



Azizul Haque, regional sales manager of LafargeHolcim Bangladesh, hands over a motorcycle to Humayun Kabir Khan, owner of Khan Enterprise in Rajshahi and one of the high performing retailers of the company, at a programme recently. The company awarded 163 motorbikes among its retailers.

Canada's GDP likely to climb in July

REUTERS, Ottawa

Canada's real GDP is likely to climb 3 per cent in July, edging economic activity closer to pre-pandemic levels, Statistics Canada said in a flash estimate on Friday, as data continued to paint a picture of a sharp fall followed by a strong rebound.

Canada's second-quarter annualized growth tumbled a record 38.7 per cent even as June real GDP surged a record 6.5 per cent, beating analyst expectations for growth of 5.6 per cent. Economic activity still remains about 9 per cent below pre-pandemic levels, StatsCan said.

The better-than-expected economic growth in June builds on strong data across a number of indicators, buoyed by the reopening of more businesses from COVID-19 closures.

"For now it's definitely a V-shaped" recovery, said Derek Holt, head of capital markets economics at Scotiabank.

"When I hear people tamping

down the strength of the data, we have to put that in the context of how all the data has surprised to the upside," he added. "Few people expected this magnitude of a rebound to begin with." Indeed, economists expect a "mammoth" increase in Canada's third-quarter economic activity, predicting a rebound nearly twice that of the United States, reflecting Canada's more stringent COVID-19 response and strong fiscal stimulus.

Canada's budget deficit is forecast to top C\$343.2 billion (\$261.8 billion) this fiscal year, the largest shortfall since World War Two, amid billions in COVID-19 aid spending.

The government said on Friday that the deficit for April to June topped C\$120.4 billion, as emergency transfers more than doubled program expenses in the quarter. Canada has paid out C\$71.3 billion in emergency wages to people who lost their jobs.

That stimulus helped boost household disposable income by

almost 11 per cent in the second quarter, with the household savings rate climbing 28.2 per cent, StatsCan said.

Still, Bank of Canada Governor Tiff Macklem warned Thursday that while the rebound from the depths of the crisis has been "impressive," the road ahead will be long and bumpy.

The central bank has repeatedly said it expects Canada's economic recovery to have a rapid "reopening" phase followed by a slower "recuperation" phase.

June indicators beat expectations, while the July data has so far been less impressive. Canada added slightly more jobs than expected in July, though most were part-time and the gain was well below June's record increase. Inflation, meanwhile, fell back in July compared with June and came in below analyst expectations.

Spending growth plateaued in July and has slowed into August, according to the RBC Economics COVID Consumer Spending Tracker.

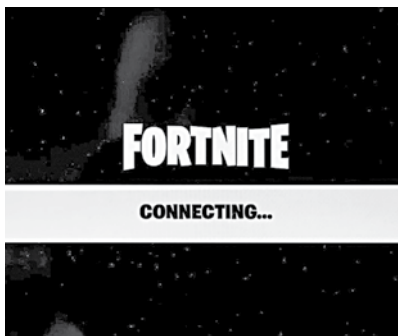
Apple terminates 'Fortnite' creator's App Store account as lawsuit proceeds

REUTERS

Apple Inc said on Friday it had terminated "Fortnite" creator Epic Games' account on its App Store amid a legal battle over the iPhone maker's in-app payment guidelines and accusations they constitute a monopoly.

Apple said its move will not affect Epic Games' Unreal Engine, a software tool relied on by hundreds of other app makers. But the move means iPhone users will not be able to download "Fortnite" or other Epic titles through the Apple App Store. Players who have already downloaded Epic's games will still be able to play but will no longer be able to make in-app purchases with Apple's payment system.

On Monday, a federal court ruled that Apple could block Epic's titles



from its store but could not take action that would harm Unreal Engine while Epic's antitrust lawsuit against the iPhone maker plays out.

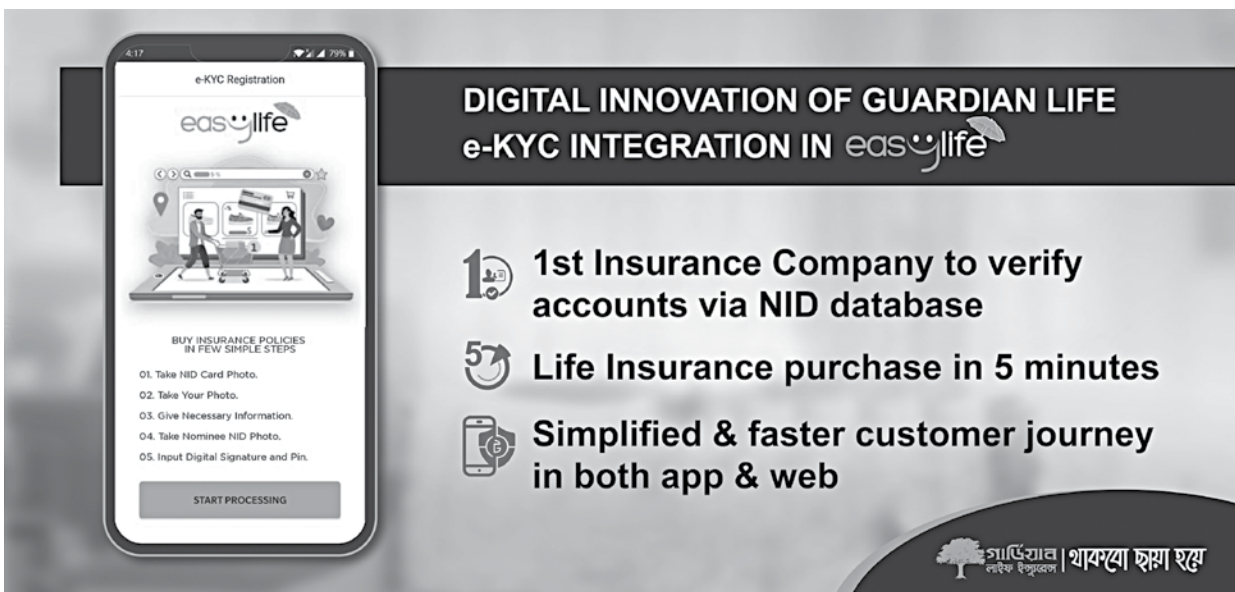
Apple pulled Epic after the popular games creator implemented a feature to let iPhone users make in-app purchases directly, rather than using Apple's in-app purchase system,

which charges commissions of 30%.

Apple had said it would allow "Fortnite" back into the store if Epic removed the direct payment feature. But Epic refused on Thursday, saying complying with Apple's request would be "to collude with Apple to maintain their monopoly over in-app payments on iOS." Epic's decision all but assured its account would be terminated, the step Apple took Friday.

"The court recommended that Epic comply with the App Store guidelines while their case moves forward, guidelines they've followed for the past decade until they created this," Apple said in a statement.

"Instead they repeatedly submit Fortnite updates designed to violate the guidelines of the App Store. This is not fair to all other developers on the App Store and is putting customers in the middle of their fight."



Guardian Life has implemented e-KYC (Electronic Know Your Customer) solution within its EasyLife app and EasyLife Website through a programme, which will allow customers to buy life insurance in just 5 minutes. M Mosharraf Hossain, chairman (in charge) of Insurance Development and Regulatory Authority; Sponsors and Patrons of Guardian Life Tapan Chowdhury, Syed Nasim Manzur, Sameer Ahmad and Syed Afzal Hasan Uddin, Directors Syed Akhtar Hasan Uddin, David James Howard Griffiths and CEO MM Monirul Alam took part in the digital launch of the e-KYC on August 26.

Bangladesh still among top sourcing destinations

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Vietnam continues with its upward trend, luring in Western buyers as an alternative to China.

Consistently ranking among China's regional competitors, Vietnam continues to reap the most benefits of the continued mass exodus of Western buyers from China, with 40 per cent of the EU respondents and almost as many US brands included Vietnam among their top sourcing regions.

This is in tune with Western brands not venturing too far from China.

The US and the EU brands are exploring sourcing options closer to home but are more likely to near-shore rather than re-shore.

For US-based companies, sourcing destinations closer to their home country continue to grow steadily, with the popularity of Latin and South America almost doubling compared with last year.

Meanwhile, the EU brands are increasingly turning to Turkey as a near-shoring destination as the latter was named among the top three sourcing regions by 30 per cent of EU respondents.

Diversification is on the top of the mind for global brands, but there are some noticeable nuances between regions.

The US brands are by far most likely to diversify sourcing, with 95 per cent of US-based respondents reporting plans to the effect, likely due to the pandemic and worsening geopolitical tensions between Washington and Beijing.

On the other hand, European buyers are not as ready to walk away from China, with only about half of the EU-based respondents reporting plans to seek suppliers elsewhere.

While China remains a key sourcing region, named among the top three sourcing geographies by three-quarters of respondents globally, its dominance is less dramatic compared to the findings of QIMA sourcing surveys of previous years.

In 2018-2019, more than 95 per cent of the respondents had listed China among their top

31 sourcing destinations.

The increasing share of the other in-demand sourcing regions in Asia, particularly Vietnam, India and Bangladesh, as well as home regions, is another way in which the long-term trend towards sourcing diversification is making itself known.

Among the "other" sourcing countries, Taiwan emerged an indisputable leader, reported by 6 per cent of respondents among their top three sourcing grounds, notably overwhelmingly among respondents headquartered in the US.

The other notable entries included, in descending order of popularity, Thailand, Cambodia, Malaysia, South Korea, South Africa, Japan and Pakistan.

Comparing the latest survey data against the findings of QIMA sourcing surveys conducted in 2019 and 2018 provides a glimpse into the evolution of the top three sourcing regions as indicated by the US and EU buyers.

Despite the continued importance of China for buyers based on both sides of the Atlantic, its popularity has been inching downward, even among EU-based buyers, which have been less affected by the fallout of the US-China trade war in recent years.

Vietnam consistently remains among China's regional competitors reaping the most benefits of the continued exodus of Western buyers from China.

Some 40 per cent of EU respondents and almost as many US-based ones included Vietnam among their top sourcing regions.

Re-shoring and near-shoring have remained on the rise for US-based companies, with the growing popularity of the home region, and increased sourcing from Latin and South America.

In the rankings of top sourcing countries, the latter region almost doubled in popularity in the first six months of 2020 compared to the same period in 2019.

Meanwhile, respondents headquartered in the EU do not appear to be stepping up full-

fledged re-shoring but are increasingly turning to Turkey as a near-shoring destination.

Some 30 per cent of the EU respondents named Turkey among their top three sourcing regions.

While reliance on China has decreased across the board, it remains a top-priority sourcing region for promotional products while toy businesses were more likely to view Chinese suppliers as a priority, compared to 2019.

In addition to Vietnam, traditionally a footwear powerhouse, brands and retailers continued to view Bangladesh as an important sourcing market for footwear.

Textile and apparel businesses have continued diversifying their supplier portfolio, with an ever-lowering reliance on China and a more even distribution between overseas sourcing in Asia and near-shoring.

While near-shoring remains more popular than re-shoring, textile and apparel companies were more likely to buy from US and EU-based suppliers in 2020 compared to last year.

Outside of being a go-to sourcing market for textiles, India is increasingly viewed as an important sourcing region by buyers from different industries.

"Work orders are coming back gradually. The inflow of work orders is better in August than in June and July," said Mohammad Abdus Salam, acting president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), over the phone.

But most of the work orders are leftover orders of April and May when the retailers and brands cancelled the work orders, he said.

Salam, however, said it was difficult to pinpoint what would happen in the near future because the rate of unemployment and inflation was increasing in the Western world. "So we are cautiously optimistic," he said.

Between 1 and 22 August, garment export from Bangladesh increased 45.8 per cent year-on-year to \$2.4 billion, according to data from BGMEA.

Germany set to revise up its 2020 GDP forecast

REUTERS, Berlin

The German government is set to revise upward its economic growth forecast for this year to a decline of less than 6 per cent from a previous estimate of -6.3 per cent, a coalition source told Reuters on Friday.

Economy Minister Peter Altmaier is scheduled to present the revised outlook early next week, the source added.

An Economy Minister spokeswoman said the new forecasts were still being finalised and that Altmaier will unveil them on Tuesday. She declined to give further details.

The German economy contracted by a record 9.7 per cent in the second quarter as consumer spending, company investments and exports all collapsed at the height of the

COVID-19 pandemic. But recent economic data has fanned hopes that Europe's largest economy is set for a strong recovery.

Business morale improved more than expected in August as both manufacturing and services picked up steam. Export demand, especially from China, rebounded for a second month running in June, and a recent Ifo institute survey showed that manufacturers expect expansion over the coming three months.

The outlook for Germany's economy this year is also brighter than for most other G7 countries except the United States.

An upward revision to Germany's economic forecast will have an impact on its tax revenues estimate, due on Sept. 10, and its budget, which is to be presented by the end of September.

MISLEADING, EXAGGERATED, DATED

FROM PAGE B1

In fact, this month DIFE did not receive any complaint from any worker or union about terminations or factory shutdowns, Roy added.

Some 26 member factories reported shutting down while no factory reported layoffs, said Mohammad Hatem, vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association.

"The BILS data is too high," he added. Amirul Haque Amin, the vice-chairman of BILS, admitted that the study had a lot of limitations.

The report's findings are at least two months old.

"By this time, the situation in the garment sector improved a lot as there was almost no labour unrest for payment

and termination. We should have updated the number of job losses and factory shutdowns," Amin told The Daily Star over the phone.

Moreover, international retailers are now coming back with a lot of work orders while many are reissuing cancelled work orders to the local suppliers.

"The report should have contained the latest updates so that no confusion was created among the people," he said, adding that many of the sector's positive facts have not been reflected.

That the study had limitations and should have incorporated the latest updates were agreed upon by the BILS Director Nazma Yesmin. She assured providing the latest information to the media soon to avert any confusion.

Edible oil prices on the rise in port city

FROM PAGE B4

According to the World Bank's commodity price data, the monthly average price of soybean oil reached \$821 per tonne in the international market in July from \$752 in the previous month.

The monthly average price of palm oil increased to \$694 a tonne in July from \$652 in June.

The prices of soybean oil have now reached \$830-\$840 per tonne in the global market, while palm oil prices range from \$720 to \$750 a tonne, according to Saha.



Officials of Walton and Opticum pose after signing a deal at Walton's corporate office in Dhaka recently to export Walton televisions made in Bangladesh to Poland through Opticum. Walton plans to export 1 lakh units of televisions to the European market by next year.

Prime Bank to get on agent banking bandwagon this year

FROM PAGE B1

The year-on-year growth of agents, outlets, and accounts in the first quarter stood at 69.8, 51.5 and 123.5 per cent respectively.

Deposit, loans disbursed and inward remittance had a growth of 128.6 per cent, 220.3 per cent and 172 per cent respectively. A staggering 87 per cent of the agents and 88 per cent of the outlets are located in the rural area in an indication that banks are contributing significantly to promote financial inclusion.

Gender-wise, female accounts constitute 45 per cent of the total accounts, male accounts 54 per cent and the remainder 1 per cent are held by institutions, the BB publication showed.

Of the deposits, 77 per cent are collected in rural areas. Sixty-six per cent of deposits come from male customers.

More than 70 per cent of loans were disbursed in the rural area. Of them, 69.4 per cent went to male customers, 5.8 per cent to female customers and 24.9 per cent

to small enterprises.

Dutch-Bangla Bank has the highest number of outlets with 4,030 outlets, which is 33.9 per cent of the total outlets as of March, followed by Bank Asia at 29.8 per cent.

Bank Asia has the highest number of accounts at 24.6 lakh accounts, or 37.8 per cent of the total. It also disbursed the highest amount of loan of about Tk 276 crore, or 41 per cent of the total disbursement as of March.

Islami Bank Bangladesh had the highest amount of deposit with Tk 2,159 crore and Dutch-Bangla Bank distributed the highest amount of inward remittance of Tk 7,526 crore. The central bank expects that more loans will be disbursed in future when more banks start disbursing loans through agent outlets.

"Thus, agent banking has a noteworthy impact on financial inclusion and potential to fill the market gap," the BB quarterly report said.