Md Anisur Rahman

BASIC Bank gets new MD

STAR BUSINESS DESK

Md Anisur Rahman yesterday joined state-owned BASIC Bank as managing director and CEO for a three-year term.

He was previously a deputy managing director at Agrani Bank, which he had joined as a senior officer in 1988, says a press release.

Rahman obtained honours and master's degrees in mathematics from the University of Dhaka.

Binayak new DG of BIDS

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security, good governance, and political economy.

More than 70 of his research reports have been published in various local and foreign journals.

He also worked as a senior economist at the World Bank headquarters from 2004 to 2009.

He also served the International Food Policy Research Institute from 2016 to 2018 as a senior research fellow. In addition, Sen has served as a consultant to organisations such as the Asian Development Bank, the World Health organisation, Japan International Cooperation Agency, the Department for International Development and United Nations Development Programme.

"I will try to brighten the image of this organisation on the global stage. Besides, efforts will be made to make our research works more effective through reaching out the results to the government and people," Sen told The Daily Star.

Go for alternate-day duty roster

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In March last year, Bangladesh Bank introduced the alternate duty roster for the banking sector soon after Covid-19 had arrived on the shores of Bangladesh.

The duty roster was gradually withdrawn with the falling rate of Covid infections.

A second wave of the deadly flu hit the country last month, forcing the government to impose the alternative duty roster once again as a part of its efforts to tackle the situation.

China leads global green-bond sales boom but faces headwinds

REUTERS, *Shanghai*

China overtook the United States to lead a boom in global green- bond issuance in the first quarter, but analysts said it needs to do more to draw investors to help fund President Xi Jinping's estimated $21 trillion carbon neutrality pledge.

Pending tasks include raising investor awareness of the environment, harmonising fragmented rules and tackling 'greenwashing', or issuers' efforts to inflate their green credentials, they said. At stake is Beijing's goal of net zero carbon emissions by 2060.

Chinese issuers including banks, property developers, power generators and railway operators sold $15.7 billion of bonds during January-March period to fund 'green' projects such as clean and renewable energy, according to Refinitiv data.

The volume of such bonds, mostly yuan-denominated, almost quadrupled from a year earlier, the data showed.

That exceeds the roughly $15 billion of such bonds sold by U.S. issuers in the first quarter, and helped drive a tripling of green bond issuance globally.

Green bonds blossomed "largely thanks to China's recovery from the coronavirus," said Nathan Chow, strategist at DBS. "In addition, the Chinese government is going all out to develop this market this year."

China, the world's biggest emitter of carbon dioxide, needs 140 trillion yuan ($21.33 trillion) of debt financing over the next 40 years to meet its net-zero emissions target, investment bank China International Capital Corp (CICC) estimates.

With roughly 800 billion yuan of green bonds outstanding, China is already the world's second-biggest green bond market after the United States. However, green bonds account for less than 1 per cent of China's $18 trillion bond market.

At this stage, "companies have no cost advantages issuing green bonds... and there's not enough market support for many green projects which take a long time to complete and are seen as risky," said CICC economist Zhou Zipeng.

Highlighting such headwinds, China's first batch of "carbon neutral" bonds, launched in February, met tepid demand.

Several fund managers said green bonds are not yet on their investment radar.

"The only thing Chinese investors currently look at is yield. So obviously if green bonds cannot offer the extra returns, they ask the government, 'what can you do to help me?'," said Ricco Zhang, Asia-Pacific director of the International Capital Market Association (ICMA).

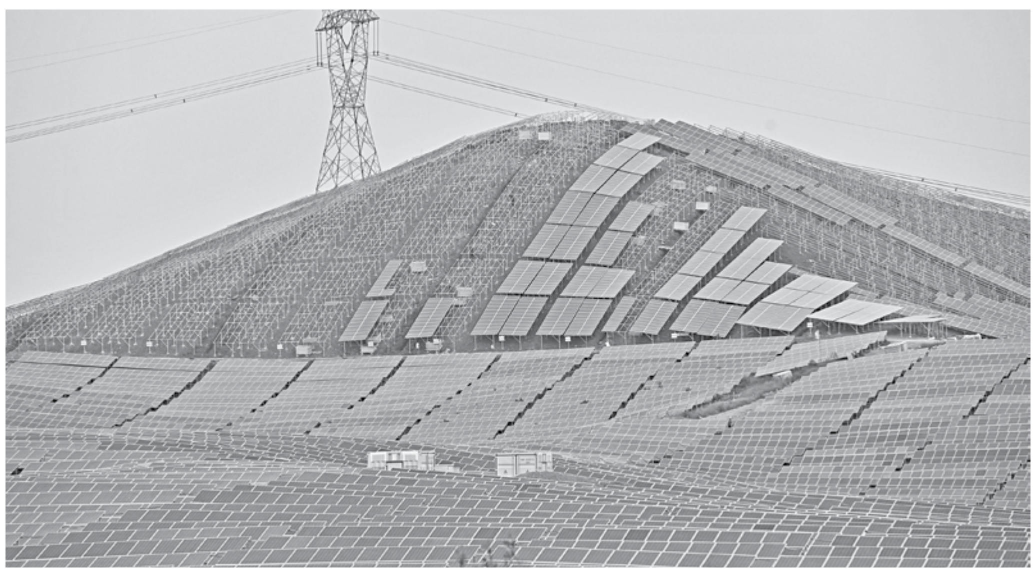
A brokerage source said state-owned companies were motivated to issue green bonds to align with government priorities, but investors lacked incentives to buy them.

Authorities are aware of the problems. Earlier this month, Chinese central bank governor Yi Gang called for incentives to boost private participation in meeting Beijing's carbon goals.

Moving closer to international standards by excluding coal from the green market would widen the potential foreign investor base, Chow of DBS said.

ICMA's Zhang said regulators also need to harmonise different domestic standards. Currently, China's central bank, securities regulator and the state planner have separate rules for green bonds issued under their supervision.

"Sometimes it's hard for international investors to have a granular understanding of different (Chinese) green bonds. This brings challenges for green investors to identify the right target for investment," he said.



REUTERS/FILE

An electricity pylon is seen above a solar power plant which is under construction on a hill in Wuhu, Anhui province, China.

Fossil fuel stocks lost $120b in decade

AFP, *Paris*

Share offerings in fossil fuel producing and related companies lost $123 billion in the last decade, underperforming a baseline world equities index by 52 per cent, according to analysis released Wednesday.

The trend was in stark contrast to gains made in renewable energy initial public offerings (IPOs), according to the analysis by industry think tank Carbon Tracker, which lays bare the yawning losses faced by investors in high-carbon energy.

Issuance of fossil fuel offerings fell by 85 percent from $70 billion to $10 billion in the period analysed from 2012-2020. This contrasted with a record $11 billion in renewable public equity offerings, it found.

In all, investors bought almost $640 billion of equity issued by fossil fuel producers, utilities, pipelines and service providers -- a drop of 20 percent in value despite nearly a decade of bullish equities, the analysis showed.

Mark Campanale, founder and executive director of Carbon Tracker, said that investors were mistaken in thinking that the historic low oil prices witnessed at the height of the pandemic last year were an aberration. "They're thinking that actually fossil fuel stocks have gotten bombed out, that the bottom is purely cyclical and there's going to be a recovery post Covid, that there's going to be a huge bounce," he told AFP. "Whereas in fact there's this fundamental structural change taking place in the energy system from high carbon to low carbon and it's being driven by technology. "The analysis looked at stock market fortunes of fossil fuel companies and compared them against renewable companies and against the MSCI All Country World Index (ACWI) as a benchmark.

It found that an investor who bought into all fossil fuel and related equity issuances from 2012 until 2020 would have seen their investments outperformed by the ACWI by 52 per cent. Campanale said that many people were likely losing money due to fossil fuels' relative losses in equities markets. "If you're a member of a pension scheme that has a default passive fund manager that replicates the market, you're almost certainly going to be buying one of these IPOs," he said. "It will be costing you money because of the huge underperformance.

The report showed that investors were largely missing out on the opportunity to increase the value of their assets by buying renewable offerings. Only one percent of the total equity raised by companies during the period analysed came from renewable and clean tech offerings.

Bangladesh joins eight RMG making countries for better prices

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Ali said many garment suppliers, particularly Bangladeshi ones, have experienced the worst when it comes to receiving payments amidst the Covid-19's fallouts.

International retailers and brands have either cancelled or put on hold orders for $3.18 billion worth of garment items, citing the excuse that Covid-19 had led to a significant drop in sales of clothing items worldwide.

The retailers and brands have reinstated 90 per cent of work orders so far, according to the BGMEA.

Supported by GIZ FABRIC, International Apparel Federation (IAF) and Better Buying Institute, the platform includes Indonesian Textile Association, Turkish Clothing Manufacturers Association, Istanbul Ready-Made Garments Exporters' Association and the Moroccan Association of Textile & Clothing Industries.

The initiative on "Manufacturers Payment and Delivery Terms" presented their plans at an OECD Forum on Due Diligence in the Garment and Footwear Sector on February 3.

The initiative marks a joint global effort led by manufacturers to establish a common position on payment and delivery conditions in the industry, according to a statement from the IAF.

"Suppliers from around the world are coming together to offer solutions for strengthening global supply chains," said Marsha Dickson, president and co-founder of Better Buying Institute.

"Suppliers often have the best ideas for how to overcome challenges and the impacts of brand and retailer purchasing practices on workers and the environment. It's critical their voices be heard," the IAF statement also said.

News agency Reuters said while some, including Primark, H&M, Inditex and Gap, later committed to paying the cancelled orders in full, campaigning coalition PayUp estimates $18 billion out of $40 billion worth of payments were still outstanding globally.

Global retailers lost $1.2 trillion in sales in 2020, a 3.9 per cent drop, according to research firm Forrester, as global lockdowns decimated demand and shut stores for months on end, the Reuters also said.

Though some sales were recuperated online, many clothing retailers were forced to impose steep discounts in an attempt to get rid of unsold stock.

The Penn State Center for Global Workers' Rights in a report said the US and European Union trade data showed a $16.2 billion drop in apparel imports in April through June 2020.

While clothing sales are beginning to recover from last year's record losses, orders are still far smaller than before the pandemic, with shorter lead times and longer payment windows, factory owners, sourcing agents and retailers themselves say, Reuters also said.

"Customers are threatening cancellation in case of the slightest delays," said BGMEA President Rubana Huq when asked about the second wave of Covid-19 in Bangladesh.

"At this point of time, we need to be vigilant, protect our workers and protect the industry so that the fine balance between lives and livelihood can be maintained," Huq said.

"We haven't run any survey yet. By word of mouth, what is evident is they are wanting deferred payment and discount so far. Think they will wait for another month to check the trend and then react. But outerwear is going great. Knits is better than woven," she said.

Regarding the operation of factories in the wake of the second wave, Huq said the managements were maintaining the strictest operating guidelines while factories were also being monitored.

"We have conveyed to all our members asking them to: Have staggered opening and closing protocols; by continuing to make masks and hand washing and temperature check compulsory. We have also advised factory to opt for shifts to spread manpower over separate slots where and when possible," she also said.

"We have had huge cancellations, deferred payments, Western brands declaring bankruptcy etc," Huq said.

Hyundai Motor to suspend some South Korea output

REUTERS, *Seoul*

South Korea's Hyundai Motor Co said on Tuesday it plans to temporarily suspend production at its Ulsan No.1 plant in South Korea due to chip and component supply issues from April 7-14. "We are closely monitoring the situation to take prompt and necessary measures and optimize production in line with the supply conditions," Hyundai said in a statement.

Sunflower farming brings hope to Sylhet's haors

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During a visit to a five-bigha sunflower garden adjacent to Hail Haor in Sadar union of Sreemangal upazila, about 4,000 sunflowers were seen gently swaying in the wind.

"This plantation is our demonstration farm," said Juber Mia, an attendant of the plantation.

"We have five farmers that cultivate sunflowers at the end of the paddy harvesting season and Saiful Sir (Islam) gave five kgs of seed to each farmers," Mia added.

Kanti Malakar has cultivated sunflowers for the first time on 2 bighas of land in Radhanagar area of Bhatera union in Kulaura of Moulvibazar district and Md Belal Mia from South Chowk area in Bhukshimoil Union cultivated 2 bighas of land.

Similarly, farmer Kanti Malakar said that he could not plant boro paddy on his two bighas of land after the harvesting season due to a water logging issue.

"But in the same place, I was able to plant sunflowers without any trouble," he said. Belal Mia also cultivated sunflowers on two bighas of fallow land in collaboration with the DAE.

"I spend just Tk 2,000 on cultivation and hope to harvest in 15 to 20 days," he said, adding that he aims to sell his seeds for a total of about Tk 25,000 to Tk 30,000.

Low prices, export volumes top challenges

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The BGMEA recently published a sustainability report. Management consulting firm McKinsey & Company has also appreciated the recent developments of the key exporting sector.

"Therefore, I feel the sector's image is on the mend," Shamsuddin said.

An election is, by default, expected to be fair. For an association of this stature, the election needs to be 100 per cent transparent to the highest order, the entrepreneur said.

"Election results will depend on the voters and their will. Considering the work the Forum panel has done in the last two years, I hope that they will side with us and give us a landslide victory," he said.

The chairman of Hannan Group said the cooperation in industrial relations has improved, and there must be a weekly meeting with labour leaders to take the relationship to the next level.

"Our goals are unified. We want a safer sector that is sustainable. Without the focus on the welfare of workers, the sector can't be stable, and we can't expect a better outcome. Besides, we must have a streamlined and better alternative dispute resolution."

On the issue of safeguarding the interest of small and medium-sized factories in the garment industry, Shamsuddin said SMEs were going to be the most viable setups in the next decade.

"Consumer tastes are changing. Therefore, we need to ensure that SMEs get proper thrust, funding and infrastructural support from policy-makers."

The industry will also seek an assistance fund for SMEs.

The entrepreneur is bullish about the RMG Sustainability Council (RSC), a compliance and safety monitoring body of the apparel sector.

"I am very hopeful that the industry will establish its position and align with the best practices. It is also a platform where local capacity building is bound to happen."

Securing cash support key to survival

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In order to receive better prices, manufacturers need to establish Bangladesh as a premium apparel sourcing destination.

"We need to do marketing of our safety standard, world-class compliance and green and sustainable factories. We will enable more factories to innovate by providing training and technical support from the BGMEA and increase cooperation among the factories," Hassan said.

The businessman says he has full confidence in the BGMEA election commission and chairman of the commission.

"BGMEA's election has always been fair, and this time, it will be fair too."

"I am certain that the respectable members of the BGMEA will acknowledge my hard work and the history of service and accomplishments over the last decade and kindly give their judgement in favour of me."

Hassan has made improving relationships and cooperation among the industries one of his key priorities.

"If elected, I will hold regular zonal meetings with different industrial zones and create a community feeling among the manufacturers in each zone."

The platform has pledged to work to reform the labour laws to modernise the Labour Department, bring industry-friendly changes to the mindset of labour organisations, and improve relationships with labour leaders.

One of the priorities of his manifesto is the development of small and medium-sized apparel factories and update the definition of SMEs so that more factories can access the stimulus packages unveiled by the government and the refinancing scheme of the central bank.

"SME manufacturers are suffering financially and most of the banks are not extending adequate financial support to them although they need the fund desperately."

He said the BGMEA, if the panel is voted to victory, would ensure transparency and accountability of the RMG Sustainability Council (RSC) to accelerate the momentum of workplace safety and green growth of the industry.

There is a skill mismatch in mid-level management in the industry. As a result, many factories are forced to hire a good number of foreign nationals, who take home billions of dollars each year in salaries.

"To mitigate the skill gap, we have a plan to establish a Sustainable Excellence Centre at the BGMEA University of Fashion and Technology involving local and foreign experts."

Hassan also pledged to set up an institute on fashion and technology in Dhaka and Chattogram to develop skilled human resources.

Apps spell doom for int'l call operators

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Over-the-top communications (OTT) refers to a class of real-time communication solutions that operate over the internet.

The coronavirus pandemic had dealt another blow to the struggling IGWs as the adoption of social media tools accelerated in the last year.

In Bangladesh, the number of internet users rose tremendously because of the pandemic as people have had to use digital platforms to work, shop, communicate and for entertainment.

There are 11.27 crore internet users in the country as of February this year, up from about 10 crore users a year ago and 9.21 crore in the same month in 2019, data from the Bangladesh Telecommunication Regulatory Commission (BTRC) showed.

The use of internet bandwidth rose to 2,400 gbps (gigabits per second) in 2020, up from 1,950 gbps in 2019 and doubling from what it was in 2016.

Smartphone users also saw an uptick, especially during the pandemic, and the penetration of smart-phones is expected to grow further. This will spell further trouble for IGW operators.

Officials of the Bangladesh Telecommunication Regulatory Commission (BTRC) expect the business of IGWs to shrink further in the next few years.

As a result, the government's revenue from the segment will take a hit.

In 2016, the government received Tk 3,253 crore in revenue from international calls. It plummeted to Tk 506 crore last year.

"Because of technological advancement, international calls are declining," said BTRC Chairman Shyam Sunder Sikder.

"We are monitoring the overall situation. Necessary steps will be taken to raise the issue with the government and stakeholders," he said, adding that the commission was more active against illegal VoIP traders.

Voice over internet protocol (VoIP) is a technology that allows users to make voice calls using a broadband internet connection instead of a regular phone line.

Nasir called for policy changes so that the demand for international call routing through IGWs remains the same for some time.

Industry insiders say people's ability to use technology and apps has increased, so they are using many smartphone-based apps to communicate, cutting reliance on voice calls.

At the same time, the increase in the use of illegal VoIP has had an impact on international calls.

In Bangladesh, the IGW business started in 2008 through an open auction. Four private companies got the licence, including the state-owned Bangladesh Telecommunication Company Limited (BTCL).

In April 2012, another 25 new companies got the licence. As a result, an unbalanced competition was created in the sector as many licences are issued simultaneously without verifying the demand, a number of industry insiders said.

Another licence was issued in 2016 and the last one in 2018.

The regulator has scrapped the licences of six operators for non-payment of annual fees and other dues and for not sharing revenue. The companies are Ratul Telecom, KAY Telecommunications, Telex, Vision Tel, Apple Globaltel and Bestech Telecom.

A case was filed against the companies under the Bangladesh Telecommunications Act, 2001, and the Public Demand Recovery Act, 1913.

Now, 22 IGWs, including BTCL are active.

In January last year, the government slashed the international incoming voice call rate by 65.71 per cent to $0.006 per minute in the face of shrinking earnings from the sector in recent years.

At present, 40 per cent of the revenue from international calls goes to the government, 20 per cent to the IGWs, 18.5 per cent to interconnection exchanges (ICX) operators, and 22.5 per cent to mobile phone and landline operators.

Seven IGWs dominate the market: Global Voice, Mir Telecom, Bangla Track, Novo Telecom, Unique Infoway, Digicon Telecommunication, and Roots Communications.

About Tk 2,000 crore has been invested in the sector, according to Mir Nasir.

More than a thousand people were employed by the sector in its heyday but many jobs were cut due to the business downturn.

According to a source, 30 to 50 people used to work in an IGW company in the past. Now it has come down to eight to 15 people. If the current situation persists, more people will lose their jobs.

OBITUARY

Reputed Chartered Accountant **Nayma Meherin (Laboni)**, Partner at Aziz Halim Khair Chowdhury, has passed away on March 31, 2021, in Inova Fairfax Hospital in Fairfax, Virginia. She was 46.