AB BANK

Tarique Afzal, president and managing director of AB Bank, and Asif Ahmed, acting general manager of Pan Pacific Sonargaon Dhaka, exchange documents after signing a deal yesterday facilitating reciprocal services, including buy-one-get-one buffet meals at Café Bazar.

Microsoft teams up with EU publishers amid Facebook's Australian spat

Reuters, *Brussels*

Microsoft and European media groups on Monday urged EU regulators to require online platforms to seek arbitration in disagreements over how to share revenues with news publishers, a sticking point in the spat between Facebook and Australia.

The EU's 2019 overhauled copyright rules, which force Alphabet unit Google and other online platforms to sign licensing agreements with musicians, authors and news publishers to use their work, are not sufficient, Microsoft and the publishers said.

"This initiative is a logical next step," Microsoft Vice President Casper Klynge said, adding that the company already shares revenues with publishers via its product Microsoft News.

Facebook last week imposed a news ban in Australia in protest against a forthcoming law that would require online platforms to reach deals to pay news outlets for content, or agree on a price through arbitration.

Soumya Basu

Visa announces new country head

Star Business Desk

Visa has announced appointing Soumya Basu as its country manager here.

Soumya will head operations in Bangladesh, Nepal and Bhutan, according to a statement.

Late last year, Visa announced plans to establish a country liaison office in Dhaka

It will host a team of professionals, now headed by Soumya, and introduce new services for Bangladeshi consumers, playing a more prominent role in the growth of digital payments.

With Visa since 2016, Soumya has been instrumental in the strategy and execution of its South Asian franchise.

He previously held management positions in multinationals in India including Tata Group, CRISIL and Diebold Nixdorf.

Future proofing: Australia's gas networks look to go green with hydrogen

Reuters, *Melbourne*

Australia's natural gas pipeline owners are working to future proof their A$75 billion ($59 billion) in assets amid a global push towards clean energy, running tests to blend hydrogen with gas and produce green methane to replace the fossil fuel.

Cashing in on rare bipartisan support for hydrogen across Australia's national and state governments to help cut carbon emissions, pipeline and network owners have already committed A$180 million to a range of projects involving green hydrogen. Australian states have pledged to achieve net zero carbon emissions by 2050, in line with many developed countries, but Canberra has yet to commit to the 2050 timeframe.

"It's a business risk we all need to manage," said Ben Wilson, chief executive of Australian Gas Infrastructure Group (AGIG), owned by units of Hong Kong-based CK Group.

"What started out as defensive has become an opportunity, particularly given our renewable energy sources. We can become the world's largest exporter of green hydrogen," he told Reuters.

Pipeline owners seeking government funding for hydrogen projects aim to show how their infrastructure can be used to deliver hydrogen in blends with gas and store hydrogen as a form of renewable energy storage.

"At the end of the day, we also think that continuing to use this infrastructure allows the whole economy to decarbonise at a lower cost," said Dennis Van Puyvelde, head of gas for Energy Networks Australia.

A study done for the industry body last year found that to achieve net zero emissions by 2050, building a hydrogen distribution network would cost half as much as expanding power networks to serve businesses and industries that currently rely on gas, and save Australia some A$13 billion.

Pipeline companies are working on a shorter time frame than 2050, as some states are pushing to have 10 per cent hydrogen in gas pipelines by 2030. A study done for the government found hydrogen can be safely added to gas supplies at up to 10 per cent by volume without having to modify pipelines or appliances.

Van Puyvelde said the advantage of blending hydrogen into gas allows for a gradual buildup of the hydrogen industry, requiring electrolysers of up to 1 gigawatt, compared with the much bigger, more costly electrolysers that will be needed for green hydrogen exports.

Unusually dry February renews risk to Argentina's soybeans and corn

Karen Braun

After plentiful January rainfall that saved Argentine corn and soybeans from potential disaster, this month is on pace to be the country's second-driest February in more than three decades, once again raising harvest concerns.

Bumper crops were never expected in 2021 for the No. 3 corn and soybean exporter, but last month's rainfall had some estimates on the uptrend. Crop conditions remain stable, though forecasts suggest Argentina is nearly two weeks away from its next substantial rainfall opportunity.

Soybean planting began in earnest in November, while corn planting started more than a month earlier. Rainfall between October and December hit a 10-year low across the country's grain belt, and soil moisture reserves were at a 12-year low for the time of year by the end of December.

January rainfall was nearly 30 per cent above the month's recent average. That set crops up well to enter the crucial yield-formation stages in February and beyond, but precipitation has again turned sparse.

The rest of the month will likely remain dry, with weather models as of Thursday predicting the first week of March could feature the next round of rains.

Total rainfall this month will likely be just half of what is normal. February 2018 was the driest in at least 30 years, some 75 per cent below the five previous years. Thin rainfall throughout that entire season coupled with hot temperatures led to one of the most disastrous harvests on record.

Crop conditions are holding up well despite the dry spell. This week in the top three provinces of Cordoba, Buenos Aires and Santa Fe, the portions of soybeans rated good or very good were 87 per cent, 84 per cent and 98 per cent, respectively. Those are all within 3 percentage points of the end-of-January scores.

Corn in Buenos Aires is 4 points better than three weeks ago at 93 per cent good or very good, and Santa Fe corn is unchanged at 89 per cent. But corn in Cordoba stands out among the other scores with just 69 per cent good or very good, down 2 points in three weeks.

Cool temperatures have been a saving grace for the Argentine crops, and the grain belt is on pace for the coolest February in more than 20 years. Temperatures over the next couple of weeks are forecast at closer to normal levels and possibly a bit above, but excessive heat is not in the cards.

There are not many years with which to compare given such a dry February, and while that condition is not necessarily a death sentence for the crops, there are some varying circumstances.

For example, strong soybean and corn yields were observed in 2019, and that February was the third-driest since at least 1988. January 2019 rainfall was plentiful as in 2021, but unlike the present season, precipitation was abundant in late 2018 during planting and soil moisture was closer to average. March 2019 rainfall was also average.

History suggests that Argentina's corn and soybeans, like crops in the United States, can combat hot temperatures with high rainfall or low rainfall with cool temperatures, and the latter has helped prevent failure in 2021.

Last week, the Rosario grains exchange bumped its 2020-21 forecast for Argentina's soy harvest to 49 million tonnes from 47 million previously. Corn rose to 48.5 million from 46 million, and those improvements were based on the abundant January rains.

On the same day, the U.S. Department of Agriculture left its outlook for soybeans and corn unchanged from the previous month at 48 million and 47.5 million tonnes, respectively. USDA's soy and corn yields would be three-year lows, about 10 per cent and 9 per cent below the long-term trend, so the agency is by no means expecting a stellar performance.

On Thursday, the Buenos Aires Grains Exchange kept estimates for both crops at 46 million tonnes after having pared estimates a couple weeks ago due to dryness, though it was suggested that the success of crops would depend on upcoming rain.

The opinions expressed here are those of the author, a market analyst for Reuters.

Singer exchanging washing machines

Star Business Desk

Singer Bangladesh is offering new washing machines in exchange of old ones with cashbacks of up to Tk 3,000 along with up to 5 years' warranty, free installation, and free home delivery.

The home appliance maker is also accepting up to 12 monthly installments at zero interest, it said in a statement.

Rangpur's shatranji industry near the end of its rope

FROM PAGE B4

Aysha Khatun, a 60-year-old woman of the same village, said she has been weaving shatranji since coming to Nisbetganj village after her marriage in the late 80s.

"But my wages have never been enough, making it hard to stay in such a laborious profession," she said.

If the wage is insufficient, women will not be interested in such a profession, Khatun added.

Women can easily enter the profession attending a two-month training course organised by the Bangladesh Small and Cottage Industries Corporation (BSCIC).

The BSCIC arranges training to develop the skills of a large number of women every year. However, no training has been organised amid the ongoing pandemic.

Faruk Hossain, a trainer of the BSCIC office in Rangpur, said at least 600 people, mostly women, were trained in weaving shatranji in the last three years.

However, the project remains suspended at the moment, he added.

Mostafa Azad Chowdhury Titu, president of the Chamber of Commerce and Industry in Rangpur, said access to finance was another major problem for small scale investors in the industry.

So he urged the country's banks to disburse easy loans among the related entrepreneurs, particularly women.

There is huge demand for shatranji products in both local and international markets but many large scale factories, including Karu Ponyo and others, have already lost the markets due to the Covid-19 fallout.

"They are now selling their products offering discounts," Titu said.

There is a big market for shatranji products in different countries of Europe but orders were cancelled amid the current crisis, he added.

KEPZ to build first private hi-tech park

FROM PAGE B1

"We want our youth to put their minds into creating jobs rather than looking for them," he said.

To stay ahead in the 4th industrial revolution, IT business incubators are being established in universities to work on the internet of things, robotics, cyber security and other modern technologies, he said.

Work to establish an IT business incubator at Chittagong University of Engineering and Technology alongside a Sheik Kamal IT training and incubation center at Chandgao of Chattogram is being expedited, said Palak.

Once these projects are implemented, the port and the business capital of Chattogram will grow into a modern IT business hub, he said.

"Some Tk 327 crore has been invested in different hi-tech parks all over the country by the private sector," said BHTPA Managing Director Hosne Ara Begum.

Some 13,000 jobs have also been created for youths, she said.

Through the support of digital startups, over 7,50,000 SMEs have been able to expand their businesses in different sectors, said Startup Bangladesh Managing Director and CEO Tina Jabeen.

Farmers get funds to recoup flood-induced losses

FROM PAGE B1

The government also provided Tk 136 crore-worth seeds to boost cultivation of Boro rice crop in the current season and Tk 25 crore to increase onion production.

Besides, the ministry gave out incentives to growers for increasing cultivation of hybrid rice.

BSEC appoints special auditor to find out reasons

FROM PAGE B1

The chairman said foreign investors are interested in major state-run projects despite the lower interest rate.

"They want to invest in the power and infrastructure sectors as well," Islam said, adding that foreign investors are not interested in making short-term investments.

"At the roadshow, we presented Bangladesh's potential. Now, emails are coming everyday to know about the sectors of the country," he said.

To meet their investment demand through just the equity market is difficult and so, the BSEC is working on the bond market.

Major foreign investors are not finding good returns from their own country so they are seeking for other potential places to invest.

"Bangladesh carried a negative image among foreigners in the past but we tried to change their mindset by presenting our economic indicators," the BSEC chairman said.

"They were astonished after seeing our data and asked about the trustworthiness of the data. Then we recommended to check," he added.

Islam also said the regulator will arrange a roadshow in other financial hubs like London, New York, Hong Kong and Singapore to attract more foreign investors.

Small garment factories struggling to stay afloat

FROM PAGE B1

Hundreds of international small retailers used to work with small and medium-sized factories in Bangladesh. These retailers have stopped placing work orders as sales nosedived and they have old stockpile.

In his heyday, Alam used to export garment items worth nearly Tk 70 crore annually and he would pay Tk 1.70 crore in wages to workers every month.

"I owe Tk 70 crore to banks," he said.

Alam could not qualify for the soft loan from the government-sponsored stimulus fund because of stringent conditions. And he could not repay bank loans from the incomes of garment business.

"I have to sell my factory and the land to repay the bank loans. And the repayment of the bank loan would be the end of my 18 years of business life," said Alam.

But in the last 18 years, he ran the factory with a hope to establish a business empire. But the Covid-19 outbreak have shattered his dreams to pieces. The bad condition of Alam is also reflected in garment export data.

In the first seven months of the current fiscal year, garment shipment declined 3.44 per cent year-on-year to $18.40 billion.

This correspondent spoke to at least 10 small and medium-sized garment exporters and industry leaders to know about the fates of the SME units.

They said the situation had been improving after the first wave of Covid-19, but it started deteriorating with the onset of the second wave as fresh lockdowns were introduced in major export destinations in Europe and the US.

"I recovered 75 per cent of the business, but could not recover 100 per cent because of the second wave," said Mostafiz Uddin, managing director of Denim Expert Ltd.

Buyers prefer to place orders with a big unit to ensure timely delivery and the big units have the room for price negotiation, he said.

The entrepreneur requested the government to come up with flexible policy so that all factories, especially the SMEs, can benefit from the stimulus package.

Md Ehterab Hossain, managing director of Base Fashion Ltd, and Md Emdadul Haque, general manager of Dynasty Sweater (BD) Ltd, shared the stories of order cancellation, discount and fewer orders.

"Orders worth $2 million were stuck and finally I had to agree to settle it at 15 per cent discount," said Hossain. Base Fashion Ltd ships T-shirts and polo shirts worth $1 million every month.

"I am struggling to keep my business afloat as orders plunged," he said.

SMEs are the lifeblood of the industry, entry points for new entrepreneurs and provider of jobs to millions, according to Rubana Huq, president of the BGMEA.

She said the scenario of larger units doing relatively better than SMEs can be justified from one point of view that they work for larger buyers, who are relatively in a better position to withstand the shock in the retail end.

The SMEs are the worst-affected factories in terms of managing finance and business since they either work for buyers having relatively smaller turnover.

When asked whether there is a policy gap between the big units and SMEs, she said: "Absolutely yes."

"Therefore, they require a different policy measure to survive in this crisis period."

The government has provided additional working capital scheme to SMEs during the pandemic. However, the working capital loan support was difficult to access as far as readymade garment factories are concerned because of stringent due diligence process and the nature of business and the modality of financial assistance required for the RMG enterprises which differ from any other sector.

"For the immediate term, special assistance to SMEs with regard to accessing finance to turn around and reconstruct themselves would be critical for continuing the growth journey of the industry and economy at large."

Mohammad Hatem, senior vice-president of the BKMEA, said apparel exporters faced harassment in getting stimulus loans because of stringent conditions and bureaucratic tangles.

Many of the SMEs could not avail the loan at all although they needed the most, he said.

Some circulars of the central bank are unjust for the SMEs, he said.

Only bigger units had been entitled for availing the loan from the stimulus package, Hatem said.

However, after negotiation with the central bank and the finance ministry, the conditions were eased a bit, he added.

The abnormal price hike of yarn has just added further woes to the SMEs. The prices of yarn went up by more than $1 per kg over the last three months.

KI Hossain, president of the Bangladesh Garment Buying House Association, said in the era of fast fashion, manufacturers need to innovate regularly, but this was not present in case of Bangladesh.

In case of SMEs, the situation is more serious as they face financial challenges and dearth of orders, he said.

Most of the SMEs were dependent on subcontracting, but now the subcontracting is not available due to fewer orders from international retailers and brands, Hossain said.

Rezwan Selim, a director of BGMEA, who looks after labour affairs and closed factories, said officially 300 SME units that are BGMEA members were shut during the pandemic.

Of them, nearly 20 factories have reopened and some are struggling to reopen as they did not receive orders and manage funds.

The flow of orders is not good even at the big factories. A majority of the factories, particularly the SMEs, are running at 40 to 50 per cent capacity because of the lockdown in major export destinations due to the second wave.

Selim said many of the SMEs did not get the stimulus fund because they were not direct exporters.

The closed SMEs were used to export one or two consignments and largely worked with big units as subcontractors.

The fall in work orders in big units slowed the subcontracting orders for the SMEs, Selim said.

Nearly 50,000 workers were employed in the closed factories, he said.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said banks did not want to lend to a factory that does not have orders or to the factories where production capacity has remained idle.

So, the government should come up with some special measures for the SMEs so that they can grow.

In the case of fiscal measure, the government must be very careful so that the fund is not misused, he added.

Khondaker Golam Moazzem, research director of the CPD, said the government's Tk 1,000 crore Technological Upgrading Fund should be spent in true sense to improve the online sales of small and medium units so that they can ride out the difficult time.

Nazneen Ahmed, senior research fellow of Bangladesh Institute of Development Studies, said a price war in the global garment business was going on.

The bigger units can absorb the losses because of the competitive edge they used to enjoy.

But small and medium-sized units cannot afford that, she said.

Both Moazzem and Ahmed said orders for big factories had not restored fully. Small suppliers that were used to cater to small buyers and retailers were in trouble.

"The government needs to ensure that the small and medium-sized units receive soft loans from the stimulus packages. Their loan repayment period should be extended."