IDCOL

M Murshidul Huq Khan, minister for political wing at the embassy of Bangladesh in Germany, receives the Karlsruhe Sustainable Finance Awards 2020 on behalf of Infrastructure Development Company Ltd (IDCOL) in the category of Outstanding Sustainable Project Financing, at an event at Karlsruhe, Germany. The European Organisation for Sustainable Development presented the award to IDCOL for implementing the solar irrigation pump project in Bangladesh.

Samsung Galaxy A21S smartphone will now be available on Evaly

STAR BUSINESS DESK

Samsung Galaxy A21S is now exclusively available at the site of e-commerce marketplace Evaly.

The development comes as Evaly signed an agreement with Samsung Bangladesh and its distributors Fair Electronics and Excel Telecom at Samsung's office in Dhaka on Monday, according to a press release.

The smartphone with a 48-megapixel quad camera is priced at Tk 16,999.

"The customers will be able to buy this set from the site of Evaly only," Mohammad Rassel, CEO of Evaly, told The Daily Star yesterday.

"Launching a tech-device through an e-commerce platform is a good sign as it has no distribution and inventory costs. So, it reduces the cost of the product significantly."

"We believe the set will get a great response from the regular customers of Evaly as always," he said.

The device with a 6.5-inch infinity display also has an 8-megapixel ultra-wide (123-degree) camera, a 2-megapixel macro and led focus lens camera and the 13-megapixel selfie camera.

With 4GB RAM and 64GB ROM, it has a dedicated memory card slot for storing additional data, including two 4G network supported SIMs.

Most Barishal dockyards flouting environment laws

FROM PAGE B1

His response to his dockyard not having the certificate: "We will take steps in this regard soon".

The excuse was nearly the same when the question was posed to another big operator, Rejin-ul-Kabir, owner of Surovi Navigation Company. Such law violations carry a penalty of either 5 years' jail time or a Tk 5 lakh fine or both.

But environmental activists say there is no instance of the DoE cracking down on the malpractice.

The dockyards are damaging the environment right before everyone's eyes but there seems to be no monitoring from the authorities, said Lincoln Bayen, coordinator of Bangladesh Environment Lawyers Association.

So it came as no surprise when the question arose of whether mobile courts would be run against the dockyards, DoE Divisional Director Abdul Halim echoed the dockyard owners, saying: "soon".

Indian banks say government interest waiver will add to costs, spark litigation

REUTERS, *Mumbai*

Indian bankers fear the government's decision to waive some interest payments on loans under a COVID-19 support plan will create unnecessary work for lenders and lead to more litigation, without providing much of a boost for the sagging economy.

In an Oct. 2 filing with the Supreme Court, seen by Reuters, the government said it is amending a controversial clause in a relief plan that allowed distressed borrowers to skip repayments for six months but then charged them "interest-on-interest" on the delayed payments, putting them deeper in debt.

The change will waive the compounded interest component on small business loans and some personal debts from March to August.

The government will bear the cost, which could be as high as $1 billion, according to analysts.

REUTERS/FILE

A man checks his mobile phone in front of a State Bank of India branch in Kolkata.

But for Indian lenders saddled with over $120 billion of bad loans and a coronavirus-induced collapse in demand, the move will further pressure already stressed balance sheets.

In the case of a similar scheme for farm loans, banks typically need to wait nine to 24 months to get the funds from the government, two bankers said.

Lenders also will need to recalculate millions of loans, according to interviews with four bankers and a lawyer.

"Getting the money back from the government is a painful exercise," said a senior banker at one of India's shadow banks.

"At the end, a lot of work will happen, nobody will be happier and the government will be poorer."

A finance ministry spokesman declined to comment, citing ongoing legal proceedings.

Banks' legal costs are also on the rise as lawsuits pile up.

"The state-owned banks may show government support, but the private lenders are in it for the profit. They will have different calculations and those calculations will be challenged by the government," said the lawyer.

A banker at a private lender added: "That is the problem with such waivers, because where does it end?"

Bankers are also concerned about that waivers may distort the culture of lending in India and argue that there are other ways to help borrowers who are in need, such as providing subsidies or loan restructuring.

"Now, in case of a flood or any other situation, even borrowers who can pay may not be keen to do so because they know the government will step in to rescue them," said a senior banker at a public sector lender.

Despite shift, energy giants fall short of UN climate goals

REUTERS, *London*

Europe's top oil companies are not yet aligned with UN-backed targets to combat climate change despite their plans to slash carbon emissions and pivot to renewable energy, a report from major investors has found.

The study by the Transition Pathway Initiative (TPI), which unites investors with $22 trillion in holdings, comes as shares of European energy companies including BP and Royal Dutch Shell have struggled amid concerns over their ability to successfully shift away from oil and gas.

TPI's analysis of 59 major oil, gas and coal companies said that seven European firms - Glencore, Anglo American, Shell, Repsol, Total, Eni and Equinor - have set out plans to align with long-term pledges made by some governments to cut greenhouse gas emissions.

But those targets equate to global temperatures rising by 3.2 degrees and are "widely regarded as insufficient to avert dangerous climate change," the report, published on Wednesday, said.

No company was set to meet the United Nations-backed Paris Agreement's long-term goal of limiting global warming to "well below" 2 degrees Celsius above pre-industrial levels by reducing carbon emissions to net zero, it said.

European oil companies' emissions strategies vary in scope, pace and calculation methods.

Several of them said in statements to Reuters that they disagreed with the way TPI calculates the alignment, which is based on the carbon intensity of fuels.

"We're very happy that some oil and gas companies are seeing these fundamental changes and trying to respond," said Bill Hartnett, stewardship director of ESG Investment at Aberdeen Standard Investments, a TPI member.

"Some (companies) might have made bigger statements so far than the others and the important thing is the direction of travel. But none of them are making net zero yet," Hartnett told Reuters.

BP, whose CEO Bernard Looney plans to grow the company's renewables business twenty-fold by the end of the decade, is the least aligned among the European companies, not even meeting the government pledges level, according to the report.

BP said in response that it disagreed with TPI's focus on carbon intensity, which on its own is not "a reliable measure of progress towards the Paris goals".

Fossil fuels are the main cause for the release of heat-capturing greenhouse gas emissions.

Investors such as Aberdeen are regularly talking to companies about their Paris Agreement alignment on issues including emissions from fuels sold, known as Scope 3 emissions, and their memberships in energy associations around the world, Hartnett said.

Engagement is ongoing and there is pretty good momentum on getting towards Paris alignment."

A Shell spokeswoman said the company continues "to engage with TPI over their methodology" to show it is how it is aligned with "society's move towards" the Paris goals.

Anglo American said in a statement: "achieving these targets is not all within our control, so we are working with governments, industry peers and civil society."

Repsol said: "We will continue to engage with TPI to demonstrate our progress in this respect."

Eni said: "We consider the best way for companies to align with such goals is to set absolute emissions targets."

Total, which aims to be carbon neutral in Europe by 2050, said in a statement that the rhythm of the transition will depend on energy demand and policies put in place.

Mighty taka puts BB in a bind

FROM PAGE B1

The US dollar faced a 6 per cent drop on a trade-weighted basis since April due to the ogoing recession, according to a report of the Financial Times on September 28.

It is widely expected that the dollar may depreciate as much as 15 to 20 per cent against a basket of its peers in the next five years.

The dollar index is used to measure the value of the greenback against a basket of six world currencies - Euro, Swiss Franc, Japanese Yen, Canadian dollar, British pound, and Swedish Krona.

"The BB could offer a cash incentive to all exporters for the time being as halting the depreciation of the dollar is not possible for the time being," said Rahman.

"Our exporters are getting lower earnings than what the businesses of the competitive nations are enjoying due to their lower exchange rate against the dollar," he said.

Exporters have been facing the same problem even before the coronavirus pandemic struck Bangladesh.

Emranul Huq, managing director of Dhaka Bank, said banks are enjoying adequate foreign exchange liquidity due to a continuous increase in remittance and export.

Between July and September, remittance earnings hit $6.71 billion, up 48.52 per cent year-on-year.

But buyers will feel discouraged to purchase the country's goods if the taka continues to maintain a higher exchange rate.

The central bank may cut the interest rate on its Export Development Fund further so that exporters can borrow at a lower cost, Huq said.

"This will help trade off the loss for exporters emanating from the overvalued local currency," he added.

The central bank has injected reserve money to the tune of Tk 60,000 crore into the market against the ballooning foreign currency reserve, said Mansur.

Reserve money is also called as high-powered money, base money and central bank money.

All these names suggested that the reserve money represents the base level for money supply or it is the high-powered component of the money supply.

The initiative of the central bank, which now supplies money regularly, has helped the banking sector during the ongoing recession as it made more funds available for the lenders.

The foreign exchange reserve may shoot to $45 billion in the next six months as it will take more time for the imports to pick up amid declining domestic consumption, Mansur said.

But such injection of the reserve money should be stopped when domestic consumption rebounds.

If required, the central bank even should mop up the excess money from the banking sector after a certain period to contain a probable inflationary pressure.

"There will be no scope for an inflationary pressure for at least the next six months given the ongoing situations," said Mansur, also a former senior official of the International Monetary Fund.

Stock gamblers still on the prowl

FROM PAGE B1

Over the last three months, 38 companies' stocks rose by more than 100 per cent. Of these, 14 are junk stocks, the DSE data shows.

"These unusual price hikes are a concern so we are looking into the trades to see if there are any irregularities," said a top official of the Bangladesh Securities and Exchange Commission preferring anonymity.

"But, we cannot ask the investors why they buy stocks that don't breach rules," he added.

Get prepared, state can't give protection for long

FROM PAGE B4

"We need a lot of foreign direct investment in the coming days so all barriers to it should be removed," Chowdhury added.

The country is passing through a very difficult test centring Covid-19, which is also imparting a lot of lessons, said BSEC Chairman Prof Shibli Rubayat Ul Islam.

Bangladesh will need to increase dependency on stock market-based financing rather than on bank-based loans to finance the investment needs of its entrepreneurs in the coming days.

"So, we aim to transform the market into reaching a developed phase such that it can deliver financing needs," he added.

Shiekh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industry, recommend suspending collection of advance tax from entrepreneurs for at least two years.

Considering the Covid-19's detrimental impacts, this will provide relief to investors, he added.

Md Sirazul Islam, chairman of Bangladesh Investment Development Authority, suggested that exports should be diversified while the local supply chain-based industries should be improved as well.

Meanwhile, Tanzeem Chowdhury, director of East Coast Group, gave a PowerPoint presentation regarding the issue.

Mobile phone subscribers nearly back to pre-pandemic level

FROM PAGE B1

The total number of internet subscribers rose 8.3 per cent to an all-time high of 10.82 crore at the end of August compared to February's 9.99 crore, as people have become dependent on the internet to perform many tasks during the coronavirus pandemic.

Year-on-year, it climbed 10.3 per cent in comparison to August last year when the number stood at 9.81 crore, the BTRC data showed.

Internet usage is dominated by mobile internet.

In August, 9.96 crore subscribers were accessing the internet through mobile phones, while the rest 85.71 lakh through internet service providers and public switched telephone network operators.

The number of people using the internet on their mobile phones rose 5.7 per cent in August compared to February. It rose more than 8 per cent year-on-year in August.

The number of broadband internet users surged 50 per cent to 85.71 lakh in August compared to February when it was 57.43 lakh. It was 57.35 lakh in August last year.

The consumption of broadband internet rose from about 1,500 gigabytes before the pandemic to about 1,750 gigabytes, said MA Hakim, president of the Internet Service Providers Association of Bangladesh earlier.