Big Oil's flagship plastic waste project sinks on the Ganges

Reuters, *Singapore/Varanasi, India*

A wheelbarrow and a handful of metal grids for capturing litter, emblazoned with the words "Renew Oceans," sit rusting outside an empty, padlocked office in the Indian city of Varanasi, a short walk from the Ganges.

It is all that is left of a programme, funded by some of the world's biggest oil and chemical companies, that they said could solve a runaway ocean plastic waste crisis which is killing marine life - from plankton to whales - and clogging tropical beaches and coral reefs.

The closure of Renew Oceans, which has not previously been reported, is a sign that an industry whose financial future is tied to the growth of plastic production is falling short of its targets to curb the resulting increase in waste, according to two environmental groups.

The Alliance to End Plastic Waste, a Singapore-based nonprofit group set up two years ago by big oil and chemical companies, said on its website in November 2019 that its partnership with Renew Oceans would be expanded to the world's most-polluted rivers and "ultimately could stop the flow of plastic into the planet's ocean."

Exxon Mobil Corp, Royal Dutch Shell Plc, Dow Inc, Chevron Phillips Chemical Co and about 50 other companies committed to spend $1.5 billion over five years on the Alliance and its projects. The Alliance has not said publicly how much money it has raised from its members or what it has spent overall.

The Alliance told Reuters that Renew Oceans had stopped operating, partly due to the new coronavirus, which had halted some work.

"Without any foreseeable time frame for restarting, combined with other implementation challenges, the Alliance and Renew Oceans jointly decided to a mutual termination agreement in October 2020," Alliance spokeswoman Jessica Lee told Reuters.

Anne Rosenthal, counsel at US law firm Hurwit & Associates, representing Renew Oceans, also said it expects the project to fold.

"While it has made important progress in tackling the problem of plastic waste, the organization has come to the conclusion that it simply does not have the capacity to work at the scale this problem deserves," she said.

The Alliance, with a staff of about 50, mostly based in Singapore, has other projects in the pipeline, but they are small, community-based endeavours or have not yet come to fruition.

Foreign-owned firms can get funds from abroad easily

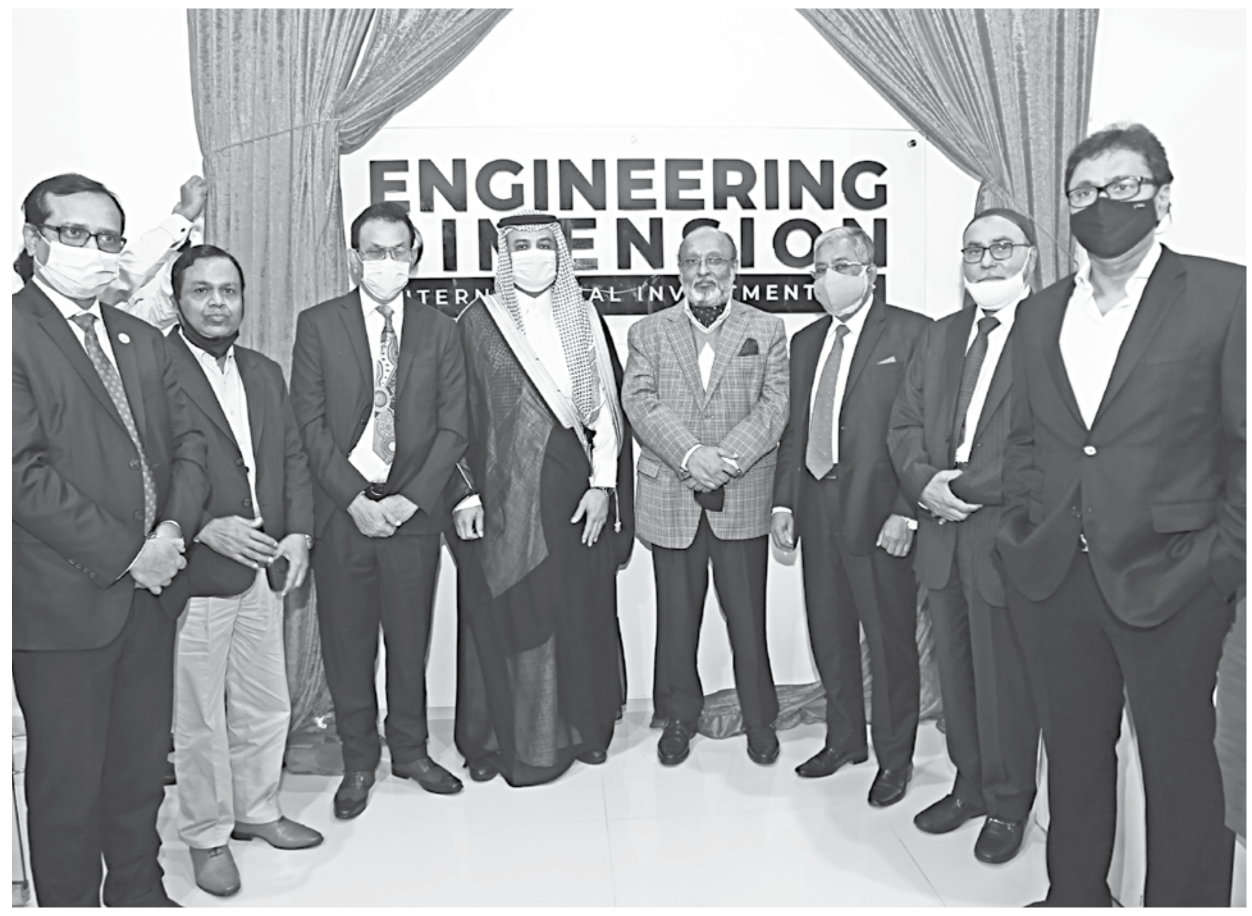
FROM PAGE B1

The maximum interest rate is set at 3 per cent and since it will be received as foreign currency, the loans will be disbursed after being converted into taka.

The foreign companies earlier paid interest given the rate of 3-month fixed deposit schemes (FDRs) of local banks.

Repayment of the loan is remittable after the principal and interest amounts are converted into dollar.

Bangladesh Bank has been continuously updating its regulations to facilitate business, including foreign investment, a central bank official said. The new rules will help foreign owned and controlled companies to get short term external loans to a wider extent, he added.



ENGINEERING DIMENSION INTERNATIONAL INVESTMENT

Issa bin Yousef bin Al-Duhailan, Saudi ambassador to Bangladesh, and Sirazul Islam, chairman of Bangladesh Investment Development Authority, attend the opening of an office of Engineering Dimension International Investment (EDII) in Dhaka recently. The EDII and Bangladesh Chemical Industries Corporation will jointly set up an integrated clinker and cement plant in Bangladesh.

Export potential in China market remains untapped for pandemic

FROM PAGE B1

Every year, China imports $2.1 trillion worth of goods from all over the world and the amount is expected to double within the next seven to 10 years.

"If we can increase our export contribution to China to 1 per cent, Bangladesh's export to China will be $26 billion in a year," said Razzaque.

"So, retaining the duty-free access in this market is very important."

The duty benefit was extended to Bangladesh at a time when China's consumer market is set to expand by 12 per cent every year to reach $8.4 trillion by 2022. Studies suggest that because of its vast population, the Chinese consumer market will overtake America's by 2034.

But Bangladesh's export to China does not reflect the startling transformation the world's second-largest economy is currently going through, although the country is an old and has been a promising trading partner for years.

Bangladesh's contribution to China's annual import is only 0.05 per cent compared to 3 per cent of Vietnam.

In 2000, China contributed 7 per cent to the annual growth in consumer spending worldwide.

By 2040, China will contribute 44 per cent of the global figure, which is 3.5 times the expected contribution of the US, and 2.7 times the combined contribution of the whole of the rest of Asia, according to Oxford Economics, a research firm.

Razzaque said Bangladesh should proactively seek Chinese investment along with technological knowhow.

If Bangladesh can strengthen the bilateral trade, exploiting the potential in other member countries of the Regional Comprehensive Economic Partnership (RCEP) will also be possible as China is leading the trade bloc, he said.

After the Covid-19-induced supply chain shocks, for which heavy dependence on China was identified as a key reason, Chinese entrepreneurs are exploring other investment destinations to keep their access to the global market open.

"This could be an opportunity," Razzaque said.

Foreign direct investment stocks in Vietnam and Indonesia rose rapidly to $161 billion and $232 billion, Razzaque said.

"Investment saturation points are being reached because of a shortage of cheap labour and a lack of generous policy support. Therefore, investors are looking for other countries with potentially large supply-side capacities."

"In this context, the duty-free market access will be a great advantage for Bangladesh. Bangladesh should have a special focus eyeing Chinese investment," he added.

Bangladesh is yet to raise its export to China to $1 billion whereas the shipment to Japan and India has crossed the mark.

Historically, the export to China is very low.

For instance, exports to China from Bangladesh were $746.2 million in the fiscal year of 2013-14. The amount reached to its highest level of $949.41 million in 2016-17. It dropped to $694.97 million in 2017-18.

The export of garment, the main items going to China, is still very slow although it is growing.

In 2008-09, Bangladesh shipped $9.49 million worth of garment to China. It rose to $506.51 million in 2018-19.

Annual average growth of garment export to China was 48.85 per cent between 2008-09 to 2018-19. It fell in 2019-20 due to the pandemic as export came down to $330 million, according to data from Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"We are greatly thankful to the government of China for extending the duty-free access to 97 per cent of the tariff lines to the least-developed countries," BGMEA President Rubana Huq said.

The duty-exempted products include 299 garment items.

"The export of garment to China can't be said slow as progress is happening. However, the enhancement of product coverage appears to be insignificant in terms of our trade coverage," she said.

Under the Asian Pacific Trade Agreement (APTA), Bangladesh used to get duty-free access for 226 products. So, only 73 products are newly added, Huq said.

Bangladesh exported 151 types readymade garment items to China in 2019-20 worth $ 330 million. Of them, 89 types of products worth $185 million had duty-free access under the APTA.

The latest duty-free access has granted the tariff-free market access to 19 types of RMG items. There are 43 items that need to pay duty at varying rates.

"Given the limitation of our product basket, we would only be able to take more benefits of the duty-free access to China if we can diversify products, or enhance our exports within the duty-free covered items which is already happening," Huq also said.

Bangladesh imports almost half of its raw materials and capital goods from China.

It imported $10.84 billion worth of textile and textile articles in 2018-19. China's share was 46.31 per cent, or $5.02 billion, BGMEA data showed.

Only for cotton, the country brought in $2.2 billion worth of the raw material from China, which 31.84 per cent of the total of $6.9 billion.

"We need to pursue Chinese investment. There is a pledge of Chinese investment worth $27 billion in Bangladesh in different sectors, but so far only $3 billion was invested in," Razzaque said.

Leather and leather goods are a potential sector that can attract Chinese investment. China could be a very good export destination for the country's leather and leather goods export.

Md Saiful Islam, president of the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh, said the 97 per cent package included local leather and leather goods but the value-addition is very high, an area where Bangladeshi manufacturers have to face difficulties.

Since China is trying to make the most of Bangladesh's market access to the world, investment from the country is gradually coming to Bangladesh.

"We encourage Chinese investment in the leather and leather goods sector as it will create jobs, transfer technology and know-how and brand Bangladesh," Islam said.

Azizul Akil David, senior vice-president of the Bangladesh China Chamber of Commerce and Industry, said the duty-free package is a big opportunity for Bangladesh.

The package also includes agricultural and fish products.

"The export of agricultural and fish items means more local value-addition. We need to explore and exploit Chinese markets sincerely," he said, adding that the wide trade gap will narrow if Bangladesh can export more.

Currently, China is the largest sourcing destination for Bangladesh, which buys $14 billion worth of industrial raw materials and food items every year. Md Jafar Uddin, commerce secretary, said: "We have started enjoying the duty benefit from China."

Royal Enfield bikes may hit Dhaka roads soon

FROM PAGE B1

"In this context, the market size is not small for the high-end segment," Ahmed said. He hopes the government will issue a circular to allow the import of high-capacity engine bikes.

The demand for high-end motorcycles will increase gradually in Bangladesh as the economy is growing and per capita income is rising, he said.

In August 2018, the government gave the go-ahead to Runner Automobiles to import raw materials and components to make motorcycles with a capacity of 165cc to 500cc.

Royal Enfield is expanding aggressively as it aims to tap into the world's biggest motorbike-buying market in Asia, according to the BBC. Recently, it announced plans to open a new factory in Thailand. Sales for Royal Enfield grew 88 per cent across the region in 2019.

Runner to bring KTM motorcycles

FROM PAGE B1

"The young generation loves new features and new models of motorcycles, for which Runner Automobiles decided to take on the distributorship," he said.

Runner, which already has its own line of motorcycles and also markets American brand UM and Italian brands Vespa and Aprilia, has started the process for upgrading its assembly plant in Bhaluka of Mymensingh for which KTM motorcycles were to be made available from this month.

Japanese companies Yamaha and Suzuki are also selling premium motorcycles in Bangladesh.

The current market share of premium motorcycles is about 15 per cent whereas it was only 5 per cent just four years ago.

Just two years ago, Bangladesh was dependent on imports to meet 95 per cent of its demand for motorcycles.

But the situation has completely reversed: today, about 96 per cent of the two-wheelers plying on the roads are either locally manufactured or assembled, according to the industry people.

Seven firms -- Japanese brands Honda, Suzuki and Yamaha, India's Bajaj, TVS and Hero, and Runner Automobiles of Bangladesh -- have made the country almost self-sufficient in motorcycle manufacturing or assembly in the fast-growing market.

Operators now predict that the market would grow manifold in the next two-three years because of rising incomes, steady growth of the economy and favourable policy and tariff structures despite the pandemic hampering production and sales in the last four months.

About 1,600 motorcycles are sold every day in the country, nearly doubling from 900 in 2016, according to market players.

In 2018, about 480,000 motorcycles were sold, up from 387,000 in 2017 and 270,000 in 2016.

Bajaj is the market leader with a 40 per cent share. It sold about 2.25 lakh units in 2018. It churns out 12,000 units per day at its Zirani factory in Savar.

Bajaj Auto, the world's third-largest motorcycle manufacturer and second-largest in India, originally acquired a 14 per cent stake in KTM in 2007 and has subsequently raised it to 48 per cent.

Currently, it exclusively manufactures the Duke range of KTM motorcycles.

Jute prices go thru the roof

FROM PAGE B1

This year, jute prices will be the highest in the history of Bangladesh, said Md Khokon Matabbar, another jute trader of Kanaipur bazar.

"Tk 3,000 a maund was the highest price I have ever seen since my entry into the business in 1993. That happened nearly a decade ago. I think the price will rise to Tk 5,000 a maund this year."

Jute was cultivated on about 85,000 hectares of land last year in nine upazilas in Faridpur from where 171,700 tonnes of jute were produced, said Md Hajrat Ali, deputy director of the Department of Agricultural Extension in the district.

Low production and raw jute export have played a vital role in creating the price spiral, said Morium Begum, regional assistant director of the Department of Jute in Faridpur.

Last year's jute production was 30 per cent lower than the previous year and a huge amount of raw jute was exported during the harvesting season, which created a shortage of supply in the market, she said.

"We conducted several drives throughout the district to catch the dishonest businessmen who sell jute by mixing it with water and sand. We don't have enough manpower to monitor the market properly."

BSEC to ensure proper distribution of dividends

FROM PAGE B1

It should be paid off directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant.

The listed companies, upon receiving the claim on cash dividend from a stock broker or merchant bank for the margin client who has debit balance or margin loan, shall be paid to the consolidated customers' bank account of the stock broker or separate bank account of the merchant bank.

They should inform shareholders through a text message or email immediately after any disbursement of cash dividends, Islam added.

Prof Abu Ahmed, a stock market analyst, said unclaimed dividends should be open for their owners so that whenever they want to get the money back, they can.

"At first, a huge advertisement should be published to seek the shareholders who did not claim the dividends," he said, adding that the fund should be available on demand.

"Many families do not even know that their guardians bought shares before their demise so dividends remain unclaimed," said Ahmed, former chairman of the economics department at the University of Dhaka.

"We want to see that companies are disbursing dividends properly and timely so we issued the order," said a top official of the BSEC preferring anonymity.

"Even after that, if dividends remain unclaimed, we want to use it properly. So, the fund would be given to a fund manager," he said.

However, a top official of an asset management company said the fund should not be given to the ICB alone.

Some of the fund should be given to private fund managers on the basis of their performance as it would ensure proper utilization of the fund, he added.

Jute exports on the mend

FROM PAGE B1

"Export value has increased mainly because of prices of raw jute," said Sheikh Nasir Uddin, chairman of Akij Jute Mills, one of the world's biggest jute yarn makers in terms of processing capacity.

He said prices of raw jute, the key ingredient of jute yarn, almost doubled from around Tk 2,200 per maund (around 37 kilogrammes). And this is being reflected in the export receipts, he said.

Citing jute yarn, which accounts for more than three-fourth of the country's export proceeds from jute and jute goods, he said average monthly shipment from the Chattogram port was 36,704 tonnes in 2020, up 3 per cent from that in the previous year.

"Applications or uses of jute yarn have not increased. Uses of jute and market of jute would have increased had we been competitive in prices," he said.

This is the highest ever export growth in value registered by millers and exporters in recent years. Jute and jute goods exports rebounded in fiscal 2019-20 after a 20 per cent dip the previous year.

And this year, export earnings continued to stay in the positive thanks to production shortages in two major jute producing nations, Bangladesh and India, and relatively good demand for jute goods and yarn.

Just after the harvesting of raw jute in the July-August period last year, prices of raw jute began rising.

Prices crossed previous record highs by the end of September amid middlemen increasing their stocks and slow release by farmers to cash in on supply shortages resulting from a flood-induced production fall.

The spiralling prices alarmed millers and they demanded that the government curb exports of raw jute to ensure increased availability in the domestic market.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD), said this has been an unusual year for the jute sector.

"It is an exceptionally good year for jute exports as shipments have not declined. Instead, it has increased," he added.

Moazzem went on to say that prices of raw jute will decline if there is good crop in the coming season.

The finest raw jute is trading at Tk 4,000-4,200 per maund, said millers, who doubt estimates of total jute yields citing spiralling prices.

The Department of Agricultural Extension (DAE) estimates that farmers bagged 72.86 lakh bales last season after counting flood related losses.

Md Zahid Miah, chairman of the Bangladesh Jute Spinners Association (BJSA), said jute mills require 55 lakh tonnes of raw jute to make yarn and other jute goods.

"But we are not getting jute and prices are going up," he said, citing that increased prices of raw jute are adding to the cost of production of jute goods, including yarn.

Miah, also managing director of Karim Jute Spinners, another leading exporter, said the demand for jute yarn increased in countries specialising in making carpets, such as Turkey.

Having to stay back at home owing to Covid-19 has led to a rise in demand for new carpets in western markets. That is why there is some increased demand for yarn, he said.

However, the volume of growth is not significant, he added.

He said high prices of raw jute were affecting mills and many of them were on the verge of suspending production as current prices were too high to draw in buyers in the coming month.

"Our exports in terms of volume is likely to decline by the end of fiscal 2020-21," said Zahid, adding that they had already reduced production.

"Buyers are making inquiries but we are turning them down because of high prices," he said.

Mahmudul Huq, chief executive officer of Janata Jute Mills, said in the past there usually had been carry-over stocks of jute. This year, there is no carry-over stock, he said.

"It will be tough for financially distressed factories to continue production," he said, citing increasing prices of raw jute.

Huq said the volume of export of jute goods rose this fiscal year because of sales of 100,000 bales of jute sacks by the BJMC.

Also because of lockdowns and people in the west increasing the time they spend at home, the well-off and middle class are increasing spending for home décor, including new carpets.

As a result, demand for yarn has risen among carpets makers, particularly in Turkey, he said.

Giridhari Lal Modi, chairman of Uttara Jute Mills, said exports were likely to suffer badly in the coming months owing to high prices of raw jute.

"We are getting a lot of inquiries. But they are not responding after we answer their queries," he said.