

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.29%	▼ 0.54%	\$1,734.92	\$67.55	▼ 0.06%	▲ 0.52%	▼ 0.02%	▲ 0.78%	BUY TK 83.95	99.14	115.57	12.70
5,516.40	9,631.99	(per ounce)	(per barrel)	50,363.96	29,921.09	3,105.51	3,446.73	SELL TK 84.95	102.94	119.37	13.35



# Star BUSINESS

DHAKA WEDNESDAY MARCH 17, 2021, CHAITRA 3, 1427 BS • starbusiness@thedailystar.net

## Weak feasibility study costs DPDC Tk 629cr

REJAUUL KARIM BYRON and MAHMUDUL HASAN

An "in-house feasibility study" of Dhaka Power Distribution Company (DPDC) has come to the fore for all the wrong reasons, having cost a project an excess Tk 629 crore and four years' delay.

The project involves constructing two substations, one of 132/33 KV (kilovolt) and another 33/11 KV.

Substations are bulk delivery points that receive electric energy generated at a central power station for distribution to consumers.

The project started in 2013, estimating the cost to be Tk 1,850 crore and the completion deadline of 2017.

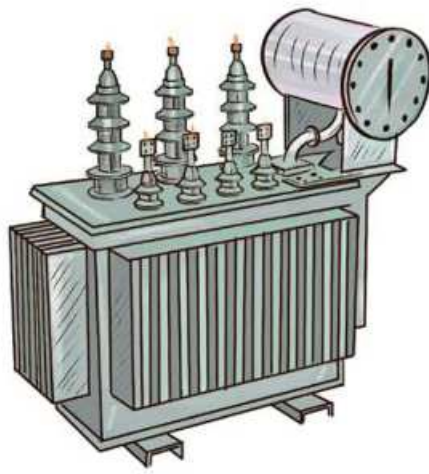
Now, five revisions past, it is set to cost Tk 2,479 crore and be completed coming June.

The latest revision got the nod of the Executive Committee of the National Economic Council (Ecne) yesterday.

The in-house feasibility study

### KEY POINTS

- The project was approved in 2013 and was due to be complete by 2017
- Deadline now June this year after several extensions
- Two-time cost hike by Tk 629cr has taken the project cost to Tk 2,479cr
- Construction of two substations led to the latest cost rise and delay
- An 'in-house feasibility study' was conducted for the project



was carried out by the project implementing agency, the DPDC, said the planning ministry in the revision proposal.

Asked if there are any regulations

that allow such in-house feasibility study for a project, Sharifa Khan, a Planning Commission member, said a feasibility study for a project could be carried out by consultants or the implementing agency itself.

"In this case, the agency (DPDC) conducted the feasibility study with its own engineers, technicians and economists," Khan said yesterday.

The construction of the two substations and delays in getting permission from city corporations for running transmission lines below the ground resulted in the extensions, she added.

According to the Planning

Commission proposal, the cost increased for the need for additional equipment due to change of a source substation, of electrical protection for three other source substations as per the demand of the Power Grid Company of Bangladesh and inclusion of renovation work of a Dhanmondi 132/33 KV substation and a Bangshal 33/11 KV substation.

The amount of cables and the number of towers have also been increased based on an "actual" route survey, alongside prices of raw materials related to machinery and mechanical equipment,

READ MORE ON B3

## Karnaphuli to expand fleet of container vessels

Will invest Tk 225cr to add 4 ships; subsidiary HR Lines to expand service on Ctg-Colombo route



COLLECTED

MV Sahare, one of the container vessels owned by HR Lines Ltd, leaves Singapore port.

DWAIPAYAN BARIHA, Ctg

Within a year of stepping into container feeder vessels operation between Chattogram and two regional hub ports, Karnaphuli Ltd is going to buy four more ships to expand its footprint in the region.

HR Lines Ltd, a subsidiary of Karnaphuli Ltd, is set to inaugurate a weekly service on the Chattogram-Colombo route by March with two vessels to be deployed under the name of Chattogram-Colombo Express (CCE).

With the two, the number of container feeder vessels owned by the Bangladesh firm will go up to four among at least

65 vessels currently operating between Chattogram and four transshipment hub ports, namely Colombo, Singapore and two Malaysian ports Port Klang and Tanjung Pelepas.

Karnaphuli is the only owner of Bangladeshi flagged container vessels in the market long dominated by non-Bangladeshi ships.

In June last year, the firm launched two container feeder vessels -- MV Sahare and MV Sarer -- with a capacity of 1,550 TEUs (twenty-foot equivalent units) each on the Chattogram-Singapore-Port Klang route as Bangladesh Express Service (BES).

READ MORE ON B3



## Reduce corporate tax, ease payment processes

BUILD urges NBR

STAR BUSINESS REPORT

The Business Initiative Leading Development (BUILD) has urged the tax authorities to cut corporate tax and simplify the tax payment procedures to help the economy recover from the pandemic losses.

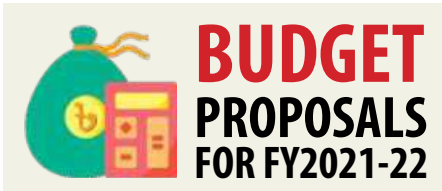
There is no alternative to increasing the country's present tax GDP ratio, the research-based dialogue and advocacy platform believes.

The existing ratio of direct and indirect tax in Bangladesh is around 35:65, which should be reversed to uphold the interest of the consumers and the productive sectors, it said.

Abul Kasem Khan, chairperson of BUILD, made the call in its budget proposals handed over to Abu Hena Md Rahmatul Muneem, chairman of the National Board of Revenue (NBR), at a programme at the NBR office in Dhaka yesterday.

The tax net should be widened and the tax rates should be lowered, the platform recommended.

The NBR should minimise the costs of administrative work and compliance, ensure procedural fairness, avoid discrepancies and discrimination, ensure transparency and work to boost taxpayers'



confidence, it said.

The platform also demanded increasing reliance on ICT, especially electronic payment facilities, and take well-planned tax audit strategies to increase efficiency and reduce the risk of leakage.

Segmentation of the taxpayers is also a must now to ensure better customer service at all levels. If all kinds of taxes are added, the corporate income tax stands at around 40 to 45 per cent now, which is not realistic, it said.

The BUILD proposed considering 1 per cent of the gross revenue for research, innovation, skills development and training as tax deductible for three years.

In addition, individuals spending up to Tk 2 lakh on computer, smartphones, laptops, trainings, skills development and research for their family should be treated as tax deductibles.

READ MORE ON B3

## Garment factories moving away from digital wage payment

Speakers say at discussion

STAR BUSINESS REPORT

Many garment factories that disbursed wages to workers digitally at the height of the pandemic in Bangladesh are gradually returning to cash payments although electronic transfers provide a lot of benefits, said speakers yesterday.

Before the pandemic, 4 lakh workers from 300 factories used to receive salaries through bKash, the largest mobile financial service (MFS) in the country.

The number of workers getting payment digitally rose to 11 lakh after the government imposed a lockdown in March last year to slow the spread of the rogue virus in the country.

The number of factories providing payments digitally soared thrice to 980, and workers received wages and salaries amounting to Tk 3,800 crore directly on their bKash accounts.

The situation started to reverse after the government eased restrictions in June last year. Now 7.50 lakh workers receive salaries through bKash.

Because of the pandemic, garment exports fell 18.12 per cent due to the cancellation of orders from Europe and America.

READ MORE ON B3



Before the pandemic, four lakh workers from 300 factories used to receive salaries through bKash, the leading mobile financial service provider.

STAR/FILE

## Waterways can help cut shipping costs: experts

Pran sends first consignment of food products to India

STAR BUSINESS REPORT

The shipping cost for exports to India through Bangladesh's waterways will decline by 30 per cent compared to road transport, boosting bilateral trade in the process, according to experts.

"Water transport will have to be used for outgoing shipments in order to ensure economical use of resources while saving the environment from pollution at the same time," said Mohammed Mezbah Uddin Chowdhury, secretary of the shipping ministry.

Chowdhury made these comments while addressing a programme commemorating the country's first food shipment to India through inland waterways.

The Bangladesh Inland Water Transport Authority (BIWTA) organised the shipment, consisting of 40,000 cartons of litchi drinks produced by local conglomerate Pran. A typical river-going ship can carry 1,200 tonnes of product while it takes at least 70 to 75 trucks to carry the same volume of cargo by road.

READ MORE ON B3



COLLECTED

The vessel containing the first batch of food products set sail yesterday from Pran's Narsingdi industrial park for India.

## Global CEOs confident about economic rebound

According to a recent survey by PwC

STAR BUSINESS REPORT

A record number of chief executives believe that global economic growth will improve in 2021, reflecting a significant rebound in optimism compared to the previous year, according to a recent survey by PwC.

Done among 5,050 CEOs in 100 countries and territories over January and February, the report said 76 per cent of them were optimistic about recovery of the global economy from the ravages done by the ongoing coronavirus outbreak.

Only 22 per cent of CEOs expected improved growth in 2020, said the survey released on March 11.

"One year later, we still find ourselves in its grip, but vaccines developed at breakneck pace have enabled us to envision recovery. The details of that recovery are not yet clear. However, it's certain that we cannot simply go back to the way



### PWC'S GLOBAL CEO SURVEY

- 76% believe global growth to improve in 2021
- 52% extremely concerned about pandemics and other health crises
- 28% extremely concerned about misinformation
- 30% say climate change is a major concern
- 36% focus on productivity through automation and technology
- 31% extremely concerned about tax policy uncertainty

things were before," the PwC said in its 24th Annual Global CEO Survey. The report said most CEOs that responded to the survey were bullish about a global economic comeback.

READ MORE ON B3



**Jamuna Bank Foundation Chairman Nur Mohammed was present as chief guest at an event the foundation organised to provide healthcare for free at Barat Government Primary School in Pabna.**



**Mohammad Belayet Hossain, secretary and executive director of Bangladesh Bridge Authority, inaugurates an ATM booth of ONE Bank at Bangabandhu Bridge Resort last Saturday.**

## Investors value Ant Group at over \$200 billion after IPO halt

REUTERS, Hong Kong

Some of Ant Group's global investors have valued the Chinese fintech firm at over \$200 billion based on its 2020 performance, said people with knowledge of the matter, offering a more sober estimate after the shelving of its IPO and forced restructuring.

The number is about a third above Ant's valuation after its last fundraising in 2018 when it emerged as the world's most-valuable unlisted tech firm, yet is far below the \$315 billion it touted for what was set to be the world's largest IPO.

Investor hopes for a huge windfall crashed when regulatory scrutiny scuppered the \$37 billion initial public offering (IPO) days ahead of Ant's November listing.

Regulator-mandated restructuring as a financial rather than tech firm has since made some more conservative with their analysis as the former typically carry lower valuations, sources and analysts said.

Ant's business as of the October-December quarter was little affected

by regulatory scrutiny, an investor said. Still, the Alibaba Group Holding Ltd affiliate's revised valuation and listing timeline must wait until it finalises a revamp plan.

Investors' revised estimates of Ant's valuation, which will determine their returns, are reported here for the first time.

Warburg Pincus LLC valued Ant at about \$220 billion at year-end based on 2020 earnings and comparable company analysis, said two of the people. Early last year, the U.S. private equity firm sold part of its stake for \$90 million at a \$190 billion valuation in a private trade, other sources said.

Another investor said its estimate, based on Ant's latest financial figures, was not very different from that of Warburg. The people declined to be identified due to confidentiality constraints. Warburg and Ant declined to comment.

Ant is changing its corporate structure to that of a financial holding firm following regulatory pressure to subject it to rules similar to those for banks.

The Hangzhou-based financial technology giant was regarded as a tech firm in 2018 when it raised \$14 billion at a valuation of about \$150 billion in the world's largest single fundraising.

Investors included private equity firms Warburg, Carlyle Group Inc, General Atlantic and Silver Lake Partners LP, plus Singapore sovereign wealth fund GIC Pte Ltd and existing shareholders Boyu Capital and Primavera Capital Group.

At its IPO pricing, Ant's valuation soared to about \$315 billion, or over 31 times its forecast 2021 net profit.

With the earnings impact of the revamp unknown, one investor said it valued Ant at about the same as the 2018 fundraising. Another said it marked its Ant investment at cost, meaning it does not see any return for the time being.

It is unclear if and how global investors in particular will be able to monetise their investment. Those who joined the 2018 fundraising have few exit options under parts highly favourable to Ant, said separate people with knowledge of the matter.

International investors in the \$10.3 billion U.S. dollar tranche of the 2018 fundraising invested in offshore unit Ant International and hold so-called Class C shares that do not carry voting rights, according to Ant's IPO prospectus. None were granted a seat on Ant's board, the prospectus showed.

Investing in a subsidiary instead of the company itself is unusual for such large investments. Chinese rules meant Ant had to be domestically incorporated to more easily obtain a licence for payment arm Alipay, restricting its ability to raise capital directly offshore.

## Asia stocks rise amid US recovery

AFP, Hong Kong

Optimism over the economic recovery helped push Asian markets higher yesterday following another record on Wall Street, with focus on the Federal Reserve's much-anticipated policy meeting this week.

News that several European countries had stopped administering the AstraZeneca vaccine on safety fears, dealing a blow to the continent's already stuttering inoculation programme, appeared to have little impact on sentiment.

As the US vaccine programme kicks on and Americans begin to get their government cash handouts as part of President Joe Biden's mega-stimulus, investors are betting that months of pent-up spending will soon be let loose on the world's top economy, a key driver of global growth.

Expectations for a surge in activity in the second half of the year, backed

by huge government rescue packages and central bank largesse, have helped power world markets to record or multi-year highs.

However, the rocket-powered recovery has investors growing increasingly worried about soaring inflation that could force national banks to wind down the ultra-loose monetary policies that have helped send equities higher.

US benchmark 10-year Treasury yields -- a guide to future interest rates -- have risen to a one-year high in recent weeks. Still, for now the positive economic benefits were winning the tug of war with inflation fears.

Wall Street's three main indexes chalked up healthy gains with the Dow and S&P 500 hitting new all-time highs and even the Nasdaq -- which has suffered from a shift out of tech stocks over the past month -- enjoying a healthy run-up.

Asia continued the run with Tokyo, Hong Kong, Shanghai, Sydney,

Seoul, Singapore, Mumbai, Bangkok, Wellington, Taipei and Manila all up. London, Paris and Frankfurt continued the rally in early trade.

"On the heels of the reopening optimism, stocks again became a flat-out buy as tailwinds from an expected stimulus-induced shopping bonanza will find their way into higher corporate profits and higher earnings per share," said Axi strategist Stephen Innes.

"Markets continue to move based on the expectation of a post-virus boom. At least that is the dominant narrative right now. The economy, boosted by another round of stimulus, will surge once the virus is under control and things return to normal," he said.

Referring to Biden's hope that Americans would be able to celebrate Independence Day together in July, Innes added: "I have some news for the Biden administration; the party has already started."



**A sign of Ant Group is seen during the World Internet Conference (WIC) in Wuzhen, Zhejiang province, China.**



**Tarik Morshed, managing director and CEO of Bengal Commercial Bank, and Md Anis Ur Rahman, general manager at Bangladesh Bank's Credit Information Bureau, signed an agreement on Monday facilitating access to the latter's database on clients' credit status.**

## Winners in a pandemic-affected world

FROM PAGE B4

Business leaders, decision-makers and knowledge workers have been working from home or remotely and communicating with each other by using communication devices and digital infrastructure.

Physical meetings have been largely substituted by video interactions, which have become the norm for both one-to-one and group meetings.

Well-established digital infrastructure has played an important role in business continuity during the lockdown.

For example, Bangladesh had a little less than 100 million internet subscribers in February 2020, according to the Bangladesh Telecommunication Regulatory Commission (BTRC).

This number has grown by 13 per cent during the past one year and reached nearly 113 million internet subscribers in February 2021, according to the regulator. Moreover, the number of subscribers for fixed line internet connections has jumped by 67 per cent during this period, from 5.7 million to 9.5 million, as per the data published by the regulator.

The existence of an already large subscriber base had reduced the last-minute rush to obtain new internet connections at the onset of the pandemic and lockdown.

However, the infrastructure has continued to support the additional demand for high-speed internet and kept pace with the rapid growth in the number of fixed line subscribers during this trying time. Collectively, this has enabled business participants to accelerate their use of digital communication and sustain their business activities in many areas.

Storage infrastructure such as cloud has played a critical role during this last one-year. Most established communication services have been hosted on cloud platforms. This has helped service providers scale up rapidly with the increasing demand for communication services.

Had communication infrastructure been hosted by individual businesses within their data centres, it would not have been possible for them to engage in virtual communications on such a large scale.

Companies that hosted their email and instant messaging services on cloud infrastructure also benefited from their usage of technology.

Most of them could successfully lock their physical offices because they did not have to keep their data centres operational to run their

email systems.

Companies that had their document storage and collaboration systems on cloud could also realise the benefits of utilising their digital infrastructure for business continuity. Many of them have begun digitally signing and executing documents instead of printing and physically signing these.

Prior to the lockdown, many companies in Bangladesh had already embarked on a journey of digital transformation. They had successfully implemented their enterprise resource planning (ERP) systems and business intelligence systems on cloud and are now realising the benefits of their initiatives.

Digital transformation enabled such companies to continue with many of their functions such as managing receivables and payments even during the lockdown. Companies that have used cloud platforms to implement their ERP systems have been able to continue their business activities more effectively than others that did not do this.

Companies that did not rely on technology or had old technologies in place have been adversely affected by the lockdown. Many of them struggled to continue with their business operations as stay-at-home orders were issued and the authorities instructed companies to lock down their premises or facilities.

Some of these organisations were agile enough to adapt to the reality and quickly migrated to cloud-based infrastructure. This enabled them to maintain their business continuity to a certain extent. Others had to simply pause their operations during this period.

As the importance and contribution of technology for maintenance of business continuity is being firmly established, business leaders should start thinking seriously about how they can use technology effectively in the post-pandemic world. Evolving health and safety norms, such as maintenance of a safe physical distance at workplaces, have compelled many companies to rethink and redesign their ways of working.

Assisting workforce with the addition of relevant automation through digital transformation has gained momentum. This trend is expected to continue for the next couple of years. Many companies have started designing their business processes in such a way that their marketing and sales personnel do not need to visit their corporate offices every day. Automating the activities of such personnel is helping them

to work efficiently without visiting their offices, and is also helping senior management monitor their day-to-day activities and output.

It is expected that adoption of packaged solutions such as customer relationship management (CRM) solutions will gradually increase in many companies in Bangladesh.

Other functions such as finance, administration and human capital management will also benefit substantially by the adoption of technology through digital transformation.

However, it is important for organisations to focus on upskilling their workforce to enable them to adopt these new technologies. In this scenario, digital upskilling of their workforce will become an important task for human capital development in enterprises as they continue to adopt new technologies through their digital transformation initiatives.

Industries that reinvent themselves by adopting technology will find a significant opportunity to grow in the post Covid-19 'new normal' period.

For example, the education sector will find multiple opportunities to deliver their services through online mediums; Education Technology (EduTech) began emerging as a prominent sector during the lockdown period, and a number of schools and colleges have started conducting virtual classes by using products and services developed by EduTech companies.

Such emerging sectors will create enormous potential for technology-led start-up companies to innovate new products and services and make a significant impact in the industry. With the right kind of incubation-related support and handholding, some of these technology-led start-up companies in Bangladesh may also emerge as winners in this pandemic-affected world.

The Covid-19 pandemic has disrupted most businesses in Bangladesh and worldwide. It has, however, also been creating numerous opportunities for adoption of technology and has been making organisations, their leaders and their workforce ready for the new normal.

In this scenario, as the economy is gradually reverting to its usual pace of growth, digital transformation and adoption of technology can help many businesses rise like the proverbial phoenix from the ashes and become winners in a pandemic-affected world.

The writer is a partner at PwC. The views expressed here are personal.

## Dollar edges up as currency markets wait for Fed meeting

REUTERS, London

A cautious tone dominated currency markets yesterday, before the start of the US Federal Reserve's two-day monetary policy meeting.

The Fed's policymakers are expected to forecast that the US economy will grow in 2021 at its fastest rate in decades, with unemployment falling and inflation rising, but are not considered likely to change their monetary policy.

The dollar index held steady overnight then rose as European markets opened, up 0.1 per cent on the day at 91.946.

"Overall, the economic situation is improving further. What is decisive for the market is how the central banks react to this," You-Na Park-Heger, FX and EM analyst at Commerzbank, wrote in a note to clients.

"The Fed is likely to try once again to dampen expectations of a reversal in US monetary policy. We will have to wait and see to what extent it will be able to convince the market though," she said, adding that euro-dollar is likely to remain at current levels until the outcome of the meeting is known.

The firmer tone for the dollar came as U.S. Treasury yields edged up, although they remained below recent peaks.

Investors will pore over whatever the Fed has to say about the rise in yields, which have gained on bets that economic growth and inflation could prompt a faster-than-expected normalisation of monetary policy.

"Anything less than a strong message of the Fed being very committed to maintaining favourable financial market conditions will likely see USD advance further," wrote MUFG FX strategists in a weekly note on Friday.

The euro was at \$1.19185, down around 0.1% on the day.

It has held below \$1.20 since March 5, hurt by expectations for a slower economic recovery in Europe compared with the UK and U.S. due to problems rolling out coronavirus vaccines.

Germany, France and Italy said on Monday they would suspend AstraZeneca COVID-19 shots after several countries reported possible serious side-effects, but the World Health Organization said there was no proven link and people should not panic.



**The dollar index held steady overnight yesterday then rose as European markets opened, up 0.1 per cent on the day.**

## Brac, 6 NGOs to improve social conditions in Cox's Bazar

STAR BUSINESS DESK

Brac has recently signed a partnership agreement with six local peers for improving economic conditions at the grassroots.

The six are the Society for Health Extension and Development (SHED), Programme for Helpless and Laggard Societies (PHALS), Alliance for Cooperation and Legal Aid Bangladesh (AKLAB), Jago Nari Unnayan Sangstha (JNUS), NONGOR and HELP Cox's Bazar, says a press release sent yesterday.

The six will conduct activities focusing local development, uphold social cordiality, raise awareness for prevention of gender related violence, protection of children, women and the old and mainstreaming people with disabilities of Cox's Bazar.

They are also expected to work for the improvement of water, sanitation and hygiene (WASH), health and education of Rohingya refugees. The deal will expire after December this year.

Copies of the agreement were shared among the stakeholders at Cox's Bazar on Monday.

## Top Japanese lenders join scheme to cut carbon

REUTERS, London

Leading Japanese lenders have joined an initiative that links the provision of shipping finance to cuts in carbon dioxide emissions as the sector accelerates efforts to go green.

In recent weeks, Shinsei Bank Ltd, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Finance & Leasing and MUFG Bank have signed up to the scheme, the banks said.

With about 90 per cent of world trade transported by sea, global shipping accounts for nearly 3 per cent of the world's CO2 emissions.

In 2019, a group of leading banks signed up to environmental commitments known as the "Poseidon Principles", whereby financiers would take account of efforts to cut CO2 emissions when providing loans to shipping companies.

Japan is one of the world's major maritime hubs, especially for shipbuilding.

By joining the scheme, MUFG Bank said yesterday it would "contribute to the sustainability of the shipping industry".

Sumitomo Mitsui Trust Bank was the first Asian lender to join in March last year.

There are now 24 institutions involved, including other major sector players such as Citi and Societe Generale. Their ship lending portfolios represent around \$175 billion, nearly 50% of global shipping finance.

The principles set a common baseline to assess whether lending portfolios are in line or behind the climate goals set by the U.N. shipping agency, the International Maritime Organization (IMO).

The IMO aims to reduce the industry's greenhouse gas emissions by 50% from 2008 levels by 2050, a target that will require the swift development of zero or low emission fuels and new ship designs using cleaner technology.

Michael Parker, chair of the Poseidon Principles Association, said he was optimistic further Asian lenders would join this year.

"The other important driver will be (UN summit) COP26 in Glasgow, where we expect the shipping sector to get global leaders' attention on what progress the industry has made," said Parker, also chairman of Citi's global shipping, logistics and offshore business.

## Protests outside Posco's India steel plant to be called off

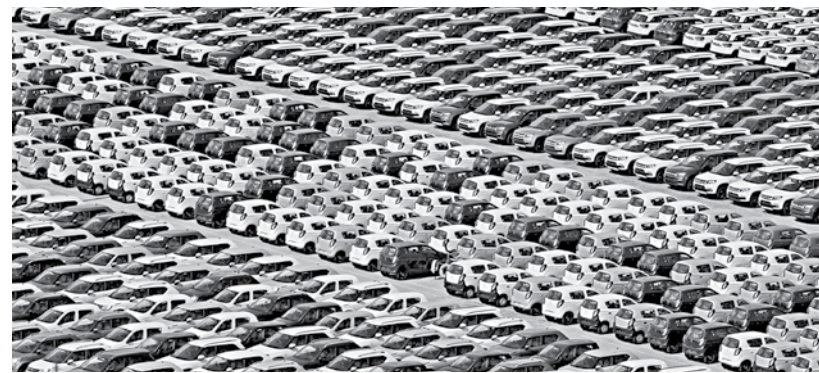
REUTERS, Mumbai

Protests by townspeople outside South Korean steelmaker Posco's plant in western India will be called off because the company has agreed to meet some demands, paving the way for Posco to resume shipments to automakers, a local politician leading the agitation told Reuters on Monday.

Operations at Posco's plant in Maharashtra state have been disrupted since early March. Residents of Raigad district near the facility protested over job opportunities and hiring practices. This has hit the supply chain for automakers and caused fears of production halts for some companies.

Automakers such as Maruti Suzuki, India's top carmaker by sales, Hyundai Motor, Kia Motors, Tata Motors and Mahindra & Mahindra source steel from the Posco plant and manufacture over 80% of passenger vehicles in the country.

The state's deputy chief minister met executives from Posco and some protesters on Monday, and the two sides agreed to a deal, Chandrashekar



Automakers such as Maruti Suzuki, India's top carmaker, source steel from the Posco plant in Maharashtra state. However, South Korean steel maker's operations have been disrupted since early March.

AFP/FILE

Khanvilkar, the local politician leading up to a decision from Associate Chief Justice Heather Holmes in British Columbia's Supreme Court on whether to extradite her, pending approval from the federal minister of justice.

Posco did not immediately respond to a request for comment outside regular business hours.

Protesters, who have blocked entry to the plant for employees and goods, wanted Posco to give employment preference to locals, raise wages

for temporary staff and make them permanent. They also wanted preferences for local companies as vendors for transport and other services and buyers of Posco's scrap.

The company said it will try to give priority to local people when current employment contracts come up for renewal and preference to local companies, but it did not agree to wage raises, Khanvilkar said.

## US misrepresented HSBC's risks

### Huawei CFO's legal team says

REUTERS, Vancouver

Huawei Chief Financial Officer Meng Wanzhou's legal team sought to admit more evidence contesting the US government's account of her fraud case in a Canadian court on Monday, promising it was the final attempt days after the judge threw out similar evidence.

Meng was arrested in December 2018 at Vancouver International Airport on a US warrant for allegedly misleading HSBC about Huawei's

business dealings in Iran and causing the bank to violate US sanctions.

She has since been fighting the case from under house arrest in Vancouver and has said she is innocent.

After two years of legal proceedings, Meng's case now enters the final stretch leading up to a decision from Associate Chief Justice Heather Holmes in British Columbia's Supreme Court on whether to extradite her, pending approval from the federal minister of justice.

On Monday defence lawyer Frank Addario argued that a sworn statement

from a Huawei accountant would show that in its request to extradite Meng, the US misrepresented the risk HSBC allegedly incurred, proving that the requesting states record of the case is "demonstrably unreliable."

Canadian prosecutor Robert Frater said the US record of the case does not allege the bank actually lost money, and that the government did not need to show any financial loss occurred to prove the bank was exposed to risk.

In a ruling released on Friday Holmes threw out a similar evidence request, ruling that testimony from bank employees would be more appropriately submitted at trial, not an extradition hearing.

Beginning Wednesday, the court will hear arguments regarding allegations that Canadian and US authorities committed legal missteps during Meng's initial questioning and arrest, which her lawyers say should invalidate her extradition.

Witness testimony on these allegations concluded in December 2020. Meng's team has previously argued that the extradition should be rejected due to the alleged political interference by then-US President Donald Trump in her case.

Trump told Reuters in December 2018 that he would intervene in the case if it would serve national security interests or help close a trade deal with China.



Huawei Technologies Chief Financial Officer Meng Wanzhou leaves her home to attend a court hearing in Vancouver.

REUTERS

## Garment factories moving away from digital wage payment

FROM PAGE B1

The government provided a stimulus package of Tk 5,000 crore to the garment sector, which was directed to disburse the funds through MFS operators to help prevent the spread of the virus, said Mizanur Rashid, chief commercial officer of bKash.

He spoke at a discussion on "RMG Payroll Digitalisation: Experience and Expectations" at the Pan Pacific Sonargaon hotel in Dhaka yesterday.

"It is an honour for bKash to assist in salary disbursements, especially during a challenging time like the pandemic, where MFS had the scope to play an important role in reducing the spread of the virus," he said.

With the central bank's approval of retail merchant accounts, the financial use of digital mode among garment workers would increase manifold, Rashid said.

The government's stimulus package given to pay wages to the workers for four months from April stimulated the digitalisation

process in factories, speakers said.

Digital wage payment has decreased payroll processing costs and enhanced security associated with digital payments, they said.

Anwar Hossain Chowdhury, chairman of AJ Group, said many factories were facing a cash crisis, while a good number of small factories are paying wages phase by phase, resulting in a decline in the digital wage payment.

He said there were other MFS providers through which factories paid wages. Many factories paid wages through bank accounts too. bKash's cash-out charge of 1.8 per cent was added to workers' salaries during the disbursement. Now factories are no longer able to bear the cost due to the capital shortage, said Rashid.

Inamul Haque, managing director of Ananta Garments Ltd, Amer Selim, director of New Asia Group, and Asif Ibrahim, vice-chairman of Newage Group of Industries, also spoke.

## Karnaphuli to expand fleet of container vessels

FROM PAGE B1

The firm has signed agreements with two Singaporean firms to procure the four container feeder vessels at around Tk 225 crore.

Two vessels -- MV HR Hera and MV HR Rhea -- each having capacity of 1,454 TEUs are expected to arrive at the Chattogram port within a week, said Hamdan Hossain Chowdhury, director of Karnaphuli Ltd.

The preliminary paperwork to register the vessel has been completed. The two vessels will be deployed for the inaugural voyage of CCE service by March.

Two other vessels with a capacity of 1,550 TEUs will be delivered in July or August and deployed on the Chattogram-Colombo route to raise the service twice a week.

"Bangladesh's economy has continued to make impressive strides. In order to

sustain this momentum, Karnaphuli will continue to invest significantly in the logistics sector," Chowdhury said.

"Our focus is on helping the country's exporters meet their deadlines, reduce the cost of our importers, and enhance our economy's competitiveness."

Around 2.30 lakh TEUs of import, export and empty containers are transported between Chattogram and the regional hub ports every month.

HR Lines Managing Director Raimah Chowdhury said, "With the launching of CCE, we expect to move about 240,000 TEUs between Bangladesh and three major transshipment hubs of Singapore, Port Klang and Colombo in 2021."

"We want to be a premium common use feeder operator in the region flying Bangladesh's flag."

## Reduce corporate tax, ease payment processes

FROM PAGE B1

Big companies are frequently audited, which causes additional spending. So to cut cost, the companies can be audited by the auditors approved by the NBR.

BUILD also sought for introducing discounted corporate income tax rate of 25 per cent for all "One Person Company"

under the new tax slab.

The BUILD also referred introduction of tax card for the good taxpayers as a recognition for their compliance.

Similar bonded warehouse facilities should be extended to all types of exporters to raise competitiveness in the market, it also recommended.

## Rights groups call on Total to suspend payments in Myanmar

REUTERS, Paris

Total yesterday faced calls from rights groups to suspend payments on operations in Myanmar following a coup, after the oil group said it was worried about the situation while also highlighting the importance of its business there.

The French company, which has been in Myanmar since 1992, operates at the Yadana and Sein offshore fields, which supply Myanmar's domestic market via a pipeline built by national company Myanmar Oil and Gas Enterprise (MOGE).

"Total is worried about the situation and hopes for a peaceful solution," Total said in a statement on Twitter on Monday, responding to a news article about its involvement in Myanmar.

## Waterways can help cut shipping costs: experts

FROM PAGE B1

For this reason, shipment costs through waterways is cheaper than road transport.

"However, local exporters do not utilise this facility and for this reason, Indian ships carrying fly ash into Bangladesh leave empty handed," Chowdhury said.

Md Jafar Uddin, secretary for commerce, urged Pran to build up its capability to export quality products at competitive prices to help the country face its post-graduation challenges once it leaves the least developed grouping in 2026.

Uddin expressed hope that Pran will be able to help cover the decline in exports during the transition period with its diversified product base.

He also asked the company to establish an edible oil plant to cater to local demand with reasonable prices.

Addressing the programme, Khalid Mahmud Chowdhury, state minister for shipping, said Pran's market acquisition in India is a proud moment for all of Bangladesh.

Praising the private sector's

contribution to the economy, Chowdhury said that Bangladesh is now a major exporting country.

Besides, the government is increasing its fleet of dredgers to ensure navigability of all river routes to facilitate river transport for cargo, he added.

Ahsan Khan Chowdhury, chairman and chief executive officer of Pran-RFL Group, said they are ready to ship products through river routes.

Around 15,000 workers are employed in Pran's industrial zone, from which the company exports products to 145 countries.

Anwarul Ashraf Khan, a member of parliament from the Narsingdi-2 constituency, also addressed the programme, presided over by commodore Golam Sadeq, chairman of BIWTA. The consignment of 40,000 litchi drinks set sail for Kolkata via Narayanganj-Sheikbaria of Khulna yesterday.

The ship will travel around 710 kilometres to reach its destination on March 24. The ship is sailing under the protocol of inland water transit and

## 'Stagflation' stalks Nigeria as food prices, unemployment soar

REUTERS, Abuja

Nigerian inflation hit a four-year peak in February as food prices jumped more than 20%, heaping financial pressure on households already faced with a shrinking labour market and a stagnant economy at a time of mounting insecurity.

Inflation, in double digits since 2016, reached 17.33% driven by the impact of a coronavirus epidemic that has also induced a drop in the price of oil, Nigeria's main export, and weakened the naira currency.

Tuesday's inflation reading was the highest since the 17.78% touched in February 2017. The economy was in a slump then and is teetering on the brink of recession now, having expanded just 0.11% in the fourth quarter.

Food prices, which make up the bulk of the inflation basket, rose 21.79% in February, a jump of 1.22 percentage point on January, the National Bureau of Statistics (NBS) said.

In a country plagued by insecurity following a wave of kidnappings of schoolchildren in its increasingly lawless north, there are concerns that the "stagflation" combination of rising unemployment and prices and low growth could trigger significant social unrest.

"Straining households will be compounded by increasing reports of insecurity in some regions, fuelling the risk of broader social discontent," said Jacques Nel, head of macroeconomic research at NKC African economics in South Africa.

Staples including bread, cereals, potatoes, fruits and oil drove the increase in the food price index, the NBS said in its report. Inflation pressures would probably remain high in coming months, Nel predicted, adding that just 30.6 million Nigerians of a population of around 210 million were considered fully employed.

Bismark Rewane, managing director at Lagos-based Financial Derivatives, said the "stagflation crisis" would take a long time to resolve, with inflation eating up economic gains to the point where any government stimulus might be too weak to generate jobs.

MONETARY POLICY DILEMMA President Muhammadu Buhari has made investment in rail and road a focus of his administration's drive to kick-start growth, but falls in public revenue linked to the lower oil price have checked his ambitions.

## Weak feasibility study costs DPDC Tk 629cr

FROM PAGE B1

foreign currency exchange rate and expenditure in the machinery sector.

The fund is planned to be sourced from the government (Tk 589 crore), the DPDC's own fund (Tk 313 crore) and foreign loans (Tk 1,577 crore).

The Ecneec yesterday approved six proposals in total worth Tk 5,619 crore, three of which are revised ones.

One revised proposal is for protecting Naria and Jazira upazilas in Shariatpur from erosion of the Padma river. It was allowed an additional 12 months and Tk 319 crore, taking the total cost to Tk 1,417 crore.

Another revision was over the expansion and development of a Rajshahi road. Its cost increased by Tk 36 crore to Tk 164 crore.

A proposal to build 30,000 homes for financially insolvent freedom fighters and family members of martyred and deceased war heroes to uplift their socioeconomic status was also approved at the Ecneec.

Titled "Bir Nibash", the homes will be constructed in 64 districts of eight divisions under a Tk 4,122.98-crore project.

The homes will be given to them as a gift from Prime Minister Sheikh Hasina on the occasion of the birth centenary of Bangabandhu Sheikh Mujibur Rahman and the golden jubilee of the country's independence.

## Global CEOs confident about economic rebound

FROM PAGE B1

"It will be enabled by a continuation of companies' pandemic-induced digital acceleration, which promises productivity and other business benefits, but also increases the threat of cyberattacks and spread of misinformation," it added.

Mamun Rashid, managing partner of PwC Bangladesh, said such surveys bear testament to Bangladeshi CEOs and business leaders moving together with global leadership.

"The leaders we meet and work with exhibit a sense of optimism and see opportunities ahead. While they recognize that there are uncertainties that need to be navigated, they are eager to capitalize on business expansion and digital disruption," he said.

The PwC said it analysed CEO confidence levels dating back to 2008 to determine both the direction and strength of global GDP.

Based on this year's responses, it estimated that global growth could rise as much as 5 per cent -- just slightly lower than recent IMF

projections that the global economy will grow 5.5 per cent in 2021.

"The CEOs' optimism also reflects momentum in vaccine development and rollout in various parts of the world. We are by no means out of the woods but CEOs see a path forward -- for the global economy, and for their own organisations," the PwC said.

36 per cent of CEOs were very confident about their revenue growth prospects for the next year while 47 per cent are very confident looking ahead three years.

Despite their confidence, CEOs are acutely aware of threats in the external environment, starting with the obvious: pandemics and other health crises are the number one threat on this year's list with 52 per cent of CEOs stating they are 'extremely concerned'.

However, danger is lurking online.

"Cyber security has fast become a major source of anxiety," the survey said, adding that it has become the second highest concern among CEOs. Some 47 per cent of the CEOs cited cyber

security as a concern.

Alsorising rapidly on the list of CEOs' concerns is the spread of misinformation as 28 per cent were 'extremely concerned', up from 16 per cent the previous year.

At its core, misinformation reflects today's historically low levels of trust.

"For business leaders who need to build back this trust, being transparent about the efficacy of products and sharing data can help," it said.

The survey also said that the COVID-19 pandemic made company leaders realise that digitalisation is important in the upcoming world.

Nearly half of CEOs plan to increase their rate of digital investment significantly, according to a PwC survey.

The fresh study pointed out that although CEOs' confidence in their own company's revenue prospects has rebounded, they are still anxious about the pandemic's trajectory and subsequent tax, regulatory and policy uncertainty.

## Brac, 6 NGOs to improve social conditions in Cox's Bazar

STAR BUSINESS DESK

Brac has recently signed a partnership agreement with six local peers for improving economic conditions at the grassroots.

The six are the Society for Health Extension and Development (SHED), Programme for Helpless and Lagged Societies (PHALS), Alliance for Cooperation and Legal Aid Bangladesh (AKLAB), Jago Nari Unnayan Sangstha (JNUS), NONGOR and HELP Cox's Bazar, says a press release sent yesterday.

The six will conduct activities focusing local development, uphold social cordiality, raise awareness for prevention of gender related violence, protection of children, women and the old and mainstreaming people with disabilities of Cox's Bazar.

They are also expected to work for the improvement of water, sanitation and hygiene (WASH), health and education of Rohingya refugees. The deal will expire after December this year.

Copies of the agreement were shared among the stakeholders at Cox's Bazar on Monday.

## Top Japanese lenders join scheme to cut carbon

REUTERS, London

Leading Japanese lenders have joined an initiative that links the provision of shipping finance to cuts in carbon dioxide emissions as the sector accelerates efforts to go green.

In recent weeks, Shinsei Bank Ltd, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Finance & Leasing and MUFG Bank have signed up to the scheme, the banks said.

With about 90 per cent of world trade transported by sea, global shipping accounts for nearly 3 per cent of the world's CO2 emissions.

In 2019, a group of leading banks signed up to environmental commitments known as the "Poseidon Principles", whereby financiers would take account of efforts to cut CO2 emissions when providing loans to shipping companies.

Japan is one of the world's major maritime hubs, especially for shipbuilding.

By joining the scheme, MUFG Bank said yesterday it would "contribute to the sustainability of the shipping industry".

Sumitomo Mitsui Trust Bank was the first Asian lender to join in March last year.

There are now 24 institutions involved, including other major sector players such as Citi and Societe Generale. Their ship lending portfolios represent around \$175 billion, nearly 50% of global shipping finance.

The principles set a common baseline to assess whether lending portfolios are in line or behind the climate goals set by the U.N. shipping agency, the International Maritime Organization (IMO).

The IMO aims to reduce the industry's greenhouse gas emissions by 50% from 2008 levels by 2050, a target that will require the swift development of zero or low emission fuels and new ship designs using cleaner technology.

Michael Parker, chair of the Poseidon Principles Association, said he was optimistic further Asian lenders would join this year.

"The other important driver will be (UN summit) COP26 in Glasgow, where we expect the shipping sector to get global leaders' attention on what progress the industry has made," said Parker, also chairman of Citi's global shipping, logistics and offshore business.

# Protests outside Posco's India steel plant to be called off

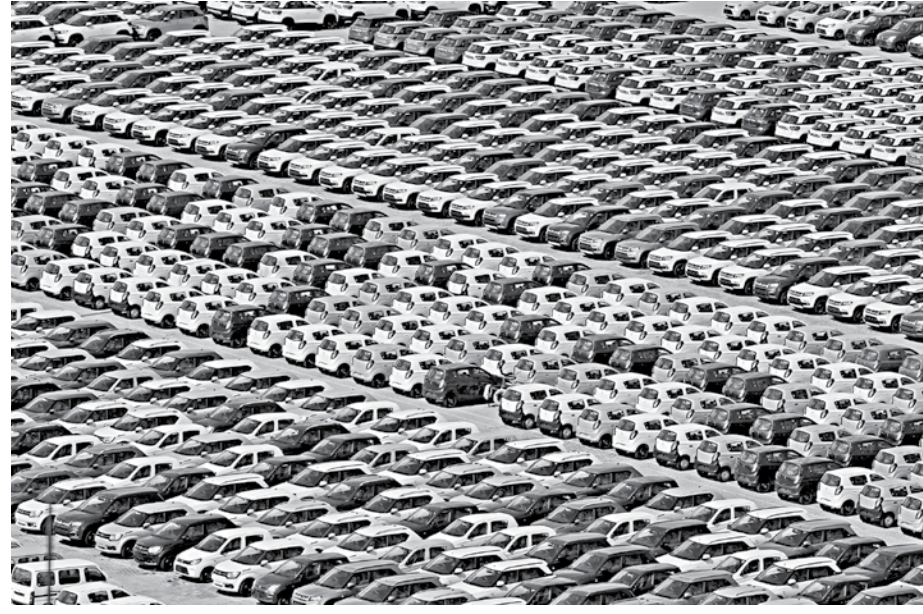
REUTERS, Mumbai

Protests by townspeople outside South Korean steelmaker Posco's plant in western India will be called off because the company has agreed to meet some demands, paving the way for Posco to resume shipments to automakers, a local politician leading the agitation told Reuters on Monday.

Operations at Posco's plant in Maharashtra state have been disrupted since early March. Residents of Raigad district near the facility protested over job opportunities and hiring practices. This has hit the supply chain for automakers and caused fears of production halts for some companies.

Automakers such as Maruti Suzuki, India's top carmaker by sales, Hyundai Motor, Kia Motors, Tata Motors and Mahindra & Mahindra source steel from the Posco plant and manufacture over 80% of passenger vehicles in the country.

The state's deputy chief minister met executives from Posco and some protesters on Monday, and the two sides agreed to a deal, Chandrashekhar Khanvilkar, the local



AFP/FILE

Automakers such as Maruti Suzuki, India's top carmaker, source steel from the Posco plant in Maharashtra state. However, South Korean steel maker's operations have been disrupted since early March.

politician leading the protests, said.

"The issue has been sorted out," said Khanvilkar.

Posco did not immediately respond to a request for comment outside regular business hours.

Protesters, who have blocked entry to the plant for employees and goods, wanted Posco to give employment preference to locals, raise wages for temporary staff and make them permanent. They also wanted preferences for local companies as vendors for transport and other services and buyers of Posco's scrap.

The company said it will try to give priority to local people when current employment contracts come up for renewal and preference to local companies, but it did not agree to wage raises, Khanvilkar said.

Reuters could not confirm that shipments at the plant had resumed.

The Society of Indian Automobile Manufacturers (SIAM) said on Monday that no steel has left the Posco plant since March 4, causing shortages for some major automakers and , with one company's production already being impacted.

## US misrepresented HSBC's risks

Huawei CFO's legal team says

REUTERS, Vancouver

Huawei Chief Financial Officer Meng Wanzhou's legal team sought to admit more evidence contesting the US government's account of her fraud case in a Canadian court on Monday, promising it was the final attempt days after the judge threw out similar evidence.

Meng was arrested in December 2018 at Vancouver International Airport on a US warrant for allegedly misleading HSBC about Huawei's business dealings in Iran and causing the bank to violate US sanctions.

She has since been fighting the case from under house arrest in Vancouver and has said she is innocent.

After two years of legal proceedings, Meng's case now enters the final stretch leading up to a decision from Associate Chief Justice Heather Holmes in British Columbia's Supreme Court on whether to extradite her, pending approval from the federal minister of justice.

On Monday defence lawyer Frank Addario argued that a sworn statement from a Huawei accountant would show that in its request to extradite Meng, the US misrepresented the risk HSBC allegedly incurred, proving that the requesting states record of the case is "demonstrably unreliable." Canadian prosecutor Robert Frater said the US record of the case does not

allege the bank actually lost money, and that the government did not need to show any financial loss occurred to prove the bank was exposed to risk.

In a ruling released on Friday Holmes threw out a similar evidence request, ruling that testimony from bank employees would be more appropriately submitted at trial, not an extradition hearing.

Beginning Wednesday, the court will hear arguments regarding allegations that Canadian and US authorities committed legal missteps during Meng's initial questioning and arrest, which her lawyers say should invalidate her extradition.

Witness testimony on these allegations concluded in December 2020.

Meng's team has previously argued that the extradition should be rejected due to the alleged political interference by then-US President Donald Trump in her case.

Trump told Reuters in December 2018 that he would intervene in the case if it would serve national security interests or help close a trade deal with China.

Canadian prosecutors representing the federal government assert that appropriate processes were followed. They have argued that now that Trump is no longer president his comments are moot, and that their influence

is best judged by a politician, not a judge.

The case has caused a frost in relations between Ottawa and Beijing. Shortly after Meng's arrest, China detained two Canadians - Michael Spavor and Michael Kovrig - on espionage charges, which Canada has called retaliation.

Hearings are scheduled to finish in May, but the potential for appeals from either side means the case could drag on for years.

## Karnaphuli to expand fleet of container vessels

FROM PAGE B1

The firm has signed agreements with two Singaporean firms to procure the four container feeder vessels at around Tk 225 crore.

Two vessels -- MV HR Hera and MV HR Rhea -- each having capacity of 1,454 TEUs are expected to arrive at the Chattogram port within a week, said Hamdan Hossain Chowdhury, director of Karnaphuli Ltd.

The preliminary paperwork to register the vessel has been completed. The two vessels will be deployed for the inaugural voyage of CCE service by March.

Two other vessels with a capacity of 1,550 TEUs will be delivered in July or August and deployed on the Chattogram-Colombo route to raise the service twice a week.

"Bangladesh's economy has continued to make impressive strides. In order to

sustain this momentum, Karnaphuli will continue to invest significantly in the logistics sector," Chowdhury said.

"Our focus is on helping the country's exporters meet their deadlines, reduce the cost of our importers, and enhance our economy's competitiveness."

Around 2.30 lakh TEUs of import, export and empty containers are transported between Chattogram and the regional hub ports every month.

HR Lines Managing Director Raimah Chowdhury said, "With the launching of CCE, we expect to move about 240,000 TEUs between Bangladesh and three major transshipment hubs of Singapore, Port Klang and Colombo in 2021."

"We want to be a premium common use feeder operator in the region flying Bangladesh's flag."