

Sri Lanka bans palm oil imports, tells producers to uproot plantations

REUTERS, Colombo/Mumbai

Sri Lanka on Monday banned imports of palm oil and new palm plantations, and told producers to uproot existing plantations in a phased manner...

Palm oil imports and the number of plantations have been increasing in recent years in Sri Lanka, a leading producer of coconut oil.

Sri Lanka's President Gotabaya Rajapaksa said in a statement the aim was to "make the country free from oil palm plantation and palm oil consumption."

Environmentalists say palm oil production has led to widespread deforestation and damage to ecosystems.

Sri Lanka imports around 200,000 tonnes of palm oil every year, mainly from Indonesia and Malaysia, traders estimate.

"Those companies and entities which have done such (palm oil) cultivations shall be required to remove them in a phased manner



REUTERS/FILE

A palm oil plantation is pictured next to a burnt forest near Banjarmasin in South Kalimantan province, Indonesia.

with 10 per cent uprooting at a time and replacing it with the cultivation of rubber or environmental friendly crops each year," the statement from president's office said.

Sri Lanka's palm oil industry has invested 26 billion Sri Lankan rupees

(\$131 million) and the country has around 11,000 hectares of palm plantations - just over 1 per cent of the total area planted with tea, rubber and coconut, according to estimates from the country's Palm Oil Industry Association.

India court dismisses ByteDance's plea to unblock bank accounts

REUTERS, Mumbai

An Indian court on Tuesday dealt a blow to China's ByteDance by dismissing its plea to unblock its bank accounts which have been frozen by federal authorities investigating alleged tax evasion.

An Indian tax intelligence agency in mid-March ordered HSBC and Citibank in Mumbai to freeze accounts of ByteDance India as it probed some of the firm's financial dealings. ByteDance challenged the move in court saying the freeze amounts to harassment and was done illegally.

After a government counsel said ByteDance owed the authorities about 790 million rupees (\$11 million), the High Court in Mumbai said the company will need to keep that amount blocked in a state-run bank.

Credit Suisse takes \$4.7b hedge fund hit

AFP, Zurich

Credit Suisse said Tuesday that it had taken a \$4.7 billion hit from its links to troubled hedge fund Archegos Capital Management, cut dividends and announced the departure of two senior executives.

Switzerland's second-biggest bank and Japan's Nomura warned last month that they could face significant losses due to their exposure to a US hedge fund forced to liquidate its holdings. "The significant loss in our prime services business relating to the failure of a US-based hedge fund is unacceptable," chief executive Thomas Gottstein said in statement on Tuesday.

Bloomberg News reported last month that the troubled fund was little-known Archegos Capital Management, which sold more than \$20 billion in stocks from US media and Chinese companies as it sought to cover its obligations to its lenders.

Credit Suisse said its pre-tax loss of 900 million Swiss francs in the first three months of the year includes 4.4 billion Swiss francs (\$4.7 billion, 3.9 billion euros) related to "the failure by a US-based hedge fund to meet its margin commitments as we announced on March 29".

Trading on margin is the practice of using borrowed funds to invest in financial assets such as stocks. It can be very profitable for borrowers as they are often only required to put down a small percentage in cash while the stocks serve as collateral for the lender.

But large shifts in share prices can force borrowers to put up more money to meet their margin commitments, or sell the shares and potentially lose more than their investment and default on their loan.

Andreas Venditti, an analyst with the Zurich financial services company Vontobel said the 4.4 billion Swiss francs hit was "at the higher end of the range" but had been limited thanks to "very strong operating results". "While the short-term impact seems less severe than feared, the full consequences from the reputational loss will only be visible over time. "/> Significant nightmare" /Credit Suisse also announced the departure of the head of its investment bank and chief risk and compliance officer, pulled bonuses for senior executives and chopped its proposed dividend payment to shareholders.

The bank's board of directors opened an investigation into the matter.

Air France gets EU green light for 4b euro aid

AFP, Paris

The EU authorised the French government on Tuesday to double its stake in Air France and inject up to four billion euros into the struggling airline whose revenues have been hit by the pandemic-induced drop in passenger traffic.

The agreement, worth \$4.7 billion, follows weeks of negotiations with the EU commission, which must ensure that state aid does not give companies an unfair advantage.

Air France posted a 7.1 billion euro (\$8.4 billion) loss in 2020 as its business, like that of the rest of the world's airlines, suffered from coronavirus restrictions which all but grounded global air traffic.

In return for its green light, the commission, which is the EU's anti-trust regulator, said Air France would relinquish about 18 slots per day at Orly, Paris' second-largest airport after Charles de Gaulle. "This gives competing carriers the chance to expand their activities at this airport, ensuring fair prices and increased choice for European consumers," EU competition commissioner Margrethe Vestager said.

French Finance Minister Bruno Le Maire said the EU had also allowed the French state to raise its stake in Air France-KLM group to 30 percent, up from the current 14.3 per cent.

The Netherlands' flag-carrier KLM, which forms an alliance with Air France, will not benefit from the aid.

Nevertheless, the Dutch government welcomed the approval of additional aid. In a joint statement Le Maire and his Dutch counterpart Wopke Hoekstra said a recapitalisation of KLM by the government of the Netherlands was being looked at.

The recapitalisation of Air France will take place by converting three billion euros in loans it received from the French state last year into perpetual hybrid Air France-KLM bonds that are considered as a form of equity, plus a new issue of shares that is open to existing and new shareholders.

The French state has committed to participating, according to Air France-KLM. China Eastern Airlines, another major shareholder, will also participate. However, Delta Airlines said it could not due to restrictions placed on airlines receiving US government assistance.

Air France-KLM CEO Benjamin Smith said the capital injections "will provide Air France-KLM with greater stability to move forward when recovery starts, as large-scale vaccination progresses around the world and borders reopen. "Another condition that was placed on the rescue package was that the group cannot pay dividends until the French state reduces its stake.

Shares in Air France-KLM fell by around 1.5 per cent in Amsterdam and Paris in early morning trading. While they recovered part of that loss, they were underperforming both markets which were trading higher.

Independent aviation analyst John Strickland told AFP that "competitors will not be happy and it is important to see that the proposed slot remedy at Orly has real meaning in terms of facilitating additional competing services. "Rival airline Ryanair, whose criticism of state subsidy for legacy airlines often finds a sympathetic ear at the European Commission, has lambasted previous French aid for Air France, saying it distorts competition.

The Irish-based low-cost carrier has long railed against the support given to national champions, and is often backed by Brussels.

Apple chief Tim Cook talks of autonomous cars

AFP, San Francisco

Apple chief Tim Cook portrayed self-driving cars as an ideal match for the technology giant during an interview released Monday by the New York Times.

Talk of an autonomous vehicle bearing the Apple brand has long been among rumors swirling around the iPhone maker, which has remained tight-lipped about its plans for the market. "An autonomous car is a robot and so there are a lot of things you can do with autonomy; we will see what Apple does," Cook said during a Sway podcast with Kara Swisher.

"We love to integrate hardware, software and services, and find the intersection points of those because we think that's where the magic occurs. "Cook hinted that an option could be for Apple to build an autonomous-driving technology platform used by auto makers.

He expressed admiration for electric car maker Tesla, which is among companies developing autonomous driving capabilities in vehicles. "Tesla has done an unbelievable job of not only establishing the lead but keeping the lead for such a long period of time in the electric vehicle space," Cook said.

Japanese auto maker Nissan and South Korea-based Hyundai in February denied reports of potential alliances with Apple on self-driving cars.

Low gas pressure hurts over 300 large factories

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"My buyers are demanding air shipments of goods so that they can sell them on time," Azahar Khan said.

Zaman also complained that his European and American buyers were demanding air shipment for timely delivery of goods.

But air shipment is very expensive for any exporter, and it is an additional burden for the manufacturers whose businesses plummeted because of the lower demand in western markets owing to the pandemic.

Monsoor Ahmed, secretary of the Bangladesh Textile Mills Association, said production in at least 40 big textile mills had been affected in the largest industrial belt since March 13.

Usually, textile and spinning mills need a lot of gas pressure to produce quality products.

Ahmed said most of the mills were busy producing goods for international buyers

as well as the spending season ahead of the upcoming Eid-ul-Fitr.

"If they can't produce goods on time, hundreds of factories will be in trouble, and they will miss the sales during Pabala Baishakh and Eid-ul-Fitr," he said.

According to Ahmed, there was a leak in the gas network at the Haripur point in Kanchpur area of Narayanganj on March 13.

Although state-run Titas Gas Transmission and Distribution Company Ltd (TGTDC) has assured of fixing the problem, the leak is yet to be repaired, Ahmed said.

At the same time, gas has been diverted to power plants from the point without supplying it to the industrial units, he said.

"We have already fixed the gas supply problem in Haripur," said Ali Iqbal Mohammad Nurullah, managing director of TGTDC, over the phone, without elaborating.

Exports rebound in March

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However, Rubana Huq, the outgoing president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), termed the July-March earnings from apparel shipment "depressing".

She said since the first wave of Covid-19 hit the country in March last year, exports started particularly getting affected.

A year-over-year comparison of monthly exports between 2020 and 2021 would be misleading and any growth in export for the months of 2021 has to be calculated with the corresponding months of 2019, she said.

After the third quarter of fiscal 2020-21, export earnings from garment stood at \$23.49 billion which was \$25.95 billion during the same period of FY2018-19, indicating a 9.49 per cent or \$2.46 billion decline.

Knitwear export struggled to retain 0.35 per cent growth in March 2021 over March 2019; the average growth of knitwear export for July-March 2020-21 than July-March 2018-19 is 1.15 per cent in the negative.

Woven garments is facing the toughest time ever, while export has suffered double digit declines since August 2020, and in the month of March 2021 compared to March 2019 woven export fallen by 27.70 per cent.

The nine month average growth between 2021 and 2019 stands 17.62 per cent in the negative.

The price trend continues to worsen as the month of March 2021 posts a 5.11 per cent decline in unit price compared to March 2019. The average decline in unit price for July-March 2020-21 compared to July-March 2018-19 is 3.58 per cent in the negative.

"Such consecutive declines in unit price do not require further analysis to understand the magnitude of vulnerability the industry is dwelling with. The export markets are still struggling to contain the spread of the virus, the third wave has only added to the woes," Huq also said.

"Until recently Bangladesh was faring well in containing the infection; however

the present lockdown, which is a timely move by the government, would further impact the already depressed performance of the industry," Huq told The Daily Star in a WhatsApp message.

In the July-March period, the overall earnings from export was \$28.93 billion which is a decline of only 0.12 per cent year-on-year. However, the July-March earnings from overall shipments is 4.43 per cent below the periodic target of \$30.27 billion, the data also said.

During the July-March period, shipment of goods from some potential sectors registered a positive growth.

For instance, jute and jute goods export grew by 22.94 per cent year-on-year to reach \$953.57 million showing a strong rebound after a few years with high demand from buyers.

Carpet export grew by 41.86 per cent to \$25.62 million, agricultural products 3.43 per cent to \$746.72 million, pharmaceuticals 12.04 per cent to \$119.01 million and home textile 41.5 per cent to \$846.45 million.

The performance of some sectors was negative during the period.

For instance, shipment of frozen and live fish declined 8.66 per cent to \$367.74 million, terry towel 4.49 per cent to \$28.69 million, headgear/cap 3.3 per cent to \$160.82 million and ceramics 8.87 per cent to \$22.71 million.

Stocks rising over increased investor participation

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At the DSE, 240 stocks advanced, 15 declined and 91 remained unchanged.

The Chittagong Stock Exchange also remains in an upward trend. CASPI, the general index of the port city bourse, rose 297 points, or 1.98 per cent, to stand at 15,264.

Among its 188 traded stocks, 146 rose, 12 fell and 30 remained unchanged, CSE data shows.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার. আউটসোর্সিং পদ্ধতিতে জনবল সরবরাহের দরপত্র বিজ্ঞপ্তি. Includes details about the tender process, contact information, and a table of specifications for various goods and services.