

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

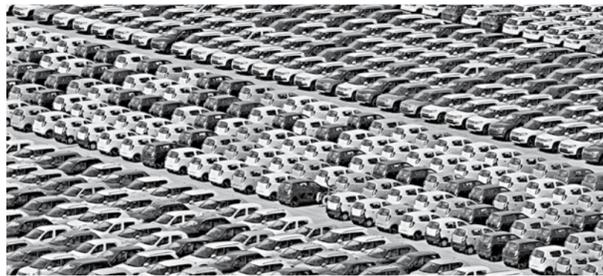
REUTERS, Mumbai

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

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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

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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

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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

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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

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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

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"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.