BANK ASIA

Md Arfan Ali, president and managing director of Bank Asia, and Uzma Chowdhury, a director of Pran-RFL Group, exchange signed documents of an agreement on supply chain financing at Bank Asia Tower in Dhaka on Thursday. The bank will finance the group's suppliers against approved invoices.

Interference from tobacco industry in Bangladesh highest in South Asia

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Meanwhile, India and Pakistan came second and third after Bangladesh in terms of the overall score in the index, PROGGA said yesterday while unveiling Bangladesh's ranking, which was based on occurrences of interference by tobacco companies in 2019.

Bangladesh scored 77 in 2018, the organisation added.

The anti-tobacco campaigner said the improvement came about in the 2020 index as the health ministry did not accommodate the tobacco industry's unsolicited opinions on the draft National Tobacco Control Policy 2019.

Besides, there was no new government collaboration with the tobacco industry during the year 2019.

"However, the total score is still high despite the improvement, which indicates that the country remains vulnerable to tobacco industry tactics to undermine efforts to protect public health," PROGGA said while unveiling Bangladesh's ranking at a webinar.

The event was jointly organised by PROGGA and the Anti-Tobacco Media Alliance (ATMA).

PROGGA also said tobacco companies managed to exploit the ongoing Covid-19 pandemic to the fullest for their benefit.

"Tobacco companies have particularly used their corporate social responsibilities (CSR) as a pretence for infiltrating policymaking and administration to extract a variety of benefits," the platform said in a press release. In addition, the companies publicised their CSR activities as much as possible to salvage their corporate image among the public, it added.

PROGGA said the index was part of a global initiative conceptualised and initiated by the Southeast Asia Tobacco Control Alliance to promote the implementation of Article 5.3 of the WHO Framework Convention on Tobacco Control (FCTC).

The article binds signatory states to insulate their public health policies with respect to tobacco control from commercial and other vested interests of the tobacco industry, in accordance with national law.

The index attempts to gauge how the government was responding to the tobacco industry's tactics by using the FCTC Article 5.3 Guidelines.

The score for the index is developed based on 20 questions, divided into seven categories and only from publicly available sources including government websites, reports published in mass media, and websites of tobacco companies, said PROGGA, also a research and advocacy organisation.

The scoring for questions ranges from 1 to 5. The lower the score is, the better the compliance with FCTC Article 5.3, said the anti-tobacco platform.

At the event, Saber Hossain Chowdhury, chairman of the Parliamentary Standing Committee on Environment, Forestry and Climate Change, said tobacco was an essential product but only for causing death.

"It cannot be on the list of essential commodities in any way. Rather it is contrary to the fundamental right to life enshrined in the constitution," he said.

Chowdhury added that to provide tobacco companies incentives from the Covid-19 stimulus fund was totally unacceptable, according to the press release.

Presiding over the event, Prof AAMS Arefin Siddique, chairman of Bangladesh Sangbad Sangstha, said Covid-19 showed how detrimental tobacco use could be.

The prevalence of tobacco abuse is such a problem that it cannot be tackled only by the sole efforts of the Ministry of Health and Family Welfare. "All ministries should make a concerted effort to curb this havoc," Siddique added.

VW CEO pushes for contract extension in vote of confidence move

REUTERS, *Frankfurt*

Volkswagen Chief Executive Herbert Diess has asked the families who control a majority voting stake in the world's largest carmaker to back a contract extension for him in a bid to break a deadlock, two people familiar with the matter said.

The appeal for support from the Piech and Porsche families comes after Diess was forced to relinquish responsibility for the VW brand in June to remain as group CEO. "He is bringing the issue to a head," one of the sources told Reuters on Friday.

Another person familiar with the matter said Diess may review his position as CEO if his continued efforts to reform the multi-brand car and truck maker are stifled.

Volkswagen Group, which also owns the Bentley, Bugatti, Porsche, Seat, Skoda and Audi brands, declined to comment, as did the families, the works council and the German state of Lower Saxony, another stakeholder.

Diess was appointed head of the VW brand in 2015 and group chief executive in April 2018. His contract is due to expire in 2023.

Tension between China and Australia over commodities trade

REUTERS, *Beijing*

Australia's ties with top trade partner China soured in 2018 when it became the first country to publicly ban China's Huawei from its 5G network, and worsened after Canberra called for an enquiry into the origins of the coronavirus.

Tit-for-tat diplomatic reprisals have since followed, including raids on the homes of Chinese journalists in Australia, evacuation of some Australian journalists from China and a raft of trade measures imposed by China on Australian exports.

China is by far Australia's top overall export market, worth $104 billion in 2019, according to the International Monetary Fund (IMF), so a lasting severing of trade ties could damage the Australian economy.

Australian shipments of beef, barley and coal worth billions of dollars have been the most impacted by recent measures, and China has been able to find alternative supplies easily.

Iron ore - Australia's top export and a critical ingredient for China's massive steel sector - has been spared so far from any crossfire, as has Australian LNG.

Here is a timeline of how commodities markets have been impacted by the mounting tensions between the countries:

Australia said it was "extremely disappointed" after China imposed temporary anti-dumping measures on Australian wine imports from Nov. 28.

China has found coal imports failed to meet environmental standards amid stalled Australian shipments Australian coal arrivals to China are expected to slow in the near future and the share of China's coal imports from Australia fell to 26 per cent in October.

Meanwhile, China cut imports of Australian copper concentrate by more than half in October.

Australia's Woodside Petroleum shelved talks to sell stakes in a gas field and liquefied natural gas (LNG) project to Chinese firms because of the diplomatic row.

China rejects Australia's appeal to scrap anti-dumping and anti-subsidy duties totalling 80.5 per cent on its barley exports.

Beijing banned barley shipments from Australia-based grain exporter Emerald Grain, owned by Japan's Sumitomo Corp.

Govt looks to double exports to Canada

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Twenty-nine Bangladeshi trade professionals were awarded certificates at the event.

The International Islamic Trade Finance Corporation (ITFC), the Trade Facilitation Office Canada (TFO Canada) and the Business Promotion Council (BPC) of Bangladesh are collaborating on the project.

LightCastle Partners, a local business consultancy firm, organised the event at Amari Hotel in Gulshan.

"This project will strengthen our progress in enhancing the international trade capacities of our member countries, which has become more important than ever in view of the ongoing pandemic," said Hani Salem Sonbol, CEO of ITFC.

With the arrival of the Covid-19, the delivery of the programme was successfully modified to be a virtual-based training, investing in exporter training and international market access of the Bangladeshi SMEs, he added.

Through this programme, TFO Canada brought internationally experienced sector and subject matter experts to design and deliver unique export-readiness training, said Steve Tipman, executive director of TFO Canada.

"Given the challenges we faced with Covid-19, our collaboration with 9 TSIs of the Export Launchpad Bangladesh project was even more impressive and will result in Bangladeshi SMEs increasing and diversifying their exports, thereby contributing to inclusive and sustainable economic growth of the country," Tipman said.

In phase II, there will be Gender Equality and Social Inclusion workshops for TSIs, market research and market access training and technical assistance for Bangladeshi SME exporters to improve their access to targeted international markets.

The ultimate goal for the Export Launchpad program is to contribute to sustainable economic development, aimed at reducing poverty in Bangladesh through enhancing capacities to capitalise on opportunities in global trade, according to a statement.

The awarded officials are from the Bangladesh Foreign Trade Institute, Business Promotion Council, Brac Bank, City Bank, Dhaka Chamber of Commerce and Industry, Export Promotion Bureau, SME Foundation, Women Entrepreneur Association of Bangladesh and Women Entrepreneur Network for Development.

They were selected following a training programme from July to October this year.

They will now act as trainers by providing advice and assistance to SMEs regarding the expansion of trade and getting access to international markets.

Khalilur Rahman, Bangladesh's High Commissioner to Canada; AHM Shafiquzzaman, coordinator of the Business Promotion Council and AHM Ahsan, an additional secretary of the ministry, also spoke at the event.

Benoit Préfontaine, Canadian High Commissioner to Bangladesh, addressed the event through a digital platform.

India's Apr-Oct fiscal deficit tops 126pc of full year target

REUTERS, *New Delhi*

India's federal fiscal deficit in the seven months to end-October stood at 9.53 trillion rupees ($128.9 billion), or 126.7 per cent of the budgeted target for the whole fiscal year, government data showed on Friday.

Net tax receipts were 5.76 trillion rupees, down 15.7 per cent from a year ago, while total expenditure was 16.6 trillion rupees, the data showed.

The deficit is predicted to exceed 8 per cent of GDP in the 2020/21 fiscal year that ends in March 2021, economists said, from initial government estimates of 3.5 per cent, mainly due to a sharp economic contraction triggered by the coronavirus pandemic.

Govt likely to ease rules on duty-free fabric use to export high-end apparels

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"This means that if the total waste is added together, the real percentage of waste generated might even cross 30 per cent," Kashem said.

Many people find it unbelievable that 30 per cent of the materials used is wasted, but in actuality, it is not quite that astounding if calculated separately.

The percentage of waste generated varies from factory to factory because of the use of modern technologies, skilled workforce, efficient use of raw materials and better quality control, he added.

Local manufacturers and exporters yesterday approached the Customs Bond Commissionerate (CBC), Dhaka to demand an increase in the waste ratio. CBC Dhaka is a field office under the National Board of Revenue.

"Relaxing these rules is not CBC Dhaka's issue. Instead, the related ministries can decide based on revisions," said Md Shawkat Hossain, commissioner of the CBC.

The CBC Dhaka will share its views with regard to increasing the waste limit.

The permitted waste ratio for fabrics should be updated in view of the practical situation as buyers seek products of various designs, Hossain added.

A Matin Chowdhury, a former president of the Bangladesh Textile Mills Association, said nearly 40 per cent waste was found in a test involving some factories with the best production practices. This was done so that the actual percentage could be determined.

"The percentage of waste increased because local garment manufacturers have been shifting to high-end garment items so that they can get better prices from retailers and brands," he said.

The Bangladesh University of Textiles could carry out a study to determine the actual waste, he added.

KM Rezaul Hasanat, chairman and CEO of Viyellatex Group, a leading garment exporter, said composite mills usually end up wasting around 40 per cent of its materials.

For instance, from yarn to fabric (knitting, dyeing and finishing) 12-15 per cent waste was generated.

The amount was 15-18 per cent for pattern designs, 5-8 per cent during the print, embroidery and wash phase and 2-3 per cent during sewing, he said.

At the meeting with bond officials last week, garment exporters showed that a prominent local manufacturer's waste was calculated at 40.24 per cent between 2015 and 2018.

Visible waste accounted for 8.43 per cent, invisible waste 9.72 per cent, cutting waste 15.38 per cent, cut panel waste 5.66 per cent and rejected garment waste 4.95 per cent, according to a document submitted to the bond office by garment exporters.

UNILEVER

Officials of Unilever Bangladesh and the United Nations Children's Fund (Unicef) hand over hygiene products to the officials of Mugda General Hospital in Dhaka recently. A total of 25 government hospitals, 30 tea gardens and Unicef's WASH programme received over two million health and hygiene products from Unilever since March.

Trade fair hangs in balance for pandemic

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"We expect the contractor will make the Purbachal DITF site ready by December this year. The primary plan is to organise it in March. But it is not confirmed yet, and everything depends on the coronavirus situation," Uddin added.

The permanent Purbachal site is designed by the Beijing Institute of Architectural Design and was built by the China Estate Construction Engineering Corporation.

The site is being constructed on a 26-acre land, and a proposal has been sent to the Rajdhani Unnayan Kartipakkha for the allocation of a further 12 acres for the fairground.

At the closing ceremony of the 25th DITF this year, Commerce Minister Tipu Munshi had said the next trade fair would be held at the Purbachal site.

The site has been developed as a permanent place for the fair as a part of a government plan to help reduce the massive traffic jams and subsequent air and sound pollution in the capital.

Moreover, the Agargaon site has been occupying a major location inside the city, and it did not have a permanent car parking.

In the new site, over 1,500 cars can be parked at the same time, and it can also accommodate over 800 shops, hall rooms, conference centres, trade information centres, meeting halls, press centre, service rooms and a power substation.

Insurers rake in aided by cut in agent commission

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The DSEX, the DSE's benchmark index, rose 28 per cent, or 1,130 points, in the July-September period. It dropped 8.1 per cent, or 436 points, in the same period of the previous year.

Thanks to the buoyancy in profits, stock investors were lured into buying the stocks of the insurers, said a merchant banker.

All insurance stocks rose in the last six months, and many even doubled. The sector topped the top turnover list in the previous three months, DSE data showed.

Speculation about the sector also fueled the stock price, the merchant banker said, adding that many stocks sold at overvalued prices.

Analysts knew that the earnings of the insurance companies would rise, but that does not back up the rise in prices, he said, adding that the pandemic would hit the sector in the upcoming quarters.

Profits of Prime Insurance rose 150 per cent to Tk 4.47 crore in the nine months. Asia Insurance, Green Delta Insurance, Global Insurance and Pioneer Insurance also took home higher profits.

The insurance sector has significant prospects as its penetration is still very low compared to that in neighbouring countries and the government has plans to enhance the penetration, said stock investor Abdul Haque.

"As the Bangladesh economy is walking towards turning into a developed economy, the insurance sector will become much bigger in the near future," he said.

Insurance penetration (insurance premium as a fraction of the GDP) in Bangladesh was only 0.57 per cent in 2018 and has been decreasing since 2009.

The life insurance penetration rate in Bangladesh was only 0.41 per cent while that in Vietnam and India was 1.58 per cent and 2.74 per cent respectively in 2018.

Indeed, the recent stock price hike of the insurance sector was mainly due to the role played by speculators, Haque said, adding that investors need to be cautious so that they do not end up buying overpriced stocks.

"Now most of the insurance stocks are overpriced," said an asset manager, preferring anonymity.

Though the companies have potential to grow, it will take a considerable amount of time because the sector has been struggling to win public confidence, he said, adding that it would also see the impact of the pandemic. So, a rise in stocks can be termed normal to some extent but not as much as doubling or tripling in prices, he said.

Stocks of Asia Insurance jumped 500 per cent to Tk 120 during the last six months. Almost the same pace was witnessed in case of some other stocks as well, DSE data showed.

"If the insurance companies can make profits to such high extents at the end of the year, investors will find it reliable. Otherwise, it would seem that the profit showed higher for speculation in share prices," said an asset manager.

Rent goes up for Ctg-hub ports container transport

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In two separate letters sent to the chairman of the Chattogram Port Authority (CPA) and the president of the Bangladesh Shipping Agents Association (BSAA), the trade body said they were already struggling hard to recover from the losses caused by the pandemic.

The readymade garment sector faced cancellations of work orders worth around $3.8 billion as of October due to the global pandemic, said Salam.

He said the exporters would lose competitiveness in the global market since the surcharge could raise import costs of raw materials while buyers might decrease their offer rates for products.

He sought steps from the BSAA.

BSAA President Ahsanul Huq Chowdhury said they had nothing to do about it since feeder operators were realising the surcharge from the liner operators and container owners.

Each day of overstay costs the vessels $10,000 on an average in the form of operational costs, he said.

Once the situation at the hub ports improves, the feeder operators will withdraw the surcharge, he said.