

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 1.06%	▼ 1.09%	\$1,728.84	\$64.86	▲ 1.05%	▲ 1.58%	▲ 0.52%	▲ 0.52%	BUY TK 83.95	97.37	114.78	12.53
5,270.53	9,203.06	(per ounce)	(per barrel)	50,029.83	29,854.00	3,181.68	3,484.39	SELL TK 84.95	101.17	118.58	13.18

Star BUSINESS

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As Covid surges, brands step up digital push to salvage sales

MAHMUDUL HASAN and SURANTA HALDER

Clothing retailers are increasingly focusing on online sales amidst the surge in coronavirus infections as they seek to salvage their sales during the two biggest spending seasons—Pahela Baishakh and Eid-ul-Fitr.

The rising caseloads left the clothing brand executives to apprehend a repeat of last year's situation when sales plunged to less than 10 per cent during the two seasons, which accounted for about 50 per cent of their total annual sales before the pandemic hit the country in March last year.

The stores are now arming themselves with better automation for online sales, building their delivery mechanisms or partnering with logistic aggregators, setting a target to make at least 20 per cent of the sales online.

The strategy of lifestyle brand Sara is worth



Fashion brands look to have at least 20 per cent of sales online. The photo was taken at a store on Bailey Road in the capital yesterday.

PHOTO: SK ENAMUL HAQ

emulating as it has built a new unit to cater to online orders.

"Now we can deliver products through our own arrangement in Dhaka city," said SM Khaled, managing director of Sara Lifestyle, which has five outlets and witnessed an annual growth of 100 per cent since its 2018 launch.

"We have built a small but efficient team with IT experts, technicians and a

fleet of delivery personnel so that we can deliver our product to customers in the capital in the shortest possible time," he said.

The brand's customers can also order clothes from anywhere in the country as district-level deliveries are being made through partner logistic companies.

Sara's online sales jumped to 10 per cent of its overall sales in 2020, up from 2 per cent in 2019.

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Banking hours shortening likely

STAR BUSINESS REPORT

Bangladesh Bank is likely to reduce banking hours from tomorrow in tune with a new lockdown declared by the government.

The central bank will take a decision based on the government decision, a good number of officials of the banking regulator said yesterday.

"The central bank now initially thinks that all private and public banks should remain open from 10:00am to 1:00pm on regular working days amidst the lockdown," said an official.

But the decision will be finalised today, he said.

Contacted, Bangladesh Bank Spokesperson and Executive Director Md Serajul Islam said the central bank would issue a set of guidelines on how banks would operate their financial services during the lockdown.

Road Transport and Bridges Minister Obaidul Quader yesterday made

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BGMEA polls today

Saving the industry from pandemic fallouts main challenge for new leadership

BGMEA ELECTION 2021 AT A GLANCE

- ▶ Voters: 1,852 in Dhaka zone, 461 in Chattogram
- ▶ Two panels -- Forum and Sammilita Parishad -- are contesting
- ▶ Voters will elect 35 directors
- ▶ President and 7 vice-presidents will be picked from elected directors

REFAYET ULLAH MIRDHA

More than 2,300 garment business entrepreneurs in Bangladesh will choose their leaders for the next two years today with an expectation that they will pull the pandemic-hit industry out of the coronavirus-induced crisis and secure higher prices from international buyers.

The biennial election of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) will take place in Dhaka and Chattogram for 2021-23.

Polling will start at 9:00am and will continue until 7:00pm without any break, according to a notice of the election board of the association.

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Take steps to protect poor, low-income groups

Economists urged govt as lockdown returns

JAGARAN CHAKMA

The government should take immediate steps to protect the poor and low-income groups as it is set to impose fresh lockdowns to curb the spread of coronavirus infections, economists said yesterday.

They said the low-income groups would fall into difficulties once again because of the sudden reinstatement of lockdown. The poverty rate will accelerate if the measure prolongs from the initial seven days.

The government decided to impose a week-long countrywide lockdown from tomorrow.

Binayak Sen, the new director-general of the Bangladesh Institute of Development Studies (BIDS), said every wave of Covid-19 contained the risks of creating new poverty. But the new poor

tried to recover fast from distress after a particular wave was over.

"So, the government should be ready to give temporary social protection to avoid new poverty and leverage faster recovery from any social crisis."

Sen suggested giving food support to the poor communities to ensure food availability if the lockdown continued for a month or so and extend healthcare facilities to the essential workers engaged in the garment and other sectors through a partnership with non-government organisations.

The noted economist called for linking social protection services with the database of the national identification number so that they worked effectively and reduced leakages.

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People rush to kitchen markets as lockdown looms

ARANDA MUHAMMAD JAHID

Shoppers thronged grocery stores, super shops and kitchen markets across Dhaka yesterday following the announcement of a fresh nationwide lockdown to curb the spread of Covid-19.

With the rate of coronavirus infections at an all-time high, the government recently declared a seven-day lockdown beginning on Monday.

This led to growing concerns among the masses of a further price hike for daily essentials.

As such, people like Shariful Islam rushed to the nearest shopping mall within hours of the announcement to stock up on daily essentials.

"I came here [to the mall] soon after hearing the news broke so that I can make the necessary purchases before the price of goods goes up



SK ENAMUL HAQ

People rushed to the adjacent kitchen markets yesterday in large numbers fearing a further rise in commodity prices after the announcement of a seven-day lockdown from Monday. The photo was taken yesterday from the city's Karwan Bazar.

due to the upcoming lockdown," said Islam, a private job holder.

Islam went on to say that since the cost of essential commodities rises ahead of Ramadan, it would not be possible for him to bear the added burden if prices go even higher due to the lockdown.

Another shopper told this correspondent that he visits his local retail outlet every Saturday.

"But considering the upcoming lockdown, I bought more of each item so that I can use them in case of emergency even in Ramadan," he said.

Besides, considering the current prices trend, there is no guarantee that it will not increase further in the future, he added.

During a visit to Karwan Bazar, one of the biggest commodity markets in Dhaka, it was seen that most customers were buying goods in larger quantities than needed.

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Bangladesh second in ethical auditing practices in supply chain: survey



STAR/FILE

Keeping up with fashion trends and updating wardrobes has clearly slipped down on the list of consumer priorities, according to the study.

REFAYET ULLAH MIRDHA

Bangladesh has come second on a list comparing ethical auditing practices of major countries undergoing industrialisation, that too during the 2020 pandemic period, according to a first quarter report by supply chain compliance solutions provider QIMA released last week.

The Hong Kong-based entity cited good practices by local suppliers in the global supply chain for the country's placement.

In the ethical auditing survey, which mainly focuses on health and safety, hygiene, waste management, child labour, working hours, benefits and labour practices, Taiwan scored the highest.

Vietnam came in third, followed by Thailand, Pakistan, Turkey, China, India and Brazil.

Even though China landed a better

year than anticipated, the pandemic gave a powerful boost to the long-term trend of shifting buying volumes to its regional competition, said the QIMA, derived from "Quality Inspection Management".

The demand for inspections and audits in Southeast Asia rose 19 per cent year-on-year across the board in 2020.

As a whole, this region recorded double-digit expansion in inspection and audit demand starting from July, buoyed by buyers looking for alternatives to China both in the short and long term, as well as by massive orders for personal protective equipment (PPE).

Meanwhile, recovery was markedly slower in South Asia, including Bangladesh, and rose only by 2.6 per cent year-on-year, a fraction of the double-digit year-on-year growth recorded in 2019.

The region's manufacturers had a hard time coming back from the collapse in April and May, made catastrophic by the combination of regional lockdowns and demand decimated by lockdowns in the West.

The continuing waves of quarantine measures and unprecedented number of people working from home in the West have already been reflected in the changing consumer habits, in turn impacting global trade flows.

Keeping up with fashion trends and updating wardrobes has clearly slipped down on the list of consumer priorities.

Demand for textile, apparel and footwear inspections decreased 11 per cent year-on-year globally, having remained in a slump across the board since March, bar a brief rebound in September and October.

The intertwined challenges of the Covid-19 pandemic have strongly exacerbated human rights risks in global supply chains.

Issues range from increased vulnerability to modern slavery and child labour (resulting from high poverty risks caused by mass job losses), to labour violations in factories and less scrutiny on non-virus related safety measures due to health and safety resources being stretched thin.

The QIMA ethical audit data collected at reopened factories as well as in the course of remote audits paint an alarming picture for critical non-compliances.

Some of the most pressing issues are in the area of working hours and wage compliance. For instance, in China, 14 per cent of factories audited were given a failing grade due to critical violations in the area of working hours and wages.

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Busy লাইফ-এ EzyBank মুহুর্তেই একাউন্ট খুলুন সম্পূর্ণ অনলাইনে

যেখান থেকে খুশি, যখন তখন আপনি নিজেরি বেপ্সার ও ইসলামিক একাউন্ট খুলতে ব্যবহার করুন ঢাকা ব্যাংক-এর EzyBank। মোবাইল অ্যাপের মাধ্যমে শুধুমাত্র NID ব্যবহার করে উপভোগ করুন তাৎক্ষণিক একাউন্ট খোলার সুবিধা, সেই সাথে ফ্রি ডেবিট কার্ড ও চেক বই।



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Kanti Kumar Saha, CEO of Lankan Alliance Finance, and Khondkar Morshed Millat, general manager at Sustainable Finance Department of Bangladesh Bank, exchange a signed "participation agreement" for a "Technological Development/Upgradation Fund" for export-oriented industries recently. Abu Farah Md Nasser, a deputy governor at Bangladesh Bank, and Nurun Nahar, an executive director, were also present.

Opec+ approves oil output increases from May

AFP, London

Oil producing countries grouped together under the Opec+ alliance led by Saudi Arabia and Russia agreed on output increases as of next month at a ministerial meeting on Thursday.

A statement from the alliance said that they had agreed to boost output by "no more than 0.5 million" barrels per day (bpd) in May, June and July.

The decision comes despite the expectation ahead of the meeting that the bloc would err on the side of caution.

Addressing reporters after the meeting, Saudi Energy Minister Prince Abdelaziz bin Salman stressed that the decision could still be "tweaked" in the alliance's monthly meetings.

Before the meeting Prince Abdelaziz said that "the reality remains that the global picture is far from even, and the recovery is far from complete".

Salman praised the Opec+ alliance nations for more than fulfilling their commitments to restrain output.

Under its current agreement, the Opec+ group -- made up of the Organization of Petroleum Exporting Countries and its allies including

Russia -- is enforcing drastic cuts in production, meaning seven million barrels that could be shipped to markets every day are being left in the ground.

In addition, Saudi Arabia has volunteered to cut its own output by one million barrels per day (bpd) to

help avoid oversupplying a market suffering from a collapse in demand due to the coronavirus pandemic.

The cuts were aimed at avoiding limited storage capacity being saturated and supporting prices -- currently hovering around \$60 per barrel.



The Opec logo pictured ahead of an informal meeting between members of the Organization of the Petroleum Exporting Countries in Algiers, Algeria.

How Biden's infrastructure plan addresses the climate crisis

AFP, Washington

It's no coincidence US President Joe Biden chose manufacturing hub Pittsburgh to unveil his \$2 trillion green infrastructure plan, a bold pitch to Americans used to hearing that climate action will wreck industry.

So how does "The American Jobs Plan" try to place the environment at the heart of America's future economic growth?

Biden has called for the US energy sector to be fully decarbonized by 2035. To this end, he has asked Congress for \$100 billion to invest in the national grid and shift to cleaner energy, as well as a ten-year extension of tax credits for renewable generation and storage. "The tax credit for wind and solar has been quite successful in creating a large scale investment and build out," Dan Lashof, president of the World Resources Institute told AFP, welcoming the extension.

The plan calls for \$15 billion in prototype projects for utility-scale energy storage, carbon capture, hydrogen, nuclear and floating offshore wind power.

It also foresees a \$27 billion "Clean Energy and Sustainability Accelerator" -- in other words a Green Bank to mobilize private investment.

Lindsey Walters, a climate expert at the Third Way think tank, welcomed the idea of introducing a national Clean Energy Standard to seed renewable production and new jobs. "You are setting smart regulations in place that are providing that long-term market demand for clean energy technologies," she told AFP.

White House National Climate Advisor Gina McCarthy also touted the measure in a call with reporters Thursday. "We think it's one of the best methods to actually get the reductions we're looking for with a level of certainty," she said.



US President Joe Biden leaves after speaking about the March jobs report in the State Dining Room of the White House in Washington yesterday.

The other major green aspect of the package is an eye-catching \$174 billion investment "to win the EV (electric vehicles) market," where the US currently has one-third the market share of China.

This includes establishing incentives to create a network of 500,000 EV chargers by 2030. The money will be also used to spur domestic supply chains for raw materials and parts, and helping factories retool to build both the vehicles and batteries. Some 50,000 diesel vehicles

would be replaced, while at least a fifth of the yellow school bus network would be electrified. "Globally the market seems to be moving more towards electric vehicles," said Walters, adding the addition of the "right policy landscape" would give the existing trend an extra nudge.

For the most part, experts polled by AFP are happy with the proposal.

UC Berkeley scientist Amol Phadke, who authored the noted "2035 report" on transitioning energy said: "Power and

transport are (among) the most important sectors for climate mitigation and this plan is rightfully ambitious on those sectors." But some climate groups think the US should be spending more.

Denali Sai, a spokesperson for climate nonprofit 350.org, acknowledged the plan called for five times the amount spent by former president Barack Obama in his 2009 recovery package. "But this spending is still way too small to face the climate crisis at scale and it'll take a lot more spending to fully decarbonize the US economy," she added.

The campaign group would like to see a \$16 trillion bill and is skeptical of funding carbon capture technology, which it believes represents a free pass to the fossil fuel industry.

Another criticism is that the US hasn't said it will follow the lead of several countries that have announced a phase out of new fossil fuel vehicles.

Senate Minority Leader Mitch McConnell on Thursday vowed Republicans would oppose the plan because of the tax hikes it requires, scuppering Biden's hopes for bipartisan support. Though most bills require 60 Senate votes to pass, it's possible to pass some using a simple majority of 51, which Democrats have, through certain legislative procedures. That will still require the buy-in from more fiscally conservative moderate Democrats. "I would just underscore the cost of inaction," Ali Zaidi, deputy White House climate advisor told reporters, pointing to 22 extreme weather and climate-related disasters last year that each exceeded \$1 billion in cost. "On the competition side of the ledger, every year that we delay, we're talking about other countries racing ahead to seize the competitive advantage in these incredibly important industries of the future," he added.

Asian markets rally after Wall Street record

AFP, Hong Kong

Tokyo's Nikkei led a rally in holiday-thinned trade in Asia on Friday following a record-breaking day on Wall Street with investors buoyed by Joe Biden's huge new infrastructure spending plan and growing optimism over the economic recovery.

With most equity and commodity markets in the region closed for Easter, business was light but the mood remained decidedly upbeat ahead of the release of key US jobs data that is expected to confirm that the world's top economy is getting back on its feet.

Confidence that global growth will soar as vaccines allow economies to open has for now overtaken worries that the rebound will fan inflation and force central banks to wind back their market-boosting monetary policies. "Before you worry about inflation, there's deflation and I think that's the main theme in the market," Ed Campbell, at QMA, said.

Biden's \$2.25 trillion rebuilding package -- coming soon after the passage of his \$1.9 trillion stimulus -- has reinforced the view among investors that the US economy will run hot, with analysts saying its corporate tax implications were also being put aside for now.

With this in mind, and after a strong read on US March manufacturing, the S&P 500 broke the 4,000-point barrier for the first time, while the Nasdaq and Dow also enjoyed healthy gains.

And the few markets in Asia that were open followed suit, with Tokyo up 1.6 per cent, Seoul almost one percent higher and Shanghai also in positive territory along with Bangkok. "The US equity market opened in the second quarter with a sonic boom ushering in a great Good Friday," said Axi strategist Stephen Innes.

He added that equities likely had further to run higher as vaccines are administered around the world, and despite a pick-up in infections in parts of the world including France, which is facing another lockdown. "Vaccine rollouts remain the game's name and drive the narrative, even with the EU lagging, as investors view this delay in the context that the catch-up is but a function of time," he said. Eyes are now on the release later Friday of US non-farm payrolls figures, which will give the latest view on the state of the huge economy, with some observers suggesting the reading could come in above one million.

Philippines extends virus lockdown in economic hub

AFP, Manila

The Philippines will extend a coronavirus lockdown of more than 24 million people, an official said Saturday, as it deploys tents and health workers to overwhelmed hospitals in the capital where cases are surging.

People in Metro Manila -- the national capital region -- and four neighbouring provinces will have to stay home for another week unless they are essential workers, presidential spokesman Harry Roque said.

The announcement came as the number of new infections for a single day hit a record high of 12,576, taking the country's caseload to more than 784,000, including over 13,400 deaths. More contagious variants of the virus and poor compliance with health protocols have been blamed for the surge in recent weeks. "We call on local governments to tighten enforcement of our quarantine measures and confront people who fail to follow minimum health standards," Roque said. Independent research group OCTA said the week-long enhanced community quarantine imposed on March 29 was showing signs of slowing the spread of the virus, "but we're not there yet".

The spike has swamped many hospitals, with reports of people driving for hours around the sprawling capital

looking for a facility that can treat their sick loved ones.

To boost capacity, the health department said modular tents were being delivered to hospitals across Metro Manila with the help of the World Health Organization and the UN children fund UNICEF. "Volunteer health workers from other regions where virus transmission rates were low would be deployed to hospitals in the capital in the coming weeks, it added.

Under the restrictions affecting a fifth of the country's population, church services and other mass gatherings are banned and a 6:00 pm to 5:00 am curfew is in force. Supermarkets, pharmacies and other essential businesses are allowed to operate, and outdoor exercise is permitted. A previous months-long lockdown crippled the Philippine economy, cost millions of jobs and left many households hungry.

The sluggish rollout of vaccines and poor contact tracing have fuelled criticism of President Rodrigo Duterte's government, which has been accused of bungling its response to the pandemic. As of Thursday, 760,938 health workers had received their first dose, the health department said.

The government said previously it aims to finish inoculating 1.7 million health workers by mid-April. "Those who can take the vaccine must have themselves vaccinated now," Roque said.

Automakers report higher US sales, but chip shortage clouds outlook

AFP, New York

Carmakers reported higher first-quarter US sales on Thursday amid rising consumer confidence, but a semiconductor shortage that has crimped production raises questions about supply in coming months.

Toyota led the pack with its double-digit, year-over-year US sales gain, but General Motors, Ford and Fiat Chrysler also saw sales rise during a period that included passage of a giant US economic relief package that sent cash to most households and accelerating vaccinations. "Consumer confidence and spending will continue to increase due to stimulus, rising vaccination rates and the progressive reopening of the economy," said GM Chief Economist Elaine Buckberg. "Auto demand should remain strong throughout the year. "But while demand is healthy, there are questions about the supply picture as all four companies have announced production cuts due to the global semiconductor shortage.

Just a week ago, FCA's parent company Stellantis announced it was suspending production at five North American auto manufacturing plants due to the chip crunch.

Toyota scored a 21.6 percent sales increase in the first three

months of the year to 603,066. That included a jump in sales of "alternative powered vehicles" including hybrids and electric cars, which now comprise 24 percent of total sales, Toyota said. GM, the largest US automaker, posted a four percent sales gain to 642,250. The company pointed to strong demand for larger vehicles such

as full-size sport utility vehicles (SUVs) and pickup trucks. Ford sales were up just one percent to 521,334, as higher sales of trucks and SUVs more than offset a sharp drop in sedan sales.

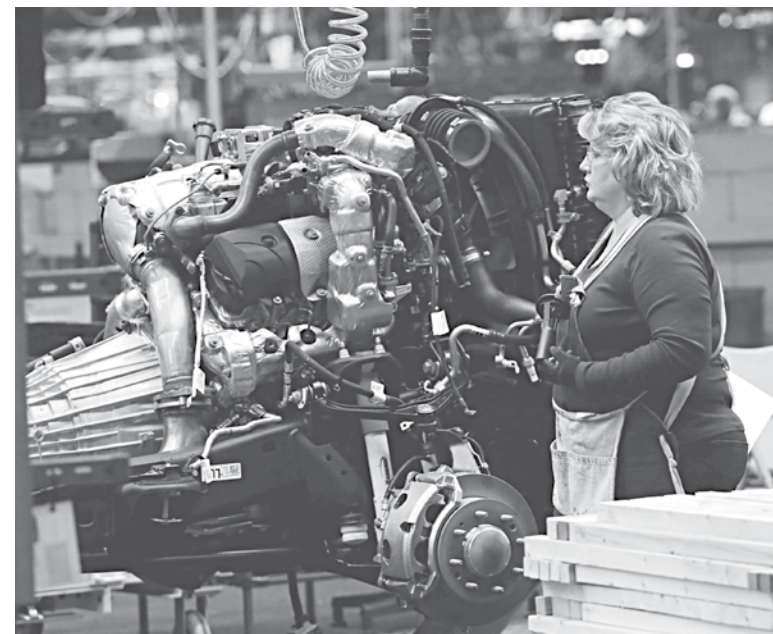
Ford also highlighted higher electric vehicle sales following the rollout of its Mustang Mach-E SUV. Meanwhile, FCA said sales rose

five percent to 469,651, propelled in part by gains in the Ram and Jeep truck brands.

Analysts at Cox Automotive said activity picked up in March after winter storms slowed sales in February, and the arrival of stimulus checks from President Joe Biden's economic relief package also is boosting activity.

But Cox warned the semiconductor shortage looms as a threat to the auto sector. "Although lean inventories have not had much impact on buyers in the first quarter, that will likely change as we move into Q2," said Cox Automotive economist Charlie Chesbrough. "The production disruptions happening now will turn into even lower inventory in the months ahead. "GM said inventory at the end of the quarter stood at 334,628, well below the level at the end of the fourth quarter and a drop of 50 percent compared with the year-ago supply.

Due to the chip shortage, "GM is building some vehicles without certain modules when necessary," the company said. "They will be completed as soon as more semiconductors become available. "The Detroit giant aims to recover lost production the second half of the year. GM was the only one of the four automakers to provide inventory data along with its sales report.



A woman works on the chassis of full-size General Motors pickup trucks at the Flint Assembly plant in Michigan, US.



Arif Khan joins Shanta Asset Management

STAR BUSINESS REPORT
Arif Khan has joined Shanta Asset Management as vice chairman on stepping down from the post of managing director and CEO and leaving IDLC Finance. He will actively engage with Shanta Group's capital market businesses as a partner and materialise the group's plan to have a strong presence in asset management, stock brokerage and merchant banking in Bangladesh, according to a statement. "Our capital market has huge potential to be part of our national development initiatives and also to provide alternative investment vehicles for our growing middle class," Khan said. "Believing on this vision, I am partnering with Shanta Group's capital market businesses to offer high-quality capital market related services backed by expertise and integrity," he said.

Foreign firms face tough choices over Myanmar unrest

AFP, Paris

Pull out, suspend or stay? Foreign firms in Myanmar face some tough choices over how to respond to the military coup and subsequent violent crackdown on pro-democracy protesters in the country. More than 520 people have died in daily demonstrations since the military overthrew elected leader Aung San Suu Kyi on February 1, halting Myanmar's decade-old experiment in democracy. The coup and the junta's subsequent actions have triggered international condemnation and US sanctions. The junta has vested interests in large swathes of the country's economy, from mining to banking, oil and tourism. NGOs have urged companies to review their presence as the military dramatically ramps up its use of lethal force against protesters. "We want the decisions taken to be targeted against the junta and to penalise the population as little as possible," said Sophie Brondel, coordinator at French-based pro-democracy group Info Birmanie. "The message has never been to say that we should not be present in Myanmar, but to cut ties with the army," she told AFP. In Myanmar since 1992, French giant Total has no intention of quitting, but insists that its local subsidiary "conducts its activities in a responsible manner, in respect of law and of universal human rights". While NGOs have urged firms to stop financing the junta, Total paid around \$230 million to the Myanmar authorities in 2019 and another \$176 million in 2020 in the form of taxes and "production rights", according to the company's own financial statements.

The military controls Myanmar Oil and Gas Enterprise (MOGE), which has partnerships with Total and US rival Chevron and generates annual revenues of around \$1.0 billion from the sale of natural gas. Chevron told AFP the monies paid to MOGE were tax payments and that it holds only a minority stake in the gigantic offshore gas field, Yadana, operated by Total. French hotel chain Accor, which operates nine hotels in Myanmar and is planning half a dozen more, also has no plans to

leave or cut ties with its local partner, Max Myanmar Group, which is not under sanctions. Accor, which employs a local workforce of around 1,000, sees "tourism as the last link between the people of Myanmar and the rest of the world," a spokeswoman said. Danish brewer Carlsberg said it would reduce production capacity as beer consumption in Myanmar is on the decline, but it has no plans to quit. It employs 500 people locally. Carlsberg told AFP it has had "no

contact" with the new authorities. British tobacco giant BAT said that more 100,000 local jobs depended on its investment, operations and partnerships in Myanmar and it would stay, while prioritising the security and well-being of its workers. French energy giant EDF announced the suspension of its activities in Myanmar where it is involved in a \$1.5-billion project to build a hydroelectric dam, Shweli-3, alongside consortium partners, Marubeni of Japan and Aeyear Hinthar of Myanmar. In a letter to the NGO Justice for Myanmar, EDF said that "the respect of fundamental human rights... are a pre-condition for every project in which we take part." Japanese automaker Suzuki also halted operations at its two local plants shortly after the military coup. The factories assembled 13,300 vehicles in 2019, primarily for the domestic market. But Suzuki, present in Myanmar since 1998, reopened the facilities again a few days later and intends to build a third production site in the country. Myanmar is also a key manufacturer in the clothing industry and groups such as Italy's Benetton and Sweden's H&M have suspended all new orders from the country. Benetton chief Massimo Renon hopes the move will send "a clear and concrete signal". Giesecke and Devrient, a German company that supplies products to make Myanmar bank notes, suspended deliveries to state-owned Security Print Works this week due to the "ongoing violent clashes". At least one company has quit. French renewable energy group Voltalia said it will "end its activities" in Myanmar, where it has been present since 2018 and powered 156 telecom masts in rural areas.

India pushes back deadline for coal-fired utilities to adopt new emission norms

REUTERS, Chennai

India has pushed back deadlines for coal-fired power plants to adopt new emission norms by up to three years, and allowed utilities that miss the new target to continue operating after paying a penalty, according to a government notice. India had initially set a 2017 deadline for thermal power plants to install Flue Gas Desulphurization (FGD) units that cut emissions of sulphur dioxide. But that was postponed to varying deadlines for different regions, ending in 2022. The new order dated April 1 from the environment ministry says plants near populous regions and the capital New Delhi will have to comply by 2022, while utilities in less polluting areas have up to 2025 to comply or retire units. Operators of coal-fired utilities including state-run NTPC Ltd and industry groups representing private companies such as Reliance Power and Adani Power have long been lobbying for dilution of the pollution standards, citing high compliance costs.



Students, teachers and engineers from Dawei Technological University stage a protest against the military coup, in Dawei, Myanmar yesterday.

Banking hours shortening likely

FROM PAGE B1
public a government decision to impose a seven-day countrywide lockdown from tomorrow. The central bank ordered banks on April 1 to immediately introduce alternate-day duty rosters for their workforce in order to cope with the second wave of the coronavirus pandemic. Although the central bank has not given any clear indication on how many employees were to attend office, it has asked to fix the number as per requirement. In March last year, the central bank had reduced banking hours as part of its efforts to implement the first lockdown to tackle the initial wave of the pandemic. The BB had at that time instructed banks to keep banks and their head offices open from 10:00am to 1:30pm on regular working days.

Lockdown tip: Hold on to good stocks

FROM PAGE B4
Brokers and Central Depository Bangladesh officials can run their office maintaining social distancing protocols so there is no problem to run the market, he added. There will be some impact on the performance of the listed companies due to the lockdown, so it will have a cost on share prices too, said Mohammad Rahmat Pasha, CEO of UCB Capital Management. But on the positive side, a free fall is not possible in the market as the floor price is active, he said. The BSEC set the floor price on March 19 last year for all stocks on the basis of average prices of the previous five days to stop a market fall amidst the coronavirus pandemic. On the other hand, factories will remain open during the lockdown so the impact might not be that big as witnessed last year, said Pasha. All will depend on how things play out during the lockdown period and how the companies cope with the new restriction, he added.

People rush to kitchen markets as lockdown looms

FROM PAGE B1
Taking to The Daily Star, multiple shoppers voiced similar concerns over a possible price hike of daily necessities. Shaheen Khan, chief executive officer (CEO) of Meena Bazar, said after a fresh lockdown was announced, the number of shoppers increased significantly by noon the same day. "But I wouldn't call it a panic buy as the number of customers increased slightly. About 25 per cent more customers were seen today [Saturday]," he added. Murtoza Zaman, CEO of Unimart, echoed the same. "What we are seeing here is that there is a tendency among customers to buy more food items, apparently to prepare for a seven-day lockdown," Zaman said. "But the situation is not similar to that of last year, when there was complete chaos in the markets as none of us had any idea of what

was going to happen," he added. The Unimart CEO also said despite the stockpiling tendency among some customers, there will be no supply shortage of essential commodities. Over the last two days, the price of a few daily essentials, including rice, oil onion, potato, lentils, garlic, ginger and chickpea, rose by Tk 5 to Tk 15 per kilogramme (kg) at some kitchen markets in the capital. Yesterday, coarse rice was sold for Tk 55 per kg while onion Tk 40, up from Tk 35 a month ago. At the same time, the price of soyabean oil rose to Tk 139 from Tk 130 per litre while flour was sold for Tk 75 per kg, up from Tk 70. The price of both garlic and chickpeas grew by Tk 5 to hit Tk 115 and Tk 80 per kg respectively. However, Narayan Saha, a wholesaler at

the biggest wholesale market in Dhaka's Shyambazar, said the price of onion and garlic had remained stable yesterday. Humayun Kabir, spokesperson of state-run Trading Corporation of Bangladesh (TCB), said open market sales through mobile trucks will continue during the lockdown. The state agency, which sells certain essential foods at subsidised or below-market prices, added 100 trucks to its fleet on April 1, bringing the total to 500 in order to help more people buy key commodities ahead of Ramadan. "We operated trucks during the general holiday last year so our trucks will be on but we are unlikely to increase the number of trucks further," Kabir said. Asked whether the allotment or quantity of commodities for each buyer will be increased considering the lockdown, he said there will be no upward revision.

Take steps to protect poor, low-income groups

FROM PAGE B1
Selim Raihan, executive director of the South Asian Network on Economic Modeling, said the low-income people had been under pressure for a year as their income dropped. "The sudden lockdown would again push them under pressure," he said. It was unclear whether the poor would be able to abide by the decision, the economist said. Raihan, a professor of the economics department at the University of Dhaka, said there was a lack of coordination among ministries about the sudden imposition of the lockdown. "However, there is no alternative to lockdowns due to the higher infection rate."

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said if the lockdown prolonged, the lower-income people would face a severe problem, and the poverty rate would accelerate. "Various groups such as day labourers, rickshaw-pullers, hawkers, and street vendors will face the same problem," he said. According to him, some people would be forced to go back to villages as they have no scope to survive by borrowing from others. He assumes that the lockdown would continue until Eid-ul-Fitr if the infection rate did not come down immediately. Moazzem urged the government to provide food at a cheaper rate and minimum cash support so that people could survive.

"The government should take emergency initiatives to tackle the situation using its previous experience." Binayak Sen emphasised the need for investing in research and assessment on the evolving Covid-19 scenario, measures of public health initiatives and social protection programmes to find out the sources of weakness, errors and opportunity that would be helpful for an effective next plan. "This is because Covid-19 is not disappearing any time soon, and we should be prepared for a long haul, including a possible third wave later." The government should give priority to the public health sector in the next budget, he said.

Bangladesh second in ethical auditing practices in supply chain: survey

FROM PAGE B1
Examples of violations include sanitation duties being imposed as unpaid overtime, as well as workers being pushed to work excessive hours to meet tight schedules for high-demand goods, such as PPE. Almost a year into the Covid-19 crisis, uncertainty and disruption continue dominating global trade. In 2021, global sourcing is liable to remain at the mercy of the pandemic, emphasising the importance of supply chain agility and efficiency for the continued survival of any business. Looking back at a year of truly unprecedented disruption to global sourcing, the QIMA's 2020 data paints a picture of increasingly diversified supply chains, changing consumer habits and an alarming spike in ethical risks, the QIMA said.

BGMEA polls today

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Some 1,852 voters will cast their votes in the Dhaka zone and 461 voters in the Chattogram zone. The voting in the Dhaka zone will be held at Radisson Blu Dhaka Water Garden. The voters of the Chattogram zone will exercise their voting rights at the regional office of the BGMEA in the port city. Despite the countrywide lockdown starting from Monday, the schedule of the BGMEA election will not change, said Syed Ferhat Anwar, chairman of the election board. Two panels - Forum and Sammilita Parishad—are contesting in the polls. The Swadhinata Parishad, another panel, had announced a manifesto but later decided not to take part in the election independently. It is backing the Sammilita Parishad. The voters will elect 35 directors. A president and seven vice-presidents will be picked from the elected directors. ABM Shamsuddin, chairman of Hannan Group, which exported about \$92 million worth of garments last year and employs more than 10,000 workers, is leading the Forum panel. Faruque Hassan, managing director of Giant Group, having annual exports of more than \$30 million and employing 6,000 workers, is the leader of the Sammilita Parishad. Voters and candidates have been instructed to put on masks and maintain social distancing in the polling areas to contain the spread of

Covid-19. The BGMEA election is an important event as the industry is the single largest export earning sector and employs 4.2 million workers directly. Millions of people are involved in the industry indirectly. In fiscal 2018-19, Bangladesh exported garment items worth more than \$34.13 billion. The earnings declined to \$27.94 billion last fiscal year as sales collapsed in Western markets because of the fallouts of the pandemic. The sector's contribution to the gross domestic product stands at 15 per cent. The leaders of the association have to negotiate with the government, local and international communities and buyers. The new leaders will have to work hard to secure higher prices from international buyers, brighten the image of the industry and expand markets. A number of entrepreneurs say local exporters do not get proper prices from global retailers and brands because of the image crisis. Bangladeshi exporters receive about half of the prices compared to their Vietnamese peers despite shipping the same products to the same markets. The leaders of both platforms have vowed to brighten the image of the sector and try to increase the prices of the items. They also committed to negotiating with the government and local and international stakeholders to help the industry overcome the

impacts of the pandemic. In Bangladesh, the apparel industry started its journey in the 1980s. Late Nurool Quader pioneered readymade garment business, leading to the rise of the industry. In 1978, he sent 130 trainees to South Korea, where they learned how to produce readymade garments, according to the BGMEA. With the trainees, Quader set up the country's first export-oriented factory, Desh Garments. Later, Akhter Mohammad Musa of Bond Garments, Mohammad Reazuddin of Reaz Garments, Md Humayun of Paris Garments, Engineer Mohammad Fazlul Azim of Azim Group, Abdul Mannan of Sunman Group, M Shamsur Rahman of Stylecraft, and AM Subid Ali of Aristocrat came forward and set up garment factories. Following their footsteps, other prudent and hardworking entrepreneurs made foray into the industry. The BGMEA was founded in 1983 with a vision to facilitate the industry to grow further. In 1983-84, the earnings from apparel exports were \$31.57 million, accounting for 3.89 per cent of the total national shipment of \$811 million. Now, the share of the garment sector in the national exports is about 85 per cent. Today, Bangladesh is the second-largest apparel exporter worldwide after China, with more than 6.8 per cent market share.

As Covid surges, brands step up digital push to salvage sales

FROM PAGE B1
"Online customers can avail all options—exchange of product, cancellation of orders, return of products—free of cost," said Khaleed. Sara has set a target to make 20 per cent of its Pahela Baishakh, the first day of the Bangla calendar, and Ramadan sales online this year. Another brand, Le Reve, is trying to close all the loopholes that obstruct effective online sales, said its CEO Monnujan Nargis. "For the coronavirus disease, last year's online sales were down, and we faced some difficulties. So, we introduced better automation, quicker delivery this year," she said. Le Reve, which has 16 outlets in Dhaka, Narayanganj, Sylhet and Khulna, made 15 per cent of its total sales online last year. "We are now evaluating the situation as we are getting the news of new lockdown measures," Ashraf Alam, CEO of leading lifestyle brand Aarong, told The Daily Star yesterday. The government yesterday announced that it would enforce a weeklong countrywide lockdown from tomorrow. The restriction may be extended further if the situation worsens. "We hope we can manage some business through online orders as we have recently upgraded our online platform, launched a new mobile app, developed back-end and sorting, and improved delivery systems," Alam said. Aarong, which has 21 stores, witnessed a couple of hundred per cent increase in its online orders during Ramadan last year.

The retail clothing industry has started to rebound from pandemic-induced woes, and the sales have nearly reached pre-pandemic levels in recent months. Last year, the loss in revenue was tremendous as they had to sell products at hefty discounts—from 40 per cent to 70 per cent—to clear out inventory. And now they are in for another onslaught of the pandemic. Kay Kraft, one of the leading clothing brands, has adorned its 25 showrooms with collections marking Pahela Baishakh. "But people are anxious about the current situation. No one knows what's going to happen next. As time goes on, this will have a negative impact on business," said Khalid Mahmood Khan, the brand's owner. Kay Kraft is now working on finding ways to take its products further outside Dhaka through the enhancement of online sales. "If the situation worsens, we will deploy additional workforce for the online platform marking Eid and Baishakh," Khan said. Baishakh and Eid account for 50 per cent to 60 per cent of Kay Kraft's annual sales. "We have to introduce new strategies in the business. Otherwise, brands will not survive," he said. However, most of the brands believe online sales alone will not be able to rescue them from the downturn. "Like last year, the sales in Baishakh and Eid-ul-Fitr festivals will fall drastically as the government has already announced lockdown measures," said Shaheen Ahmed, president of the Bangladesh Fashion

Designers Association and the owner of fashion brand Anjans. He thinks that the fashion houses would incur losses of Tk 6,000 crore to Tk 7,000 crore this year. "Online is an alternative medium to selling products as most of the houses have digital platforms. Loss cannot be compensated just by selling products online. The lion's share of the products is sold in brick-and-mortar stores," he said. Raihan Kabir, head of marketing at Yellow, a brand owned by Beximco Group, said people were not in a shopping mood as they were in a panic over coronavirus. "However, we will focus on e-commerce so that we can meet the needs of those who still want to buy clothes. We will concentrate on digital marketing as we have preparations to cater to online customers." Raghunath Basak, owner of Jagneswar & Co and a resident of Chandri village in Delduar, Tangail, has been involved in the local batik garment manufacturing and marketing business for 47 years. Every year, during the festival of Pahela Baishakh, the company used to sell products worth at least a few lakh taka. "I faced losses last year because of the virus. Now I'm shocked by the rise of new infections and reinstatement of lockdowns," he said. Considering the collapse in sales last year, Jagneswar & Co has made less than 50 per cent of the products this time. "I invested all of my cash. I don't know what to do now. I received only 30 per cent of the orders this year compared to previous years. I am very worried," Basak said.

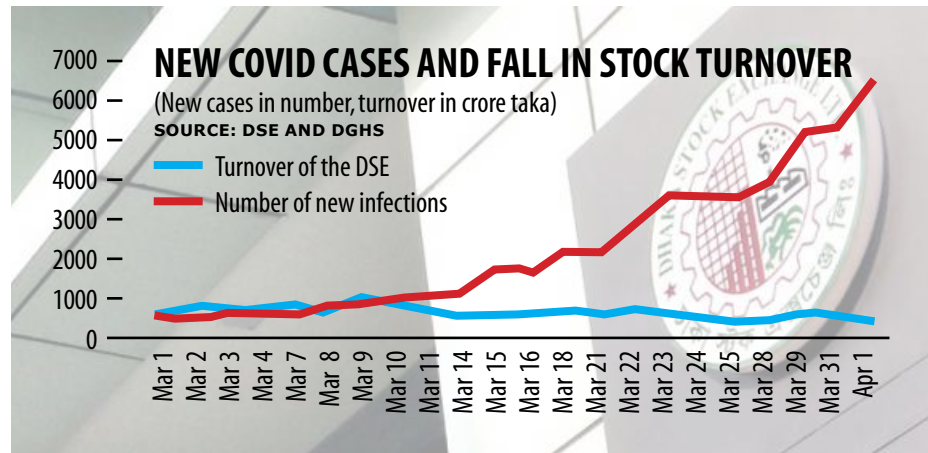
Lockdown tip: Hold on to good stocks

Analysts advise investors not to panic

AHSAN HABIB

With a new lockdown coming up to curb the fast spread of the coronavirus, stock market analysts have recommended not to panic and holding on to shares of companies with good performance records. Road Transport and Bridges Minister Obaidul Quader yesterday made public the government decision to impose a seven-day countrywide lockdown from Monday. Investors need to have patience during the crisis period and they should not sell shares of companies showcasing good performances, said Sharif Anwar Hossain,

investor Mahmudul Hasan. Investors apprehend that the country's economy could be much worse impacted compared to that resulting from the previous lockdown, he said. In an analysis, The Daily Star found that the average profit of listed companies dropped 34 per cent year-on-year to Tk 1,655 crore in the April to June period. In other words, demand hit rock bottom after the health crisis wiped out millions of jobs and created an additional 20 per cent new poor in Bangladesh. The country was under lockdown during the two months of April and May.



president of the DSE Brokers Association (DBA). Many investors gained profits by purchasing shares at a lower price during last year's lockdown, he said. This year the panic level is different too because investors have come to realise the impact of the pathogen in the past one year, he said. On the other hand, many investors have already retired to the sidelines in the last couple of weeks witnessing the higher rate of infections, so turnover of the market dropped. Turnover, an important indicator of the stock market, dropped to the Tk 400 crore level last week whereas it was above the Tk 900 crore level one month earlier, shows the Dhaka Stock Exchange data. Investors are in panic now, a situation which has been prevailing for the past couple of weeks as the number of infections and deaths have been soaring, said stock

Many companies ran their operations by using their savings but this year they will be worse off if the lockdown remains for a long time, said Hasan. "So, they are in panic and concerned after the announcement of the lockdown. A rumour of trade closure is also fuelling the panic," he said. However, spokesperson of the Bangladesh Securities and Exchange Commission (BSEC), Mohammad Rezaul Karim, said the stock market would remain open if banks remained open. As the stock market can run online, it will remain open, he said. Karim, also an executive director of the regulatory body, said investors can conduct trade online by even using mobile phones. "If necessary they can trade by calling operators so we will not face any problem to run the market," he added.

READ MORE ON B3

Skilled workforce needed to stay competitive globally

PM's Adviser Salman F Rahman says at DCCI webinar

STAR BUSINESS REPORT

The government plans to spend more on human resource development, research and development activities in the days to come to stay competitive in the global market, said Salman F Rahman, the prime minister's private industry and investment adviser.

The government has implemented a number of reforms to expand trade and investment in the country and will continue to do so in the future.

It will be easier to do business once the One-Stop Service of the Bangladesh Investment Development Authority becomes fully operational, he added.

Rahman made these comments at a webinar styled, "Country Competitiveness of Bangladesh: Key Reforms in Doing Business", organised by the Dhaka Chamber of Commerce and Industry (DCCI) yesterday.

The ratio of tax in the gross domestic product is very low in Bangladesh and it is possible to lower the tax rate and widen the tax net if the ratio can be improved.

A lower tax rate will surely help in reducing business operation costs significantly, Rahman said.

"The capacity of all the ports in the country has increased in recent times but we will continue our efforts for further development in this regard," he added.

In addition, emphasis should be given on time management at the time of trade dispute resolutions to cut the delays in handling such cases.

The government has taken various reformative measures, but banks, traders and other stakeholders could not take benefit of the efforts because of their delays in implementing the reforms, the adviser said.

The government will provide necessary policy reform



STAR/FILE

The capacity of all the ports in the country has increased in recent times, but the government will continue efforts to improve their condition further, said an adviser to the prime minister.

assistance to the private sector on arbitration, business agreement implementation and bankruptcy, said Golam Sarwar, law and justice secretary.

That is why the e-judiciary project has been taken to handle trade disputes, he said.

It usually takes about four years to resolve trade disputes in Bangladesh because of the lengthy legal processes, said DCCI President Rizwan Rahman.

To remove the barrier, many countries in the world have ensured proper enforcement of laws, automation of court proceedings and introduction of electronic payment systems.

Meanwhile, Bangladesh's position in the Global

Competitiveness Index published in 2019 was 105 and the report emphasised on increasing the competitiveness in the least developed countries, he added.

The DCCI chief proposed the formation of a high-powered national steering committee with the participation of the private sector to improve Bangladesh's position in the Global Competitiveness Index.

He also called for encouraging businesses to increase use of alternative dispute resolution for trade disputes.

Increased competitiveness would play an important role in economic growth, export diversification and job creation, Rizwan said.

Reforms should be fast-tracked, said Abul Kasem Khan, chairman

of Building Initiative Leading Development.

"Bangladesh now has a window of opportunities to avail and if we miss it, someone will grab it."

He also shed light on the importance of the use of the country's dynamic labour force as an added advantage.

He also suggested a reform of tax and audit system related policies.

A comprehensive policy should be taken for the special economic zones, which could be a game changer for the economy, he said.

Kazunori Yamada, Bangladesh representative of the Japan External Trade Organisation, and Ahsan Khan Chowdhury, chairman and CEO of PRAN-RFL Group, also spoke at the event.

GLOBAL BUSINESS

Power play: India wields oil 'weapon' to cut dependence on Saudi

REUTERS, New Delhi

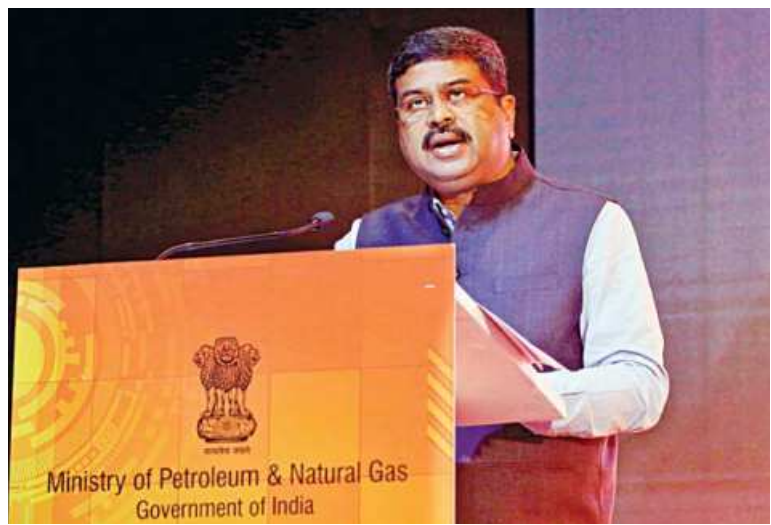
When India's government last month asked refiners to speed up diversification and reduce dependence on the Middle East - days after OPEC+ said it would maintain production cuts - it sent a message about its clout and foreshadowed changes to the world's energy maps.

It was a move that had been in the works for years, fuelled by repeated comments from Indian Oil Minister Dharmendra Pradhan, who in 2015 called oil purchases a "weapon" for his country.

When the Organisation of Oil Exporting Countries and Major Producers (OPEC+) extended the production cuts into April, India unsheathed that weapon. Indian refiners plan to cut imports from the Kingdom by about a quarter in May, sources told Reuters, dropping them to 10.8 million barrels from monthly average of 14.7-14.8 million barrels.

Oil secretary Tarun Kapoor, the top bureaucrat in the ministry, told Reuters that India is asking state refiners to jointly negotiate with oil producers to get better deals, but declined to comment on plans to cut Saudi imports.

"India is a big market so sellers have to be mindful of our country's demand as well to keep the long-term relationship intact," he said.



REUTERS/FILE

India's Oil Minister Dharmendra Pradhan speaks at a road show organised by the Directorate General of Hydrocarbon in Mumbai, India.

The Saudi state oil company Saudi Aramco and the Saudi energy ministry declined to comment.

Pradhan, who sees high oil prices as a threat to India's recovering economy, said he was saddened by the OPEC+ decision. India's fuel import bill has rocketed, and fuel prices - inflated by government taxes imposed last year - have hit records.

The International Energy Agency forecasts India's consumption to double and its oil import bill to nearly triple from 2019 levels to

more than \$250 billion by 2040.

An oil ministry official, who declined to be named because of the sensitivity of the matter, said the OPEC+ cuts have created uncertainty and made it difficult for refiners to plan for procurement and price risk.

It also creates opportunities for companies in the Americas, Africa, Russia and elsewhere to fill the gap.

If India is successful, it will set an example for other countries. As buyers see more affordable choices

and renewable energy becomes increasingly common, the influence of big producers like Saudi Arabia could wane, altering geopolitics and trade routes.

India has reduced the share of crude oil imports from the Middle East in recent years.

India's oil demand has risen by 25 per cent in the last seven years - more than any other major buyer - and the country has surpassed Japan as the world's third-largest oil importer and consumer.

The country has already curbed its reliance on the Middle East from more than 64 per cent of imports in 2016 to below 60 per cent in 2019.

That trend reversed in 2020, however, when the pandemic pummelled fuel demand and forced Indian refiners to make committed oil purchases from the Middle East under term contracts, shunning spot purchases. As India shifts gears again after Pradhan's call for faster diversification, refiners are looking for new suppliers, the oil ministry official said.

Costly refinery upgrades that allow for the processing of cheaper, heavier oil grades have encouraged importers to seek out far-flung sources. HPCL-Mittal Energy Ltd bought the country's first cargo from Guyana this month, and Mangalore Refinery and Petrochemicals Ltd just imported Brazilian Tupi crude for the first time.

Vaccines, fiscal stimulus power US employment; economy blooming

REUTERS, Washington

The US economy created the most jobs in seven months in March as more Americans got vaccinated and the government doled out additional pandemic relief money, marking the start of what could be the strongest economic performance this year in nearly four decades.

The Labor Department's closely watched employment report on Friday also showed job gains in February were larger than initially estimated. The best first two months of employment growth of any administration in history suggested the labor market has finally turned the corner.

All industries added jobs and many people rejoined the labor force. A measure of the economy's ability to create employment also improved. But the road to full recovery remains long. The jobs deficit is still huge and more than four million Americans have been unemployed for over six months.

President Joe Biden welcomed the job growth spurt.

"The first two months of our administration has seen more new jobs created than the first two months of any administration in history," Biden told reporters. "It's a reflection of two things going on here, a new economic strategy focused on building from the bottom to the middle up, and one that puts government on the side of working people." Nonfarm payrolls surged by 916,000 jobs last month, the biggest gain since last August. Data for February was revised higher to show 468,000 jobs created instead of the previously reported 379,000. Still, employment remains 8.4 million jobs below its peak in February 2020.

Economists polled by Reuters had forecast payrolls increasing by 647,000 jobs in March. At the current pace, many believe the more than 22 million jobs lost during the pandemic could be recouped by the end of next year.

The economy added 1.6 million jobs in

the first quarter.

The strong gains could play into fears of the economy over heating, even as ample slack remains. The Federal Reserve has signaled it would maintain its ultra easy monetary policy stance for a while to allow complete healing.

"The economy is booming," said Chris Low, chief economist at FHN Financial in New York. "If vaccines result in low enough COVID numbers to allow significant further service-sector reopening, the Fed will have



REUTERS

A worker installs an aluminium roof at Look Trailers cargo trailer manufacturing facility in Middlebury, Indiana, US on April 1

to start discussing a taper, and update its guidance, before the end of this year." Restaurants and bars accounted for nearly two-thirds of the industry's employment gains. Construction employment rebounded by 110,000 after being depressed by harsh weather in February.

Manufacturers hired 53,000 employees. Public and private education payrolls also rose as more schools resumed in-person learning and other school-related activities. Retailers also added jobs, while mining employment increased by the most since 1981.

As of Friday morning, the United States had administered 157.6 million doses of COVID-19 vaccines in the country and distributed 204.7 million doses, according to the U.S. Centers for Disease Control and Prevention. On Friday, the CDC said fully vaccinated people could safely travel at "low risk," which could help accelerate the services industry recovery.

Japan and US aim for chip supply chain deal with PM Suga's visit

REUTERS, Tokyo

Japan and the United States will cooperate on the supply of critical parts for chips, aiming for an agreement when the leaders of both countries meet later this month, the Nikkei newspaper said on Friday.

Prime Minister Yoshihide Suga is due to become the first foreign leader to visit the United States since President Joe Biden took office. The meeting, originally scheduled for April 9, has been pushed back until April 16, Japan's chief cabinet secretary said.

At a regular news briefing, White House spokeswoman Jen Psaki confirmed the timing of the visit.

Psaki said the visit reflected "the importance



Japan's Prime Minister Yoshihide Suga

we place on the bilateral relationship with Japan, and our friendship and partnership with the Japanese people."

The White House had no immediate comment on the Nikkei report. The Japanese embassy said no decisions had been made about the expected results of Suga's meeting with Biden.

The visit comes as the global shortage of semiconductors has squeezed US automakers and other manufacturers, forcing them to cut production. The issue has become important for policymakers, who worry about economic and security risks from the shortage.

Officials from the United States, South Korea and Japan are expected to discuss concerns about the shortage at a meeting on Friday, a senior US administration official said.