

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.32%	▲ 0.45%	\$1,801.72	\$47.51	▲ 1.01%	▲ 2.50%	▲ 1.5%	▼ 0.34%	83.95	98.38	111.00	12.57
4,833.19	8,355.61	(per ounce)	(per barrel)	44,523.02	26,165.59	2,891.63	3,402.82	BUY TK	102.18	114.80	13.22
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Pick projects cautiously to save fund for coronavirus job

PM asks ministries

REJAUUL KARIM BYRON and JAGARAN CHAKMA

Prime Minister Sheikh Hasina has directed ministries to undertake new projects cautiously to avoid unnecessary public expenditure as the government will have to spend a considerable amount of money to procure Covid-19 vaccines to immunise the whole nation, officials said.

She ordered to drop projects that are not deemed necessary under current circumstances.

The directive for the line ministries came at a virtual meeting of the Executive Committee of the National Economic Council (Ecne) yesterday.

In June, Finance Minister AHM Mustafa Kamal set aside an additional Tk 10,000 crore for the health sector to meet emergency expenditures amid the pandemic.

The country may need more money to strengthen the weak health sector, buy safety equipment and Covid-19 vaccines.

According to an estimate of the finance ministry, Bangladesh might need between \$1.65 billion and \$2 billion to vaccinate the nation of 165 million.

The finance ministry is asking for more than \$1.5 billion from the development partners to procure and distribute the vaccines.

Initially, the government is aiming to buy three crore doses of vaccines at \$5 apiece. The finance ministry has so far released Tk 735 crore for the health ministry, a source in the finance ministry said.

In July, the government had decided to put a hold on the implementation of low-priority development projects to free up funds for the productive sectors amid widening revenue shortfalls.

The finance ministry has recently softened the stance on the disbursement of funds from the ADP for the low-priority projects bowing down to pressures from the line ministries and also because of improvements in revenue collection.

The prime minister also directed the ministries to prepare a list of contractors, highlighting ones which implement projects on time and those that don't meet the deadlines, said Planning Secretary Md Asadul Islam, while briefing the reporters after the Ecne meeting.

The directive is aimed at preventing some contractors from getting too many work orders, allowing new firms to win work orders and ensuring timely implementation.

As contractors cannot complete projects on time, it compels the government to extend deadlines and increase the cost of projects. In Bangladesh, most of the projects are revised more than twice, delaying the implementation and causing cost-overruns.

The meeting discussed that some contractors get more work orders. As a result, they can't finish the works as per the deadline, said a source who was present in the meeting.

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Finds IDLC-PRI research

STAR BUSINESS REPORT

Small and medium businesses with access to finance have increased the staff size by more than 100 per cent from their starting level, playing a significant role in job creation and making the entire economy vibrant, according to a new research.

IDLC Finance and the Policy Research Institute (PRI) of Bangladesh jointly conducted the research titled "Access to Finance for SME and Impact on Job Creation: Empirical Evidence Based on IDLC Finance Ltd".

The research assessed a total of 782 small and medium enterprises (SMEs) which availed loans from IDLC Finance across the country and covered information from their inception to 2019.

There has been as much as 105.7 per cent growth in the employment generation by the SMEs, according to the study that was disclosed at a webinar jointly organised by the PRI and IDLC Finance yesterday.

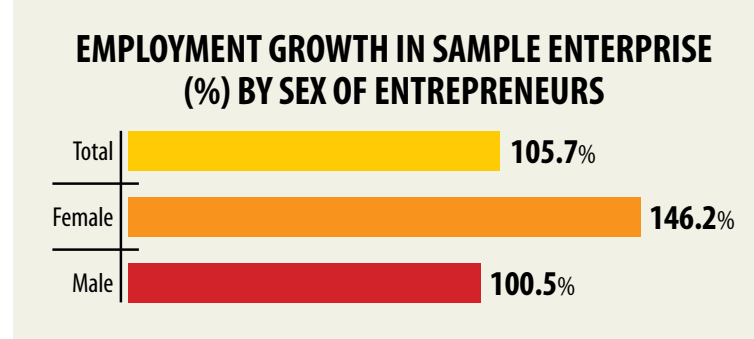
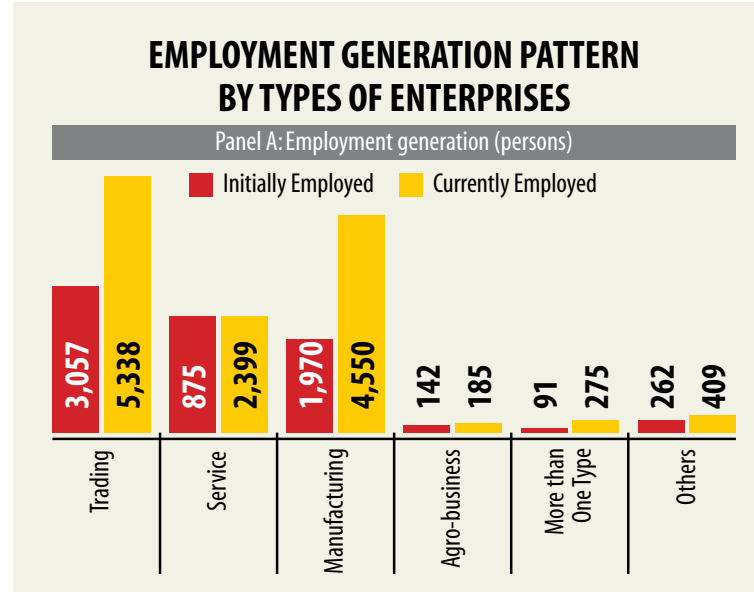
Some 8.4 per cent of the SMEs were owned by females. They informed that they had posted job growth of 146.2 per cent since the inception of their businesses.

The SMEs owned by males, however, registered job growth of 100.5 per cent, meaning that they are lagging behind females when it comes to the expansion of businesses.

The SMEs, historically, have played a significant role in pushing growth for the developing economies, said Ahsan H Mansur, executive director of the PRI.

South Korea, Japan, China and many other developed countries had earlier managed their economic development by way of giving a boost to the SME sector, he said.

"And Bangladesh is no exception.



The country will have to go forward based on the SME sector," he said.

The large industries are highly dependent on the SME sectors in different nations. But such interdependence is not that strong here.

Technology adaptation, use of skilled workforce and access to finance are highly important for the expansion of the SME sector.

"But, the SMEs are neglected to a great extent in the country. They

will have to be brought under the global value system from the local one," said Mansur, also a former high official of the International Monetary Fund.

The importance of the sector does not any highlight in national dialogues, which is not expected at all, he said.

SMEs now occupy an important position in the national economy, accounting for about 45 per cent of manufacturing value addition,

80 per cent of industrial sector employment, 90 per cent of total industrial units and employment of about 25 per cent of the labour force.

Their total contribution to export earnings hovers in the range of 75 per cent to 80 per cent.

The industrial sector makes up 31 per cent of the country's gross domestic product, most of which is coming from the SMEs.

The country's SME sector has created 15 lakh jobs between 2009 and June 2014.

Business turnover at IDLC has been on the increase, playing an important role in keeping the wheels of the rural economy running as well, said Mansur.

IDLC SME division has been growing by around 21 per cent on an average for the past 10 years.

The non-bank financial institution's SME loans so far amount to 46 per cent of its Tk 8,700 crore outstanding credit as of October this year.

The board of directors of many banks have persistently showcased a reluctant attitude in disbursing SME loans, said Mansur, also chairman of Brac Bank.

The directors of some banks are taking loans from other banks through mutual understandings, putting an adverse impact on the SME sector, he said.

Many lenders are now unable to disburse the loans of the stimulus package initiated by the government for the SME sector, he said.

A lack of infrastructure for disbursing the loans is the main roadblock for the lenders, he said.

The central bank should hand over the responsibility of giving out loans to banks which are capable of it, Mansur said.

READ MORE ON B3

Climate risk insurance crucial for coping with future disasters

Speakers say at online discussion

STAFF CORRESPONDENT, Chattogram

Climate risk insurance is needed to make it easier for the country's households to recover from extreme weather events and maintain food security, speakers said yesterday.

The virtual programme, styled 'Climate Risk Insurance and Payout of the Flood Insurance Product', was jointly organised by The Daily Star, the World Food Programme (WFP), and the Oxfam.

"Over the last few years, many lives and properties have been lost due to natural disasters," said Md Enamur Rahman, the state minister for disaster management and relief.

In each incident, the people living in coastal areas were badly affected by the loss of crops and fishing. So, in this context, climate insurance would create an opportunity for the victim to overcome their losses caused by a

natural disaster, he added.

Bangladesh is very susceptible to climate change and is made considerably more vulnerable given that about half the population is employed by the agriculture sector, according to Piet Vochten, deputy country director of the WFP.

Therefore, most rural households, including landless farmers that work on leased properties, are most vulnerable to sudden climate changes.

"That's why we are working with Green Delta Insurance and other partners to figure out their problems. We are confident that we are on the right track and look forward to getting feedback from the people," Vochten added.

Faznanah Chowdhury, managing director and chief executive officer of Green Delta Insurance Company (GDIC), said that during a normal year, approximately 20 to 25 per cent

of the country's total land area gets flooded in the monsoon season.

Besides, greater levels of inundation are not uncommon either. In 2020, the country experienced its largest flood in the last 20 years.

But over the past 40 years, the country has suffered at least seven major floods with particularly damaging events in 1988, 1998, 2004 and 2007.

"Those floods cost our economy a total of \$8.4 billion," she said.

A viable, inclusive and disruptive business model, where all stakeholders operate independently without direct financial aid from donor agencies, is needed to address the issue.

"So, the government should subsidise the premium and claim aspects using a disruptive business model to bring in more partners," Chowdhury added.

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Bangladesh pays industrial victims way less than ILO standard

ILO Country Director Tuomo Poutiainen says

REFAYET ULLAH MIRDHA

The amount of compensation legally payable to victims of industrial incidents in Bangladesh is far below the provisions of the ILO Convention 121, said Tuomo Poutiainen, country director of the International Labour Organisation.

The convention mainly deals with the victims' future earning losses, he said.

The 2018 amendment to the Bangladesh labour act doubled the compensation amount in case of death and permanent disability.

But that took the figures to just Tk 2 lakh and Tk 2.5 lakh respectively.

In the existing labour law of Bangladesh, there is no provision for rehabilitation services for workers suffering for long durations as a result of occupational diseases and workplace accidents, said the ILO chief for Bangladesh.

"The ILO is currently collaborating with the government, employers' and the workers' organisations to establish a national employment injury (EI) system..." he told The Daily Star said in a brief online interview.

The system would cover prevention, compensation and rehabilitation needs for all industrial accidents and occupational diseases in Bangladesh, Poutiainen said during the meet marking the eighth anniversary of Tazreen Fashions fire.

The Employment Injury Benefits Convention 1964, which is known as ILO Convention 121, determines workers' financial benefits on the basis of losses to future earnings, which is the best practice internationally.

For instance, if any worker dies in an industrial incident at the age of 25, the opportunity is lost for that person to work for another 34 years, considering the fact that the standard period for holding government jobs in Bangladesh is 59 years.

So, the compensation will be determined by counting the monthly earnings of the next 34 years.

This includes standard annual increment, allowances, medical expenses, educational expenses of two children, house rents, medical allowances and some other factors

under the ILO Convention 121.

In case of permanent disability or permanent injuries, the compensation under the ILO Convention 121 is much more, considering the gravity of the fact that a person has to continue living with the loss of limbs.

But here too, the compensation is determined on the basis of future loss of earnings.

This enables the victims' relatives or family members of the injured person or persons to receive a handsome amount of money.



Tuomo Poutiainen

In both cases of the Tazreen Fashions fire and the Rana Plaza building collapse, the ILO along with IndustriALL, local labour leaders, and retailers and brands formed two bodies under the guidance of ILO Convention 121.

Although the ILO itself did not pay the victims, the compensations were determined following the ILO Convention 121.

However, since Bangladesh is yet to ratify the convention, a few components of it were excluded when the compensations were determined. Despite this, the victims of both tragedies received handsome amounts of money.

"As per our knowledge, Tazreen Claims Administration Trust (TCA) has paid compensation to 582 beneficiaries of Tazreen Fashions fire until now," Poutiainen said.

In addition, the Trust for Injured Workers Medical Care (TIWMC) has organised medical care for 114

workers injured during the Tazreen factory fire.

The amendments to the labour law following the two incidents have made strides in the right direction by reducing membership requirements for the formation of trade unions, an important platform for workers to organise and voice their concerns.

The 2018 amendment incorporates two standard operating procedures (SoPs) on trade union registration and anti-union discrimination.

The adoption of these SOPs has seen an almost 15 per cent increase in the rate of trade union registration.

"The ILO appreciates Bangladesh government's openness to further reduce the trade union registration threshold..."

"...and we stand ready to facilitate a meaningful dialogue between the government, employers' and workers' organisations for further review and amendment of the BLA," Poutiainen said.

"This is to ensure the rights of all workers are met in line with the international labour standards."

Regarding workplace safety, he said there has been a noticeable improvement in factory safety in Bangladesh since 2013, principally as a result of three initiatives focused on improving building safety of readymade garment factories in operation.

Thousands of factories have been inspected under the national initiative of the Bangladesh government and the two private initiatives of the Accord and the Alliance.

Many tens of thousands of employers and workers have been educated and trained in occupational safety and health. International buyers also played an important role by opting to do business with factories that have implemented sufficient safety remediation.

To encourage safety remediation works and as part of an escalation process, the government's national initiative instructed the withdrawal of export licences of 401 factories and ordered the closure of 47 factories, said the ILO country director.

READ MORE ON B3

Import of painted bike components allowed again

SOHEL PARVEZ

The revenue authority has reinstated the opportunity for motorcycle assemblers to import painted completely knocked-down components of two-wheelers.

The move from the National Board of Revenue comes nearly four months after it stopped providing the benefit of importing painted components, termed completely knocked-down (CKD), of motorcycles since June.

In its latest decision posted on its website early this week, the NBR extended the benefit for importing painted components of motorcycles in CKD form until June 30 next year.

"We have reintroduced the benefit amid pleas from the industry," said a senior official of the NBR on condition of anonymity.

The reinstatement of the scope created mixed reactions among industry operators, who sold 4.5 lakh units last fiscal year.



Companies with a focus on assembling hailed the move. However, firms that have to manufacture motorcycles by adding some locally-made components termed the NBR's latest decision a reflection of weakness

in policymaking. "The will be beneficial for us. Some factories had to close after the revenue authority discontinued the scope of importing painted components.

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Stocks and oil ride high on Biden transition and vaccine hopes

REUTERS, London/Hong Kong

Stocks, oil and risk currencies gained on Tuesday as the formal go-ahead for US President-elect Joe Biden to begin his transition burnished a November already boosted by Covid-19 vaccines.

European markets tracked gains in Asian and US equities, with the broad-based STOXX 600 index opening 0.8 per cent higher and Brent crude climbing to its highest level since March at \$46.38 a barrel. Safe haven assets such as gold fell.

After weeks of legal challenges to the election results, US General Services Administration chief Emily Murphy wrote to Biden on Monday informing him the formal hand-over process could begin.

President Donald Trump tweeted that he had told his team "do what needs to be done with regard to initial protocols", an indication he was moving toward a transition.

"Markets have been constrained by very high levels of uncertainty on the US political front and around vaccines for weeks, so with those two going away investors are considering the prospect of a return to normality in 2021," said Emmanuel Cau, head of European equity strategy at Barclays.

Reports that Biden plans to nominate former Federal Reserve Chair Janet Yellen to become the next Treasury Secretary further boosted US stocks on expectations she would pursue more conventional policies than the outgoing Steven Mnuchin.

Futures for the S&P 500 rose 1.2 per cent in early European trading hours and putting the 49-country MSCI world stocks index on course to set a new record high later.

Japan's Nikkei jumped 2.5 per cent to its highest level since May 1991 overnight, with energy, real estate and financial shares leading the advance.

Asia-Pacific shares outside Japan had ticked up 0.4 per cent. Australia's S&P/ASX 200 was 1.26 per cent stronger, touching its highest level in almost nine months, with energy stocks leading the pack there.

Seoul's Kospi was 0.6 per cent higher as was Hong Kong's Hang Seng which rose 0.4

per cent. China blue-chips were an outlier however, edging down 0.6 per cent, as investors booked profits following recent strong gains.

Some analysts say a Biden presidency, which could mean more negotiation room for Washington and Beijing, would not make a big difference for China's equities market, as they expected little change in broad US policy toward China.

The progress made on COVID-19 vaccines, which had underpinned Wall

Street overnight, helped keep risk appetite elevated as it boosted optimism about a quicker revival for the global economy.

AstraZeneca and Oxford University had said on Monday that their COVID-19 vaccine, which is cheaper to make, easier to distribute and faster to scale-up than its rivals, could be as much as 90 per cent effective.

The New Zealand dollar was among the currency gainers, rising as much as 0.9 per cent to a two-year high of \$0.6985 as its central bank said house prices, which have been storming higher this year, could be included in its inflation basket.

The euro was gaining towards \$1.19 again and the dollar index, which tracks the greenback against a basket of six major rivals, nudged down to 92.235.

Also spurred on by the vaccine hopes, oil reached levels not seen since before the coronavirus began to spread rapidly in March and decimated demand.

Brent crude futures rose 45 cents, or 1 per cent, to \$46.51 a barrel to add to a more than 20 per cent surge this month, while US West Texas Intermediate crude added 46 cents, or 1.1 per cent, to \$43.52.

"Progress on developing and distributing a vaccine de-risks the path back to normal for oil markets," said Stephen Innes, chief global markets strategist at financial services firm Axi.

In the bond markets, the yield on the benchmark 10-year notes rose slightly to 0.87 per cent as did those on most European government bonds. Germany's 10-year yield was up 1 basis point to -0.57 per cent in early trade.

Gold continued to lose its shine too, falling to \$1,826.3 an ounce having now dropped 10 per cent this month.

Toyota halts operations at Indian plant again as union strike continues

REUTERS, Bengaluru

Toyota Motor Corp again halted operations at its car plant in southern India from Monday, as the majority of members of its workers' union continued a sit-in strike, the automaker said.

Both the Toyota Kirloskar Motor (TKM) factories in the industrial hub of Bidadi, Karnataka, had declared a "lock out" on Nov. 10 after the union went on strike, saying that their demand to withdraw the suspension of a worker was not met.

The local state government's labour department had prohibited the strike by the workmen, as well as the "legal lock out" declared by the management from Nov. 19 and directed operations to resume, a spokesperson for the automaker's India unit said on Tuesday.

Even after the lock out was lifted by TKM, only a few team members have reported to work, the company said.

"For plant operations to run smoothly and effectively, a minimum workforce of 90 per cent in each shift is required. In view of the current situation, it is not viable to carry on with manufacturing activity."

The disruption follows several months of a slump in sales, and comes at a time when vehicle deliveries to dealers are picking up in anticipation of strong demand during the November festive period in India.

The country's top car maker Maruti Suzuki India Ltd last month said sales between October and December were expected to be good due to demand for personal transport and big-ticket purchases during the festive season.

Bitcoin hits \$19,000 for first time in three years, all-time high in sight

REUTERS, London

Bitcoin hit \$19,000 on Tuesday for the first time in nearly three years, homing in on its all-time high of just under \$20,000.

The world's most popular cryptocurrency was last up 3.2 per cent at \$18,958. Bitcoin has gained nearly 40 per cent in November alone and is up around 160 per cent this year.

Fuelling its gains have been demand for risk-on assets amid unprecedented fiscal and monetary stimulus, hunger for assets perceived as resistant to inflation, and expectations that cryptocurrencies would win mainstream acceptance.



US President-elect Joe Biden and Vice President-elect Kamala Harris participate in a virtual meeting with the United States Conference of Mayors at the Queen in Wilmington, Delaware, on November 23.

BOJ's Kuroda says no immediate need to overhaul policy framework

REUTERS, Tokyo

Bank of Japan Governor Haruhiko Kuroda said on Tuesday he saw no immediate need to overhaul the central bank's monetary policy framework, as the hit to the economy from COVID-19 keeps inflation distant from its 2 per cent target.

But he said the BOJ would not rule out future debate of a review, as other major central banks such as the US Federal Reserve look deeper into why inflation remains subdued despite years of aggressive monetary easing.

"There is no need now to review our policy framework. But there could be debate at an appropriate timing in the future," Kuroda said in a semi-annual testimony to parliament.

Kuroda also stuck to the BOJ's view that Japan's economy is on track for a moderate recovery, even as a recent resurgence in coronavirus infections cloud the outlook.

In its current quarterly forecasts issued last month, the BOJ expects Japan's economy to contract 5.5 per cent in the fiscal year ending in March 2021 but expand 3.6 per cent in the following year.

"I don't think we need to overhaul our projections" due to the global resurgence in COVID-19 infections, Kuroda said.

"Our view is that Japan isn't heading toward deflation, though we're watching developments in service consumption and capital expenditure carefully," he added.

Under a policy dubbed yield curve control, the BOJ sets its short-term rate target at -0.1 per cent and that for long-term rates around zero. It also buys huge amounts of government bonds and risky assets, though inflation remains distant from its 2 per cent goal.

Smelling blood, Huawei's Chinese mobile rivals look to capitalise on its US woes

REUTERS, Shenzhen, China

Chinese handset rivals of Huawei Technologies including Xiaomi, Oppo and Vivo are making aggressive moves to seize market share from their giant rival, after stepped-up US sanctions hobbled Huawei's supply chains, industry insiders say.

Last week Huawei said it had sold its budget brand smartphone unit Honor for an undisclosed sum in a bid to safeguard the latter's supply chain from US action, which has made it difficult to source essential components.

All the same, Huawei's Chinese rivals smell blood in the mid- to high-end phone market. In August a Huawei executive said the company will not be able to produce its flagship processors that power its high-end smartphones.

"What we can see now, whether from Xiaomi, Oppo or Vivo, is that they're raising their forecasts for next year," said Derek Wang, an executive in charge of production at handset maker Realme, which shares a supply chain with Oppo.

"They believe the sanctions against Huawei will more or less hurt it in the international market, and they may want to take a share of the market from Huawei."

Founded in 2018, Realme is on course to double its smartphone shipments to 50 million this year, Wang said. It has built a base with low price-offerings in Southeast Asia and India, and is looking to target Europe and China next year with a push into the high-end market, regardless of Huawei's situation, Wang said.

In August, the US Commerce Department further choked Huawei's access to US technology essential to its handset business, on the grounds that Huawei poses a security threat - a charge Huawei denies. [L4N2FKINT]

Huawei briefly overtook Samsung as the world's biggest handset maker in the first half of this year, before shipments fell 23 per cent to 51.7 million units in the third quarter, according to research firm Canalis.

Huawei still commanded 41.2 per cent of the market in the third quarter, followed by Vivo with 18.4 per cent, Oppo with 16.8 per cent and Xiaomi with 12.6 per cent, Canalis

said. Apple has a lower share in China with 6.2 per cent, but is attracting strong demand for its 5G iPhone 12, Canalis said.

Industry watchers have confirmed a ramping up of orders from vendors. Xiaomi has been most bullish, placing enough orders for up to 100 million phones between the fourth quarter of 2020 and first quarter of 2021, up 50 per cent on projections before the August restrictions, consultancy Isai Research says.

Oppo and Vivo's production forecasts had also risen by around 8 per cent each since August, with orders for up to 90 million and 70 million handsets

respectively, Isai Research's data showed.

Conversely, Huawei orders fell 55 per cent to 42 million handsets in that time.

All four companies declined to comment on the numbers.

Xiaomi is also attempting to court Huawei's distributors in Southeast Asia and Europe in the hopes of gaining exclusive deals, and is actively targeting Huawei's high-end market share in China, said a source at Xiaomi familiar with the matter.

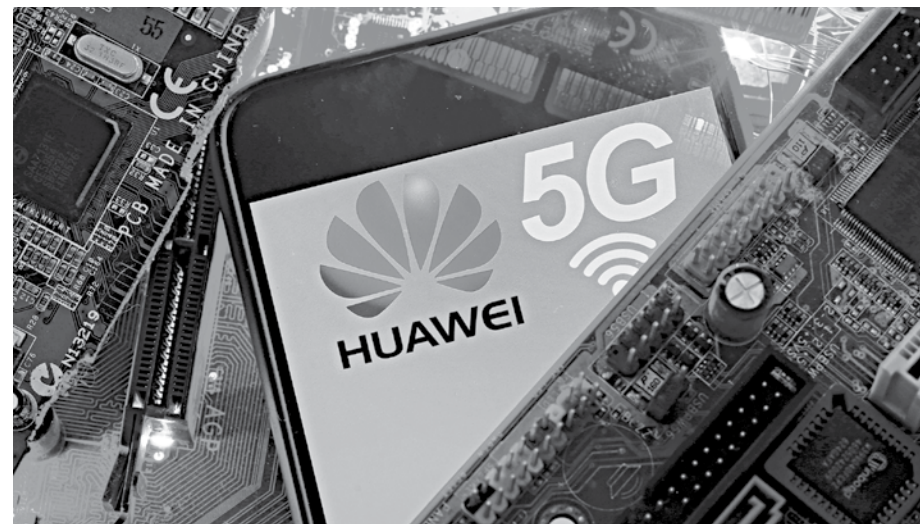
Five industry sources on the supply chain side confirmed they had a surge in orders from the three companies.

Some analysts believe the companies might be too optimistic about their targets, but Realme's Wang said stockpiling of components have also been driven by disruption to production caused by COVID-19 lockdowns earlier in the year and because Huawei's move to boost its inventories impacted rivals' supply chains.

The rush to secure supplies has reverberated across the electronics chain, said Paul Weedman, a supply chain project manager. "Prices have been rocketing recently," he said, noting that it has become much harder to source LCD screens even for tablets.

Analysts said Huawei's sale of Honor may partly fend off competitors' intrusion into the budget-end of the market, provided that Honor is able to resume sourcing US technology.

"We still expect clear year-on-year growth from Huawei and Honor's smartphone rivals in 2021, but likely at a lower ratio than their earliest expectation," said Flora Tang, an analyst with research firm Counterpoint.



A smartphone with the Huawei and 5G network logo is seen on a PC motherboard in this illustration picture.

REUTERS/FILE

Carbon pricing rises as world's weapon of choice in climate fight

REUTERS, London/Brussels

Can you put a price on pollution? Some of the world's biggest economies are doing just that as they wrestle with how to make good on grand pledges to tame planet-warming emissions.

Matters are coming to a head.

China, Japan and South Korea have all followed the European Union in pledging to cut emissions to "net zero" in recent weeks, where they release only as much as they remove from the air. US President-elect Joe Biden made the same promise in his election campaign.

Next year they are set to lay out the first practical measures to meet these targets, as part of commitments under the Paris climate accord, and putting a price on carbon will be front and centre, experts told Reuters.

"Each country will have to come up with its own path to reaching net zero, but the expectation is carbon pricing is going to be a very important part," said Wendy Hughes, Carbon Markets and Innovation Manager at the World Bank.

The principle is simple: a carbon price establishes how much companies need to pay for their emissions. The higher the price, the greater the incentive to pollute less and invest in low-carbon technology.

Governments can force these payments through a carbon tax - a levy companies must pay when they pollute - or through an emissions-

trading system (ETS).

An ETS sets a maximum cap on the amount of emissions that a sector, or group of sectors, can produce. It creates "carbon permits" for those emissions, which companies can buy for each tonne of CO2 they emit.

Many countries, from Europe and South Korea, to China and Kazakhstan have already launched schemes, of various scope.

More than fifth of global emissions are covered by 46 national carbon-pricing schemes operating today or in the planning stage, as well as 32 regional systems within countries, according to the World Bank.

The biggest of those - the EU carbon market - is preparing for a major overhaul.

Since the European system was launched in 2005, emissions from participating power plants and factories have dropped by 35 per cent - a sharper drop than seen in sectors not covered by the scheme.

"The ETS has proven its efficiency," said Frans Timmermans, head of EU climate policy. "The ETS shows how carbon pricing is a strong driver for immediate change in energy consumption."

In the power sector, the scheme helped make coal plants uneconomic, compared with less-polluting gas plants or renewables.

But the trick for these markets is to get the carbon price right. If it's

too low, there's little incentive for companies to rein in emissions; too high, and risk knee-capping industry.

The EU, seeking steeper emissions reductions to meet its new 2030 climate targets, will propose to expand and reform its ETS from next year.

The changes would involve including more sectors, such as shipping, and curbing the free permits given to EU industry to help it compete with overseas companies that don't pay carbon costs.

The carbon price - currently at around 27 euros price per tonne of CO2 - needs to hit levels that push industry toward investing in emissions-cutting technologies like hydrogen, analysts say.

"The carbon price has to reach high enough to enable the European Union to reach net zero by 2050," said Mark Lewis, Chief Sustainability Strategist at BNP Paribas.

"On this basis, I think around 90 euros a tonne is a reasonable

expectation by 2030," he said.

Other major economies are catching on. China, now the world's top greenhouse gas emitter, plans to launch its own national ETS, possibly as early as next year. That system would become the world's largest, and is expected to cover several billion tonnes of CO2 from power plants each year.

Experts say China's preparations for launching its ETS have sped up since President Xi Jinping's announcement in September that China would become carbon neutral by 2060.

"There is a sense of urgency that hasn't been seen for quite a long time," said Beijing-based lawyer Shawn He, who assists companies with carbon compliance. The EU has worked with the country on developing carbon-pricing policies for more than a decade, both on the pilot regional markets China is now running and on a national scheme.

Jos Delbeke, a former senior EU climate policymaker who led the development of the bloc's trading scheme, said his advice to China had been to build a system that could gradually be reformed over time and could withstand economic shocks.

The EU learned that lesson after the 2008 financial crisis, when factors including a lack of flexible rules meant the market could not respond to a recession-induced drop in emissions, and became plagued by an oversupply of cheap permits.



Fridays for Future activists hold placards as they protest calling for a "Global Day of Climate Action" in Kyiv, Ukraine.

REUTERS/FILE



Quazi Osman Ali, managing director of Social Islami Bank, opens three new branches in Bhanga of Faridpur, Muradnagar of Cumilla and Chayani Bazar of Noakhali through a digital platform yesterday.

Canadian officer in Huawei CFO's arrest says he did not ask for phone passcodes

REUTERS, Vancouver
A Canadian police officer involved in the arrest of Huawei Chief Financial Officer Meng Wanzhou two years ago in a US extradition case testified on Monday he did not plan to obtain her mobile phone passcodes or search her electronic devices.

Royal Canadian Mounted Police (RCMP) Constable Gurdial Dhaliwal told a Canadian court that he and his partner were "discreet" about their contact with Canadian border officials on the eve of Meng's arrest on Dec. 1, 2018.

He said they discussed collecting Meng's phone and other electronic devices and putting them in protective bags, but that he did not ask the border agents to get passcodes.

Canadian Border Services Agency (CBSA) superintendent Sowmith Katragadda had previously testified that he requested Meng's phone and laptop passcodes and she provided them voluntarily.

Meng, 48, is accused of misleading the bank HSBC Holdings PLC on Huawei Technologies Co Ltd's business affairs in Iran, allegedly causing the bank to break US sanctions. If extradited, Meng will face trial for fraud in the Eastern District of New York.

She denies the charges and is fighting them from under house arrest in Vancouver, arguing the arrest itself was the product of political interference.

Huawei lawyers are seeking evidence to support their case that Meng's rights were violated before her arrest. In a document submitted to the court last year, CBSA admitted making an "error" in sharing the passcodes with RCMP.

Dhaliwal said it was his job to secure the devices after the CBSA examination was complete and Meng was in custody. He said he retrieved the devices along with a piece of paper with passcodes on it.

A border agent handed him the paper, but they did not discuss how the device passcodes were collected.



Asked if he requested the passcodes, Dhaliwal replied, "Absolutely not," adding that he was not concerned about the presence of the piece of paper stating the passcodes. "I didn't even think about it. I just put it with the phones."

Dhaliwal told the court that days after the arrest he received an email from RCMP staff sergeant Ben Chang requesting the make, model, and serial numbers, as well as photos of the devices, which Dhaliwal retrieved. Chang has declined to appear for testimony. Court documents showed that the government initially declined to release notes relating to him to

Huawei lawyers, citing witness safety.

Dhaliwal testified that he was never asked for passcodes, and did not look at the contents of the devices.

In the afternoon defense lawyer Scott Fenton pressed Dhaliwal about his travel to the airport on the eve of Meng's arrival at Vancouver International Airport.

Dhaliwal said the main purpose of his trip was to find out whether Meng was on the flight. Fenton countered by telling Dhaliwal he could have learned whether Meng's plane took off with a "simple Google search."

Dhaliwal also said he did not pay close attention during a briefing with the Department of Justice on the eve of Meng's arrest, nor did he spend much time reading the provisional warrant before the arrest.

Meng's lawyers are fighting to get her extradition dismissed on the basis of alleged abuses of process, arguing they constitute violations of her civil rights and that US and Canadian officials coordinated before her arrest.

Officers with the CBSA testified last week that their questioning of Meng, daughter of Huawei founder Ren Zhengfei, followed standard procedures and was separate from any action by law enforcement.

This week's witness testimony is expected to last until Friday, when a series of police witnesses will speak of their role in Meng's arrest.

Diplomatic relations between Ottawa and Beijing have degraded in the wake of Meng's arrest. China arrested Canadian citizens Michael Spavor and Michael Kovrig on espionage charges days later.

Meng's extradition hearing is set to wrap up in April 2021.

Singapore, Saudi companies push Indian solar tariffs to record low

REUTERS, Chennai

The Indian units of Singapore-based Sembcorp Industries Ltd and Saudi Arabia-based Aljomaiah Holding Co won government auctions to sell solar power for a record low of 2 rupees (\$0.0270) per kilo watt hour (kWh), sources said.

The tariff represented a discount of nearly a sixth from the lowest bid for solar power of 2.36 rupees in the auctions conducted by Solar Energy Corp of India Ltd (SECI) in June.

India, the world's third-biggest greenhouse gas emitter, has set a target of raising its renewable energy to 175 gigawatts (GW) by 2022 and 450 GW, from about 90 GW now.

Sembcorp's Indian unit Green Infra Wind Energy Ltd will operate a solar plant with a capacity of 400 megawatts (MW), while Aljomaiah Energy and Water Co will construct a 200 MW plant, a screengrab of the results of the auctions conducted by state-run Solar Energy Corp of India Ltd (SECI) showed.

Three sources familiar with the matter, including a SECI official, independently confirmed the development. NTPC and Sembcorp declined comment. Reuters was not able to contact Aljomaiah for comment beyond regular business hours.

SECI, the country's main agency for renewable energy adoption, awards contracts to the company offering to sell electricity at the lowest price, following which a power purchase agreement (PPA) is signed.

The decline in renewable energy generation costs has helped India in its drive to use green power to fight climate change. India's largest electricity generator NTPC Ltd won the licence to operate the remaining 470 MW at 2.01 rupees per kWh. The companies will develop the power plants in India's northwestern desert state of Rajasthan.



Md Touhidul Alam Khan
Standard Bank gets new additional managing director

STAR BUSINESS DESK

Md Touhidul Alam Khan yesterday joined Standard Bank as its additional managing director.

Prior to the joining, he was a deputy managing director of Prime Bank, according to a statement.

Khan started his banking career at Agrani Bank as a senior officer in 1993.

He also worked at Bank Asia and Modhumoti Bank in different capacities.

Khan obtained his master's degree in finance from the University of Dhaka.



Kazi Inam Ahmed, managing director of Gemcon Sports, and Amir H Khan, CEO of United Lube Oil, the sole distributor of Petronas Lubricants International, exchange the signed documents of a deal in Dhaka on Saturday. Petronas Lubricants became the title sponsor of Gemcon Khulna team in the ongoing Bangabandhu T20 Cup 2020.

SMEs with access to finance double employee numbers since inception

FROM PAGE B1
The rise in the volume of SME loans will not gain momentum unless the transparency of boards is ensured, said Arif Khan, managing director of IDLC Finance.

The NBFIs started to give out loans in 2007 when many industry people argued that such financing options are highly risky, he said.

"But, we have got success by way of disbursing loans to the SME sector," he said.

Defaulted loans at IDLC Finance is below 3 per cent, much lower than the average non-performing loans in the NBFIs sector.

NPLs in the 33 NBFIs in Bangladesh stood at Tk 8,905.62 crore in June, which is 13.29 per cent of the outstanding loans, according to data from the central bank.

Bazlul Haque Khondker, a professor of economics at the University of Dhaka, presented the research paper at the event.

Quoting the study, he said the highest employment growth was recorded in the service (174.2 per cent) and manufacturing (131 per cent) enterprises since their inceptions.

The highest growth rate of 134 per cent has been found for salaried jobs over the period.

This form of employment is more stable, creating a predictable income stream for the workers, Khondker said.

Climate risk insurance crucial for coping with future disasters

FROM PAGE B1
It is necessary to identify the risks and conduct joint activities at both the private and government levels.

In Bangladesh, research on risk management for climate change is needed to create a larger database at the academic level so that the people are better prepared, said Mahbuba Nasreen, a professor of the Institute of Disaster Management and Vulnerability Studies at the University of Dhaka. "There is no other alternative for ensuring economic safety for farmers and agro-traders," she added.

Rezaul Karim, head of programme support at the WFP, said food security is an important issue in the country, which just recently faced a number of floods that caused untold damage to farmers.

"We should find out how to develop our systems in a way that could improve the delivery of social safety nets," Karim said.

Additional Managing Director and Company Secretary of Green Delta Insurance Syed Moinuddin Ahmed; REECALL-2021 Coordinator Harun-Or-Rashid; Head of Policy Influencing, Campaign and Communications of Oxfam S. M. Monjur Rashid; and Co-Founder and Director of WRMS Anuj Kumbhat were, among others, present at the event.

Come and invest in special economic zones

FROM PAGE B4
Although it has been more than three years since the mass exodus of Rohingyas to Bangladesh from their homeland Myanmar, not a single Rohingya has been repatriated to Myanmar because the Myanmar authorities have not created the conducive environment for repatriation, said Momen.

All three ambassadors strongly commended Bangladesh for its humanitarian stance for the Rohingyas.

They appreciated the extraordinary humanitarian gesture of Prime Minister Sheikh Hasina by providing shelter to the 1.1 million Rohingyas who have fled their homeland in Rakhine State of Myanmar after being persecuted by their own state.

Pick projects cautiously to save fund for coronavirus job

FROM PAGE B1
The provision of a foreign tour of 32 officials under the "Expansion of improved varieties of grasses for the development of animal nutrition and transfer of appropriate technology" project was discussed in the meeting.

Of them, 27 officials are from the ministries that have nothing to do with the project. The meeting instructed to drop their names.

Regarding the foreign tour, the planning secretary said the foreign tour had been allowed, but the number of officials has been reduced.

The Ecneec meeting approved seven projects involving Tk 10,702 crore. The government funding is Tk 6,749.27 crore and the rest Tk 4,242 crore will be mobilised as foreign aid.

The expansion of improved varieties of grasses for the development of animal nutrition and transfer of appropriate technology project under

the fisheries and livestock ministry will cost Tk 116.6 crore. It will be implemented between April 2020 and March 2024.

The meeting also approved a project to construct more than 100 five-storied buildings in Khurushkul, Cox's Bazar, to rehabilitate 3,606 families, who have become homeless due to the expansion of the airport and the climate change. The Khurushkul Special Shelter project would cost Tk 1,334 crore.

According to the proposal of the planning ministry, 119 five-storied buildings will be constructed. In addition, about 23 kilometres of internal and connecting roads, 36km of drains, 26 special pumps, 8km of water lines, 14 overground water reservoirs, four cyclone centres, solar panels and several other infrastructures will be built.

The meeting approved the revised proposal of Payra deep seaport in Patuakhali, increasing the cost by

Tk 1,024 crore and extending the deadline by two years.

The cost of the seaport project rose by 23 per cent from the last estimate of Tk 3,350 crore to meet the additional expenses on land acquisition, among others.

The Ecneec approved the "Establishment of Sheikh Hasina Weaving Village Phase I (first revised)" project, raising the cost to Tk 307.45 crore from Tk 253.30 crore originally.

Other approved projects are the Western Economic Corridor & Regional Enhancement Programme (WeCARE) Phase-I:

Rural Connectivity, Market and Logistic Infrastructure Improvement Project; Identification System for Enhancing Access to Services (Phase II); and WeCARE Phase-I: Development of Jhenaidah-Jessore Highway project. The Ecneec has instructed to complete the Jhenaidah-Jessore Highway project by 2023 instead of 2025 as proposed by the planning ministry.

Bangladesh pays industrial victims way less than ILO standard

FROM PAGE B1
"Yet much more still needs to be done to mitigate the safety and health risks at workplaces. The skills and lessons learned from remediation of RMG factories can be applied to workplaces in other sectors," he said.

"Improved collaboration between different regulatory bodies and the industry is needed to strengthen the enforcement of national laws and standards on workplace safety," he

added.

Building safety of all residential and commercial establishments should be regulated by Rajuk and the Fire Service and Civil Defence during the design and construction stage of buildings.

Once a factory starts operating in a building, the DIFE (the Department of Inspection for Factories and Establishments) would be responsible for industrial operational layouts and

occupational safety and health issues in the factory, Poutiainen said.

"The ILO is working closely with the DIFE to strengthen its governance and monitoring mechanisms."

"It is important that government, employers and workers all work together to establish a culture of safety to prevent accidents at work. Safety is something that we all need to work on every day," he said in a written reply to queries from The Daily Star.



Sk Bashir Uddin, managing director of Akij Group, and Mohammad Khoushed Alam, a director for sales and marketing at Akij Board, pose at Akij Board Business Conference 2020 at the Radisson hotel in Dhaka on Saturday.

Xiaomi's profit jumps 19pc in third quarter as smartphone shipments surge

REUTERS, Shenzhen, China

Xiaomi Corp reported a 19 per cent jump in third quarter net profit on Tuesday, beating estimates, as the Chinese smartphone maker's smartphone shipments over the quarter surged by 45.3 per cent on a year earlier.

Smartphone revenue grew to 47.6 billion yuan, an increase of 47.5 per cent in the same period, it said in a statement. Overall quarterly revenue rose to 72.1 billion yuan, up from 53.7 billion yuan.

Import of painted bike components allowed again

FROM PAGE B1
They are likely to reopen," said Matiur Rahman, president of the Bangladesh Motorcycle Assemblers and Manufacturers Association.

He said all the companies, be assemblers or manufacturers, would have to import CKD components of bikes.

"We need an extension of the scope to test new models of bikes and to see customers' response to decide on the models that we will start making from next year," said Rahman, also chairman of the Uttara Group of Companies.

Until 2015, motorcycle assemblers could import painted knocked-down components of motorcycles.

In April 2015, the Motorcycle Manufacturers & Exporters Association of Bangladesh (MMEAB) demanded amendments to definitions of CKD motorcycles, citing that the difference that painted CKD bikes are allowed to be imported, although vehicles can be imported in CKD form sans the painting.

Later, the government decided to stop providing the scope to import bikes in CKD form. However, the revenue authority extended the scope until June this year amid demands from assemblers.

The NBR discontinued the benefit along with withdrawing the value-added tax (VAT) exemption benefit for bike manufacturers in June this year.

"It would have been proper justice if the NBR had reinstated the VAT exemption benefit for firms which are really making motorcycles," said MMEAB President Hafizur Rahman Khan.

Khan, also chairman of Runner Automobiles, a pioneer in motorcycle making, said the latest decision reflects weakness in policymaking.

Already three categories of manufacturers/assemblers have been created without clear policy guidelines on motorcycle components import with or without paint, he said.

Subrata Ranjan Das, executive director of ACI Motors, said the policy should be updated in line with advancements of technology used in motorcycles.

Bangladesh's bike market began to expand fast from the fiscal year 2016-17 when the government slashed the supplementary duty by 25 percentage points to 20 per cent on the import of the two-wheelers' components to encourage domestic manufacturing.

Adaptability is the key to success

ACI Consumer Brands Managing Director Syed Alamgir says at The Daily Star's The Chief Executive Show powered by Marico

DWOHA CHOWDHURY

Business students' must-read book "Principles of Marketing: A South Asian Perspective" by marketing legend Philip Kotler cited an immensely successful idea of a Bangladeshi professional as a case study.

The idea of "100 Percent Halal Soap" from Syed Alamgir, considered a superstar in Bangladesh's marketing arena, captured the interest of millions and created a global marketing phenomenon. Many companies adopted the idea.

He was the first Bangladeshi marketer to be cited in the prestigious book.

"If anyone wishes for success, to become a CEO or MD, he must know how to adapt with new things," Alamgir said.

"During our childhood, there were no calculators for us to compute, and now I have one of the largest computer screens in my room. This is adaptability," he said.

Before beginning his career path as a business executive, Alamgir had aspired to be in the civil service. Later, he changed the decision.

After receiving an MBA degree from the Institute of Business Administration of Dhaka University in 1976, he started with Rhone Poulenc Bangladesh, presently Aventis Pharma.

On his very first day on the job, he faced the then managing director of the multinational company who asked him about his aim in life.

"I replied that I would become the managing director of Rhone Poulenc or any other company

someday," he said.

Alamgir was years ahead of his time joining directly as a regional manager Rhone Poulenc, and he was quite sure of his capability.

Someone told him once that even if he could become a director by 40, it would be considered a successful life. He became a director at the age of 38.

A few years later, he became the group marketing director of Jamuna Group and then executive director of ACI. He reached the pinnacle of his career when he became the managing director of ACI Consumer Brands in 2017.

"Becoming a managing director was not a coincidence in my life, but it was the outcome of my plan in the path of my career," he said.

Alamgir also teaches as a faculty in three universities, and he realises that there is a clear gap in academic and real-life job.



Syed Alamgir

"I feel the difference and make students understand that in class. I don't only teach I also learn from the students."

He thinks it is the business leaders' responsibility to build a new generation so that they could become a top leader someday.

"Those who are students, they must learn in each of the stages of life. They must do what they ought to do and learn what they must learn to take over greater responsibility."

Marketing activities kept changing during the coronavirus pandemic, and there's a question of what will happen when it is over.

To Alamgir, the change in marketing communication for health products will sustain for a while. The

communication about the necessary commodities will remain the same.

Not just for the Halal marketing plan, Alamgir is also famous for his continuous innovation.

For his lifetime contribution, he was awarded the "Channel i-Bangladesh Brand Forum Marketing Superstar Award" last year as the first Bangladeshi.

"The key goal of marketing is to find people's need and fulfil it," he said, adding that he launched many new products with the goal in mind.

Alamgir followed the goal throughout his career with many companies and in light of it, he introduced 17 new businesses under ACI in the last 20 years.

Citing the example of introducing

ACI Pure Salt, he said people were consuming dirty salt before. "I saw the need gap and introduced ACI Pure Salt, which is clean white and properly iodised. Now people will remember me as the introducer of clean white salt."

Alamgir believes that customers are the kings, and every business professional actually works for them and must learn from them.

Every successful business organisation is constantly scanning the ideas of the people—consumers, retailers, wholesalers and distributors, and that's how they analyse the need gap.

During the pandemic, ACI understood that people will not focus on beauty soap but on health soap.

As Savlon holds 80 per cent market share of antiseptic liquid, ACI analysed the need gap and focused on antiseptic soaps.

According to Alamgir, the normalcy from the pandemic might not come too soon, and companies must find the need gap to bring in more innovative products now.

To emphasise the importance of

"It's true that if you're not making a profit, you won't survive. Business means profit, but not all the time."

innovation, he stated that the health products of Savlon are not actually new. He analysed and understood the need gap years ago.

Savlon's hand sanitizer was introduced in 2009 and disinfectants spray two years ago, and during the pandemic, their demand skyrocketed.

To Alamgir, business is an excellent profession as it holds the most significant opportunity to help people.

He believes that introducing quality products to weed out the fake ones is a great service to the nation.

Even during the pandemic, ACI had continued regular operations, maintaining health safety protocols to ensure that people can get necessary products in stores.

To Alamgir, that is also a contribution to society.

"It's true that if you're not making a profit, you won't survive. Business means profit, but not all the time."

Alamgir sticks by six values: quality, customer focus, innovation, fairness, transparency and continuous improvement. "These values are followed by all in ACI."

He believes that key performance indicator (KPI) is not necessary for people as every individual has the immense mental power to go beyond imagination.

"That's why I try to say something new every day and to do something new. Everyone should excel in their capacity."

According to Alamgir, personal values are the number one thing in life.

"You have to be a good person first. There's no point of being successful if you're not a good human being."

Come and invest in special economic zones

Foreign minister urges Swedish, Spanish, Norwegian investors

UNB

Foreign Minister AK Abdul Momen yesterday invited Swedish, Spanish and Norwegian investors to set up manufacturing factories in Bangladesh's special economic zones (SEZs).

The minister made the call when Ambassador of Sweden Alexandra Berg Von Linde, Ambassador of Spain Francisco de Asis Benitez Salas and Ambassador of Norway Espen Rikter-Svendsen called on him at the state guest house Padma in Dhaka.

By investing in the SEZs, the foreign investors can avail the tax benefits and attractive foreign direct investment-friendly packages offered by Bangladesh, Momen said.

They can also take advantage of Bangladesh's demographic dividend and the large domestic market, the minister said.

Mentioning the current government's 'Digital Bangladesh' mandate, Momen

informed the ambassadors about the country's recent development in the ICT sector.

The minister also urged the ambassadors to encourage their investors to invest in the 28 hi-tech parks Bangladesh currently has.

Bangladesh has friendly relation with Spain, Sweden and Norway and the south Asian country has mutually beneficial economic cooperation with all the three, Momen said.

After congratulating the new ambassadors on their assumption of office in Bangladesh, the minister discussed the whole range of bilateral as well as regional and international issues of mutual interest.

He also stressed that the international community needs to take urgent steps to resolve the Rohingya crisis.

He pointed out that strong pressure needs to be put on Myanmar to ensure that its government takes back the Rohingyas who have taken shelter in Bangladesh in a safe, dignified and sustainable manner.

READ MORE ON B3

Ensuring South Asia's food security requires knowledge, data sharing

Speakers say at World Bank event

STAR BUSINESS REPORT

Collaborations in knowledge and data sharing in agriculture and food production along with multilateral trade facilitation among the countries are necessary to ensure food security in South Asia, according to experts.

The cooperation can improve cultivation practices and increase crop variety as the region's countries share similarities in climate and agriculture, said Abid Qaiyum Suleri, executive director of the Sustainable Development Policy Institute of Pakistan, at a virtual programme of the World Bank on Monday.

"Data sharing can help reduce food prices in the region too," he told the event chaired by Cecile Fruman, a World Bank director for regional integration and engagement in South Asia.

The collaborations can come



about through the countries' agricultural universities and research centres, he said.

Nazneen Ahmed, a senior research fellow of the Bangladesh Institute of Development Studies, echoed Suleri.

She said Bangladesh and India need to share real-time data on the water as the former's northern part has been in crying need for it for agriculture.

For agricultural development, academic and trade collaborations are essential along with technology sharing, she added.

"All the trade barriers among us

should be removed to secure food safety in the region," said Ahmed, adding that the Covid-19 pandemic gave a lesson on enhancing multilateral and technology-based trade.

During the pandemic, the limiting of onion export by India created a huge problem in Bangladesh though it was solved shortly, she clarified.

Women and children were more affected during the pandemic because they have fewer assets and many of them lost jobs, the researcher said, adding that the Covid-19 was increasing their

vulnerability.

The collaborations should also focus on gender issues, said Ahmed.

Responding to a question, she said some political issues were hindering trade facilitation under the Saarc forum.

So, some of the countries are looking forward to bilateral trade, which is a step towards multilateral trade. "We never witnessed such a crisis, so the pathogen showed us how important it is to enhance trade in the whole region," said Ahmed.

Restriction on the movement of products among states is one of the main challenges of food security in India because it impacts the price level, said Will Martin, a senior research fellow with the International Food Policy Research Institute.

"The problem remains in the region too. So, you have to ensure movement of products among the countries in the region," he said.

Biden to name Yellen as treasury secretary to lead US from sharp economic fall

REUTERS, Washington

President-elect Joe Biden is expected to nominate former Federal Reserve Chair Janet Yellen as US Treasury secretary, breaking a 231-year gender barrier and putting a seasoned economist and labor market expert in charge of leading the country out of the steepest downturn since the Great Depression.

The move, confirmed by Democratic allies to the Biden campaign, will shift Treasury's focus heavily toward progressive efforts to tackle growing economic inequality and fighting climate change and away from the Trump administration's pre-pandemic emphasis on cutting taxes and easing financial regulations.

Yellen, 74, brings Biden decades of economic policy experience and is respected by Congress, international finance officials, progressives and business interests alike. She has called for opening fiscal spending taps to revive an economy wracked by the coronavirus pandemic and would be the first person to head the Treasury, the Fed and the White House Council of Economic Advisers.

The post will present a host of new challenges for Yellen, whose policymaking experience in the



US Federal Reserve Chair Janet Yellen

past 20 years has largely centered on monetary - rather than fiscal - policy. For one, it means a far more political role than that she played in her long career at the Fed, an institution that goes to great lengths to distance itself from partisan politics.

A spokesman for Biden's transition team declined to comment. Yellen, reached by phone, also declined to comment.

Yellen made history in 2014 when she became the first woman to chair the Federal Reserve after serving for a decade as San Francisco

Fed president and a Fed governor. Republican President Donald Trump declined to renew her term and replaced her with current Fed Chair Jerome Powell in 2018.

Born in Brooklyn, New York, to a family doctor and an elementary school teacher, Yellen earned a doctorate in economics from Yale in 1971 as the only woman in her class and taught at several major universities before serving as a top economic adviser to President Bill Clinton from 1997 to 1999.

She is married to Nobel Prize-winning economist George Akerlof,

whom she met in 1977 at the Fed where both were working in research roles.

At Treasury, Yellen would have a major role in influencing U.S. fiscal and tax policy, tools she did not have at the Fed.

Yellen "will be a trusted, steady, and pragmatic hand on the helm as the U.S. navigates the economic recovery from the COVID-19 pandemic," said Tim Adams, a former Treasury official who is president of the Institute of International Finance, which represents more than 450 global banking firms.

With Democrats having only a slim possibility of winning a U.S. Senate majority in two Georgia runoffs in January, Yellen faces tough negotiations with Republicans to try to push Biden's agenda, includes raising taxes on the wealthy and investing trillions of dollars in infrastructure, education and fighting climate change.

Economists said Yellen would be effective in articulating the economic arguments for spending more in the near term to boost job growth and reduce the gap between rich and poor. Yellen's 2014 speech here highlighting the fast growth of U.S. inequality suggested it was a threat to "values rooted in our nation's history."

Mutual funds shine again on DSE

STAR BUSINESS REPORT

The prices of all listed 37 mutual funds rose on the Dhaka bourse yesterday thanks to the stock market regulator's move to clear the confusion on the use of margin loans for the purchase of the investment vehicle.

Thanks to the rise of mutual funds, the DSEX, benchmark index of the Dhaka Stock Exchange, advanced 10.83 points, or 0.22 per cent, to 4,833.19 on the day.

The unit prices of mutual funds have been rising for the last few weeks, and some of them have already become overvalued.

The Bangladesh Securities and Exchange Commission (BSEC) issued a circular on December 30 in 2010 and lifted the block on the use of margin loan for the purchase of mutual fund units.

But, confusion was still there on such use of margin loans. So, the stock market regulator issued a press release on November 23, clearing the doubts. The clarification encouraged investors to pour money into the sector, said a stockbroker.

"The prices of some of the mutual fund units have already doubled, and their price is quite higher than their net asset value. So, the investors need to be cautious while spending money on mutual funds," said the stockbroker.

The stock market watchdog formed a two-member investigation committee last week to find out the reasons behind the unusual price hike of five mutual funds.

Turnover, one of the important

KEY POINTS

- Listed mutual funds: **37**
- Prices of all rose
- Six made it to the top **10** gainers' list
- Seven did not have sellers sometimes

indicators of the stock market, increased 8 per cent to Tk 671 crore yesterday compared to the previous day on the DSE floor.

AB Bank First Mutual Fund topped the gainers' list that rose 10 per cent followed by Apex Foods, BD Lamps, SEML, FBLSL Growth Fund and Continental Insurance.

Beximco Pharmaceuticals was the most traded stock with shares worth Tk 41 crore changing hands, followed by Nitol Insurance, Continental Insurance, Northern Insurance and ADN Telecom.

Of the total 359 issues traded, 179 advanced, 71 declined, and 99 remained unchanged.

United Airways shed the most losing 6.66 per cent, followed by BIFC, Shyampur Sugar, Tallu Spinning and Alltex Industries.

The Chattogram Stock Exchange also rose. The CSEX, the prime index of the port city bourse, was up 38 points, or 0.45 per cent, to close the day at 8,355.

Of the 235 securities traded, 129 rose, 52 fell, and 54 remained the same.