

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
1.16%	1.69%	\$1,568.10	\$68.23	40,869.47	23,575.72	3,247.86	3,104.80	83.95	93.16	109.98	0.76	
4,281.43	7,881.22	(per ounce)	(per barrel)					BUY TK	84.95	96.96	113.78	0.79

star BUSINESS

DHAKA WEDNESDAY JANUARY 8, 2020, POUH 24, 1426 BS • starbusiness@thedailystar.net

Living in Dhaka became 6.5pc dearer last year

2020 kicks off on ominous note, says CAB president

STAR BUSINESS REPORT

Living costs in Dhaka soared 6.5 percent in 2019 on the back of spiralling prices of essential commodities and services, said Consumers Association of Bangladesh (CAB) yesterday.

"There are some ominous signs from the beginning of this year," said CAB President Ghulam Rahman at a press conference, citing the hike in prices of liquefied petroleum gas cylinder just on the first day of the 2020 and beginning of the process of hike in electricity tariff.

The CAB organised the event at the National Press Club in Dhaka to share its findings on overall increase in living costs based on price data of basket of 114 food items, 22 essential items including clothes, cotton towels and soaps and 14 services such as electricity, gas and house rent in Dhaka city.

It did not factor in the cost of education, healthcare and actual transport in its estimate.

The voluntary and non-profit organisation unveiled the spiral in cost of living at a time when consumers are paying more to buy edible oil, onions, chicken, powder milk and sugar over the last couple of weeks.

"Soaring prices of commodities are badly affecting the lives of people," Rahman said.

The government's failure to contain the prices of the essential spices and onion gave courage to dishonest businesses in other trades.

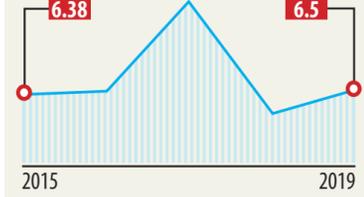


"That is why, we see a tendency to create instability in the prices of commodities. Businesses or others can do that."

He urged the government to pin down those who are trying to create volatility in the market by increasing the prices for no reason and bring those under the law to ensure visible punishment.

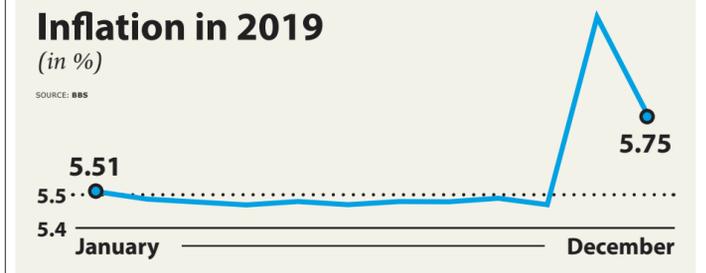
The cost of goods and services edged up one percentage point year-on-year to 6.08 percent last year from 2018, thanks to increasing prices of onions and other spices, vegetables, fish, meat, milk, tea, clothes, house rents and piped water.

INCREASE IN COST OF LIVING IN DHAKA



Inflation crawling up

Ends 2019 higher than 5.5pc bound



STAR BUSINESS REPORT

Bangladesh's average inflation crept up four basis points in 2019, which saw fluctuations throughout the year and a skyrocketing of the price of onion, an essential cooking ingredient.

At the end of 2019, inflation stood at 5.59 percent, up from 5.55 percent a year earlier, according to data released yesterday by the Bangladesh Bureau of Statistics (BBS).

Full-year inflation averaged 5.7 percent in 2017 and 5.55 percent in 2016.

While there have been fluctuations, overall 2019 has turned out to be a year of rising inflation driven both by rise in food and non-food inflation, said Zahid Hussain, former lead economist of the World Bank's Dhaka office.

"This happened despite bumper rice crops, accelerating GDP growth as reported officially and generally slow monetary and private sector credit growth."

In December last year, general inflation fell 30 basis points to 5.75 percent on the back of a steep fall in food inflation.

Food inflation declined 53 basis points to 5.88 percent, aided by fall in the prices of vegetables such as brinjal, bean, carrot, cucumber, tomato, cauliflower and bottle gourd, and spices such as onion and ginger.

However, onion prices surged as much as eight times since India, the main source of the tuber, imposed a ban on its export on September 15 in the face of a supply shortage as a result of crop damage.

At the start of 2019, onion sold for Tk 20-25 a kg but it rose as high as Tk 250 at one point in November, the Consumers Association of Bangladesh (CAB) said yesterday.

But this has not had major impact on the overall inflation, since onion makes up only 1.1 percent to 1.6 percent of monthly food expenditure of households, according to Nazneen Ahmed and Md Mainul Hoque, senior research fellow and research fellow respectively at the Bangladesh Institute of Development Studies.

"It is a happy news that inflation went down in December," Planning Minister MA Mannan told reporters while releasing the data at the auditorium of the National Economic Council in Dhaka.

Non-food inflation edged up eight basis points to 5.55 percent, BBS data showed.

Rural inflation went down from 6.01 percent in November to 5.76 percent in December. Urban inflation declined to 5.73 percent from 6.12 percent a month earlier.

READ MORE ON B3

Apparel exports finally get promised cash incentive

STAR BUSINESS REPORT

All garment exports from Bangladesh will receive 1 percent special incentive on their shipment to all markets after the government yesterday made effective the much-awaited cash support announced in the budget for fiscal 2019-20.

The incentive for the apparel and textile exporters will be effective retrospectively from July 1 last year, the central bank said in a notice.

Finance Minister AHM Mustafa Kamal in his maiden budget proposed the incentive to help exporters remain competitive in the global market. But the decision was put on hold because of some ambiguity in the previous notice.

The central bank yesterday also widened the coverage of the incentive by including terry towel and specialised textile.

The terry towel and specialised textiles were not eligible for the cash support in the past as the two items were not defined clearly, said a central bank official.

"The government brought in more sectors under the scheme as the garment and textile sectors have been going through a difficult time," he added.

But the central bank notice yesterday failed to bring a smile on garment exporters' faces.

By the time the incentive came, the sector has lost its competitiveness in the global

market as competitors such as Vietnam and India have already gained a lot of ground in the major markets, exporters say.

"It will help but it won't be sufficient," said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

Had this been given in July the way it has been given now, the garment exporters could have averted hiccups.

"It won't have an immediate impact, unfortunately," she said, while calling for currency adjustment, which would give the garment exporters the ultimate leg up in the global market.

Garment export has been declining for the last five months because of the appreciation of the local currency, the rising cost of production, the declining trend of spending by consumers for garment items and the free trade agreement between Vietnam and the EU.

In the first half of the fiscal year, Bangladesh's apparel shipment, which rakes in more than 80 percent of the export earnings, fell 6.21 percent to \$16.02 billion, according to data from the Export Promotion Bureau showed.

Currently, Bangladeshi garment exporters receive 4 percent cash incentives for shipment to non-traditional markets. The country considers all the destinations as non-traditional markets except the EU, the US and Canada.

Trade deficit tapering off

Development a source of concern

AKM ZAMIR UDDIN

Trade deficit narrowed 79.51 percent in November to \$1.06 billion from the previous month on the back of sliding imports -- a worrying development as it suggests of sluggishness of the economy.

November's figures were down 19.70 percent from a year earlier, according to data from the Bangladesh Bank.

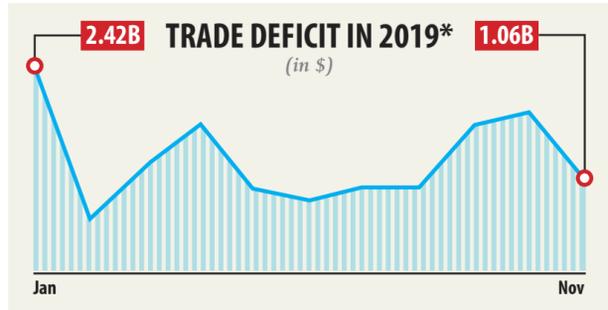
The decreasing trend of trade deficit is good for a strong economy but such a phenomenon is not a positive indicator at all for the growing economy like Bangladesh, experts said.

During the period, imports declined 17 percent from a month earlier to \$4.06 billion and exports nearly 1 percent to \$3 billion.

"Both falling exports and imports is a sign of an economic slowdown," said Fahmida Khatun, executive director of the Centre for Policy Dialogue, adding that businesses are facing a lack of confidence in activating their investment plans for want of a conducive climate.

Bangladesh's ranking in the World Bank's ease of doing business index is far from ideal and that has hit the confidence of businesses.

Inadequate infrastructure, corruption and bureaucratic complexities



discourage businesses from going for expansion by taking bank loans, Khatun said.

Besides, banks are also feeling discomfort in giving out loans to businesses due to high volume of default loans, which has squeezed their capacity for disbursement.

On top of that, the government has recently taken a decision to fix the interest rate for lending at 9 percent from April 1 -- a move not welcomed by banks.

"Banks think that loan disbursement at that rate will not be viable for them in many cases."

The import of both capital machinery and raw materials, the

two major ingredients for expansion of industries, have been nosediving in recent months, sounding an alarm on the manufacturing sector as whole.

"This had an adverse impact on exports as well," Khatun added.

The lower import growth has also brought a negative impact on private sector credit growth, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

In November last year, private sector credit growth dropped to 9.87 percent, which is the lowest since 2008 at least. Bangladesh Bank's data goes as far back as 2008.

READ MORE ON B3

Bullet train for only Dhaka-Ctg route: PM

STAR BUSINESS REPORT

Bangladesh will have only one route for bullet train and it will run between Dhaka and Chattogram, Prime Minister Sheikh Hasina said yesterday.

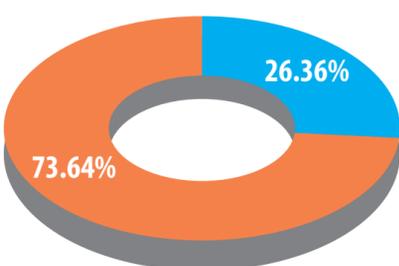
The premier shared the information during an unscheduled discussion at the meeting of the Executive Committee of the National Economic Council (Ecnc), a senior official of the planning ministry, who was present in the meeting, told The Daily Star.

Many countries, including China, have shown interest to establish bullet train lines in Bangladesh, a secretary said at the meeting.

However, another secretary gave the example of Saudi Arabia, which despite being a high-income country with vast unused lands, has no such train at all and opined that Bangladesh should not have more than one high-speed train route.

READ MORE ON B3

DEVELOPMENT SPENDING IN FIRST HALF OF FY2020



■ IMPLEMENTED ■ UNIMPLEMENTED

IMPLEMENTATION DOWN YEAR-ON-YEAR

SPENDING OF 15 LARGE MINISTRIES & DIVISIONS

LGRD	33.75	↑
ENERGY	41.87	↓
ROAD TRANSPORT	28.71	↑
ICT	27.16	↓
RAILWAYS	11.47	↑
PRIMARY & MASS EDUCATION	26.79	↑
HEALTH	16.54	↓
SECONDARY AND HIGHER EDUCATION	35.15	↑
BRIDGES	29.12	↑
PUBLIC WORKS	22.95	↓
WATER RESOURCES	25.28	↑
INDUSTRIES	5.27	↓
SHIPPING	15.31	↓
CIVIL AVIATION AND TOURISM	4.06	↑
ENERGY AND MINERAL RESOURCES	25.83	↓

TOP FIVE PERFORMERS

(in %)	
Election Commission	98.59
Labour and Employment Ministry	53.87
Cabinet Division	47.52
Ministry of Religious Affairs	46.12
Power Division	41.87

WORST FIVE PERFORMERS

(in %)	
Internal Resources Division	1.29
Civil Aviation and Tourism	4.06
Industries Ministry	5.27
Planning Division	6.49
Public Administration Ministry	6.98

NEWS IN brief

Walton's IPO bidding approved

Bangladesh Securities and Exchange Commission approved bidding for discovering cut-off price of Walton Hi-Tech Industries.

When a company seeks a premium over its face value to go for initial public offering, institutional investors bid for discovering a price for them. General investors buy the shares at 10 percent lower than the price.

Walton wants to raise Tk 100 crore to expand business and repay bank loans.

Islamic Finance's Tk 300cr bond gets nod

The stock market regulator has approved a proposal of Islamic Finance and Investment Ltd to raise Tk 300 crore by issuing Mudaraba redeemable non-convertible subordinated bonds.

Banks, corporates, insurance companies, non-bank financial institutions and any eligible investors would be allowed to buy the bond through private placement.

The bond will have a tenure of seven years and the proceeds will be used for business expansion, loan repayment and other purposes. The offer price will be Tk 25 lakh per unit.



Nirupam Sen, business head for east region at British Standards Institution, India, hands over an ISO 27001:2013 certificate for compliance to information security management systems to A Rouf Chowdhury, chairman of Bank Asia, at Bank Asia Tower in Dhaka on January 6. Bank Asia directors Rumea A Hossain, Enam Chowdhury and Romana Rouf Chowdhury, President and Managing Director Md Arfan Ali and PwC Bangladesh Managing Partner Mamun Rashid were present.

Safe-haven currencies pull back as geopolitical tensions ease

REUTERS, London

The Japanese yen and Swiss franc pulled back from recent highs on Tuesday as investors became less anxious about the chances of an all-out conflict between the United States and Iran.

The yen fell from a three-month high versus the dollar, although sentiment remains fragile due to continued worries about armed conflict between the US and Iran.

A drone strike in Baghdad on Friday ordered by US President Donald Trump killed Iranian military commander Qassem Soleimani, widely seen as Iran's second most powerful figure behind Supreme

The US currency, the world's most liquid, is often bought in times of market flux, but its performance has been mixed in recent sessions - slightly better-than-expected euro zone business survey data on Monday supported the euro.

Against a basket of currencies the dollar index firmed 0.1 percent to 96.772.

"Sentiment clearly favors risk-off trades, but dollar/yen is not falling much because Japanese importers are buying," said Yukio Ishizuki, strategist at Daiwa Securities in Tokyo.

"Excluding this real demand, the dollar is weak against other currencies. This reflects the situation in the Mid-East, but we need to see what happens next."



REUTERS/FILE

A waitress presents a plate with various Swiss Franc coins and notes in this picture illustration in a restaurant in Zurich, Switzerland.

India's big build hinges on credibility revamp

UNA GALANI for Reuters

The biggest thing Indian infrastructure has built up is a reputation for unmanageable risk that is hard to model. With so much bad debt run up by past projects, it will be tough to persuade the private sector to contribute more than a fifth of

the \$1.4 trillion the government wants invested over five years on power, roads, rail and more.

Details of the plan were outlined on New Year's Eve by Finance Minister Nirmala Sitharaman. The sum involved - with central and state governments each kicking in 39 percent of the total - represents roughly half the country's

gross domestic product. On an annualised basis, it's twice as much infrastructure spending during the last full financial year to March. It will be a welcome stimulus for a flagging economy.

Yet tycoons that funded the last big push around 2008, when growth was booming and supply shortages in energy and other areas were expected, are in no hurry to jump in again. Licences for everything from coal to gas were cancelled and land approvals did not materialise. That led to delays, cost overruns and bankruptcy proceedings for companies such as Bhushan Power and Essar Steel, since acquired by larger rival ArcelorMittal.

The crisis is a major reason why banks are struggling with \$200 billion of soured loans. It underscores the need for a mechanism to clear and approve projects before they are awarded. Insurance against regulatory flip-flops also may be necessary. Finally, the creation of more dedicated infrastructure lenders, financed with deposits from commercial banks and other long-term sources, would keep state banks from funding long-term projects with flighty deposits.

India has had some recent successes attracting foreign interest. Zurich Airport International, for example won a bid late last year for a large new airport near the capital. Even so, the bulk of the money for fresh projects has traditionally come from domestic sources. These are battered and bruised: billions of dollars of equity and debt has been wiped out. New Delhi has acknowledged the need to make changes. This big build hinges on patching up its credibility.



REUTERS/FILE

Workers erect scaffolding at a construction site of a metro rail station in Kolkata.

JetBlue says to go carbon neutral by July 2020

AFP, New York

The no-frills US air carrier JetBlue will go carbon neutral for all domestic flights starting the summer of this year, the company announced Monday.

The company said this makes it the first major US airline to do so in a bid to reduce its contributions to global warming.

The company also said it would begin using "sustainable aviation fuel" on flights from San Francisco later this year.

"We reduce where we can and offset where we can't," JetBlue CEO Robin Hayes said in the statement.

"By offsetting all of our domestic flying, we're preparing our business for the lower-carbon economy that aviation - and all sectors - must plan for." Commercial aviation reportedly accounts for about two percent of all carbon emissions worldwide. The industry in 2009 pledged to cut emissions in half by 2050, but according to the International Civil Aviation Organization, fuel consumption is instead set to triple by then.

Research by the Rhodium Group shows

that in the United States, greenhouse gas emissions rose in 2018 for the first time in three years, due in large part to demand for jet fuel.

JetBlue says it is relying on an existing partnership with Carbonfund.org, as well as the companies EcoAct and South Pole to reach its new goal.

Carbon offsets can mitigate emissions by effectively canceling out other emissions elsewhere.

The air carrier says it will support such things as solar and wind-powered electricity farms, capture of gas from landfill gas and forestry, among others, to offset an additional 15 billion to 17 billion pounds (7 million to 8 million metric tons) in emissions per year.

Critics have said some offset projects often fail to deliver the emissions reductions they promise, with forests marked for preservation in fact suffering deforestation while those who have purchased credits continue to pollute.

According to JetBlue, the carbon offset projects it selects are independently audited and verified, and are designed to avoid double-counting and over-estimation.

Solid 2019 US auto sales underscore consumer strength

AFP, New York

US auto sales in 2019 dipped slightly from the prior year, but still demonstrated an underlying resilience as large vehicles strengthened their stranglehold over the market.

Sales for 2019 came in at about 17 million, according to leading analysts Monday, below the all-time peaks of a few years ago, but good enough to show the boost from a tight labor market that offset recession and trade war worries that shadowed the economy much of the year.

"It's still a very healthy market," said Charlie Chesbrough, senior economist at Cox Automotive, who expects a slightly cooler market in 2020.

Other supporting factors included generous lending terms following Federal Reserve interest rate cuts and unusually strong sales of car fleets to businesses and government bodies, due in part to a US tax cut enacted in 2018.

Cox expects 2020 sales of about 16.6 million in the US, due in part



AFP/FILE

The 2021 Toyota RAV4 Prime is on display during the AutoMobility LA event, at the 2019 Los Angeles Auto Show in US.

to reduced growth in fleet sales.

But Chesbrough said trade war fears have diminished amid expectations that US President Donald Trump will not put tariffs on imported cars as he seeks reelection.

Chesbrough estimated that conventional cars comprised only

around 28 percent of the market, with the rest coming from larger vehicles such as pickup trucks and crossovers. On Monday, Ford reported a slight dip in fourth-quarter sales and an annual drop of 3.0 percent to 2.4 million.

Ford was the last of the auto giants to report auto sales. Fiat

Chrysler and General Motors both disclosed declines in 2019 US auto sales on Friday, the latter revealing lingering effects from a bruising 40-day strike that has dented its vehicle inventory.

Ford's results were emblematic of the larger shift in the US market, with a 9.1 percent jump in truck sales helping to offset a 28.2 percent slide in car sales as the company has moved to phase out models such as the Fiesta and Focus.

Ford currently has no all-electric vehicles on the market after halting production an all-electric model of the Ford Focus that had a range of 115 miles before requiring a recharge.

But Ford in November unveiled an all-electric sport utility vehicle, the Mustang Mach-E, which has a targeted range of at least 300 miles per charge and will, in a special performance version, have capacity to zip up to 60 miles an hour in under four seconds.

The Mach-E will be available in late 2020 and is part of a strategy to beef up Ford's fleet of electric and hybrid cars.



ACI SEED

Swapan Bhattacharjee, state minister for local government, rural development and co-operatives, hands over a crest to Subrata Ranjan Das, executive director of ACI Motors, at National Vegetable Fair 2020 organised by the Department of Agricultural Extension at Krishibid Institution Bangladesh in Dhaka recently. ACI Seed got the first prize in subsidiary techniques in cultivating vegetables.

Euro zone inflation picks in Dec

REUTERS, Brussels/Frankfurt

Euro zone inflation jumped as expected last month, offering some temporary relief for European Central Bank policymakers before price growth is expected to dip again.

Eurostat said on Tuesday that inflation in the 19 countries sharing the euro currency rose to 1.3 percent as expected in December from 1.0 percent a month earlier as energy prices rebounded and the cost of food products rose.

With inflation running well below its target of nearly 2 percent, the ECB has been providing unprecedented stimulus for years and weak economic growth has increased the risk that even more central bank help will be needed before price pressures build.

Prices excluding food and energy costs, an underlying gauge closely watched by the ECB's policymakers, held steady at 1.4 percent last month while an even narrower gauge, which excludes alcohol and tobacco prices,

was unchanged at 1.3 percent.

Adding to the relatively positive data, Eurostat said that retail trade, an indicator of household demand, was much stronger than expected in November, rebounding from two consecutive monthly falls to a 1.0

percent monthly rise.

The relief for the ECB may be short lived, however, as leading indicators point to weak growth ahead with no significant rebound in sight, particularly for Germany's vast industrial sector.



REUTERS/FILE

A woman looks at fruits and vegetables at a market stall in Madrid.

China's farmers reap rich harvest through video-sharing apps

AFP, Hengzhong

"Do you want a piece?" beekeeper Ma Gongzuo says, looking into the camera of a friend's smartphone before biting into the dripping comb of amber-coloured honey.

The clip goes out to his 737,000 followers on Douyin, the Chinese version of popular video sharing app TikTok that has 400 million users in the country and has turned Ma into something of a celebrity.

Creating videos has become a popular sales tactic for Chinese farmers: the clips show increasingly discerning consumers the origins of the product and provide a window into rural life that captures audience imagination.

For some it has helped them find a way out of poverty, which the ruling Communist party hopes to eradicate by 2020.

"Everyone said I was good for nothing when they saw I'd come back," the 31 year-old says of his return to his village after a failed attempt at running an online clothing business.

"They tell us that we can only get out of poverty if we study and get a job in a city," he adds.

Today, Ma drives an expensive car and has already earned enough to buy property and help his parents and fellow villagers with their homes and businesses.

In 2015, Ma took on the family honey producing business in the verdant hills of Zhejiang province, and thanks to

e-commerce apps, managed to turn a yearly revenue of 1 million yuan (\$142,000).

But the sales began to stagnate. So in November 2018, with help from his friends in the village, he began posting videos about his life on the farm.

They showed him opening up a hive surrounded by a swarm of bees, swimming bare-chested in a river, and chopping wood.

"I never advertise my products. I show my daily life, the landscapes of the countryside. That's what interests people," Ma says.

"Of course people suspect that I'm selling honey. But they decide to get in touch with me to say they want to buy some." Like most transactions in China, where hard cash is less and less popular, the orders are paid through apps like WeChat or Alipay.

Ma says he now sells between 2 and 3 million yuan (\$285,000- \$428,000) worth of honey each year, as well as dried sweet potato and brown sugar.

"When I was young we were poor," he recalls, adding, "At school I used to admire other kids who had pocket money, because I never had any." Now he drives a 4x4 BMW that cost around 760,000 yuan (\$108,000) and has also invested in building a B&B.

"Using Douyin, that was the turning point," he says.

"Today I can buy my family what they need. I help the other villagers to sell their products too. All of the local economy benefits," he explains.



MA Hassan, chairman and managing director of Aristopharma, attends its "Annual Sales Conference 2019" at International Convention City Bashundhara in Dhaka on January 2.

Musk hands over made-in-China Teslas to early buyers in Shanghai

AFP, Shanghai

Tesla CEO Elon Musk presented the first batch of made-in-China cars to ordinary buyers on Tuesday in a milestone for the company's new Shanghai "giga-factory", but which comes as sales decelerate in the world's largest electric-vehicle market.

The eccentric entrepreneur danced awkwardly, gave out high-fives, and mugged on a stage as sleek Model 3 sedans -- the company's mid-price, mass-market offer -- were driven up one by one and presented to buyers who jumped into the back seats before being driven away at the plant.

The factory is the company's first outside the United States and a key step forward in Musk's strategy of going global.

Musk said it was just the start of what will be a growing investment in China by the California-based electric-vehicle pioneer.

"We intend to continue making a significant investment and increasing that investment in China, making the Model 3 and the Model Y, and future models also in China," he said.

Musk, 48, said Tesla also planned to establish "a China design and engineering centre to actually design an original car in China for worldwide consumption." Tesla has said the multi-billion-dollar plant is producing more than 1,000 vehicles per week. It has already delivered a small batch of Model 3s on December 30 to employees who had pre-ordered them.

Those being driven away at Tuesday's event were the first for regular consumers.

The giga-factory is unusual for China, which typically requires foreign automakers to forge manufacturing joint ventures with domestic firms, which means sharing profits and technology with local partners.

But amid sustained US pressure on China to open its markets, that requirement was waived

for the Shanghai assembly line, which is wholly-owned by Tesla and believed to be the first to enjoy that status.

Musk has said that the plant would eventually have an annual production capacity of 500,000 vehicles, and has billed it as the solution to the company's perennial struggles with production delays and failure to keep up with demand.

Tesla's output woes in the US are easing however, with the company reporting that 2019 deliveries surged 50 percent year-on-year to 367,500. But China's auto market has slowed significantly since plans for the Shanghai factory began to take shape more than 18 months ago.

After surging to become the world's largest automotive market, sales fell last year for the first time since the 1990s amid a slowing economy, US trade tensions, and a Chinese

credit crackdown that has crimped car-financing channels.

Sales of "new-energy vehicles" such as electric models have particularly suffered, plunging nearly 44 percent in November, the fifth straight month of contraction, after the government slashed subsidies for such cars earlier last year.

A number of automotive analysts have said Tesla could struggle to measure up to Musk's promises for Shanghai output.

But at more than \$450 per share, Tesla's stock is at record highs, having more than doubled since June on improving output and earnings.

Morgan Stanley said in late December that Tesla shares were positioned for a "potential surge" through the middle of 2020 due to the Shanghai factory coming on line and other potentially positive catalysts.



Chinese farmer Ma Gongzuo's assistant, left, using a mobile phone to take a video as Ma Gongzuo, centre, and his mother prepare to taste honey at his apiary in Songyang county in China's Zhejiang province.



Tesla CEO Elon Musk poses for photos with buyers during the Tesla China-made Model 3 Delivery Ceremony in Shanghai yesterday.

Bullet train for only Dhaka-Ctg route: PM

FROM PAGE B1

Even, the maximum speed of the bullet train should not cross 200 kilometres per hour, he said. His comment was backed by the prime minister.

The feasibility study of the high-speed train, commissioned by the Bangladesh Railway, has already been completed.

The route has also been selected and work for the detailed design of the "passenger dedicated" railway project, involving around Tk 97,000 crore, is underway.

The journey from the capital to the port city will be slashed to only 73 minutes once the high-speed trains begin passenger services. An uninterrupted journey between Dhaka and Chattogram will take only 55 minutes. Now it takes around six hours.

A one-way journey will cost passengers around Tk 2,000, more than three times the fare of an AC seat on existing Bangladeshi inter-city trains.

The trains, which will run at a top speed of 300km/h, can carry approximately 50,000 passengers each way daily.

The planned high-speed railway route will be around 90km shorter than the existing route.

However, two prominent transport experts termed the project "highly ambitious" and questioned the capacity of the Bangladesh Railway to operate the high-speed train, when it has not yet introduced electric train.

Work for the detailed design of the project is expected to be completed in April, after which its development project proposal will be prepared.

Officials hope to place the project before the Ecnc by 2020.

Living in Dhaka became 6.5pc dearer last year

FROM PAGE B1

The only respite for people was the fall in overall prices of rice, pulse, edible oil, sugar and soap in 2019 from the previous year.

Yet, the increasing house rent has put higher pressure on the poor and low-income people. "The lower the income, the higher the pressure of house rent on them," said Rahman, adding that the rent of a two-room shed registered the highest climb of 10 percent, followed by tin shed buildings.

The living standard of those consumers whose income did not increase deteriorated. "They have fallen in difficulty," he said.

Still, nearly two crore of Bangladesh's population are poor and the majority belong to the poor and low-income group, according to CAB.

"The increase in prices of commodities affect them," he said, while calling for the prices of goods and services to be contained to improve the standards of living of the poor. At the same time, steps should be taken so that their income grows.

Onion was the most talked about essential and its prices shot up as much as 50 percent year-on-year in 2019 from a year earlier, CAB said.

The prices of vegetables soared 81.3 percent with pointed gourd rising the most. At the event, CAB Energy Adviser Shamsul Alam said the prices of LPG cylinder were hiked again this month after increasing in November last year.

And the government plans to revise the law pertaining to increasing the prices of electricity and energy: the prices can be hiked any time of the year from once a year.

"We, the consumers, are victims of injustice in case of electricity and energy," he said, adding that CAB was against the hike in prices of electricity.

CAB said it presented data and argued against the move to increase prices in a hearing recently.

"Illogical hike in prices of electricity will have a negative impact on the economy and the lives of consumers," he said, adding that the prices of goods will increase, which will erode the competitiveness of Bangladesh's exports in the world market.

The CAB president also urged the government to take steps to improve the standard of medical care in Bangladesh by establishing a healthcare town and encouraging private and foreign investment there.

"When our higher ups will stop going abroad for treatment we will think that standards of healthcare have improved in Bangladesh."

Rahman also criticised the public hospitals for not using healthcare-related equipment and machines purchased by state money.

"It is unacceptable," he added. CAB General Secretary Humayun Kabir Bhuiyan was also present, among others.

Trade deficit tapering off

FROM PAGE B1

"We should give our all-out effort to bring back the confidence of businesspeople for the greater interest of the economy."

Both exports and imports will turn around from the existing frustrating condition if businesses get back their confidence, he added.

The overall trade deficit in the first five months of fiscal 2019-20, however, were higher by \$28.20 billion, from a year earlier at \$6.68 billion.

"But the upward trend will not be sustainable if imports maintain the declining stance," Khatun said.

The deficit in current account balance, however, decreased more than half to \$1.09 billion in the first five months of the fiscal year due to a remarkable growth in remittance.

Between July and November this fiscal year, remittance inflows stood at \$7.71 billion, up 22.71 percent from a year earlier. This has brought relief for the government in management of the external sector of the economy, said a central bank official.

Inflation crawling up

FROM PAGE B1

Sharp increases in prices of items like onions cannot explain the inflation trends because in early 2019 the country also experienced a collapse in rice prices, which occupy a much higher weight in the consumer basket, Hussain said.

With import growth lagging well behind GDP growth, the increase in cost of imports due to exchange rate depreciation can also not explain why the headline inflation in most months remained above 5.5 percent and non-food inflation closer to 6 percent.

"Clearly, the economy was overheating

with aggregate demand boosted by sharp increases in public sector borrowing and remittances. Supply chain disruptions such as strikes by transport operators may also have contributed to price spikes at different times of the year," Hussain said.

The cost of living rose 5.50 percent year-on-year and the prices of goods and service went up by 6.08 percent last year, the CAB said.

The government has targeted a 5.5 percent inflation rate for this fiscal year. It was able to contain it at 5.48 percent in fiscal 2018-19, which is comfortably below the target of 5.6 percent.

Dhaka airport to welcome Airbus A350-900 from Feb 1

FROM PAGE B4

The A350-900 aircraft will replace existing A330 aircraft, which had 285 seats including 30 seats in business class.

Customers will have access to high-speed in-flight WiFi service on board the new A350-900.

The new A350-900 medium-haul aircraft is equipped with the airline's recently launched new regional business class and economy class cabin products: the business class cabin boasts a 1-2-1 seat arrangement, while the economy class cabin will be arranged in a 3-3-3 configuration.

The A350-900 will be fitted with the latest Thales AVANT inflight entertainment system. Designed with a new user interface that offers a more intuitive user experience and navigation options, customers will be able to enjoy Singapore Airlines' myKrisWorld personalised inflight entertainment now with even greater control.

The other features that Economy Class customers can look forward to including personal storage space for small personal items, a coat hook, USB port and in-seat power supply.

Address knowledge asymmetry with data

FROM PAGE B4

He was addressing the plenary of a three-day "Knowledge, Power and Social Change: Conference Honouring Simeen Mahmud" organised by the BIGD at Brac Centre Inn.

There is a logical flow to her work looking at census and demographic data, trajectories of fertility and going on to the next phase of gender and labour markets, said Rehman Sobhan, chairman of the Centre for Policy Dialogue.

She was gently modest when pointing out big picture issues and a large number of young people accepted her as their guide, mentor and friend, he said while recalling taking her into employment at the BIDS.

Simeen believed that empowerment resulted from a combination of all variables, said Wahiduddin Mahmud, former adviser to a caretaker government. She pointed out time inconsistent preference, which is a decision-maker's preferences changing over time, by experimenting with staff who were unable to get out of loan cycles, he said.

Simeen always practiced and promoted

getting a feel for ground realities through visits before embarking on any research, he added.

She took ILO definitions seriously to find much higher levels of economic activity for women in agriculture, much of it home-based and market-oriented, a product of microfinance, said long time friend Naila Kabeer, who is a professor of Gender and Development at the Gender Institute of the London School of Economics and Political Science.

She was free of much of the less attractive features of academics, such as an inflated ego, and she loved her work, brought joy out of it and enjoyed the collaborative nature of it, she said.

Simeen was tolerant of arguments and disagreements, willing to persuade and be persuaded, serious about life but ready to be amused and intellectually curious but empathetically engaged.

Relatively optimistic about the country's future, one thing that bothered her is society honouring and giving status to women working in offices but looking down on poorer women working out in the fields and on the streets,

Kabeer said.

Sajeda Amin, senior associate at Population Council; Nazneen Ahmed, senior research fellow at the BIDS; and Imran Matin, BIDG executive director, also spoke at the programme.

Ctg port ready for Indian cargoes: CPA chairman

FROM PAGE B4

The eviction of illegal structures along the Karnaphuli river is an ongoing process, the CPA chairman said.

Illegal structures have been cleared from around 30 percent of the land in the first phase last year and 25 percent more area would be recovered in the second phase, he said.

He informed that the Chattogram port, Pangoan Inland Container Terminal, Kamalapur Inland Container Depot in Dhaka and the private off docks all together handled a total of 3.08 million TEUs of containers in 2019 with an annual growth of 6.34 percent.

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Tender/s are invited from the suppliers/ firms to participate in the following:

1. Procurement of Web Application Firewall (WAF) with L7 DDoS Attack Prevention
2. Procurement of ATM Machine
3. Vendor enlistment for the period of 2020-2021

Interested companies may collect tender schedule/s from General Services Division during office hour upon payment of Tk. 3,000.00 for schedule 01 & 02 and Tk. 1,000.00 for schedule 03 in the form of payment order favoring "Midland Bank Limited" from January 08, 2020 to January 16, 2020. Bank reserves the right to accept or reject any or all the tenders without assigning any reasons whatsoever.

*Terms & Conditions Apply

Head of General Services Division

STOCKS PLUNGE

Dhaka Stock Exchange witnessed another boisterous session yesterday amid massive selloffs by foreign investors, while a prolonged confidence crisis kept institutional investors on the sidelines. The key index shed 50.52 points to close at 4,281.43.

DSEX **4,281.43**
points (fell **50.52**
points, or **1.16%**)

Turnover Tk **327.46**
crore (dropped Tk **48.35**
crore or **12.89%**)

TOP FIVE GAINERS

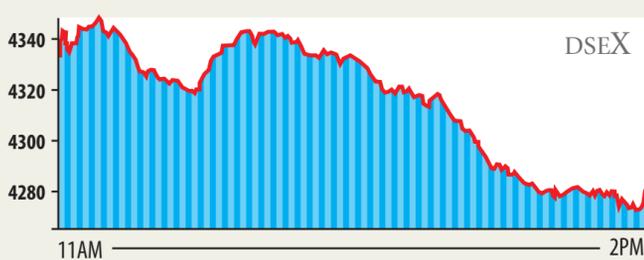
Company	Gain (in %)
Emerald Oil	9.31
SS Steel	7.83
ICB Islamic Bank	7.40
Standard Ceramic	7.20
Delta Spinners	6.67

TOP FIVE LOSERS

Company	Loss (in %)
Zeal Bangla	9.91
Alhaj Textile	7.57
BIFC	7.40
Zaheen Spinning	6.52
Progressive Life	6.37

TOP TURNOVER

Company	Turnover (in crore Tk)
ADN Telecom	27.64
LafargeHolcim	21.09
Brac Bank	15.65
Khulna Power	15.65
Standard Ceramic	8.54



Dhaka to get 40-storey skyscraper

JAGARAN CHAKMA

A skyscraper much like those in high-flying Singapore, Hong Kong, Mumbai and Malaysia is on way to radiate exuberance over the Dhaka skyline within three years.

The 40-story Pinnacle, set to be the country's tallest building, is being constructed on 45 kathas of land on Bir Uttam Mir Shawkat Road, also known as the Tejaon-Gulshan link road, by Shanta Holdings, a leading developer.

Rajdhani Unnayan Kaatripakha (Rajuk) approved the project in September 2018 and the construction started in November 2019. It is scheduled to be complete by December 2022.

Shehab Ahmed, the company's general manager, refrained from disclosing the cost to The Daily Star, saying their emphasis was on erecting an iconic beauty of quality that brings pride for Dhaka and served as a unique commercial district.

"We want to present Bangladesh in a different way ensuring world-class office environments which will draw foreign businesspersons into coming over for visits," he said.

Claiming it to be the city's first wind tunnel tested building, he said the top floor would be allotted to restaurants so that the surrounding views can be enjoyed by the public.

Any individual or corporate house be it a bank, multinational company or international organisation can avail space in Pinnacle, which will provide a welcoming environment alongside proper security.

Standard office heights are around 10 feet but the skyscraper's ones will be a spacious 11.5 feet with each floor having 14,500 square feet, which can also be in segments of 4,000, 5,035 and 7,250 square feet.

The building will be able to accommodate at least 12,000 people at a time.

The outer structure will comprise imported glasses capable of reflecting ultraviolet rays while there will be seven high-speed elevators and one service or firemen's elevator.

There will be five basements with a capacity for 340 cars to park at a time, each equipped with ventilation systems, prayer spaces, waiting rooms with entertainment and toilets for drivers.

The parking space will not only be for those housed inside but also for guests and outsiders.



An artist's impression of 40-storey Pinnacle.

SHANTA HOLDINGS



Economist Prof Wahiduddin Mahmud addresses the plenary of a three-day "Knowledge, Power and Social Change: Conference Honouring Simeen Mahmud" organised by the Brac Institute of Governance and Development of Brac University at Brac Centre Inn yesterday. On his right are Dr Hossain Zillur, chairperson of BRAC, and Prof Rehman Sobhan, chairman of the Centre for Policy Dialogue.

Address knowledge asymmetry with data

A three-day conference kicks off in honour of Simeen Mahmud

STAR BUSINESS DESK

Experts yesterday called for addressing knowledge asymmetry with data and relevant messages.

Reversibility affects all progress, for which there is no option to take rest and it should be remembered that intent is more important

when it comes to bringing about transformations, said Hossain Zillur Rahman, chairperson of Brac. He was drawing on the legacies of both Brac founder Sir Fazle Hasan Abed and Simeen Mahmud, head of Gender Studies Cluster and coordinator of the Centre for Gender and Social Transformation

at the Brac Institute of Governance and Development (BIGD) of Brac University. Simeen, wife of noted economist Wahiduddin Mahmud, passed away on March 18, 2018. She was intensely engaged in working out strategies for women empowerment, he added.

She left a lasting impression, supremely elegant in a simple, loving and caring way, said Rahman, also the chairperson of the Power and Participation Research Centre, a think-tank, about his former colleague at the Bangladesh Institute of Development Studies (BIDS).

READ MORE ON B3

Dhaka airport to welcome Airbus A350-900 from Feb 1

Singapore Airlines to run the aircraft

STAR BUSINESS REPORT

Singapore Airlines is set to operate Airbus A350-900 aircraft on the Dhaka-Singapore route from February 1, making it the first airline to introduce the brand new model to Hazrat Shahjalal International Airport.

The A350-900 aircraft has 303 seats, including 40 business class, higher ceilings, larger windows, an extra-wide body delivering more space and comfort as well as lighting designed to reduce jet lag.

Singapore Airlines operates ten flights a week on the route: seven of them will be run with A350-900 and three with Boeing 777, which has 271 seats including 26 for business class.

There will be no change in ticket price for the new aircraft on this route. For economy class the ticket price will start from Tk 29,000 and for Business class Tk 1.25 lakh.

READ MORE ON B3



George Robertson, general manager for Bangladesh at Singapore Airlines, speaks at a press conference at a hotel in Dhaka yesterday.

SINGAPORE AIRLINES

Tk 8,850cr project for safe water in rural areas

STAR BUSINESS REPORT

The government has taken a Tk 8,850 crore project to ensure safe water in the country's rural areas.

The Executive Committee of the National Economic Council (Ecne) yesterday gave go-ahead to the project titled "Supply of safe water across the country", which will be completed between January 2020 and June 2025.

The Department of Public Health Engineering (DPHE) will implement the project, which will be financed by the government.

Some 105 people on an average use a tube well in Bangladesh's rural areas, which will be brought down to 50, said MA Mannan, planning minister, after yesterday's Ecne meeting.

The DPHE will implement the project for the improvement of health and livelihood of people through supply of safe water across the country, according to a summary of the project.

Under the project, the government will set up some 90,636 shallow tube wells, 123,877 deep tube wells, 206,664 shallow tube wells with submersible pump and tank, 170,222 deep tube wells with submersible pump and tank, 3,379 ring

wells, 3,210 rain water harvesting units and 491 rural piped water supply schemes.

In yesterday's meeting, the planning ministry also tabled another project on technical education and stipend-based education and training.

As part of the plan, the government will extend stipends and free books under a Tk 957 crore project among 10 lakh poor and underprivileged students who are interested to take technical education and vocational training.

The project will be implemented under the revenue budget as a continuous programme, not under the development budget, Prime Minister Sheikh Hasina said at the meeting.

However, Hasina gave her consent to the programme, under which some 607,392 students will get stipends while 329,352 will get financial support to buy books.

Moreover, around 7,663 biometric attendance devices will be procured to ensure presence of students in the classes.

The Ecne also approved a project to build a theatre in Barisal at a cost of Tk 412 crore and took a Tk 1,190 crore project to replace the existing Bailey and concrete bridges, which are in a very poor condition now.

Ctg port ready for Indian cargoes: CPA chairman

STAFF CORRESPONDENT, Ctg

The Chattogram port is all set to start transporting Indian cargoes, said Chattogram Port Authority (CPA) Chairman Rear Admiral Zulfikar Aziz yesterday.

Two trial runs are scheduled to be held this month for transportation of goods from India's north-eastern states to other parts using the port, Aziz said.

He spoke in a meeting with journalists to brief about the overall performance of the port.

On October 25 in 2018, India and Bangladesh signed three agreements for allowing New Delhi to use the Mongla and Chattogram ports as transit points to access India's north-eastern states for trade.

A standard operating procedure was also signed in this regard on October 5 last year after a meeting between Prime Minister Sheikh Hasina and her Indian counterpart Narendra Modi in New Delhi.

Around 52 percent work of the under construction Patenga Container Terminal is complete and operation in this terminal would start by this year, said the CPA chairman.

Once the terminal is launched, a total of four lakh twenty-foot equivalent units (TEUs) of containers can be handled in the terminal annually while three container vessels and an oil tanker can be berthed at a time there, he said.

Around 67 acres of privately-owned land has already been acquired for the Bay Terminal project while process is underway to acquire 803 acres more of government owned fallow land, Aziz said.

The CPA has a plan to construct three container terminals having a total length of around three and a half kilometres within 2025.

READ MORE ON B3

Plunging German car production heralds year of 'transformation'

AFP, Frankfurt

Carmakers built just 4.7 million cars in Germany in 2019, industry data showed Monday, squeezing production to its lowest level since 1997 as US-China trade tensions sapped vital foreign markets.

The powerful VDA carmakers' club said output had tumbled nine percent year-on-year, blaming "weaker international demand" for the fall.

The lower appetite from abroad comes on top of demanding technological change and tighter emissions restrictions complicating life for carmakers -- long a pillar of Europe's largest economy.

"The car industry faces a massive transformation," in 2020, industry expert Stefan Bratzel of the Center for Automotive Management said.

With consumer spending buttressing the domestic market even as economic growth slowed, new registrations of cars on German roads booked an increase of five percent, at 3.6 million.

But auto exports from Germany to the rest of the world fell even more sharply than production, tumbling 13 percent to 3.5 million.

"The fall in car production means Germany continues to lose significance in the global auto industry," said Ferdinand

Dudenhoefler of the Center Automotive Research.

Around the world, car markets have been battered by the effects of the American trade conflict with China.

Last year saw carmakers complain that falling global demand was eating into their business just as massive investments are needed in research and development.

Companies are pumping cash into high-tech projects like automated driving, and switching focus to hybrid or all-electric vehicles from internal combustion engines as they race to meet new emissions limits.

From next year, carmakers must achieve average carbon dioxide (CO2) emissions of 95 grammes per kilometre across newly-sold vehicles in the European Union, on pain of hefty fines.

"The atmosphere is comparable to when cash was switched over from Deutsche Marks to euros on January 1, 2002," Der Spiegel magazine wrote citing industry insiders.

"The EU's CO2 legislation is the most important reason" for the big changes set to sweep the car industry, analyst Bratzel said.

CO2 limits and other structural factors threaten the auto firms' pride of place in the German economy.