

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 2.33%	▼ 2.48%	\$1,810.20	\$60.14	▲ 1.22%	▲ 2.12%	▲ 0.84%	▲ 1.03%	BUY TK 83.95	100.02	114.40	12.81
5,376.45	9,365.18	(per ounce)	(per barrel)	51,348.77	29,388.50	2,931.40	3,532.45	SELL TK 84.95	103.82	118.20	13.47



# Star BUSINESS

DHAKA TUESDAY FEBRUARY 9, 2021, MAGH 26, 1427 BS • starbusiness@thedailystar.net

## Raw jute prices hit new high

Cross Tk 5,000 a maund

SUZIT KUMAR DAS and SOHEL PARVEZ

Raw jute prices hit a new high as the natural fibre traded for as much as Tk 5,300 per maund (one maund equals 37 kilograms) at local markets in Faridpur, the biggest producing district, as supply shortage became acute.

The latest data shows that prices soared 29 per cent in just over two weeks from Tk 4,100-4,200 per maund in the third week of January, according to traders.

"The market has gone wild. It appears that prices are soaring every hour and there is no scope to seek a bargain," said Mohammad Shahidul Islam Dulal, proprietor of Progress International, a jute trader and exporter.

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

Prices of the eco-friendly fibre crossed Tk 3,000 per maund in September amid stockpiling by middlemen and slow release by farmers seeking to profit amid

speculations that production fell as a result of floods and unfavourable weather.

The soaring prices created concerns among millers, who warned last week that most mills might be shut in the next one or two months due to a shortage of raw jute to make jute yarn, twine, bags, sacks and other goods.

Millers said total production would be 55 lakh bales in the last season while Hossain Ali Khondoker, director general of the Department of Jute (DoJ), said that they expected production of 74 lakh bales.

Now it appears that overall production would be around 55-60 lakh bales, he said.

In order to keep factories running, the Bangladesh Jute Spinners Association (BJS) and Bangladesh Jute Mills Association (BJMA) in a letter to the Ministry of Textiles and Jute last week urged the government to fully ban raw jute exports and allow imports until June 2021.

Traders in Faridpur district blamed poor supply of raw jute for the spiralling price.

Md Abul Hasan, a jute trader of Baliagotti market under Saltha upazila of Faridpur, has been engaged in the trade since 2004.

He said the high price of the fibre affected his purchases as he could not buy as much as needed.

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## Whirlpool Corp, Transcom Group form manufacturing joint venture



STAR BUSINESS REPORT

Whirlpool Corporation, world's leading kitchen and laundry appliance company, and Transcom Group, one of the renowned business houses in Bangladesh, yesterday announced an agreement to set up a manufacturing plant in joint venture to make refrigerators in the country, said a press statement yesterday.

People's growing income and quest for convenience are fueling demand for kitchen appliance and encouraging global companies such as Whirlpool to set up facilities here.

The plant, spreading over approximately 85,000 square feet area, will adhere to Whirlpool Corporation's world class manufacturing standards, coupled with Transcom Group's focus on high-quality manufacturing, business excellence and legacy, the statement said.

The plant in Narsingdi, the

northeastern district of Dhaka, will manufacture a wide range of technologically advanced refrigerators for sale by Whirlpool and Transcom under their respective brands.

"Bangladesh is an important country for Whirlpool Corporation and an emerging economy where we see significant growth opportunities and through this venture we are demonstrating our ambition in this marketplace," said Samuel Wu, executive vice president and president of Whirlpool Asia.

"We are pleased to have a trusted partner like Transcom to help us accelerate our presence in South Asia and develop a state-of-the-art manufacturing plant that is capable of delivering high quality refrigerators to serve consumers in Bangladesh."

With approximately \$20 billion in annual sales, 77,000 employees and 59 manufacturing and technology research centers in 2019, the USA-

based appliance maker Whirlpool markets Whirlpool, KitchenAid, Maytag, Consul, Brastemp, Amana, Bauknecht, JennAir, Indesit and other major brands in nearly every country throughout the world.

Commenting on the partnership, Simeen Rahman, chief executive officer of Transcom Group, said Bangladesh's growing economy and rapid urbanisation present a great opportunity to establish world-class local manufacturing unit in the electronics and appliances sector.

"We are delighted to partner with Whirlpool Corporation to set up a first-of-its-kind global joint venture manufacturing facility that will not only offer access to the best refrigeration technology but also create opportunities for local employment," she said.

The partnership will augment Whirlpool Corporation's presence in Bangladesh and allow us to strengthen our business pursuits in

the electronics and home appliances industries."

A leader in refrigeration globally, Whirlpool Corporation offers an innovative range of products to suit the needs of every family. Whirlpool Corporation and Transcom joint venture is looking forward to setting new benchmarks in manufacturing, said the press statement.

Built on a foundation of ethical values and business excellence by its Founder Chairman Latifur Rahman, Transcom Group is one of the largest, most diversified and fastest growing conglomerates in Bangladesh.

The group has a core strength in high quality manufacturing and has businesses across eight industries ranging from pharmaceuticals, beverages, foods, media, consumer products, Insurance, electronics and tea.

Transcom has its presence in 54 countries and employs more than 20,000 people.

## 'Illegal courier service' in guise of factory machinery import

MOHAMMAD SUMAN, Chattogram

Bearing telltale signs of an illegal courier service, some 70 tonnes of personal goods and contraband items were seized by Chattogram Customs House on Sunday for being imported under a false declaration of being factory machinery, apparently to evade duty.

The goods arrived at the Chattogram port from South Korea on January 17 in three containers, imported by Narayanganj-based Soheli Textile Mills and one Mollika Traders listed as the clearing and forwarding agent.

In customs documents, the importer stated it to be eight sets of old power looms worth \$20,000.

But thorough inspections based on a tip-off revealed electrical items such as old circuit breakers, cosmetics and household goods hidden out of sight in the back of the containers, said sources in the port.

For export-oriented factories, importing power looms bear only 1 per cent tax of the cost price. For cosmetics, it amounts to anything from 89 per cent to 131 per cent. Import of old circuit breakers is prohibited for the risks they pose, as per customs.

The sources said there were at least 35 packages with writings on the outside in Bangla and English apparently denoting the receivers' name, location and mobile number.

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Electrical items and power looms are seen that were imported under false declaration.

## Delta Life Insurance accuses IDRA chair of seeking bribe

### IDRA chief files case against six officials of insurer

STAR BUSINESS REPORT

Delta Life Insurance has accused the chairman of the Insurance Development & Regulatory Authority (IDRA) of seeking Tk 50 lakh in bribes for giving approval to the reappointment of the company's chief executive officer and renewing the actuarial valuation basis.

The insurer complained against IDRA Chairman M Mosharrif Hossain with the Anti-Corruption Commission (ACC) on December 7, 2020. On December 9, it sent another letter to the commission, alleging that he demanded the bribe.

The insurer presented the recordings of phone calls and the audio clip to the commission in support of the allegation.

Yesterday, Hossain did not receive phone calls and reply to mobile phone messages.

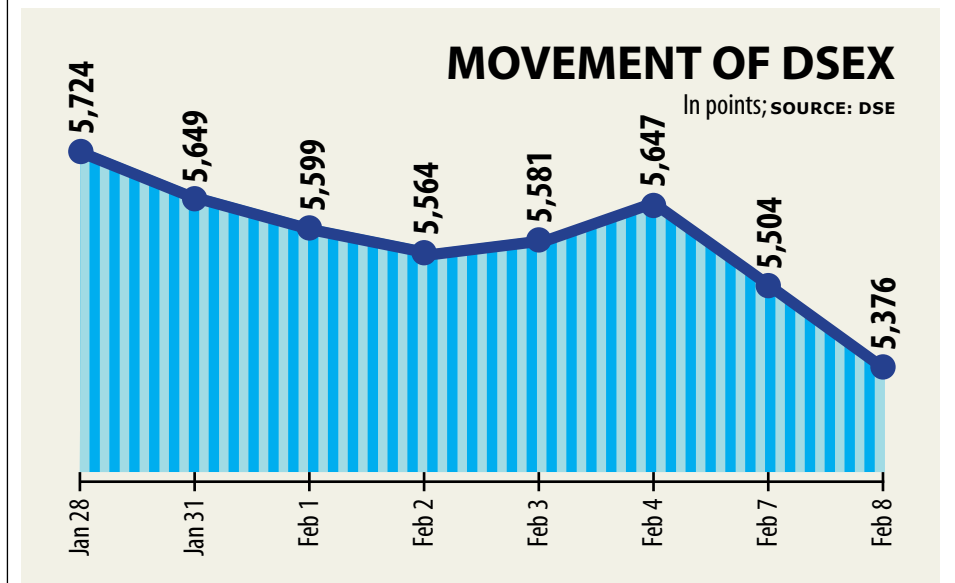
After Delta's complaint to the ACC, Hossain filed a general diary with the Motijheel Police Station, stating that one official of the insurance company tried to bribe him, and that all recordings of the mobile conversations had been tampered.

The chairman filed a case in court against six officials of Delta. The court ordered the Police Bureau of Investigation to investigate the case and submit a report on Wednesday.

Hossain, also a former official of the insurer, is not approving the actuarial basis of the company intentionally and is not giving consent to the renewal of the appointment of the CEO, said Chowdhury Qamrul Ahsan, an executive director of Delta Life Insurance, at a press briefing on Sunday.

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## Investors flustered by sudden drop in index



STAR BUSINESS REPORT

Investors were left panicked and disheartened by the steep fall of the main index of the country's stock market.

They are now losing money even by investing in well-performing companies.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), nosedived 128 points, or 2.33 per cent, to 5,376.45.

The index shed 4.86 per cent, or 271 points, in the last two days. During the last two trading sessions, stock value dropped by around Tk 20,909 crore.

"I'm really disheartened as the value of most of my stocks dropped by more than 30 per cent suddenly," said Abdul Halim, an investor who works at a private bank.

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# Post-LDG export loss may create new poor

Govt analysis says number of poor may rise from 24.09m to 24.16m

REJAUUL KARIM BYRON and REFAVET ULLAH MIRDHA

At least 66,622 people would fall below the poverty line due to the decline in exports following Bangladesh's graduation to a developing nation from the group of least-developed countries, according to a government analysis.

The number of poor is likely to increase from 24.09 million to 24.16 million, according to the "Impact Assessment and Coping with Strategies of Graduation from LDC Status for Bangladesh" of the General Economics Division of the planning ministry.

However, 86,568 new people may turn poor under the medium export shock scenario, implying a head count poverty rate of 13.18 per cent.

The poverty rate may jump to 13.24 per cent under the high export shock scenario as the number of new poor will be 125,168, the document said.

With more than 8.5 per cent economic growth, the head count

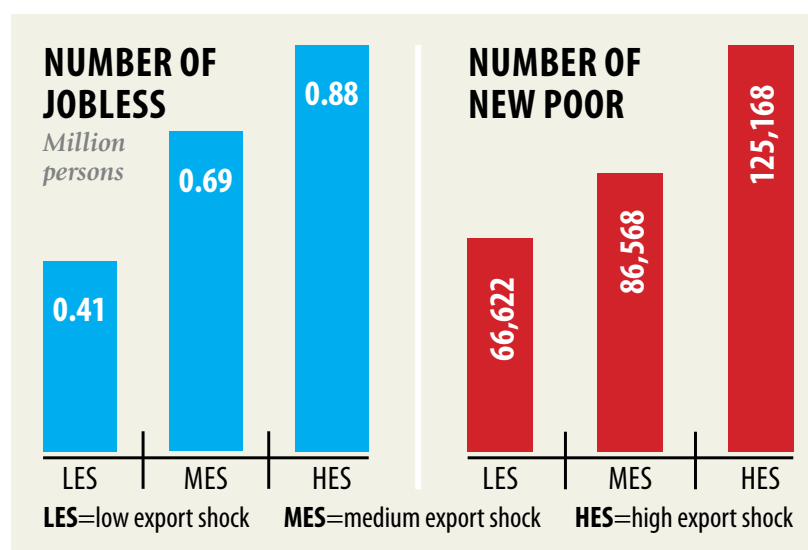
poverty is projected to drop to 13.1 per cent in 2027 under the business as usual scenario. However, economic contraction due to LDC graduation may cause the poverty level to rise, the report said.

The head count poverty rate declined to 24.3 per cent in 2016 from 31.5 per cent in 2010, aided by higher economic growth, job creation, and robust flow of remittance.

"However, gains in poverty reduction remain highly precarious as most households that escaped poverty did so by only a small margin," the document said.

Speaking about the GED observation, Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said the real impacts of graduation could be understood after 2024, the year when the country will start facing the graduation challenges.

"New people may fall into poverty because of graduation as market access for Bangladesh will get squeezed." However, if Bangladesh can obtain



SOURCE: GED DOCUMENTS

the generalised system of preferences (GSP) Plus status in the European Union, the poverty rate might not increase as higher exports will generate jobs, Mansur said.

There is a possibility of gaining

the status as Bangladesh is a major exporter to the bloc, he said.

If Bangladesh can meet EU conditions, which include ratifying 27 international conventions in the areas of governance, environment, labour

and human rights, the EU may offer the country the GSP Plus status.

"Offering the GSP Plus status to any country is a political decision of the EU," said Mansur, adding that Bangladesh needs to lobby with the EU. The former official of the International Monetary Fund suggested the government initiate talks with Germany and France to gain the status after 2024.

If the GSP Plus status is not granted, Bangladesh should continue lobbying with the EU to strike a trade agreement bilaterally to continue the existing trade privilege after the graduation, Mansur said.

The EU accounts for nearly 60 per cent of exports and 64 per cent of garment shipment from Bangladesh. The reduction in garment shipment, which makes up more than 80 per cent of exports, would likely lead to a national income loss, the analysis said.

The major loser from the drop in garment exports to the EU will be the labour factor. Labour returns

may decline about 5.5 per cent under the export loss simulation over the business as usual scenario.

The impacts on the returns to the capital factor have been found significantly smaller than the impacts on the labour factor. If LDC graduation is not handled properly, it may lead to a rise in income inequality, the GED analysis said.

It said the implications of the graduation may have deleterious impacts on the economy and social welfare if not planned appropriately.

The analysis projected an export loss of 4.9 per cent to the EU in 2027 in the low export shock scenario. The drop will be 9.8 per cent in the medium export shock scenario and 14.7 per cent in the high export shock scenario.

Depending on the extent of the erosion of garment exports to the bloc, the cost of LDC graduation may not be small, the GED said, calling on the government to adopt proper strategies to offset the loss.

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