



BANGLADESH STEEL RE-ROLLING MILLS
Alihussain Akberali, chairman of Bangladesh Steel Re Rolling Mills, presides over its 58th annual general meeting through a digital platform recently. The company approved 15 per cent cash dividend for the financial year of 2019-20.



UNITED COMMERCIAL BANK
Land Minister Saifuzzaman Chowdhury opens United Commercial Bank's 200th branch at Banani 11 in Dhaka recently. Anisuzzaman Chowdhury, chairman of the executive committee of the bank, and Mohammed Shawkat Jamil, managing director, were present.

Covid poses challenges for LDC graduation

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These challenges are made even more formidable by the fallout from the pandemic, which threatens to leave long-lasting scars on the world economy, making the international environment less conducive.

The emerging mega-trends such as climate change and digitalisation are bound to exert wide-ranging implications for the future development trajectory of developed and developing countries alike.

Despite the new challenges, Bangladesh is scheduled to graduate to a developing nation in 2024 as the country has already extraordinarily outperformed in all the three criteria.

The Unctad said that notwithstanding Bangladesh's success in strengthening its overall export capacities, the evidence points to limited progress in product diversification. The clothing items contributes 85 per cent of gross exports.

If there is indeed some untapped scope for product differentiation, alone

this is unlikely to provide a decisive spur to an industry that has relied largely on cost-competitiveness and preferential access to developed markets.

Estimates of the impact of losing LDC-specific preferential market access range between 7 per cent and 14 per cent of exports, with the bulk of the reduction impinging on textile and clothing exports to developed markets, where changes in tariffs would be relatively more adverse.

Similarly, large tariff differentials, coupled with persistent infrastructural and logistics bottlenecks, are bound to entail a serious blow to an industry for which these dimensions represent major drivers of international trade and investment flows.

Rubana Huq, president of Bangladesh Garment Manufacturers and Exporters Association, has sought 10 years as the transition period for Bangladesh as the domestic economy, employment and export were severely affected by the pandemic.

The Unctad's profile also said if

Bangladesh is to continue its remarkable growth performance, the country has to diversify into gradually more complex products.

The advent of robotisation and industrial digitalisation also questions the sustainability of Bangladesh's progress in bolstering its productive and export capacities.

These so-called "mega-trends" – which have in many ways accelerated in the wake of Covid-19 – are expected to trigger far-reaching reconfigurations in existing global value chains, reducing heightened dependence on key suppliers, encouraging reshoring and regional embeddedness, and potentially weakening the importance of low-labour cost competitiveness.

Unlike in many other countries, in the case of Bangladesh, this resilience appears to be vindicated also in the context of the Covid-19 crisis and ensuing global recession.

"If the outlook in 2020 appears to be reasonably encouraging, however, this might be at least partly due to

idiosyncratic factors; the medium-term future remains far more uncertain," the Unctad said.

With the impact of the pandemic still weighing down economic prospects for 2021, global labour markets are unlikely to rebound quickly, especially in key destinations for Bangladeshi migrants such as the Gulf nations, the United Kingdom, the European Union and the United States.

"These prospects loom large on the remittances outlook."

Bangladesh growth performance in the last 10-15 years has been characterised by a considerable investment push, with the investment-to-GDP ratio consistently exceeding 25 per cent of GDP since 2006, and reaching 31 per cent prior to the Covid-19 shock.

"There is little doubt that this trajectory is consistent with the economy's need to redress supply-side bottlenecks, especially in terms of infrastructural provision."

The Covid-19 shock entails an

even darker outlook in relation to Bangladesh second-largest source of external financial resources, namely official development assistance flows, the profile said.

Over time, inward foreign direct investment flows have climbed up in absolute terms, but since the early 2000s, they have represented not more than 4 per cent of gross fixed capital formation.

The UN body said in the context of LDC graduation, it is all the more important that phasing out of LDC-specific international support measures does not disrupt the promising trajectory on which Bangladesh has embarked.

It called for strengthening domestic resource mobilisation, bolstering investments in climate-resilient and digital infrastructures, sustaining investments in human capital, supporting technological up-gradation, continuing fostering rural development and adopting a proactive industrial policy framework.

Indian automakers fear container shortage to hit parts supply, output

REUTERS, New Delhi

Automakers in India are bracing for a parts shortage and possible production losses over the next three to four months due to a global shortage of available shipping containers, said a trade body in the world's fifth biggest auto market.

Shipping freight rates have surged since July and companies are now finding it "almost impossible to sustain normal trade operations", said Rajesh Menon, director general at the Society of Indian Automobile Manufacturers (SIAM).

Beximco Pharma shares perk up on vaccine deal

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Net sales of the company—that holds an 8.5 per cent share of the country's Tk 230 billion pharma market—rose 12.3 per cent year-on-year to Tk 2,561 crore in 2019-20.

Its profit rose 16.6 per cent year-on-year to Tk 354 crore in the last financial year, according to its annual report.

Moreover, Beximco Pharma's vaccination agreement with the government boosted investors' confidence, he said. "Its price has been rising since the last few months and last week was not an exception."

On November 5, a trilateral memorandum of understanding (MoU) was signed among the government of Bangladesh, Serum Institute of India and Beximco Pharmaceuticals to collect three crore doses of Covid-19 vaccines from Serum.

Pune-based Serum has an

agreement with AstraZeneca to manufacture the vaccine being developed by the Oxford University.

Once the vaccine is approved for human application, Beximco Pharma will buy each dose from Serum for \$4 and then supply it to the government for \$5.

The three crore doses will be delivered in phases with 50 lakh doses every month, according to the agreement.

In a Daily Mail report that was published on December 21, the Medicines and Healthcare products Regulatory Agency (MHRA) has been doing its final review of the vaccine for three weeks now since November 27, with a decision expected by next week.

Beximco Pharmaceuticals launched Bemsivir which had some impact for the treatment of Covid-19.

Beximco, that holds around 29 lakh shares of the drug making company, topped the turnover list of the DSE last week followed by Beximco Pharmaceuticals, IFIC Bank, LafargeHolcim and Orion Pharmaceuticals.

Beximco led the gainers' list also with a 44 per cent rise in share price in a week while Dominance Steel shed the most with an 18.78 per cent fall.

Among the market capitalisation leaders, Beximco Pharmaceuticals rose 12.8 per cent and Square Pharmaceuticals 3.5 per cent last week.

Among the sectors, non-life insurance companies topped the gainers' list. Stocks of the insurance sector rose 6.38 per cent while pharmaceuticals soared around 3 per cent.

The insurance industry has been suffering from an anarchy, which has

been solved recently, said Rahman, also president of Bangladesh Merchant Bankers' Association.

Agent commission in the industry has been hovering between 60-70 per cent for a long time, which used to eat up a big pie of the insurance company's profits, he said.

Thing started changing when the insurers started abiding by the regulator's order to disburse highest 15 per cent commission to the agents, he said.

Monitoring became a lot easier when the Insurance Development and Regulatory Authority made it mandatory for the insurers to pay agent commission through bank accounts, he said.

The insurance regulator has also brought in some other reforms, which improved investors' confidence to a great extent, added Rahman.

Govt will now buy all jute bags from private sources

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The latest decision came at a meeting at the textiles and jute ministry on December 2. Lokman Hossain Miah, textiles and jute secretary, presided over the meeting.

The government purchases bags and sacks from manufacturers as well as traders. As a result, it has become difficult to ensure the quality of the vast number of sacks being bought, said a representative from the Central Procurement Technical Unit (CPTU), according to the meeting minutes. The representative said half of the sacks could be bought from manufacturers, and the rest from the traders.

It is not possible to buy sacks from the manufacturers alone as per the order of the textiles and jute ministry, said a food

ministry representative.

A number of officials at the meeting had called for amending the circular.

The textiles and jute secretary also backed the opinion of the CPTU.

"This will ensure the interests of the manufacturers and traders," he said.

According to the Mandatory Jute Packaging Act 2010, which came into effect in 2014, jute bags and sacks have to be used for the packaging of 19 grains and items such as rice, paddy, wheat, maize, fertiliser, sugar, chilli, turmeric, onion, garlic, ginger, lentil, potato, coriander, flour, coarse flour, poultry and fish feeds.

In Bangladesh, the annual demand for jute bags and sacks is 195.65 crore pieces, the jute department said.

Biman to add new aircraft to fleet today

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Biman owns most of the 19 aircraft, of which four are 777-300 ER, four 787-8, two 787-9, six 737 and three are Dash-8 400 aircraft, she also said.

The premier will inaugurate the aircraft through video conferencing at 11am.

The aircraft is the first of three purchased on government-to-government basis between Bangladesh and Canada, Biman said in a statement yesterday.

The new Dash 8-400 is a 74-seater aircraft built by De Havilland, a well-known Canadian aircraft manufacturer.

Equipped with eco-friendly facilities, the aircraft has HEPA filter technology that purifies the air inside the aircraft by destroying bacteria, viruses and other germs.

The aircraft will also have more leg space, LED lighting and wide windows, according to the statement.

Since the beginning of the ongoing Covid-19 pandemic in March, the aviation sector has been struggling to survive due to the suspension of regular flights.

Although flight operation resumed from the middle of July, Biman is yet to begin its flight operation in full swing.

Of the total 17 international routes, the national airliner is now operating its flight on nine routes.

After being forced by the government, Biman had to suspend its flight operation on three routes in Saudi Arabia and Muscat route in Oman.

Top officials of Biman said flow of passengers in different routes is also not satisfactory.

"Under this grave situation, inclusion of new aircraft in Biman is not seen as a very good news," the official said.

M Mohibul Haque, senior secretary of the civil aviation ministry, earlier told this correspondent that around Tk 200 crore is needed to carry out maintenance of Biman aircraft now.

Biman officials said they plan to increase its flight frequency on domestic and short-haul international routes with the new aircraft.



BANGLADESH DEVELOPMENT BANK
Subhash Chandra Sarker, a director of Bangladesh Development Bank, opens its 47th branch at Moharajurhaat in Chapainawabganj recently.



GPH ISPAT
Mohammad Alamgir Kabir, chairman of GPH Ispat, presides over its 14th annual general meeting through a digital platform recently. The company approved 5 per cent cash and 5 per cent stock dividends for the financial year of 2019-20. Managing Director Mohammad Jahangir Alam was present.