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Govt looks to ramp up API production for burgeoning pharma sector

JAGARAN CHAKMA

Bangladesh, a laggard in the production of raw materials for the \$3 billion pharmaceuticals industry, has made a four-fold jump in the manufacturing of active pharmaceutical ingredient (API) in the last decade to meet growing demand.

But the current API production is still minuscule as the country needs to import \$1.3 billion worth of raw materials every year for the pharmaceuticals sector.

Drug-makers have to step up efforts to make more raw materials locally as the over-reliance on the imports is not viable because the supply chain could face disruption and the price may witness volatility, said industry people.

Besides, it would not allow pharmaceutical

KEY POINTS

- API demand worth of Tk 12,750cr
- > Locally meet worth of Tk 1,950cr
- > API production grew 4 times in the last 10 years
- Expected investment Tk 2,000cr at API park ≫
- ≫ Expected employment 25,000
- Total land 200 acres ≫
- ≫ Plot allotted to 40 companies
- Five facilities are undergoing ≫
- ≫ Establishment of CETP is about to start
- ≫ API park may cater 60pc of the demand

companies to bring down the cost of raw materials and thus, the price of medicines.

Although the API production has not grown in keeping with the pharmaceutical sector, local companies have been producing high-quality raw materials on a limited scale, helping the drug industry add value to their products.

Ten local companies, including Eskayef, Square, Beacon and Beximco, produce APIs, said SM Shafiuzzaman, secretary-general of







Plants being set up in the API Industrial Park in Gazaria of Munshiganj to produce active pharmaceutical ingredient. The BSCIC has allotted 40 plots to investors.

the Bangladesh Association of Pharmaceutical Industries (BAPI), which represents about 250 local drug makers.

"Local production can at best meet 10 to 15 per

reliance on foreign markets and save

foreign currency.

per cent of the demand," Shafiuzzaman said, adding that Bangladesh would not be able to manufacture all the APIs due to patent issues.

two advantages. First, it will decrease the cost of locally manufactured drugs and add to the cost advantage in exports.

global API market size is worth \$135 billion. 'So, there is a huge investment opportunity, Shafiuzzaman said.

Bangladesh overlooks RCEP despite risk of competition

Garment exports may face more competition from Vietnam, experts say

Refayet Ullah Mirdha

Bangladesh has not shown any interest in joining the world's largest trade deal, Regional Comprehensive Economic Partnership (RCEP) primarily to safeguard its revenue generation from duties on imports.

On the other hand, none of the wouldbe RCEP signatories asked Bangladesh to join their ranks.

The RCEP is going to be signed today at the end of a summit of the Association of Southeast Asian Nations (Asean).

China initiated the RCEP as a free trade agreement among itself, the 10 Asean states and Australia, India, Japan, South Korea and New Zealand. The negotiations were formally launched at an Asean summit in Cambodia in November 2012.

"We did not join the RCEP. We have not shown interest in joining the deal although we knew about it.

The RCEP members did not give any proposal for us to join this mega trade deal, said Sharifa Khan, additional secretary to the commerce ministry. She had been serving, until very

recently, as the in-charge of the ministry's Free Trade Agreement (FTA) wing.

Khan presumes there would not be any najor negative impact on Bangladesh's export even if Bangladesh is not part of the deal. READ MORE ON B3

HIGHLIGHTS

- > Bangladesh did not join RCEP
- > World's largest trade deal to sign today
- > RCEP is a 15-member trade deal
- > China initiated the deal as counter to scrapped TPP
- India withdrew from RCEP
- > RCEP nations home to 3.4 billion people, 40pc world trade
- GDP of RCEP countries \$49.5 trillion

REGIONAL TRADE DEALS OF BANGLADESH

- South Asian Free Trade Area (SAFTA)
- Asia-Pacific Trade Agreement (APTA)
- > Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)
- > Preferential Trade Agreement among D-8Member States (D-8 PTA)
- > Trade Preferential System among OIC-Countries (TPS-OIC)



cent of the annual demand for the raw materials from the pharmaceutical sector," he said.

The government is setting up an API industrial park in Munshiganj to fill the void, cut

> The park has been developed on 200 acres of land in the adjoining Dhaka-Chattogram Highway under

The country imports APIs mainly from China and India. Local API production can give Bangladesh

Second, APIs can be exported too. The

azaria upazila at the cost of Tk 330 crore. It took around 12 years to build the estate after the government undertook the project in 2008. "If the API park can become fully

functional, it would cater to 50 to 60

Pharmaceuticals companies currently produce APIs worth Tk 1,950 crore, up from about Tk 500 crore a decade ago, according to Monjurul Alam, director for global business development at Beacon Pharmaceuticals. READ MORE ON B3

Vessels are seen on the Karnaphuli river.

RAJIB RAIHAN

Inclement weather, not Covid, to cut rice production

USDA forecasts

SOHEL PARVEZ

Rice production is likely to decline by 5,50,000 tonnes in the May-April period of 2020-21 from a year ago as a result of cyclones, heavy rains and repeated floods, said a US Department of Agriculture (USDA) statement released on Thursday.

Production of the staple may fall one per cent year-on-year to 3.53 crore tonnes in the market year (MY) of 2020-21 from 3.58 crore tonnes a year ago, said the USDA's Foreign Agriculture Service (FAS) in its Grain and Feed Update on Bangladesh.

"The Covid-19 pandemic has not had significant impact on Bangladesh's MY2020-21 grain production.

"However, severe weather in Bangladesh, which started in May and ended in August, has impacted Bangladesh's rice production and moderately impacted Bangladesh's corn production," said the report.

The forecast comes at a time when prices of rice are on the upward amidst speculations of reduced crop harvests for repeated floods and slow release of grain by large farmers and traders.

Grown in the monsoon, aman rice accounted for 39 per cent of the grain output in the last marketing year, according to the USDA report.

Because of disruptions and delayed planting as a result of floods, the overall yield of aman rice might decline by 5 per cent from last year's total of 1.40 crore tonnes

In addition, cyclone Amphan, which hit the country in May, had a "direct impact" on boro rice, the biggest crop, according to the agency

It said the production of boro, harvested by farmers in the April-May period,

RICE PRODUCTION In lakh tonnes Market Year (May-April) SOURCE: USDA



dropped this year to 1.93 crore tonnes.

'Since May, Bangladesh's grain farmers have had to overcome a cyclone, heavy monsoon rains, and consistent inflow of floodwaters from India," said the report.

Floods started with heavy rainfall on June 17 and did not recede until the end of August. It caused Bangladesh's 200-plus rivers to overflow, impacting over 40 per cent of Bangladesh's landmass, added the report.

The USDA estimated total acreage of aman to be 58 lakh hectares, slightly down from that the previous year. Since August, flooding has receded and the impact on the aman rice season is expected to be mild, it said.

Citing the Ministry of Agriculture, the report said aman crop on 100,000 hectares of land would be affected this season.

However, Bangladesh's rice consumption and imports are expected to increase this year, according to the report.

READ MORE ON B3

Boosting revenue collection key to economic recovery Experts say at DCCI

virtual workshop

STAR BUSINESS REPORT

A more streamlined tax collection system would help rebuild the country's economy and push it towards its goal to become a developed nation, said Shams Mahmud, president of the Dhaka Chamber of Commerce and Industry (DCCI), yesterday.

"For that, we need to widen the tax net, online tax and VAT return submission system, simplify the return submission process and provide hassle-free service," he said.

The DCCI chief also said registered industries should not have to pay valueadded tax for land leased at the economic zones. The advance income tax imposed on the local small and medium enterprises (SMEs) that import raw materials should also be reduced, he added.

Mahmud made these comments during a virtual workshop on the 'Finance Act 2020 and VAT & Supplementary Duty Act 2012'. Around 100 members of the DCCI and other business entities participated in the workshop

The global economy has been significantly affected by the ongoing coronavirus pandemic, and Bangladesh has not been spared. To address the Covid-19 fallout, the national budget for fiscal 2020-21 is geared towards facilitating economic recovery.

READ MORE ON B3

Most NBFIs see rise in profits

Thanks to lower provisioning, they said

Ahsan Habib

Most of the listed non-bank financial institutions (NBFIs) posted higher profits in the July-September quarter thanks to the lower provisioning regime amid the ongoing pandemic.

All but Peoples Leasing out of the 23 listed NBFIs published their financial reports. Of them, the earnings of 10 rose year-on-year, and four bounced back and returned to profits.

The earnings of one NBFI remained the same, while the rest seven experienced a fall in the current year's third quarter.

IDLC Finance booked higher earnings per share, followed by DBH and National Housing Finance.

BD Finance, the Investment of Bangladesh, Corporation LankaBangla, and Midas Financing returned to the black after incurring a loss in the same quarter last year.

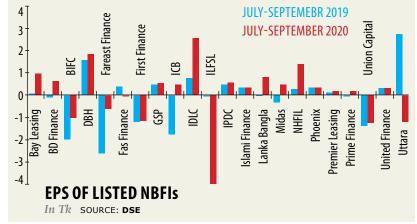
Uttara Finance and International Leasing Financial services drowned into losses in the quarter.

Despite posting higher profits, investors are still feeling shaky to invest in the stocks of the NBFIs as they fear

bad times are coming next year.

"The NBFIs' margin rose on the back of lower deposit rates," said Arif Khan, managing director of IDLC Finance.

READ MORE ON B3



Dhaka seeks duty-waiver for 12 more years past LDC graduation

REFAYET ULLAH MIRDHA

Bangladesh has demanded before the United Nations export duty waivers on its products for 10 to 12 years past its graduation from a least developed country (LDC) to a developing one in 2024, said a top commerce ministry official yesterday.

Bangladesh has been lobbying with international communities, like the LDC group of the World Trade Organisation (WTO), for the waiver, said Commerce Secretary Md Jafar Uddin.

This is because the country's economy, exports, supply chains and employment have been severely

damaged from the fallouts of the Covid-19, he said.

Bangladesh will graduate to a developing country in 2024 as the country proved its eligibility in all three prerequisites set by the UN Committee for Development Policy (UN CDP).

The three prerequisites are on gross national income, human assets index and economic vulnerability index. Next year the UN CDP will assess the country's graduation requirements again.

Last month, the commerce ministry sent a letter to the European Union (EU) for the continuation of the Generalised System of Preferences

(GSP) under its Everything but Arms (EBA) initiative for 10 more years following the graduation.

Bangladesh has been enjoying the zero-duty benefit to the EU under the EBA since it gained independence in 1971

The EU is the country's single largest export trade bloc where 58 per cent of its exportable goods are destined for and 64 per cent of its garment exports are bound for in a year.

Only the EU has already announced that the trade bloc will continue the zero-duty benefit for Bangladesh after the graduation for three more years as a grace period for preparations.

US consumer sentiment ebbs; producer prices maintain steady rise

REUTERS, Washington

US consumer sentiment fell unexpectedly in early November as households worried about their finances, the resurgent COVID-19 pandemic and the depleted fiscal stimulus, dimming the economy's outlook as the curtain started to close on a challenging year.

The survey from the University of Michigan on Friday also showed Democrat Joe Biden's victory in the Nov. 3 presidential election was weighing on expectations among Republicans, with a slight gain among Democrats.

Daily new coronavirus cases have been exceeding 100,000, with hospitalizations and deaths surging, prompting some state and local governments to impose new restrictions on businesses. Restrictions and consumer avoidance of crowded places could trigger another wave of layoffs and further squeeze incomes following the loss of a government weekly unemployment subsidy.

"The drawdown in sentiment seems to reflect decreased perceptions of household finances, which may be a lagged effect of the dwindling fiscal stimulus," said Tim Quinlan, a senior economist at Wells Fargo Securities in Charlotte, North Carolina. "More consumers reported lower income than higher income for the first time since 2014.

The University of Michigan's consumer sentiment index dropped to 77 early this month from a final reading of 81.8 in October. Economists polled by Reuters had forecast the index little changed at 82. The survey's measure of current conditions was steady. Its gauge of expectations fell to 71.3 from 79.2

A measure of expectations among Republicans declined to 76.4 from 96.4. It edged up to 69.3 from 68.6 among Democrats.

A weekly unemployment supplement, which was part of more than \$3 trillion in government coronavirus relief, has lapsed for millions of unemployed and underemployed workers. A second rescue

Biden takes office in January. Economists expect consumer sentiment

will trend lower despite promising developments on experimental vaccines.

"With more and more states starting to impose new restrictions on activity, this highlights the growing downside risks posed by the pandemic for the next few months," said Andrew Hunter, a senior economist at Capital Economics.

Stocks on Wall Street rose on upbeat results from Walt Disney Co DIS.N and Cisco Systems Inc. The dollar dipped against a basket of currencies. US Treasury prices fell.

US consumer sentiment falls in early November

Exploding COVID-19 infections and labor market slack are seen keeping a lid on inflation, even as producer prices maintain their steady rise. In a separate report, the

package is unlikely before President-elect Labor Department said its producer price after rising 0.7 per cent in September. index for final demand climbed 0.3 per cent in October, driven by more expensive food and gasoline, after rising 0.4 per cent in September.

> It was the sixth straight monthly increase in the PPI. A 0.5 per cent increase in the price of goods accounted for nearly 60 per cent of the gain in the PPI. Goods rose 0.4 per cent in September.

> In the 12 months through October, the PPI advanced 0.5 per cent after rebounding 0.4 per cent in September.

Economists had forecast the PPI would rise 0.2 per cent in October and increase 0.4 per cent on a year-on-year basis.

Excluding the volatile food, energy and trade services components, producer prices gained 0.2 per cent in October. The so-called core PPI advanced 0.4 per cent in September. In the 12 months through October, the core PPI increased 0.8 per cent

Coming in the wake of data on Thursday showing consumer prices unchanged in October, the PPI report further allayed fears of deflation, a decline in the general price level that is harmful during a recession as consumers and businesses may delay purchases in anticipation of lower prices.

Economists expect the Federal Reserve will keep interest rates near zero at least through 2021. The US central Bank has a 2 per cent target, a flexible average. Its preferred inflation measure, the core PCE price index rose 1.5 per cent in September.

Wholesale food prices jumped 2.4 per cent in October, accounting for nearly three-fourths of the increase in the cost of goods. Food prices were boosted by a 26.8 per cent surge in the cost of fresh and dry vegetables.

Prices also rose for gasoline, meats, chicken eggs, and thermoplastic resins and materials. Prices fell for light motor trucks and passenger cars, resulting in core goods prices being unchanged after rising 0.4 per cent.

The cost of services rose 0.2 per cent after advancing 0.4 per cent in September. Nearly 40 per cent of the broad-based gain was due to a 1.1 per cent increase in transportation and warehousing services. Margins for final demand trade services, which measure changes in margins received by wholesalers and retailers, climbed 0.2 per cent.

Healthcare costs rose 0.3 per cent and portfolio fees increased 0.5 per cent. Airline tickets were up 1.2 per cent.

Those airline tickets, healthcare and portfolio management costs feed into the core PCE price index. With the relevant CPI and PPI components in hand, economists are predicting the core PCE price index rose 1.4 per cent in October.

Inflation is hard to find at the producer level at the moment and with the second wave of coronavirus cases hitting new records nearly every day, producer goods inflation is unlikely to emerge in coming months," said Chris Rupkey, chief economist at MUFG in New York.

Vietnamese rates gain on fresh Chinese, Philippine orders

REUTERS

Vietnamese rice export prices rose this week on fresh orders from the Philippines and China, while the onset of winter and sparse rainfall raised concerns over supply, which, when coupled with a stronger baht, propelled Thai rates higher.

Vietnam's 5 per cent broken rice prices rose to \$495 \$500 per tonne from \$493-\$497 last week.

"Buyers from the Philippines and China have returned to place new orders," a trader based in Ho Chi Minh City said. Domestic supplies are low and the ongoing autumnwinter harvest will end this month, the trader added.

Government data showed Vietnam's rice exports in October fell 5.8 per cent from September to 362,930 tonnes. For the first 10 months of this year, total shipments fell 2.8 per cent from a year earlier to 5.35 million tonnes. Thailand's benchmark 5 per cent broken rice prices

jumped to \$470-\$485 from \$455-\$458 a week earlier. The baht scaled a 10 month-peak on Wednesday,

translating into higher export prices in US dollars. Thailand officially entered the winter season in late October, with rainfall becoming more sparse, prompting worries that the volume of new crops being harvested at present would be lower, traders said.

Prices of top exporter India's 5 percent broken parboiled variety were unchanged at \$366-\$370 per tonne, the lowest since end-March. "New season supplies are rising in Andhra Pradesh, Chhattisgarh and West Bengal. Export demand is a bit weak now," said an exporter based at Kakinada in the southern state of Andhra Pradesh.

Meanwhile, a food ministry official in neighboring Bangladesh said the country could import a small amount of rice amid a potential production shortfall and a spike in domestic prices of the staple.

Japan may offer corporate tax breaks to firms that digitise

REUTERS, Tokyo

Japan is considering offering tax incentives to companies that adopt digitalisation, public broadcaster NHK reported on Saturday.

The coronavirus pandemic highlighted a need for firms to digitalize to improve their productivity, which prompted the government to consider steps to support their business reforms by digital technology, it said.

Prime Minister Yoshihide Suga has made "digital transformation" in the nation a key pledge, aiming to streamline business and government processes and spur lacklustre growth in the world's third-biggest economy.

The government and the ruling Liberal Democratic Party (LDP) plan to discuss details of corporate tax breaks to be included in next fiscal year's tax revision, targeting mainly mid-sized companies to promote their digital investment, NHK said.

India trims palm oil purchases as rising prices make soyoil attractive

REUTERS, Mumbai

Indian edible oil refiners are trimming imports of palm oil to make space for soyoil as a rally in the price of palm due to output worries reduced the spread between

the two, industry officials told Reuters. Lower overseas purchases by the world's

In winter months, household palm oil consumption falls in India as the tropical oil solidifies at lower temperatures.

Borough Park section of Brooklyn, New York.

India's monthly palm oil imports could dip to 600,000 tonnes in January from around 750,000 tonnes in October if the current narrow price gap remains, said a Mumbai-based dealer with a global

REUTERS, New York

As Treasury yields rally to multi-month highs, some investors are gauging how a more sustained rise could impact equity markets.

Yields on the 10-year Treasury, which move inversely to bond prices, rose to a seven-month high of 0.97 per cent in the past week on hopes that breakthroughs in the search for a COVID-19 vaccine would eventually translate to a boost in economic growth

Stephanie Link, chief investment strategist at unchanged. Hightower Advisors.

A gradual increase as the economy improves allows companies time to roll over or refinance debt, while a sharp jump higher is more likely to shock the market, she said.

Wall Street's stock investors cast wary

eye on yield rally

Technology stocks, which have led the market higher this year, could be the first sector to feel the weight of higher rates, said Segall.

Rates moving above 1.5 per cent "would

At the same time, Treasury yields are far from

eclipsing the average 2.07 per cent dividend yield of S&P 500 stocks.

Should yields grind higher, "a lot of investors would still see dividend payers as attractive because their yields are so much higher" than those offered by bonds while also offering capital gains, said Bill McMahon, chief investment officer for active strategies at Charles Schwab Investment Management. Plenty of investors believe rates are unlikely to rise much further.



A young girl shops in a toy store, during the outbreak of coronavirus disease in the

biggest edible oil importer could cap palm trading firm. Soyoil imports could jump to prices, which hit an eight-year high on 350,000 tonnes in January from 270,000

Friday, but will support U.S. soyoil futures trading near their highest level in four years.

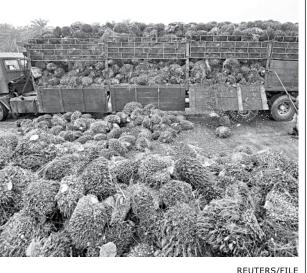
buyers "Indian are reducing purchases of palm oil for November and December shipments, and replacing it with soyoil," said Govindbhai Patel, managing director of trading firm G.G. Patel & Nikhil Research Company.

Palm oil usually trades at a discount of \$100 to \$200 a tonne to soyoil, but a rally in Malaysian futures currently trading just below their eight-year peak of 3,405 Malaysian ringgit per tonne - has reduced the spread to \$80.

Crude palm oil is being offered at around \$880 a tonne, including cost, insurance and freight (CIF), in India, compared with \$960 for degummed soybean oil, traders said.

The narrowing gap has turned buyers to soy oil, which is often preferred as it is perceived to be superior in taste and quality to palm.

Refiners have been slashing palm oil imports for winter, said Sandeep Bajoria, chief executive of Sunvin Group, a vegetable oil broker.



A worker unloads palm oil fruits from a lorry inside a palm oil factory in Salak Tinggi, outside Kuala Lumpur, Malaysia.

tonnes in October, he said.

There was also a sharp rise in sunflower oil prices in the last two months, further heightening soyoil's appeal to refiners, the dealer said

The South Asian country imports palm oil mainly from Indonesia and Malaysia, and other oils such as soy and sunflower oil from Argentina, Brazil, Ukraine and Russia.

That's still low, by historical standards: yields are a full point below their levels at the start of January and below their 5-year average of 2.05 per cent, according to Refinitiv data. The Federal Reserve has pledged to keep interest rates near historic lows for years to come in its bid to support growth, and past rallies in yields have faded in recent years.

Expectations that a vaccine against the coronavirus could fuel a broad economic revival, however, have also spurred bets that yields could continue edging higher. That could potentially weaken the case for holding shares that have become expensive during the S&P 500's 58 per cent rally from its lows of the year.

"If growth turns out better than anybody thought, the bad news is that the Fed might not have as much control over the extended curve," said Ralph Segall, chief investment officer at firm Segall, Bryant & Hamill. "That would probably cause stocks to pause."

Analysts at Goldman Sachs this week forecast Freasury yields will hit 1.3 per cent by the end of next year and 1.7 per cent by 2022. They also raised their forecast for the S&P to 4,100 by the middle of next year, a roughly 16 per cent gain from recent levels.

For now, analysts believe yields have some way to go before they become an obstacle to further stock gains.

The benchmark S&P 500 has climbed by an average of 1.37 per cent a month during rising rate environments when the yield 10year Treasury remained at 3 per cent or below, according to Sam Stovall, chief investment strategist at research firm CFRA.

The S&P 500 gained an average of 0.53 per cent a month with yields above 3 per cent, he said.

How quickly yields rise also matters, said New York City.

suggest that growth was better than anybody thought" and pull investors into more cyclical areas of the market while potentially dimming the allure of tech-related names, he said.

Investors next week will have their eyes on earnings reports and forecasts from US retailers to gauge how consumer demand is faring in the worst public health crisis in decades. The number of Americans filing new claims for unemployment benefits fell to a seven-month low last week, while consumer prices remained

An upward trend in rates will not likely be sustained until there are signs that the pandemic is being contained, either through falling infection rates or the widespread availability of vaccines, said Margie Patel, senior portfolio manager at Wells Fargo Asset Management.

Until case counts fall, 10-year Treasuries are likely to remain in a trading range below 1.1 per cent, she said.



REUTERS/FILE

A street sign for Wall Street is seen outside the New York Stock Exchange in Manhattan,

RCEP Agreement: Why it should concern Bangladesh?

FROM PAGE B4

A number of initiatives are being taken in this regard. However, the significance of such FTAs what extent these have implications from the perspective of expanding and deepening trade and investment cooperation.

As the RCEP indicates, positive impacts of these RTAs will critically hinge in going beyond trade, into services, trade facilitation, elimination of NTBs, e-commerce and ability to deepen investment ties.

Bangladesh should give due consideration to the issue of deepening ties with the ASEAN and the RCEP, as a strategy in going forward. One promising development in this regard is the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)-FTA, negotiation of which has recently been completed.

The framework agreement for the BIMSTEC-

FTA was signed in 2004. Regrettably, it has taken 16 years and many rounds of discussions to complete the FTA negotiations. The BIMSTECin economic terms will hinge primarily on to FTA was also envisaged to include services. Regrettably, these negotiations will be initiated soon. Indeed, the BIMSTEC-FTA could potentially be a game-changer in opening a window for Bangladesh for clear links with the ASEAN and the RCEP.

It is Bangladesh which should take the lead in this regard since it has most to gain from deepening ties with this RTAs. The BIMSTEC offers Bangladesh a foothold into the formidable ASEAN market via the two ASEAN members, which are also the members of BIMSTEC: Thailand and Myanmar. Closer cooperation with the ASEAN, perhaps through a future BIMSTEC-ASEAN FTA will provide Bangladesh with an opportunity to have closer economic ties with the RCEP.

However, for this to happen, Bangladesh will Policy Dialogue.

have to take careful and adequate preparations developing the needed negotiating in capacities and building compliance assurance (in areas of certification, labour standards, harmonisation and standardisation of customs procedures) and design its domestic trade and investment strategies to be able to take advantage of closer economic linkages with these regional FTAs.

Policymakers should seriously think of establishing a dedicated negotiation cell, like the one in the Ministry of Commerce to deal with WTO issues, to develop and put in place the needed human resources to pursue these negotiations, a task which will assume increasing importance in the coming days given Bangladesh's preparedness towards sustainable LDC graduation.

The author is a distinguished fellow of the Centre for

China finds coronavirus on packaging of Saudi shrimp

REUTERS, Shanghai

The western Chinese city of Lanzhou said on Saturday it had detected the new coronavirus on the packaging of a batch of shrimp imported from Saudi Arabia, as China ramps up testing of frozen foods.

The Lanzhou Municipal Health Commission said in a statement on its website that it had found one positive sample on Friday on the inner packaging of imported frozen shrimp from Saudi Arabia that had passed through customs in the coastal city of Tianjin.

The cold storage plant in Lanzhou where the case was discovered had been temporarily closed, all employees of the plant had been tested, all food involved was sealed and the whereabouts of all food

sold had been determined, the statement said.

The commission said the shrimp had been purchased by Zhanjiang Guolian Aquatic Products Co Ltd, entered the country on Oct. 21 and reached Lanzhou on Nov. 8.

The positive sample in Lanzhou follows the detection of the virus on the packaging of a batch of Brazilian beef in Wuhan on Friday, and on Argentinian beef samples in Shandong and Jiangsu provinces this week.

The World Health Organization says the risk of catching COVID-19 from frozen food is low, but China has repeatedly sounded alarms after detecting the virus on imported food products, triggering disruptive import bans.



TRIUNE GROUP

Law graduate Intiha Samanta, centre, was recently adjudged the winner of cooking competition Meizan Malaysian Palm Olein Shera Rondhonshilpi 2019 which was presented by The Bangladesh Monitor and ATN Bangla. Meizan Fortified Palm Olein was the title sponsor while Omera LPG the premium sponsor.

Govt looks to ramp up API production for burgeoning pharma sector

FROM PAGE B1

There is a huge potential for investment in API manufacturing," he said.

If APIs are produced in sufficient quantities, local companies will be able to purchase those immediately, which will reduce the lead time of production as well, said Alam.

The BSCIC allotted 40 plots to investors. But work for establishing manufacturing facilities are currently ongoing for only five companies.

It remains to be known when all of the investors will be able to start setting up their facilities amidst the economic slowdown brought about by the pandemic.

This is because the Bangladesh Small and Cottage Industries Corporation (BSCIC) does not hand over no-objection certificates if payments against plots are due, said Shafiuzzaman, the association secretary-general.

Without the certificates, banks will not provide the loans medium and small companies need to set up the facilities, he said.

As a result, only the big investors will be able to start manufacturing operations, Shafiuzzaman said.

All the major pharmaceuticals including companies, Eskayef, Square, Incepta, Globe, Opsonin and Beximco, took plots at the API park. "The plots are ready for API

facilities to be set up as the BSCIC has put in place all utility services," said

Md Mostaaq Hasan, chairman of the establishing manufacturing facilities. BSCIC. The corporation is hoping to create 25,000 jobs directly at the API Park once all the investors go into operation. At least Tk 2,000 crore will

be invested in the park, he said. The owners of the plots could have started the construction a long time back, but the emergence of Covid-19 delayed the infrastructure development, he said.

As per allotment conditions, the plot owners will have to start operations within a year.

Hasan acknowledged that investors might not be able to begin the production within the stipulated time because of the delay caused by the pandemic.

"We hope Bangladesh would be almost self-sufficient in API production within three years. This will cut our reliance on imports to a large extent," said Abdul Muktadir, chairman and managing director of Incepta Pharmaceuticals.

Incepta is setting up an API factory in Dhamrai and another in the API Park in Munshiganj.

"We will be able to start the API production by two years," he told The Daily Star.

He said all the companies were competing in the same markets. So, if one company does not have its own API and instead buys it from other companies, it would fall behind on incurring higher production cost.

Five companies have already started Environment Services.

Among them are Acme Laboratories, UniMed UniHealth Pharmaceuticals, Healthcare Pharmaceuticals and IBN Sina Pharmaceutical Industry, said Parvez Ataur Rahman, project director of the API Park.

He expects the companies to be able to start operations by next year.

Halimuzzaman Muhammad deputy managing director and chief executive officer of Healthcare Pharmaceuticals, said their facility at the API Park was about to be ready and the company plans to go for trial operations soon.

Healthcare Pharmaceuticals will be the first company to start operations, he said

Mizanur Rahman Sinha, managing director of Acme Laboratories, said the pandemic had delayed their development work.

"We will open letters of credit to import equipment early next year."

Md Ayub Hossain, deputy director of the Directorate General of Drug Administration, said the pharmaceuticals companies do not need separate licences to manufacture APIs as it is part of the drugs.

All necessary equipment to set up a central effluent treatment plant have reached the site.

The investors are paying around Tk 100 crore to set it up through the government, which awarded the work to Indian company Ramky

ByteDance gets 15-day extension on US order to divest TikTok

REUTERS, Washington

The Trump administration granted ByteDance a 15-day extension of a divestiture order that had directed the Chinese company to sell its TikTok short video-sharing app by Thursday.

TikTok first disclosed the extension earlier in a court filing, saying it now has until Nov. 27 to reach an agreement. Under pressure from the US government, ByteDance has been in talks for a deal with Walmart Inc and Oracle Corp to shift TikTok's US assets into a new entity.

The Treasury Department said on Friday the Committee on Foreign Investment in the United States (CFIUS) granted the 15day extension to "provide the parties and the committee additional time to resolve this case in a manner that complies with the Order.'

BvteDance filed a petition on Tuesday with the US Court of Appeals for the District of Columbia challenging the Trump administration divestiture order.

ByteDance said on Tuesday CFIUS seeks "to compel the wholesale divestment of TikTok, a multibillion-dollar business built on technology developed by" ByteDance and based on the government's review of the Chinese company's 2017 acquisition of Musical.ly. President Donald Trump in an Aug. 14 order had directed ByteDance to divest the app within 90 days.

The Trump administration contends TikTok poses national security concerns, saying the personal data of US users could be obtained by China's government. TikTok, which has over 100 million US users, denies the allegations.

Trump has said the Walmart-Oracle deal had his "blessing."

FROM PAGE B1 Because Asian markets are major sources for

Echoing Khan's views was Md Shafiqul Islam, who recently retired from the commerce ministry and was in charge of the FTA wing as an additional secretary.

He also reasoned Bangladesh's disinterest it signing the deal for the plausible drastic drop in revenue generation from import duty.

Islam also affirmed that Bangladesh was not invited to join the deal.

India withdrew itself from the list of industries are very much involved?" he asked.

"We are very much protectionists in

"It is not like that we will get the benefit from other countries without giving benefit to them," Islam told The Daily Star over the phone.

in joining the deal since it has already been deal, Bangladesh might face some more enjoying duty benefits to Chinese markets as both a least developed country (LDC) and also under the Asia Pacific Trade Agreement (APTA).

Furthermore, midway through the current year, the Chinese government offered duty-free access to 97 per cent of goods originating in Bangladesh, for which there was no need to join such a trade group.

The Chinese trade benefits for Bangladesh will continue under the APTA even after the country graduates to become a developing nation in 2024.

'Still we have taken an initiative to conduct a study on the impacts on Bangladesh from the signing of the RCEP," Jafar Uddin told The Daily Star over the phone.

Md Hafizur Rahman, director general of the World Trade Organisation (WTO) cell under the commerce ministry, said Bangladesh did not even participate in the initial negotiations to join the RCEP.

The possibility of Bangladesh joining the RCEP is very thin now as the participating countries are ready to sign the final deal, he said.

He said Bangladesh has been negotiating with Asean-plus-one in mind, that is, to be included in the club of the Asean.

Ahsan H Mansur, executive director of the Policy Research Institute, said Bangladesh should join such regional trade deals and also sign FTAs with major trading partners soon to enjoy preferential trade benefits after the country graduates to the ranks of developing ones from the list of the LDCs.

challenges in garment exports to global markets as Vietnam was a major competitor of Bangladeshi apparel items.

Vietnam has already signed FTAs with many countries such as China and trade blocs like the European Union, he said.

Bangladesh's international Moreover, trade policies showcase the highest level of protectionism among the South Asian nations.

He suggested easing the trade regime by slashing duties on imports so that more countries or trade blocs show interest in signing trade deals with Bangladesh.

Prof Mohammad Abdul Momen of the Institute of Business Administration of the University of Dhaka said a lower tariff for Vietnam under the RCEP would hurt Bangladesh's garment shipments.

He also suggested signing bilateral trade deals with major trading partners.

In 2017, prospective RCEP member states accounted for a population of 3.4 billion or 45 per cent of the world's population and about 40 per cent of world trade.

The total gross domestic product (GDP) amounted to \$49.5 trillion, more than half of it made up of that of China and India, surpassing the combined GDP of Trans-Pacific Partnership (TPP) members in 2007.

On January 23, 2017, US President Donald Trump signed a memorandum that stated withdrawal of the country from the TPP, a move which is seen to improve the chances of success for the RCEP. According to estimates by the PwC, the GDP of the RCEP member states is likely to amount to nearly \$250 trillion by 2050.

Bangladesh overlooks RCEP to protect import duty revenue

Bangladesh's imports, not exports, she said.

signatories considering the fate of its domestic industries, because there is a possibility of the invasion of Chinese goods in Indian markets, he said. Moreover, Bangladesh does not have that much of an experience in FTAs with any country till date. "So, how will it handle such a big trade deal where the interests of the domestic

international trade compared with other countries. So, it was not possible to place a proposal to join the platform.

Commerce Secretary Md Jafar Uddin also said the Asian region, especially China, was the largest area from where Bangladesh sourced its imports. For instance, Bangladesh earns nearly Tk 25,000 crore in a year as duty on imports

Boosting revenue collection key to economic recovery

To that end, the National Board of Revenue (NBR) set this year's revenue target at Tk 3,30,000 crore, which is 9.82 per cent higher than the revised budget for fiscal

2019-20. Mahmud also informed that like previous years, the DCCI Tax Guide 2020-21 has been published.

Masud Sadiq, member for VAT Policy of the NBR, said that a simplified VAT system would improve the ease of doing business in Bangladesh.

"It is true that for a country's development, a higher revenue target is key. But at the same time, we need a balance between the increased target, rationalised tax regime and VAT structure," he said.

While presenting a paper on the DCCI's proposals on the Budget 2020-21, M Shafiqul Alam, convenor of the standing committee of the DCCI on customs and VAT, said that the VAT return submission process and advance VAT refund system should be made easier.

He also urged for the development of a comprehensive online VAT return submission system.

To achieve this year's target for revenue collection, a simplified, automated, sustainable and hassle-free tax and VAT

mission system Snehasish Barua, a tax consultant.

The NBR has taken a good number of pro-business initiatives in this regard but at times, statutory regulatory orders made halfway through the year hamper the country's business activities

Barua, also a partner at Snehasish Mahmud & Co., said that simplifying the rules would reduce tax evasion.

Md Alamgir Hossain, member for tax policy of the NBR, said in comparison with neighbouring countries, Bangladesh's tax rate is not too high. However, the way it is implemented could be more rationalised.

Therefore, if the NBR feels that the reduction of a particular tax may increase business activities, it will definitely be done," he said, adding that he hopes an online VAT and tax return system will be fully implemented by next year.

The tax structure needs immediate reforms to expand the tax net.

There are 1,76,000 business houses registered under the Registrar of Joint Stock Companies and Firms (RJSC), of which 70,000-75,000 are TIN-holders. But only 36,000 of them submit returns, Hossain said

DCCI Senior Vice President NKA Mobin also spoke.

solely from China.

So, the government's major earnings are generated from the duties on imports from Asian nations, he said.

Regarding the RCEP's impact on Bangladesh's export, Mansur said since Moreover, Bangladesh did not show interest Vietnam was also a member of this mega

Dhaka seeks duty-waiver for 12 more years past LDC graduation

FROM PAGE B1

However, Bangladesh demanded 10 years instead of three years as the country's economy has been severely damaged.

Other developed or developing countries did not assure for any extension of the tenure for Bangladesh's zero-duty benefits after the graduation.

Jafar Uddin also said as per the WTO's previous announcement, Bangladesh was supposed to be immune from the restrictions stemming from patent rights of medicine under its Trade Related Aspects of Intellectual Property Rights (TRIPs) up to January 1, 2033

However, there is a possibility of the abolishment of such facilities once the country makes the graduation.

"We demanded that the UN continue with the patent rights for our country up to 2033 as per the previous announcement," the commerce secretary said.

In both cases, Bangladesh has been lobbying along with its other LDC peers for the trade benefits to be granted for 10 to 12 years. The LDC countries will hold discussions on the Bangladesh's proposal today, he said.

Bangladesh's export will decline 5.7 per cent annually if the EU's EBA initiative is not extended, as local exporters will then have to face an 8.7 per cent duty on exports to the bloc.

So, there is a possibility of losing more than \$2 billion worth of export business annually after the graduation, according to the United Nations Industrial Development Organisation.

Bangladesh will have to ratify 27 international conventions including four core conventions on good governance, labour rights, human rights and environmental protection if it wants to secure the much-required GSP Plus to enjoy the zero-duty benefit to the EU after the graduation.

South Korea proposes several investments for infrastructure projects

FROM PAGE B4

Ahmad Kaikaus, principal secretary to the Prime Minister's Office, urged for launching of at least one PPP project to mark the 100th birth anniversary of the Bangabandhu Sheikh Mujibur Rahman.

"Improving the communication infrastructure and especially widening the roads and highways is one of the priority projects of the government," he said.

"Korean investors are more than welcome to partner with the Bangladesh government as well as the country's private investors," Kaikaus added.

The webinar was attended by Kim Hyan-mee, South Korea's minister for land, Infrastructure and transport; Salman F Rahman, private industry and investment adviser to the prime minister; Lee Jang Keun, South Korean ambassador to Bangladesh; Abida Islam, Bangladesh's ambassador to South Korea and other government officials, private investors.

Most NBFIs see rise in profits

FROM PAGE B1

"When the deposit rate falls, banks and NBFIs get its benefits because their interest cost falls instantly. Their interest income drops slowly."

Many loans carry a fixed interest rate, and the loan contracts are made for three to four years. So, these loans bear higher earnings despite the fast fall of interest on deposit, he clarified.

The government set the ceiling on banks' lending rate at 9 per cent, and the deposit rate at 6 per cent for the sake of industrialisation and the rates came into effect on April 1 this year.

Many NBFIs reduced their operating costs during the pandemic, which gave a boost to their profits, Khan said. As the stock market was on an upward trend, many NBFIs booked profits this year whereas they needed to keep provision for the losses made in the previous year, Khan said.

The brokerage income of IDLC Finance also rose in the last quarter, he said.

The DSEX, the benchmark index of the Dhaka Stock Exchange, rose 28 per cent, or 1,130 points, in the July-September period. It dropped 8.1 per cent, or 436 points, in the same period last year.

The Bangladesh Bank allowed banks and NBFIs to restructure loans and keep traded below the classification unchanged until December on November 12.

to help entrepreneurs stay afloat amid the pandemic, which ultimately helped the NBFIs see the rise in profits, Khan said.

"It was a timely decision taken by the banking watchdog because the pandemic year is not comparable to the normal time. It was necessary to give the chance of restructuring loans to help the economy revive.

The NBFIs whose business was in good shape and whose business was in bad shape would be evident next year, he said.

The NBFIs will fall into problem next year as they will be bound to classify bad loans, said Ábdul Mannan, a stock investor.

Because this is not the real scenario of the sector and most of the entrepreneurs who failed to continue to pay their loans now will become defaulter next year, he said.

Moreover, the rising non-performing loans (NPLs) are also a big headache for the NBFIs.

The NPLs in 33 NBFIs in Bangladesh, including the listed ones, stood at Tk 8,905.62 crore as of June this year, which were 13.29 per cent of the outstanding loans, according to data from the Bangladesh Bank. It was Tk 6,399 crore, or 9.53 per cent of the total loans, in December last year.

Of the listed NBFIs, the stocks of nine traded below their face value on the DSE

StanChart-Channel i announce 6th edition of Agrow Award

FROM PAGE B4

Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, said, "The tireless efforts of the heroes of our agriculture sector have helped our nation stand tall and secure, even in the face of a one-in-a-generation challenge.

"From women empowerment, rural development to food security and export diversification, the contributions of the agriculture sector and its protagonists will continue to be vital for our nation."

He said honouring these heroes for their courage, ingenuity and dedication has never been more important.

Faridur Reza Sagar, managing director of Channel i, said, "The coronavirus situation serves as a reminder about how vital the agriculture sector is to the world."

"Rethinking agriculture has become a question of survival. Recognising the

contributions of our agricultural heroes is more important than ever. We are proud to be a part of this initiative."

Shykh Seraj, director and head of news of Channel i, said, "Prizes or awards can't measure the contribution of our farmers towards the progress of our nation. Still, 1 believe the Standard Chartered-Channel i Awards will help provide further impetus to the sustained success of our agriculture sector.'

He said young farmers had achieved significant success in recent times through technology-based agriculture. "They all deserve special recognition.

The Awards recognises the leaders and innovators that are taking the agriculture industry forward to promote technology and best practises at all levels of the industry. There have been 34 award winners since 2014.

Cut cash-out charge for mobile banking The Bangladesh Bank can introduce a FROM PAGE B4 similar policy in the MFS industry, he said. There are 9.48 crore mobile banking

He called for ensuring a logical service charge and transparency of all firms running MFS operations.

About Tk 1,300 crore is transacted through MFS providers every day, highlighting the growing popularity of the industry

Bringing down the service charge to a single-digit is the demand of the hour, and this would also play an essential role in reviving the pandemic-hit economy, said Mohiuddin Ahmed, president of the association, in the statement.

He demanded beefing up security in the industry as customers often lose money because of cheating.

The association said the telecom regulator had already introduced an SMP policy to ensure fair competition among the mobile phone operators. The decision enhanced competition in the market.

Bank and Meghna Bank Tap n Pay.

FROM PAGE B1

The USDA said rice import may increase to 5,00,000 tonnes in the MY 2020-21 as the government faces difficulty in procuring rice from the domestic markets.

The average retail price of coarse rice was Tk 45 per kilogramme in October this year, which was 32 per cent higher than that last year.

"Retail prices of milled rice are of food

cent from that one year earlier, data from Bangladesh Bank showed. Sixteen MFS operators are providing mobile wallet service.

accounts in Bangladesh as of September.

September's MFS transaction amount

stood at Tk 49,121 crore, up 18.6 per cent

from that one month ago and 38.63 per

They are bKash of Brac Bank, Nagad, Rocket of Dutch-Bangla Bank, MYCash of Mercantile Bank, Islami Bank mCash, t-cash of Trust Bank, First Pay SureCash of First Security Islami Bank, U Cash of United Commercial Bank, OK Banking of One Bank, Rupali Bank SureCash, TeleCash of Southeast Bank, BCB SureCash of Bangladesh Commerce Bank, Jamuna Bank SureCash, Islamic Wallet of Al-Arafah Islami Bank, Spot Cash of Standard

Inclement weather, not Covid, to cut rice production

increasing irrespective of the category. Analysts attribute the increase in domestic prices to market speculation as a result of

the Covid-19 pandemic," said the USDA. The report noted falling stocks of food grains in government warehouses, stating that replenishment of rice stocks through procurements was critical in stabilising the domestic market and ensure the availability



RCEP Agreement: Why it should concern Bangladesh?



MUSTAFIZUR RAHMAN

With the signing of the Regional Comprehensive Partnerships (RCEP) agreement, the world is witnessing a significant milestone in the global economic scenario. The RCEP agreement will cover 15 countries with a population of 230 crore which is about one-third of world population, and the combined GDP of these countries is worth about \$24,800 billion (in purchasing power parity), which is equivalent to about 29 per cent of the global GDP.

The RCEP is going to be the world's largest trading bloc, larger than the EU, or the CPTPP (the transpacific partnership agreement-TPP, minus the US) or the US-MCA (erstwhile NAFTA). RCEP countries' trade value in 2018 was about \$2800 billion, 57 per cent of which was intra-RCEP trade.

To recall, in recent years, the number of regional trading agreements (RTAs) of various types has been on the rise. Some 305 RTAs are already in force, and the WTO has been notified about another 496, which are being negotiated. These RTAs cover either goods or services or both. Indeed, 157 of these RTAs are economic integration agreements (EIAs), which go beyond trade in goods and services.

However, the RCEP does stand out among this large number of RTAs. As the name implies, it is an agreement that goes beyond trade and tariff liberalisation, into cooperation in areas of e-commerce, removal of technical barriers to trade and non-tariff barriers and setting of common standards and various measures to promote intra-regional trade and investment. The idea is to take advantage of comparative advantages through initiatives to promote and foster deeper economic integration.

The RCEP agreement is expected to come into force from early next year. Tariff liberalisation plan, which aims to cover 90 per cent of tradable items, will

be implemented over the next 20 years. at a time when Bangladesh will no longer be will lose preferential access in these markets The 20 chapters of the agreement lay out the foundation for cooperation among the 15 members that are envisaged to be deeper and broader than the ASEAN free trade agreement and the bilateral FTAs that the ASEAN has with the five RCEPparticipating countries (China, Japan, South Korea, Australia and New Zealand). India had opted out at the last moment but could join at a later stage.

The signing of the RCEP deal ought to be

eligible to enjoy preferential access under following its LDC graduation. Bangladesh's the LDC schemes of RCEP members such as China, Japan, Australia, South Korea and other preference providing members.

The RCEP indicates how South-East Asian LDCs are strategising in view matter of grave concern for Bangladesh's as China, Japan, and South Korea will have policymakers, Vietnam, a major competitor an added incentive to invest in the RCEP

competitiveness scenario vis-a-vis Vietnam will undergo radical changes in view of these developments.

Third, since the RCEP is expected to create a conducive environment for of addressing the challenges of LDC investment and development value chains graduation. Second, and this should be a and production networks, countries such of Bangladesh, particularly in apparels, will member countries with a view to taking



followed closely and keenly by Bangladesh, enjoy preferential market access in the advantage of the preferential market access for several reasons. First, the RCEP includes a number of LDCs, two of which, Myanmar and Lao PDR, will be graduating in coming years, similar to Bangladesh.

Cambodia is the other LDC in the RCEP. Timor-Leste, another graduating LDC in the region, is trying to gain ASEAN membership. The RCEP membership will give these graduating LDCs access to a large market, on preferential market access terms,

lucrative and expanding RCEP market, as a member of the agreement.

Vietnam has already signed bilateral FTA with the EU and is also a member of the CPTPP. If under the new Biden administration, the US decides to join the CPTPP (as a matter of fact the TPP was the brainchild of the Obama administration), Vietnam's preferential market access will be guaranteed in almost all major markets, at a time when Bangladesh

offered under the regional arrangement. Bangladesh's efforts to attract FDI from these countries could be negatively impacted because of this.

Bangladesh has decided, and rightly so, to give importance to signing bilateral FTAs as a coping strategy to address the loss of preferential market access because of LDC graduation.

READ MORE ON B2

South Korea proposes several investments for infrastructure projects

MD SHAHNAWAZ KHAN CHANDAN

BUSINESS

The government of South Korea proposed several major investments to develop Bangladesh's infrastructure at the third Bangladesh-Korea Joint PPP (Public Private Partnership) Platform meeting yesterday.

The virtual meeting was co-hosted by the Public Private Partnership Authority (PPPA) of Bangladesh and the Korea Overseas Infrastructure and Urban Development Cooperation (KIND), a public-private investment organisation established by the South Korean government.

During the meeting, the KIND offered to finance three of the country's major development projects -- the Tongi to Sadarghat subway line, the Oboshor-Senior Citizen health care and hospitality centre, and the Purbachal Town Electricity Network.

According to a PPPA spokesperson, the Tongi-Sadarghat subway line, which will remarkably improve Dhaka city's public transport, is estimated to be complete within 60 months from the starting date. The budget for this megainfrastructure has not been fixed yet.

The KIND also proposed a \$20 million investment to develop the Oboshor-Senior citizen health care and hospitality centre. The centre, which will provide healthcare for geriatric patients and senior citizens, is estimated to be complete within three years.

Besides, the organisation offered to establish the Purbachal Town Electricity Network in the currently developing Purbachal Residential Model Town.

This project is estimated to be complete within four to five years. Its budget has also not been fixed yet, the PPPA spokesperson said.

Meanwhile, Bangladesh Bridge Authority (BBA) showcased its Meghna Bridge Project, which involves the construction of a four-lane bridge over the Meghna river on the Bhulta to Aaraihazar to Banchharampur road that will serve as an alternate route to the Dhaka-Chattogram Highway and the Dhaka-Sylhet highway.

The KIND appreciated this project and agreed to move forward with the government in this regard by forming a government-to-government partnership programme in the future.

In his welcome speech, Kyong-goo Hur, president and CEO of the KIND, said that Korea is one of the largest investors in Bangladesh since the establishment of diplomatic ties between the two nations in 1973.

"The KIND supports those investors who do not compromise with time and quality in implementing projects," he added.

Sultana Afroz, CEO of the PPP Authority, said these partnerships will not only accelerate the country's economic growth, but also strengthen bilateral relations.

She also asserted that the PPPA will work hard to facilitate the implementation of PPP projects with South Korea while following the due process with a focus on technical, commercial, legal, social and environmental aspects.

READ MORE ON B3

Large shipment of padlocks, rexine seized

Cut cash-out charge for mobile banking

at Benapole

Importer attempted to evade tax through false declaration, officials say

OUR CORRESPONDENT, Benapole

Customs officials have seized a large consignment of padlocks and rexine at Benapole Land Port on charges of tax evasion by the importing company.

The Jashore-based Shafi Iron Trades imported 1,051 packs of padlock and rexine but declared the shipment to be of various mechanical parts and accessories in a bid to avoid Tk 1.2 crore in taxes.

Benapole Customs Commissioner Md Azizur Rahman seized the consignment last Thursday, according to a press release yesterday.

receiving a tip-off, the After commissioner inspected the consignment

with his team and seized 18 tonnes of padlocks and 982 kilogrammes of rexine. The related C&F agent, Talukdar Traders, subsequently had its licence suspended

for its direct involvement in the revenue evasion. A fine of Tk 61.25 lakh has been imposed on this consignment as well.

"A large consignment of padlocks and rexine was seized for making false declarations," Rahman said.

Bangladesh Customs recently ramped up its efforts to prevent tax evasion. As such, any C&F agents found to be directly involved in revenue evasion will have their licences permanently cancelled, he added

STAR BUSINESS REPORT

A consumers' rights group yesterday urged the government to bring down the cash-out charge for mobile banking to a single-digit and enforce significant market power (SMP) policy to enhance competition in the burgeoning industry.

The Bangladesh Mobile Phone Consumers Association (BMPCA) also called for reducing the value-added tax to 5 per cent from 15 per cent now, ensuring interoperability among the operators and making intra-network transactions free of cost.

The association raised the demands at a discussion styled "Fixing logical charge on mobile banking, charge-free interoperability and users security" at the Dhaka Reporters' Unity, according to a press release.

Nagad, the financial service arm of the postal

department, has brought down the cash-out charge below Tk 10 per Tk 1,000 withdrawal whereas it has been Tk 18.5 since the inception of the MFS industry in Bangladesh a decade ago.

Consumers' platform demands

Other operators can follow suit, said Subrata Roy Maitra, the vice-chairman of the Bangladesh Telecommunication Regulatory Commission (BTRC).

The central bank should fix a logical charge through a cost-modelling exercise, he said.

Joining the event through mobile phone, Syed Abul Maksud, a noted columnist and researcher, requested the government to slash the service charge for the benefit of the marginalised people.

Mohammad Azizur Rahman Siddiqui, director for the services division of the BTRC, also called for running a cost-modelling for the charges imposed by the retailers and distributors of the MFS industry.

Sayema Haque Bidisha, a professor of

economics at the Dhaka University, joined the discussion through mobile phone. She said the service charge is not logical given the current socio-economic circumstances of the country.

She hoped the central bank would take steps to fix a reasonable rate based on the recommendations of all stakeholders.

"If we can bring down the cost of cash-out charge and all other charges, it will be helpful for the poor people," Bidisha added.

Khaled Mahmood, an associate professor at the Institute of Business Administration at the DU, said there is no alternative to SMP to enhance competition.

Ruhin Hossain Prince, secretary of the Communist Party of Bangladesh, said mobile banking is the reality of today, so the government should ensure that the service can be availed safely and at a lower cost.

READ MORE ON B3

StanChart-Channel i announce 6th edition of Agrow Award

STAR BUSINESS DESK

Standard Chartered Bangladesh and Channel i have jointly announced the launch of the sixth edition of Standard Chartered - Channel i Agrow Award to recognise the best performing individuals and institutions for their significant contribution to the agriculture sector.

The announcement came at a press conference in Dhaka recently, according to a statement.

This year, two new award categoriesbest journalist (agriculture) and best community as disaster fighter- have been introduced, bringing the total to 10.

The eight other categories for the nominations are: farmer of the year - male; farmer of the year - female; heroes for change; jury special; best agricultural organisation in research, innovation and technology; best agricultural organisation in support and execution; best agricultural exporter; and lifetime achievement award.

READ MORE ON B3



Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh, Faridur Reza Sagar, managing director of Channel i, and Shykh Seraj, director and head of news of Channel i, attend the launch of the sixth edition of Standard Chartered - Channel i Agrow Award in Dhaka recently. STANCHART

High food prices hurting India's poor, pain to persist

REUTERS, New Delhi

India's retail inflation may stay elevated for at least three more months after hitting a six-year high in October, as excess rain has damaged standing crops and seedlings, while edible oils that the country imports have become expensive.

The high prices are a particular cause of concern for India's hundreds of millions of poor people, who have already been squeezed by the coronavirus pandemic and its impact on an economy that contracted a record 23.9 per cent in April-June.

Food items such as onions, potatoes, eggs, meat and tomatoes have a nearly 46 per cent weight in India's retail inflation basket. Food inflation shot up to 11.07 per cent in October, the highest in nine months according to data released on Thursday, sending overall retail inflation surging to 7.61 per cent.

"We were expecting a hefty correction in vegetable prices but just before harvesting, excessive rainfall damaged crops," said Amol Ghule, a vegetable trader based in the western state of Maharashtra that dominates India's onion and oilseeds production.

Parts of India's richest state was battered by untimely rain last month.

"Many farmers are having to prepare seedlings again for planting and this will delay supplies from the new season crop, Ghule said.

In the past three months, onion prices have more than quadrupled in India, while sovoil prices have rallied 23 per cent.

International prices of edible oils, meanwhile, have hit record highs due to falling stocks. India imports 70 per cent of its edible oil from countries such as Malaysia, Argentina, Indonesia and Ukraine.

'Palm oil prices have jumped in Indonesia and Malaysia, soyoil in Argentina and sunflower oil in Ukraine," said B.V. Mehta, executive director of industry body the Solvent Extractors' Association.

Poultry prices are rising as Indians flock to chicken shops for some extra protein during the pandemic, while production is low because many chicken farms were closed due to India's virus lockdown.

Also, high vegetable prices have made eggs more affordable for many poorer people, said Uddhav Ahire, chairman of poultry supplier Anand Agro Group.