

EU, China, others team up to coordinate 'green' investment financing

REUTERS, Washington
The European Union, China, India and several other countries teamed up on Friday to coordinate rules and standards for trillions of dollars of private and public "green" investment needed over decades to prevent irreversible climate change. The initiative, called the International Platform on Sustainable Finance (IPSF), also involves Argentina, Chile, Canada, Kenya and Morocco - a group responsible for 44 percent of the world's GDP and the same amount of carbon dioxide emissions. Its aim is not to raise money, but to harmonize rules on what is sustainable, or "green" investment, across the world so that private capital

can flow into it more freely. "To deal with climate change Europe can only do so much, because Europe generates only around 9 percent of emissions," European Commission Vice President Valdis Dombrovskis told Reuters on the sidelines of International Monetary Fund meetings in Washington where the initiative was launched. "While public funding will be vital for the transition, it cannot pay the massive bill alone. We also have to tap into private capital to raise the trillions needed," he said. "No national budget can pay for that on its own. Nor should it. Countries should link their sustainable financing needs to global financial markets to scale up green investment at the level that the world

needs," he said. The European Union's executive arm, the European Commission, in June sought to boost the flow of private money to tackle climate change by publishing guidelines on what qualifies as environmentally friendly investment. But China and some others also have their own rules on that, which shows the need for a joint initiative to keep them harmonized to avoid market fragmentation, Dombrovskis said. The European Union has agreed to substantial reductions of carbon emissions by 2030 and the Commission wants the bloc to reduce them to zero by 2050 to help stop global warming, the rise of average worldwide temperatures. To cut emissions by 2030, many sectors of the economy, such as manufacturing, agriculture and energy, require an extra annual investment of between 180 and 290 billion euros and even more is needed to achieve zero emissions by 2050. "We need to have the international community on board and that is why we are launching the international platform for sustainable finance to exchange best practices, to coordinate our approach," Dombrovskis said. The United States, the world's biggest economy which is also second biggest in terms of CO2 emissions after China, was conspicuously absent from the initiative as President Donald Trump maintains that global warming is a "hoax." "The US it is not among the founding members, but we see lots of interest from US states, from the industry, from the financial sector," Dombrovskis said.



European Commission Vice-President Valdis Dombrovskis holds a news conference at the EU Commission headquarters in Brussels.



Mohammad Mokammel Hossain, additional secretary to Sustainable Development Goals at Prime Minister's Office, Tanzeen Ferdous, marketing director at Unilever Bangladesh, and Sriramappa Gonchikara, country director of non-government organisation United Purpose, attend a seminar at Spectra Convention Center yesterday on the latter and Unilever's Wheel brand planning on running a "Joyjatra" campaign. Women in Jamalpur's Sarishabari village will be encouraged to offer products and services at a three-day fair with the aim of establishing their participation in family earnings.

Ericsson sales rise but earnings hit by corruption provision

APP, Stockholm
Ericsson's sales were boosted by a 5G takeoff, but it made a net loss as it set aside 12 billion kronor to settle a US corruption investigation. The company, which is competing against China's Huawei and Finland's Nokia in supplying operators with the backbone of the latest generation mobile telephone networks, said sales of 5G equipment helped drive the six percent increase in overall sales in July through September from the same period last year.

"We continue to see strong momentum in our business, based on the strategy to increase our investments for technology leadership, including 5G," chief executive Börje Ekholm said in a statement. "We saw organic sales growth of three percent in the quarter, driven by the early adopters of 5G, in North America and North East Asia," he added. Organic sales restates figures to eliminate changes in exchange rates to help firms compare their performance between periods. But the company reported a net

loss of 6.2 billion kronor (\$636 million), compared to a profit of 2.7 billion kronor in the same period the previous year. A 12 billion kronor provision that the company announced last month to cover the penalty Ericsson expects to receive in a US corruption investigation was responsible for the loss. Ericsson has been cooperating since 2013 with an investigation by the US Securities and Exchange Commission (SEC) and, since 2015, with an investigation by the US Department of Justice.

Foreign companies control Tk 200cr maize seed market

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"We see keen interest among traders to sell maize seed this year as the prices of paddy are low," said Salim Ansary, assistant manager of Petrochem (Bangladesh). Maize costs Tk 18 per kilogramme whereas the prices of paddy hover at Tk 13-15. Ansary expects the growth of poultry industry would drive cultivation of maize and subsequently the seed market. The demand for maize will increase to 80 lakh tonnes in five to six years' time because of industrial processing of corn flakes and other foods for human consumption, said Md Israil Hossain, director general of the Bangladesh Wheat and Maize Research Institute (BWMRI). The BWMRI has taken an initiative to increase the industrial use of maize. Kamal of Monsanto said the maize seed market has been vibrant but it was not expanding constantly every year as farmers were not getting fair prices on many occasions. "The import of maize demotivates farmers. The market would be more vibrant if government pays attention to ensuring fair prices for farmers," he added. In fiscal 2018-19, Bangladesh's maize import was 12.44 lakh tonnes, according to the PQW data.

bti launches wing for office space rent

STAR BUSINESS DESK
Building Technology and Ideas (bti) has recently launched a wing called The Business Center which offers office space for rent for all types of business groups for both short and long term. The state-of-the-art office suites including executive, manager, business, corporate, self-office and start-up ones and shared workstations with comfortable interiors and modern facilities, the company said in a statement.

Kashmir apple trade picks up again under shadow of militant attacks

REUTERS, Srinagar
More than 10,000 trucks laden with apples left Indian-ruled Kashmir this week in a sign that the territory is returning to normal, according to officials and government data, after India imposed a clampdown on the region in August. Involving some 3.5 million people, apples are the core of Indian Kashmir's economy, which went into a tailspin after phone and internet links were suspended and hundreds of people detained to prevent anti-India protests from erupting in the streets. Thousands of trucks were lined up on the main highway connecting Kashmir, a Muslim-majority territory claimed in whole by India and Pakistan and ruled in part by both, to the rest of India on Thursday, signalling a recovery in the trade half-way through the harvest. Beginning Monday, more than 12,000 trucks left Kashmir, bringing the total amount of apples shipped out of the region this year to nearly 0.7 million metric tonnes, compared to 1

million at this point last year. "The exports are already picking up," said Ghulam Mohammad Dar, an official from Kashmir's horticulture department, adding that he expects the industry to ship out more than last year's total figure of 2.2 million metric tonnes. Some mobile connections have been restored and restrictions on movement eased, allowing traders to engage with buyers outside the state. The internet remains suspended in Kashmir for fear it could be used to stir up protests. Kashmir's apple industry initially came to a near-complete standstill as traders and fruit pickers were stuck in their homes because of strict movement curbs and the apples were left unpicked in orchards. Traders have been undeterred by a slight spike in attacks by militants on people involved in the apple industry. Since Monday, suspected militants have killed a truck driver transporting apples and two traders, all of them non-Kashmiris. Mohammed Amin, the president of the Fruit Growers' and Dealers' Association of Shopian, said freight

costs could rise following the attacks. Some traders are already paying double the normal rate to move their apples and it keeps going up, they said. "We are sending apple to outside markets but we are suffering huge losses," said Fayaz Ahmad Malik, who is based in Sopore in northern Kashmir. Apple growers and traders, though, have shunned a federal government plan to directly buy 1.2 million metric tonnes, saying the prices offered were low. Since Sept. 16, the government has only bought about 1,600 metric tonnes, shipped out on 70 trucks, according to official data reviewed by Reuters.



A man carries a box of apples next to parked supply trucks loaded with apples on a highway in south Kashmir.

Safety, security equipment yet to gain popularity

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He said awareness started to increase just three to four years ago, for which the market size is very small. Interest is growing on new, innovative products, such as a fire retardant resembling a bowling ball but half the size being marketed by Sajeeb Group. It simply has to be tossed into an affected area before it bursts at a particular temperature and douses the fire. Imported from China and costing Tk 700 a piece, the ball can cover an area of three cubic metres, said Manager (sales) Nityya Gopal Das. Other eye-catching products include door locks of Indian smart home systems

manufacturer Tekno Electro Solutions. Assistant Engineer (tech and sales) Arun Kumar said apart from conventional keys, their locks had options with biometrics, punch cards, passwords, Bluetooth and could even be remotely controlled over the internet using a mobile phone. Stating that the locks are priced at around Tk 20,000 in Bangladesh and Rs 18,000 in India, he said they were exploring the Bangladesh market for exporting their smart home system products. There were also automatic roller swing and collapsible gates, hydraulic bollard barriers and windows which worked with remote controls, marketed by A2Z Automation Engineering.

Don't sell Sanofi Bangladesh

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There are many employees who have been working for the pharmaceuticals company for 10 years and have the ability to continue serving the company, Razaque said. "In such cases, Sanofi will have to pay them extra service benefits because of the loss of potential future earnings." Last week, the union leaders also urged Sanofi not to leave Bangladesh. The company is now packing its bags to leave Bangladesh for strategic reasons, Mazumder said last week, bringing an end to weeks of

speculation and denial. Rumours of Sanofi's planned exit surfaced last month after Mazumder, Ramaprasad Bhat, country chairman and general manager of Sanofi Bangladesh, and Charles Billard, chief financial officer of Sanofi India and South Asia, met with Bangladesh Chemical Industries Corporation (BCIC) Chairman Md Haiul Quaium, also the board chairman of Sanofi Bangladesh. State-run BCIC holds 45.36 percent stake in Sanofi Bangladesh. At the meeting, the trio conveyed Sanofi's intent to sell its stakes. But the company

continued to deny the rumours vehemently and earlier this month it even sent letters to medical professionals reassuring them that it was not leaving Bangladesh anytime soon. Last year, it logged in profits of Tk 42.12 crore, up 13.62 percent year-on-year, company data showed. Its turnover rose 5 percent to 7 percent year-on-year over the last few years, according to Mazumder. Sanofi Bangladesh holds 17th place among the local medicine manufacturers with less than 2 percent market share.



Ali Reza Iftekhar, managing director of Eastern Bank Ltd (EBL); Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services (BASIS), and Syed Mohammad Kamal, country manager at Mastercard Bangladesh, launch a Mastercard prepaid card co-branded by EBL and the BASIS at an event in Dhaka recently. The card will enable a customer to transact up to \$30,000 a year.

Good governance needed for a disciplined financial sector

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Increasing deposit interest rate in turn increases lending rates, impacting private sector credit flow, he said. "The Bangladesh Bank needs to strengthen its monitoring mechanism and early warning system to improve the financial health of weak financial institutions." Arif Khan, chief executive officer of IDLC Finance, in his keynote paper, suggested establishing a bond market and discouraging banks from going for long-term lending. As banks take deposits for a one-year term, they should not go for long-term financing, he said.

In order to cut down NPLs, he stressed on good governance, strong monitoring by the central bank and ensuring penalties for wrong-doers. Presenting another paper, Sohail RK Hossain, managing partner of RSA Consulting Partners, called for consolidating non-performing banks, giving Bangladesh Bank more freedom, restructuring weak financial institutions, increasing capital adequacy ratio and maintaining advance on deposit ratio to resolve the financial market's crisis. The speakers also called for proper monitoring, policy reforms, frequent auditing and selection of good

borrowers for a disciplined financial market. Mustafizur Rahman, a Supreme Court advocate, Minhaz Mannan Emon, a Dhaka Stock Exchange director, Md Kabir Ahmed, a BB general manager, and Md Abul Kalam, a Bangladesh Securities and Exchange Commission director, spoke as discussants. DCCI Senior Vice-President Waqar Ahmad Choudhury, Vice-President Imran Ahmed and directors Akber Hakim, Ashraf Ahmed, Enamul Haque Patwary, KMN Manjurul Hoque, Md Al Amin and Shams Mahmud were also present.