PARTEX STAR GROUP

Aziz Al Kaiser, vice chairman of Partex Star Group, cuts a cake to launch an augmented reality-based android mobile app, Partex Doors, recently. The app will enable selections from an exclusive collection of Partex Doors and give a preliminary idea on how doors would look fitting into their homes or offices.

Malaysia's FGV says crude palm oil output to worsen in Q4

Reuters, *Kuala Lumpur*

The world's largest producer of crude palm oil, Malaysia's FGV Holdings Bhd (FGV) , warned on Tuesday that its fourth-quarter output would be hit by uncertainties over the weather and curbs to limit the spread of the coronavirus.

The Malaysian benchmark has rallied 18 per cent over the period from July to September and crude palm oil (CPO) is now trading at 3,327 ringgit ($810.57) per tonne on lower than expected production and tightening supply.

"We expect both fresh fruit bunches and crude palm oil production in 4Q FY2020 to be impacted by weather uncertainties and partial lockdown in Sabah," Haris Fadzilah Hassan, FGV's group chief executive, said in an exchange filing.

As a result, the price of CPO would stay strong until the end of the year, he added.

Haris Fadzilah did not elaborate on the weather conditions, but heavy rainfall and floods brought by a La Nina weather pattern have already disrupted harvesting in Malaysia and neighbouring Indonesia, which are the world's top producers.

Sabah is Malaysia's largest palm oil producing state, where a partial lockdown was imposed last month in some districts after a surge in virus infections.

Pandemic-driven border closures this year have also worsened a shortage of workers to harvest the perishable palm fruit, further hurting output.

FGV, which is already grappling with a shortage of nearly 2,700 workers, said it expects the shortage in the fourth quarter to worsen by 4 per cent from the last.

"We may face difficulties once borders open and workers who have been postponing their trip back home decide to go back," Haris Fadzilah told an online media briefing.

FGV expects CPO prices to trade between 2,500 ringgit and 2,600 ringgit per tonne in the first half of 2021, but said its full-year outlook remained "very conservative".

It posted a third-quarter net profit of 136.9 million ringgit ($33.37 million), versus a loss of 262.4 million a year ago, due to higher CPO prices and lower losses in its sugar sector.

Revenue rose to 3.99 billion ringgit.

FGV has completed the conditional sale and purchase agreement for two divestments worth 57.2 million ringgit, it added.

US being left behind after Asia forms world's biggest trade bloc: US Chamber

Reuters, *Washington*

The US Chamber of Commerce said on Monday it was concerned the United States was being left behind after 15 Asia-Pacific economies on Sunday formed the world's largest free-trade bloc, cementing China's dominant role in regional trade.

The Chamber welcomed the trade-liberalizing benefits of the new Regional Comprehensive Partnership Agreement (RCEP), saying US exporters, workers and farmers needed greater access to Asian markets. But it said Washington should not join the bloc.

RCEP covers 30 per cent of the global economy and 30 per cent of the global population, joining for the first time Asian powers China, Japan and South Korea. It aims in coming years to progressively lower tariffs across many areas.

The United States is absent from both RCEP and the successor to the Trans-Pacific Partnership (TPP), leaving the world's biggest economy out of two trade groups that span the world's fastest-growing region.

Myron Brilliant, executive vice president of the Chamber, said US President Donald Trump's administration had moved to confront unfair trade practices by China but secured only limited new opportunities for US exporters in other parts of Asia.

Trump in early 2017 quit the TPP agreement, which his predecessor, Barack Obama, had negotiated as part of a US pivot to Asia. Trump has not concluded any comprehensive new trade deals in Asia since then, Brilliant said.

"Given the shortcomings of RCEP, we would not recommend the United States joining," Brilliant said, noting that recent US trade agreements had included stronger, enforceable rules on issues such digital trade, non-tariff barriers and intellectual property protections.

"The United States should, however, adopt a more forward-looking, strategic effort to maintain a solid US economic presence in the region," he said.

"Otherwise, we risk being on the outside looking in as one of the world's primary engines of growth hums along without us."

Brilliant noted that US exports to the Asia-Pacific market had increased steadily in recent decades but that the market share of US firms had declined.

He underscored the importance of the Asia-Pacific market, citing forecasts that call for an average growth rate of over 5 per cent in 2021 and a rapid expansion in the middle class.

Walmart sells majority stake in Seiyu, nearly exiting Japan

Reuters, *Tokyo*

Walmart Inc is selling a majority stake in Japanese supermarket chain Seiyu to investment firm KKR and e-commerce company Rakuten for over $1 billion, after years of struggling to make money amid stiff competition.

The deal, which values Seiyu at 172.5 billion yen ($1.65 billion), comes after on-off speculation about the US retail giant looking to exit Japan. It is well below the 300-500 billion yen it reportedly sought a few years ago.

KKR will buy 65 per cent of Seiyu while Rakuten, which already has an online venture with the chain, will acquire a 20 per cent stake. Walmart will retain 15 per cent, the companies said in a joint statement on Monday.

The world's biggest retailer first entered the Japanese market in 2002 by buying a 6 per cent stake in Seiyu, and gradually built up its stake before a full takeover in 2008.

But it has struggled in Japan, like other foreign entrants such as Tesco PLC and Carrefour SA who were lured by the high spending power of Japanese consumers but were frustrated by tough competition.

Some analysts said Walmart, while failing to make much money in Japan, had done better than other foreign retailers considering it saved money-losing Seiyu from bankruptcy by cutting costs and improving private brand sales.

"Walmart was always going to struggle, because they had to turn around the business and also they needed to grow volume to really have a viable share in the Japanese market and the only way to do that was through more acquisitions, which it wasn't willing to spend money on," said Roy Larke who specialises in Japan's retail industry at JapaneseConsuming.

The Seiyu deal is the latest divestiture of underperforming assets by Walmart, following its exits in Britain and Argentina, as it struggled to compete with nimble local rivals. In Asia, it pulled out of South Korea in 2006 and shifted focus in China to expanding members-only warehouse chain Sam's Club as competition from online marketplaces such as Alibaba BABA.N intensified. Walmart is expanding in India, though, with its $16 billion purchase of ecommerce provider Flipkart.

REUTERS/FILE

The logos of Walmart and Seiyu are pictured at the headquarters office in Tokyo, Japan.

Japanese media reported two years ago that Walmart was seeking to sell Seiyu, which operates around 330 supermarkets, for around 300 billion to 500 billion yen. Sources said at the time that potential buyers balked at the price.

Addressing reports that it was looking to leave Japan, Walmart announced last year that it aimed to list Seiyu and retain a majority stake in the business.

But Monday's announcement also comes as Seiyu is starting to show signs of improvement, with its relatively early start in e-commerce finally yielding results, helped by a 2018 partnership with Rakuten.

Walmart Japan, mainly the Seiyu business, booked a net profit of 47 million yen in 2019 after reporting losses in most previous years. Seiyu told Reuters earlier this year that the coronavirus pandemic had bolstered interest in online grocery shopping in Japan.

Large Japanese supermarkets such as Aeon Co Ltd and Seven & I Holdings Co Ltd's Ito-Yokado have been stepping up their investments in e-commerce as Japanese consumers, long wary of buying fresh fish and produce online, are starting to use online grocery services.

For Rakuten, the deal with Seiyu helps it fight back against rival Amazon, which recently stepped up its online grocery business by tying up with supermarket chain Life Corp 8194.T.

"We look forward to accelerating digital transformation of Seiyu brick and mortar retail, and further merging the best of offline and online retail," Kazunori Takeda, Rakuten's group executive vice president, said in a statement.

Vodafone increasingly confident after resilient first half

Reuters, *London*

Vodafone Group, the world's second largest mobile operator, said it was increasingly confident about its full-year performance after a "resilient" first half, despite underlying momentum being obscured by the impact of COVID-19.

Vodafone nudged up the target range for adjusted core earnings to between 14.4 billion euros and 14.6 billion euros for its 2021 financial year, compared to 14.5 billion euros for the previous year.

For the six months to the end of September, its adjusted earnings fell by 1.9 per cent to 7.0 billion euros on a 2.3 per cent drop in group revenue to 21.4 billion euros, as the pandemic impacted roaming revenue and handset sales.

Chief Executive Nick Read said the results underlined "increased confidence" in the outlook and demonstrated progress in increasing customer loyalty, growing its fixed broadband base and delivering 5G efficiently through network sharing.

The slight upgrade to the outlook compared to a previous forecast for full-year core earnings to be "flat to slightly down" on the previous year, and analysts were forecasting on average 14.37 billion euros.

Vodafone also confirmed its full-year free cashflow guidance of at least 5 billion euros before spectrum and restructuring costs on Monday.

Govt plans big to rehabilitate rural road network

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Hasina also directed the ministries concerned, including the Local Government Division, to make sure the quality of works with top quality bitumen and ensuring that water does not remain stagnant on roads for a long time.

Instructions were also given to prepare a master plan for rural roads and infrastructures with the Local Government Division as the lead division.

Ecnec also approved a project for protecting Gobindi and Holdia areas under Saghata upazila and Katalmari area under Fulchari upazila of Gaibandha district from erosion on the right embankment of the Jamuna River with Tk 798.53 crore.

The two other projects approved at the meeting were waste system development of Khulna City Corporation with Tk 393.40 crore and the first revision of the construction of Sheikh Hasina Sangskritik Palli with an additional cost of Tk 102.77 crore.

Apex goes global

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Its earnings per share came down to Tk 5.62 last fiscal year whereas it was Tk 10.91 in the previous fiscal year.

Despite all this, hope lies in the fact that its EPS doubled in the July-September quarter of 2020-21.

The footwear company's per-share net asset value stood at Tk 252 as on September 30. Its stocks closed at Tk 219.30, which is 0.09 per cent higher than that of the previous day.

"The response to our store and Venturini brand in Kathmandu has been very encouraging," said Managing Director Syed Nasim Manzur while talking to The Daily Star.

"Nepalese consumers have been exposed to global brands and appreciated our high-quality leather and workmanship."

"They are also keen on a sophisticated and engaging retail experience which we try to deliver. All in all, we are very proud and hopeful about our journey in the land of the Himalayas," he said.

Opening the first store in Kathmandu with a local distributor, it is clear that the Bangladeshi brand will go on to grab the Nepalese market, said Chief Executive Officer Rajan Pillai.

"It is quite a franchise, and we have plans to open two other outlets in Nepal with our distributor," he said.

Nepal does not have a local brand, but its growing middle class have an affinity for branded products as some sections of Nepalese consumers like to spend money behind the good quality, said Pillai.

Regarding the Covid-19-induced challenges, he said their drop in business resulted from the unattained sales targets of the two Eids this year.

However, business is gradually making a comeback and expectations are that the recovery will be possible within a short time, he said. Apex also plans to launch outlets in Delhi and Mumbai in the first half of next year, he said, adding, "Not only in South Asia, but we are also looking to enter the markets of the Middle East."

However, Pillai has reservations on terming a footwear brand "one of the tops" solely based on its annual turnover.

There is no confusion that Apex is Bangladesh's top brand in terms of quality and it firmly believes it will go on to stand out as an international brand in the future, he said.

Govt turns to international market for rice

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The current stock is nearly half of the comfortable level of over 15 lakh tonnes, which provides the government with the flexibility to intervene with open market sales and other schemes.

The interventions seek to reach the staple to the poor and low-income people at lower-than-market prices and curb price spirals.

The average retail price of coarse rice was 24 per cent higher, each kilogramme costing Tk 46.5, yesterday in Dhaka from that a year ago, shows market data compiled by the Trading Corporation of Bangladesh.

In order to refill public storages, the food and agriculture ministers earlier spoke out of plans to import two lakh tonnes of rice.

Mahmud said his office did not fix any target for making purchases from the international market. "We will decide by observing, considering the overall situation," he said.

Officially, the Directorate of Food planned to start buying paddy from farmers from November 7, and rice from millers from November 15 during the current harvest season of Aman.

Though the purchase of paddy has started, the amount of grain bought is, till date, insignificant while contracts with millers for the purchase of rice are yet to be finalised, said Mahmud.

The government has an allocation to import 1 lakh tonnes of rice during the current fiscal of 2020-21.

An extraordinary rise of remittance in extraordinary times

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Many countries in North America and Europe now face the deadlock of a zero per cent interest rate. It would take at least four to five years for a country to get rid of the situation, he said.

So, Bangladeshi diasporas now send money as the interest rate on deposit products offered by local lenders is much higher than those in the countries they are now based, said Mansur, a former official of the International Monetary Fund.

Local banks offer 4-6 per cent interest rate on deposits.

"Beneficiaries of remittances can easily receive remittance through burgeoning mobile financial services and agent banking outlets. This has also undermined the hundi system," said Md Arfan Ali, managing director of Bank Asia,

The two per cent incentive introduced by the government in July last year, has also encouraged remitters to send their hard-earned money through the banking system, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

But, he warned, that money-launderers may use the formal channel to whiten their black money during the pandemic.

Bangladeshi workers were largely employed in the sectors that are essential to the economies of the host countries, for which it took time for them to become unemployed, said Zahid Hussain in October.

More than one crore Bangladeshis live in about 160 countries. Most of them are low-paid migrant workers in the Middle East and Southeast Asian countries.

Studies show that remittances alleviate poverty in lower- and middle-income countries, improve nutritional outcomes, are associated with higher spending on education, and reduce child labour in disadvantaged households, according to the World Bank.

A fall in remittances affect families' ability to spend on these areas as more of their finances will be directed to solve food shortages and immediate livelihoods needs.

Inbound remittance in Bangladesh is expected to accelerate by about 8 per cent to $19.8 billion this year.

Apparel makers demand easing conditions for using duty-free fabrics

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In recent years, however, local manufacturers started producing diversified garment items like fancy, semi value-added and high value-added garment items, to become more competitive in the international market since the price of basic garment items is declining worldwide, as new suppliers like Myanmar and Ethiopia also produce cheap basic garments.

The price of "Made in Bangladesh" garment items for export declined by 1.79 per cent over the last five years but the cost of production rose 30 per cent, according to industry insiders.

"Exporters like local fabric and yarn suppliers should be treated equally in the process of Utilisation of Declaration and ease of audit period like garment exporters," they said at the meeting.

Representatives from the Bangladesh Garment Manufacturers and Exporters Association, Bangladesh Knitwear Manufacturers and Exporters Association and Bangladesh Textile Mills Association participated in the meeting with the bond commissioner.

Bangladesh gets $256.5m Green Climate Fund

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The sectors must overcome these barriers so that Bangladesh can meet its nationally determined contributions target of 15 per cent GHG emission reduction compared to a business-as-usual scenario by 2030, the Fund said.

The programme provides an integrated package of concessional financing for textile and RMG manufacturers, and technical assistance to create an enabling environment and ultimately to reduce 14.5 million tonnes of carbon dioxide equivalent in emissions.

Set up in 1997, Idcol is a government-owned non-bank financial institution working to catalyse private sector investment in the areas such as renewable energy and infrastructure.