



**Md Mahbub ul Alam, managing director of Islami Bank Bangladesh, cuts a ribbon to open the bank's Dohazari branch in Chattogram, Godagari branch in Rajshahi, Hossainpur branch in Kishoreganj, Muksudpur branch in Gopalganj and Nangalkot branch in Cumilla through a digital platform yesterday.**

ISLAMI BANK BANGLADESH

## IMF's Georgieva says private creditors, China need to fully participate in debt relief

REUTERS, Washington

International Monetary Fund Managing Director Kristalina Georgieva on Wednesday called for increased participation in debt relief for poor countries by private creditors and China, saying this was key to its success and a potential framework for debt restructurings.

Georgieva told a news conference that private creditor participation in a debt service suspension program for poor countries has been largely non-existent, with only three of 44 countries signed up for the program reaching out to private creditors.

An IMF spokesman said that the total had recently risen from 43 countries when heavily indebted Mozambique signed up for the program that suspends payments on official bilateral debt through June 2021.

"What we have seen, regrettably, is the private sector shied away, and the countries themselves shied away from asking the private sector (for debt relief) because of fears that that may erode their future access



**IMF Managing Director Kristalina Georgieva**

to market. Access they have earned the hard way in previous years," Georgieva said.

She added that only some of China's official lending entities have participated.

"What we are also hearing from China is a recognition that they are a relatively new creditor, but they are very large creditor, and they need to mature domestically in terms of how they handle their own lenders, the coordination among them," Georgieva said.

## Tesla's back-to-back price cuts bring sticker on US Model S below \$70,000

REUTERS

US electric vehicle maker Tesla Inc cut the price of its Model S "Long Range" sedan in the United States to \$69,420, its website showed, following a tweet flagging the cut earlier on Wednesday from Chief Executive Elon Musk.

The cut is Tesla's second this week for the high-end sedan, following a 4 per cent cut to \$71,990 on Tuesday.

Tesla shares closed 3.3 per cent higher at \$461.30 on Wednesday and were little changed in after-hours trade.

The company also on Tuesday

reduced by 3 per cent the price of its Model S in China, where it had previously cut the starting price of its Model 3 sedan.

The starting price for Model S is now a thousand times that of a pair of red satin shorts that Tesla started selling in July for "\$69,420" to poke fun at the company's naysayers.

Tesla introduced its Model S in 2012, but in recent years the car has faced competition from the automaker's less expensive, mass-market Model 3 sedan, launched in 2017, which currently starts at \$37,990. The Model S makes up

only around 5 per cent of Tesla's unit volume, said a Credit Suisse analyst in a client note on Wednesday.

The analyst said the Model S price reduction was likely in response to price cuts by electric vehicle startup Lucid Motors, which sells its luxury sedan Air model at a starting price of \$69,900. That includes a \$7,500 US government electric vehicle tax credit, for which Tesla vehicles are no longer eligible.

The price cuts also come as competition in the electric vehicle market - long dominated by Tesla - heats up, with several automakers launching new electric vehicles next year.

## After two lost decades, US's weakest local economies may face worse from pandemic

REUTERS

A decade-long economic expansion did little to narrow the gaps between the United States' prosperous and ailing areas, with thousands of "distressed" zip codes shedding jobs and businesses in a trend that laid the groundwork for the developing "K" shaped recovery from the coronavirus pandemic.

New analysis from the Economic Innovation Group studying economic patterns across roughly 25,000 zip codes showed that from 2000 through 2018, already prosperous areas pulled further ahead, capturing disproportionate shares of the jobs created and the new businesses that were formed.

For 5,000 or so "distressed" zip codes it was by contrast a period of lost opportunity as they fell further behind, with the number of jobs declining even deep into the recovery, and those that remained more concentrated in industries and occupations likely to have been disrupted by the pandemic.

Economists analyzing the US path to recovery are worried that inside national measures of economic growth lie deepening divisions between industries and people as some sectors recover fast, while employment in the leisure and hospitality industry, for example, remains 20 per cent below where it was in February.

Such service sector workers, the EIG found, made up a disproportionate share of workers in areas already falling behind economically.

"Communities that were already vulnerable going in, that had already been largely overlooked by the period of growth preceding the pandemic, are the most vulnerable to its effects," said EIG President John Lettieri.

Within the roughly 5,000 worst-off zip codes nearly a quarter of working adults were employed in service

occupations as of 2018.

By contrast, in prosperous zip codes only 13 per cent of employed adults were in service jobs, while half were in management or professional occupations, a group of jobs considered more adaptable to work-from-home arrangements.

The study combines a variety of statistics on education, poverty rates and employment into an index that divides U.S. zip codes into five groups, with the top 20 per cent considered "prosperous" and the bottom considered distressed.

The study did document improvement. Around 33 million more Americans were living in "prosperous," "comfortable" or mid-tier zip codes in 2018 than in 2000 - prosperity that increasingly moved towards urban areas. Those zip codes also became more ethnically and racially diverse, with the share of non-white residents in prosperous areas rising from 16 per cent to 26 per cent.

More Americans in distressed areas are also graduating high school.

But the gaps remained large. The number of Americans living in distressed areas remained about 50 million, unchanged since 2000, and a disproportionate share were Black and Hispanic. About 56 per cent of Blacks and 45 per cent of Hispanics lived in economically distressed or at-risk areas.

From 2000 through February 2020, the United States went through two recessions, one of them deep, but also had its longest measured period of uninterrupted growth.

It did little to change the economic landscape, with roughly two-thirds of zip codes remaining in the same category in which they started. With a third recession sparked by the pandemic now underway, the divide may grow deeper.

"All of the gains have gone to higher tiers," said EIG research director Kenan Fikri. "We have a chronic tail of distressed communities."



REUTERS/FILE

**A man wearing a mask walks past shuttered businesses on Broadway in the Manhattan borough of New York City, US.**

## Worth savouring, not a fluke

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He said Bangladesh's per capita GDP is about \$1,800 whereas it is more than \$60,000 for the United States and the country is shivering because of the pandemic.

"We have our problems and we have to address them. We need to bring in reforms. We need to grow further."

Bangladesh has to boost revenue collection and raise investment to GDP ratio to sustain the growth, said Mansur. Monzur Hossain said Bangladesh's long-term investment in the social sectors such as health and education has created a sound base for economic growth.

Going forward, the sectors, including the cottage, micro, small and medium enterprises that have been hard-hit by the pandemic should be given stimulus support so that they can get back on their feet again, he said.

"The government should emphasise more on raising investment in the infrastructure sector and other areas to push GDP growth to a new high. At the same time, entitlement support should continue for the poor and vulnerable."

According to Monzur, implementation of the mega projects has to be accelerated. Export sectors have to be made more vibrant and competitive and diversified.

There should be a mapping of the poor regions to give a leg-up to poverty reduction by way of expanding the social safety net coverage and creating jobs, the research director said.

CPD's Mustafizur said Bangladesh has to create decent jobs, diversify exports and distribute the fruit of the growth equitably to sustain the growth.

"We have structural challenges. We have to be brought in reforms."

Shekhar Gupta, editor-in-chief and chairman of ThePrint, an Indian news website, said if Bangladesh's per capita income exceeds India's, then the latter

will be the fourth-richest country in South Asia after Sri Lanka, the Maldives and Bangladesh.

"This would be an eye-opener and a very rude shock due to the common perception among Indians that Bangladesh is a basket case, especially in the current political atmosphere and in the context of the Citizenship Amendment Act," he said on the media outlet's YouTube channel.

Furthermore, if Bangladesh is growing fast it is because it is an export powerhouse today, something India no longer is. And while Bangladesh's exports have boomed, India's exports have stalled and declined, he said.

"India has to acknowledge that Bangladesh is leaving us behind and that it is no fluke."

India's exports declined about 5 per cent to \$330 billion in the fiscal year that ended on March 31.

For Bangladesh, earnings from merchandise exports in the immediate past fiscal year fell 16.93 per cent year-on-year to \$33.67 billion because of the Covid-19, which has affected production and dampened demand.

## Sugarcane cultivation gains popularity in Barishal

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"So, sugarcane farmers are getting more profit compared to the previous year, when we sold each piece at Tk 25," he added.

"Due to favourable conditions, production of sugarcane is increasing and farmers of the region are logging more profit," said Md Aftabuddin Ahmed, deputy director of the DAE's Barishal wing.

## State lenders disregard marginal farmers, micro-enterprises

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"We have taken measures to disburse the fund," he said.

The central bank set a target of Tk 5 crore for the BKB, but Prodhania said that his bank would disburse far more.

Another central bank official said the state lenders hardly pay heed to the BB's instruction as their regulator is the finance ministry in reality.

The ministry is empowered to appoint managing directors and form boards of state lenders, creating a roadblock to the proper supervisory authority of the central bank.

The finance ministry should put pressure on the state lenders to speed up the loan disbursement process, said an analyst.

Md Ashadul Islam, senior secretary of the Financial Institutions Division, said banks would have to implement the stimulus package on time.

The government will not put up with the failure of the lenders in the interest of the economy, he said.

The progress for some of the stimulus packages has been satisfactory, Islam said.

The government has unveiled 19 stimulus packages amounting to Tk 106,117 crore for various sectors.

## BSTI certification now required for solar home system batteries

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Moin, also managing director of Rahimafrooz Solar, said manufacturers and importers have to register themselves with the certification body in India for solar module business.

No one can judge the quality of a solar panel by just seeing it and so, introducing the BSTI mark will ensure quality, he added.

Moin went on to say that there should be a quota for domestically manufactured solar modules so that the local industry could flourish.

For example, if there are 100 projects, 20-25 of those should comprise products made by local solar panel producers.

China has the largest solar energy industry in the world and this was made possible through patronisation, said Moin.

## Tata Group looking for stake in IPO-bound online grocer BigBasket

REUTERS, Bengaluru

Salt-to-software conglomerate Tata Group is in talks with Indian online grocery startup BigBasket to buy a stake in the company, the Mint newspaper reported, citing people familiar with the matter.

The century-old group has been planning to launch a "super app", one that will tie in all its consumer businesses, several media reports have said, as it competes against Amazon and Reliance Industries, who have made big bets on India's booming e-commerce market.

Bengaluru-based BigBasket is looking to raise \$200 million for a fresh funding round, which could potentially value the startup at nearly \$2 billion, according to the report.

It competes with Walmart Inc-owned Flipkart and Amazon's "Fresh" service as more consumers choose to shop online due to the COVID-19 pandemic.

"The transaction in all likelihood is a pre-IPO round, and a public listing is expected in 18 month," the report cited a source as saying, adding Singapore's Temasek Holdings and private equity Generation Investment Management were in talks to take part in the fund raise.

## China raises \$6b as US investors look past political tensions

REUTERS, Hong Kong

China has raised \$6 billion in a dollar bond issue that was offered to US investors for the first time just weeks before the Nov. 3 election, a term-sheet reviewed by Reuters showed.

The deal, the fifth foreign currency denominated bond since China reinstated its offshore debt sales programme in 2017, attracted \$27.2 billion in orders, the term-sheet showed. China has issued four dollar bonds and one euro bond in the past three years.

The debt was priced at 25 basis points above US Treasuries for the \$1.25 billion three-year tranche, 30 basis points for the \$2.25 billion 5-year tranche, 50 basis points for the \$2 billion 10-year tranche and 80 basis points for the \$500 million 30-year tranche, the term-sheet showed.

## Come forward to strengthen economic integration

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Fahim further highlighted the FBCCI's exhaustive engagements in non-fiscal and fiscal policy support along with social and philanthropic initiatives.

"Since 2008, we are experiencing shining examples of a positive trend for greater engagements and cooperation in culture, trade, investment, and sports, acknowledging challenges that contradict."

"Our leaderships' shared values for their constituent's sustainable growth is a reflection of our relationship today. During Covid-19 we saw our south Asian leaderships coming together virtually with a conviction for humanity beyond borders in south Asia and beyond," he further added.

"It is time to reimagine economic integration in our region with the advent of the pandemic," said Smriti Irani, minister for textiles, women and child development of India.

"It is our shared identity that can enable economic growth through investment opportunities such as manufacturing goods economically."

"As neighbours, we can help each other to overcome any crisis," said Sangita Reddy, president of the Federation of Indian Chambers of Commerce and Industry.

"A calibrated and systematic engagement with our neighbouring countries will help us to address socio-economic constraints while ensuring economic integration for economic development."