



Bazal Ahmed, vice chairman of United Commercial Bank, presides over the bank's 37th annual general meeting on Thursday through a digital platform. The bank approved 5 per cent stock and 5 per cent cash dividends for the year ending on December 31, 2019. Muhammed Shawkat Jamil, managing director of the bank, was present.

Pandemic worsens American inequality, Fed chair says

AFP, Washington

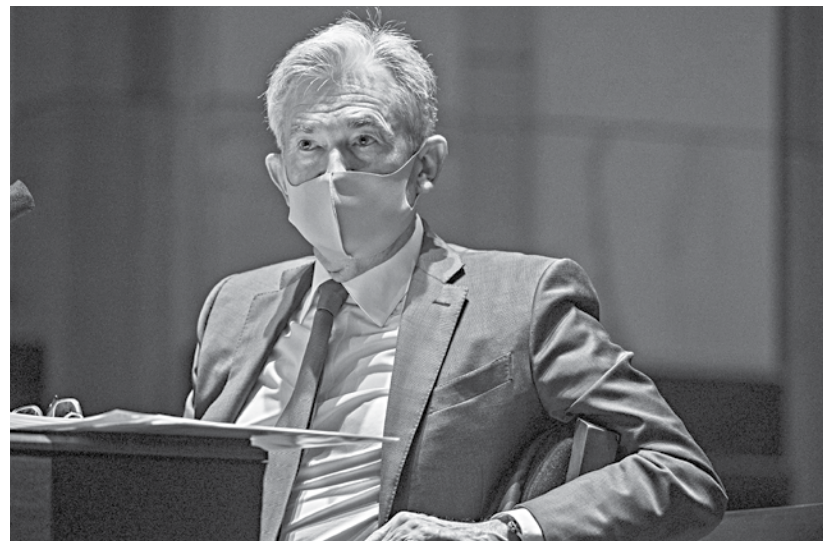
Poor Americans are bearing the brunt of the US coronavirus downturn and may also take longer to recover, Federal Reserve Chair Jerome Powell said on Friday.

"Without question, this event has exacerbated really pre-existing disparities in our economy that were already troubling," Powell said in an interview with National Public Radio.

He said help should be given to people who have lost their livelihoods due to Covid-19 through no fault of their own -- comments that come amid an impasse in Washington over a new aid package to offset the economic damage from the virus.

"The burdens of the pandemic have fallen to a greater extent on people at the low end of the income spectrum," Powell said, especially low-wage employees who rent and have little savings, who are "very vulnerable to an extended period of unemployment."

"I think it really does behoove us as a country, as a very wealthy country, to use our great powers to support people who did nothing wrong," he said. The Fed chair specifically raised concerns about families facing the loss of their homes, telling the broadcaster,



Federal Reserve Chairman Jerome Powell, wearing a face mask, testifies before the House of Representatives Financial Services Committee, on Capitol Hill in Washington.

"We shouldn't let those people lose everything they have and have to move out or be evicted." It could have significant macroeconomic effects over time. But it's also just the right thing to do.

Labor Department data released earlier in the day showed the world's largest economy added 1.4 million new

jobs in August and the unemployment rate dropped to 8.4 percent.

However, there were indications of weakness in the monthly report, particularly given the rising share of people being permanently laid off, as well as the large numbers of job gains from temporary hiring to staff the US census count.



BD Finance gets new MD

STAR BUSINESS DESK

Md Kyser Hamid has recently been appointed as managing director and chief executive officer of Bangladesh Finance and Investment Company Ltd (BD Finance).

Before joining BD Finance, he served as the deputy managing director and head of retail business at IPDC Finance.

Hamid also worked at Brac Bank, IDLC Finance and Delta Brac Housing Finance Corporation in various capacities.

He holds an MBA degree in marketing from North South University and completed his BBA degree in accounting and information systems from the University of Dhaka.

German industrial orders rebound decelerates in July

AFP, Frankfurt

Germany's industrial rebound slowed in July, as the economic recovery from the shock of the coronavirus pandemic started to plateau, according to official statistics released on Friday. Industrial orders increased 2.8 per cent month-on-month, driven by Germany's all-important car industry, after much stronger rises in May and June, statistics agency Destatis said.

The index showed that industrial activity was 7.3 per cent below the same month in 2019, and 8.2 per cent below February 2020, before the impact of measures to combat the spread of the pandemic.

The figures were "a slight disappointment," according to Jens-Oliver Niklasch, analyst at German public bank LBBW.

"The easily attainable fruits have been harvested," Niklasch said, referring to the immediate economic pickup after Germany began gradually easing its lockdown from mid-April. "Now the economic race to catch up will lose momentum. We will not see the pre-crisis levels quite as quickly as one or the other had hoped recently," he said.

July's orders were led higher by the automotive industry, with new orders rising by 8.5 per cent, and the battery manufacturing sector. Both are benefiting from purchase incentives for electric

vehicles, but other branches of the economy are lagging behind, Oxford Economics analyst Oliver Rakau said.

However, car industry statistics released on Thursday showed that demand for new cars slowed in August as consumers held back on new purchases. Finance Minister Peter Altmaier said this week that the economy is in the midst of a V-shaped rebound, but the threat of any further



Caravans of German caravan maker Knaus Tabbert are seen at the consumer trade fair "Caravan Salon" in Dusseldorf, Germany.

spikes in coronavirus infections haunts any recovery.

Germany recently reported its highest case numbers since April, and is starting to tighten restrictions again. Chancellor Angela Merkel last week said coping with the outbreak will become more challenging in the coming months as Germany heads into colder weather in autumn and winter.

Pandemic could be 'kiss of death' for managed trade: WTO candidate

AFP, Geneva

The coronavirus pandemic has heaped pressure on the troubled World Trade Organization, a WTO leadership candidate said, warning the crisis could spell the end of rules-based international trade altogether.

Liam Fox, Britain's first post-Brexit international trade secretary and one of eight candidates vying to become the WTO's next director-general, voiced concern that countries might turn their backs on its multilateral trading model. "The reaction of some countries to the Covid emergency will be to seek solace in protectionism and to believe that they will get more resilience by ... closing themselves off, if you like, from the global economy," he told AFP Thursday in an interview. "Exactly the opposite I believe is true," he said during a conversation using the video link Zoom, insisting that countries will find more security by opening up and ensuring diversity of supply. "For the rules-based trading system, Covid could be the kiss of life if we embrace the right policies

-- or the kiss of death if we don't. "Roberto Azevedo stepped down as the WTO chief this week, a year ahead of schedule. His successor will lead an institution that was already facing multiple crises before the pandemic hit.

The Geneva-based organisation is mired in stalled trade talks and struggling to curb trade tensions between the United States and China. The global trade body has also faced relentless attacks from Washington, which has crippled the WTO dispute settlement appeal system and threatened to leave the organisation altogether. And now the WTO, set to remain leaderless for several more months at least, is struggling to help members navigate a severe global economic slump sparked by the coronavirus pandemic. The WTO has presented a timeline for selecting one of the eight leadership candidates -- three Africans, two Europeans, two from Asia and one Latin American -- within a few months. But increasing politicisation within the organisation, which relies

on consensus to reach decisions, has sparked fears that the process could take much longer. Fox acknowledged "there is at least a technical chance that that could be slowed down" by the politicised climate. But he said WTO members were eager to settle quickly on a new director-general to help navigate an increasingly complex reality. "All the issues faced by the new DG are super-charged by the Covid crisis," he said. "I think there is an understanding of the urgency in the process"

Fox, 58, said that as a politician with long experience of elections, he found the WTO selection process "highly unusual". It includes elimination rounds during which countries express their preferences in confidential "confessionals". "I would describe it as somewhere between choosing a pope and the Eurovision Song Contest," he quipped. Fox insisted he was the right person to tackle the numerous political issues facing the WTO, and that he could help bring Washington back into the fold and rescue the WTO's appeals system.

Think out of the box to breathe new life into dead jute mills

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Handing over the lands and establishments to the Bepza and Beza

The Bepza is in dire need of land for expansion of export-oriented industries. The lands which are available in Chattogram-based nine jute mills could attract businesses to invest in different industries through nearby seaport. The Beza would be interested to take land available at jute mills located in Dhaka and neighbouring areas for local-market based consumer products.

Similar interest would be there for lands available in Khulna and Jessore. Some of these areas could be developed exclusively for investors of particular countries such as China, Germany and Japan.

In this context, handing over the Adamjee Jute Mills to Bepza and establishing Adamjee EPZ in 2006 was a good example for transforming state-owned jute mills into private sector led industrial economic zone.

worth of investment has been made in different types of manufacturing industries.

The investors include UK, Singapore, Mauritius, China, Canada, Germany, India, Malaysia, Japan, South Korea, Romania and Bangladesh. The EPZ has so far exported \$4.5 billion worth of local products and employed 62,200 workers.

Export and employment generation have maintained noticeable positive growth in recent years. It is important to note here that Adamjee jute mill while it was closed in 2002 employed 25,000 workers and its accumulated loss was Tk 1,200 crore.

It is expected that the jute ministry and the PMO will come out from its ministry-centric restructuring approach of state-owned jute mill lands towards more broad-based restructuring by handing over those lands to the competent authorities who have shown exemplary evidence in private sector led industrialisation in the country.

The writer is the research director of the Centre for Policy Dialogue (CPD).

UK retailer Debenhams' terminated workers demand arrears

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"And so, we want justice and what's due from Debenhams," Asad said.

The former country manager also said around Tk 90 lakh was spent on monthly salary disbursements for employees of Debenhams Bangladesh office and it pressured its suppliers to comply with their demands using legal means.

"Now though, they are not paying us as per the law. They maintain a double standard in doing business," he added.

As a result, many local suppliers are facing numerous difficulties because of Debenhams' non-compliant attitude.

Debenhams Bangladesh's operations were conducted under its Hong Kong liaison office in an effort to evade taxes, according to Asad.

"The company wouldn't consider doing such illegal acts at any of its other international locations but it does so in Bangladesh as it still takes the country to be a British colony," he added.

The international brand used to spend more than \$120 million annually to purchase various goods from Bangladesh, particularly high-end garment items, said Zahangir Alam, the coordinator of Debenhams Vendors Community in Bangladesh.

Currently, Debenhams owes a staggering \$66 million to its vendors in the country. "The company is probably still purchasing

goods from Bangladesh and so, the old staff members should not be deprived. I suggest that if it continues to conduct business here, it should re-employ the previously terminated workers on ethical grounds," said Alam, also the managing director of Design Source, an interior design firm. "Being a major supplier, I settled a handsome quantity of goods at 25 per cent discount with the company as goods were waiting in ports to be unloaded," Alam told The Daily Star by phone.

Debenhams owed him \$18 lakh, which now stands at \$14 lakh, Alam said, adding that the company recently rescheduled its deadline to settle arrears with its Bangladeshi suppliers to September 15.

Debenhams did not respond to The Daily Star's queries for a comment on the matter.

Mozammel Huq, managing director of Liberty Fashions, said his compliant factory was shut down without any prior notice on May 2013 by another British retailer, Tesco.

"I lost everything due to the unethical and non-compliant approach of Tesco. I am in a big trouble now due to shut down of my factory.

"I have been passing my days in a grief. It is an independent and sovereign country but Tesco did not follow the rules," Huq said.

"Tesco hanged me without a trial. Before my factory was shut down, I used to export garment items worth Tk 350 crore in a year, employing

5,000 workers. I started my business in 1983 with 500 people," he continued.

"My factory was fully compliant and I had a dream to employ 10,000 workers and I wanted to export Tk 1,000 crore worth of garments per year," said Mozammel, who has been fighting for justice in this regard for over the past seven years.

"I want constitutional rights. I cannot hold my tears anymore. Tesco has taken away everything from my life," he added.

Nazma Akter, president of the Sammito Garment Sramik Federation, said such incidents should not be allowed to occur in this industry and the international buyers should follow the country's rules.

"Terminating employees and shutting down factories are illegal and inhuman. We request the buyers not to terminate any employees illegally."

Onion prices shoot up in Ctg markets

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Idris said the buyers were a bit confused with the price fluctuations and were preferring to sit back and wait, assuming that the price would soon fall as a result of poor sales. Informing that new produce of the season in India would start coming to the market in 10 to 15 days, he expected the prices would come down soon.

Stock price odd one out? Gambling likely

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Other pseudo high achievers include Monno Jute Staffers (stock price Tk 930, paid-up capital Tk 2.48 crore), Ambee Pharmaceuticals (Tk 478, Tk 2.4 crore), WATA Chemical (Tk 365, Tk 14 crore) and Aramit (Tk 272, Tk 6 crore).

The stock market regulator should look into the accounts of these companies because such high prices are not justifiable, said the official.

The companies could be sent to the small cap board which will reduce chances of being targeted for gambling, said the merchant banker.

Another problem is that general investors do not have adequate financial literacy, so they pour money into stocks at the centre of gambling without realising the high risks, he added.

Sending a company to the small cap

board is a complex process as general investors are not allowed to trade in the board, said a top official of the Bangladesh Securities and Exchange Commission (BSEC).

"We have fined gamblers for their wrongdoings many times and we will keep the companies under our scanner to detect whether anybody is trying to play with the stocks," he said.

"On the other hand, general stock investors will have to be cautious to protect their investments and they should first give some thought to the potential of the companies before investing."

The market has a number of good stocks whose prices are undervalued and they can invest into these companies which will safeguard their investment and reduce risks, the BSEC official added.

Now northeast India connected via new river route

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"Both sides need to develop physical infrastructures to continue shipping goods through the route. After this trial we will know what type of infrastructure development is needed," he said.

Chowdhury hopes that the initiative will bring good results towards boosting bilateral trade and the route will become a vital part of the trade with India's north-eastern states.

Biplab Kumar Deb, chief minister of Tripura in a tweet on Thursday night, said, "With the successful run, Indo-Bangla waterways will open up new avenues for economic development in both the countries where Tripura will play an important role."

The Bangladesh Inland Water Transport Authority (BIWTA) earlier approved the export of goods on a trial basis.

Commodore Golam Sadeq, chairman of the BIWTA, said the trial has been fruitful. "Now is the time to remove obstacles to pave the way for regular commercial vessel movement."

"We will have to conduct dredging in the Gumti river to remove barriers and complete the construction work of a rail bridge over the river,"

he said. A high-level team from the shipping ministry of Bangladesh surveyed the riverine protocol route for viability on August 12.

According to Sadeq, a project proposal has been sent to the planning commission to improve the navigability of the Gumti and to protect the river's banks. The estimated cost of the project is Tk 700 crore.

He is hopeful to operate commercial vessels on a regular basis within the next two years.

Haque said that Indian traders will benefit from the new waterway as carrying costs will come down by 50 per cent. Shipments can also be sent even during the dry season by simply dredging the certain parts of the river on a regular basis.

About 5 per cent of the country's total cement production head to the north-eastern states of India through Akhaura land port.

Md Shahidullah, managing director of Metrocem Cement, said the move would help reduce transport costs in exporting bulk amounts of cement to Tripura and other north-eastern states.

In July, Deb said the project would boost

Indo-Bangla bilateral trade making Tripura a key trade hub in the northeast region.

He predicted that the export volume would increase from 30 crore rupees to 400 crore rupees and the state would import goods worth of 2,000 crore rupees, according to an article of the Hindustan Times.

Currently, goods worth 645 crore rupees are imported.

The All Tripura Merchant Association sees hope in the waterways project, saying that imported goods from Bangladesh would be available at affordable rates, according to the Hindustan Times.

Tripura had set up a floating jetty on the river on July 4 as part of the connectivity project.

India's Northeast has secured an outlet through the rivers of Bangladesh in a development that will have far-reaching implications for the economy of the landlocked region, according to The Diplomat magazine.

The arrangement reduced the distance between Kolkata and Agartala from 1,600 to 600 kilometres. Its use would therefore help decrease prices of essential commodities, Deb told reporters, the magazine reported recently.