the families belonging to the low-income groups are drug addicted, are engaged in domestic violence, and gamble regularly. This forces women to work and run the family.

"Empowerment and financial freedom of women is necessary. At the same time, it must not threaten the social values."

Coincidentally, the rise in female-headed households keeps pace with the growing participation of women in the economy.

Female participation in the labour force rose to 42.68 percent in 2022, which was 36.3 percent five years ago. The participation of rural women at work is 50.89 percent and it is 22.59 percent in urban areas, the BBS said.

Despite these strides, concerns linger regarding educational attainment among female household heads, with 22 percent reporting no formal education—a slight increase from 2021.

The households run by women are predominantly concentrated among the poorest strata, with 18.7 percent in the lowest wealth quintile, a trend consistent across all income groups.

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Stocks fall for second day amid profit booking

STAR BUSINESS REPORT

Shares at Dhaka Stock Exchange (DSE) dropped for a second consecutive day yesterday as investors booked profits following recent gains.

The DSEX, the benchmark index of the premier bourse of the country, declined 0.46 percent from that on the day before to settle at 6,394.

Likewise, the DSES, an index comprising Shariah-based companies, dipped 2.70 points, or 0.19 percent, to close the day at 1,391.

On the other hand, DS30 Index, which represents blue-chip stocks, rose 5.59 points, or 0.25 percent, to close at 2,165.

The market's daily turnover, which indicates the volume of shares traded during the session, was down 2.76 percent to Tk 1,646 crore.

Of the issues traded at the DSE, 65 closed higher, 254 ended lower and 39 remained unchanged.

Shares of the Mithun Knitting and Dyeing took pole position on the list of top gainers with a rise of 10 percent.

It was followed by the Taufika Foods and Lovello Ice-Cream with 9.95 percent, Sikder Insurance Company with 9.94 percent, Salko Spinning Mills with 9.93 percent and Best Holdings with 9.87 percent.

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The Rangpur Dairy & Food Products, Monno Fabrics, eGeneration, Khan Brothers PP Woven Bag Industries and Uttara Bank were also among the top gainers with their shares rising by 8.56 percent, 8.21 percent, 7.50 percent, 7.20 percent, and 6.32 percent respectively.

Shares of BD Thai Aluminium shed the most, 7.91 percent, followed by ICB AMCL First Agrani Bank Mutual Fund with 7.52 percent, Olympic Accessories with 7.50 percent, and the Khulna Printing & Packaging with 7.42 percent.

ICB AMCL Sonali Bank Limited 1st Mutual Fund, Western Marine Shipyard, National Bank and Advent Pharma also witnessed losses of 6.93 percent, 6.53 percent, 6.32 percent and 6.17 percent respectively.

Among the major sectors, information technology (IT) rose the highest with 1.92 percent while ceramics faced the biggest erosion of 2.89 percent.

Chittagong Stock Exchange also went down with its all-share price index (Caspi) declining by 61 points, or 0.32 percent, to close the day at 18,500.

Green Delta's full-year profit drops on high expenses

STAR BUSINESS REPORT

Green Delta Insurance, a leading insurer in Bangladesh, reported that its profit declined 16 percent year-on-year in 2023 and recommended a 25 percent cash dividend.

The insurance company's net profit decreased to Tk 61.21 crore last year from Tk 73.13 crore a year earlier, according to a filing to the Dhaka Stock Exchange.

Consolidated earnings per share for 2023 was Tk 6.11 against Tk 7.3 in the previous year as Green Delta blamed increased claim expenses for the downturn in profit.

The company's shares traded at Tk 67.70 as of 12:50 pm yesterday on the DSE, declining 0.29 percent from the previous day.

Gaza war, Red Sea attacks imperil global economy

IMF, World Bank warn

AFP, Dubai

The IMF and World Bank warned on Monday that the Gaza war and the related attacks on shipping through the Red Sea pose threats to the global economy.

The Israel-Hamas war raging since October has already hit the Middle East and North Africa region's economy, said the International Monetary Fund's managing director Kristalina Georgieva.

Its knock-on effects could impact the world the longer the fighting drags on, Georgieva told the World Governments Summit, an annual gathering of business and political leaders in Dubai.

"I fear most a longevity of the conflict because, if it goes on and on, the risk of spillover goes up," she said.

"Right now we see a risk of spillover in the Suez Canal," she said, as Yemen's Iran-backed Houthi rebels have attacked Red Sea shipping leading to the crucial maritime passage.

The Huthis say they are targeting what they consider Israeli-linked shipping in solidarity with Palestinians in Gaza, pushing some cargo carriers to take longer and more expensive routes to avoid attacks.

The UN Conference on Trade and Development warned late last month that the volume of commercial traffic passing through the Suez Canal had fallen more than 40 percent in the previous two months.

Georgieva said that if there are other "consequences in terms of where the fighting goes, it could be more problematic for the world as a whole".

Big trade deals likely elusive at WTO meet in Abu Dhabi

AFP, Geneva

The world's trade ministers could put the final touches to a historic fisheries deal when they meet in Abu Dhabi later this month, but other landmark agreements will likely prove more elusive.

Several issues remain stuck in the weeds ahead of the World Trade Organization's biennial ministerial meeting, as anxiety swells over the impact that geopolitical tensions and the looming US elections could have on global trade.

Two years ago at its Geneva headquarters, the WTO's last major gathering struck deals on fisheries, on Covid vaccine patents, and on the need to reform the global trade body itself.

But ahead of the WTO's 13th ministerial conference (MC13), set for February 26-29, trade diplomats admit they are unlikely to break out the champagne.

"It's going to be a bit of a battle," said one Western diplomat, who asked not to be identified. Rashid Kaukab, a professor at the International Institute in Geneva (IIG) business school, said he

was "cautiously optimistic" that some deals could be accomplished.

But "no big bang, no solution to everything", the former Pakistani diplomat told AFP.

"That is not going to be possible."

'Root cause'

Adding to the challenges for those gathering in the United Arab Emirates is the ongoing crisis in the Red Sea, where Yemeni rebels' attacks on vessels are disrupting international shipping.

"The (meeting) will take place in a challenged region of the world," John

Denton, head of the International Chamber of Commerce, told AFP, stressing the need for "strong leadership" from the UAE hosts and WTO chief Ngozi Okonjo-Iweala.

Even without such difficulties, reaching agreement on anything is a feat at the WTO, where full consensus is needed to conclude a deal.

Most hope rests on finalising a historic agreement banning harmful fisheries subsidies, which was reached in 2022 after more than two decades of negotiations.

The agreement banned subsidies that contribute to fishing that is illegal, unreported or unregulated, but it stopped short of outlawing subsidies that contribute to overfishing more broadly.

The initial agreement was aimed at dealing with "the most alarming situations", explained Tristan Irschlinger at the International Institute for Sustainable Development think-tank.

"What this second wave of negotiations is meant to address... is the root cause," he told AFP.

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A picture taken in Geneva on February 5 shows the logo of the World Trade Organization (WTO) at its headquarters.

PHOTO: AFP