

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.39%	▲ 0.21%	\$1,776.31	\$66.77	▲ 0.06%	▲ 0.14%	▲ 0.53%	▲ 0.81%	BUY TK 83.95	99.54	115.22	12.63
5,331.42	9,297.93	(per ounce)	(per barrel)	48,832.03	29,683.37	3,201.76	3,426.62	SELL TK 84.95	103.34	119.02	13.28



Star BUSINESS

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Weavers stare at bleak Eid sales after dismal Baishakh

But producers using online platforms see rise in sales

MAHMUDUL HASAN

Weavers of clothing items such as sari and panjabi may witness their sales nosedive in the upcoming Eid-ul-Fitr after most of their items aimed at Pahela Baishakh have remained unsold because of a surge in coronavirus infections and subsequent strict lockdown measures.

The country's biggest selling season kicked off last week after Ramadan, the month leading to the Eid festival, and Pahela Baishakh, the first day of the Bangla calendar, coincided.

But the hopes of good sales shattered after the government was initially forced to implement a lockdown-like restriction from April 5 before setting out for a full lockdown from April 14 as coronavirus cases and deaths from the disease reached record levels.

"For Baishakh, I made 250 saris and around 100 panjabis. As



Weavers operate handlooms at a factory at Chak Gopal village in Tangail sadar upazila. The photo was taken recently.

MIRZA SHAKIL

wholesalers showed little interest, more than 70 per cent of my products remained unsold," said Abul Hossain, a handloom weaver of Delduar in Tangail.

He invested all his money to make sari and panjabi targeting the first day of the Bengali calendar and Eid-ul-Fitr.

He has 10 handlooms, and half of them have been sitting idle

since April last year. He incurred losses of Tk 5 lakh in the last year.

Khokon Basak, a wholesaler of Tangail, who supplies to brands after collecting them from weavers, said 90 per cent of Baishakh products remained unsold. "I have already completed half of the work for Eid. Now, I have suspended the production."

However, some traditional

weavers saw orders grow as the pandemic made handmade sari, salwar kameez, and panjabi dearer.

Manipuri sari weaver Gita Devi of Adampur area of Kamolganj upazila of Moulvibazar used to earn Tk 1,000 for weaving a sari. She has been taking home Tk 1,500 to Tk 2,000 for the last year.

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Turn some stimulus into grant: FBCCI

STAR BUSINESS REPORT

The country's apex trade body yesterday demanded that the government consider giving away a portion of stimulus funds as grants if lockdowns persist in the next quarter, reasoning it was difficult to recover business from the pandemic-induced losses.

The government in April last year announced stimulus packages for banks to disburse low interest loans among industries to aid recovery.

Till date, the government declared Tk 124,000 crore in funds in its bid to shore up the confidence of entrepreneurs in the wake of global and local economic losses.

In a proposal for tax and other measures needed for businesses to recover and grow in fiscal 2021-22, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Sheikh Fazle Fahim urged for considering the grants ranging from 5 per cent to 50 per cent.

He was addressing a virtual meeting jointly organised by the National Board of Revenue and FBCCI as a part of a regular annual exercise to hear views of businesses before the formulation of fiscal measures for a new year.

Top leaders of trade bodies and business chambers, government high-ups, experts, exporters and importers attended the meeting where Finance Minister AHM Mustafa Kamal was also present.

The FBCCI president suggested that a 5 per cent grant be provided to large scale industries and for export-oriented sectors while 50 per cent to the cottage, micro, small and medium enterprises (CMSMEs) and agricultural sector.

So far, the government announced Tk 30,000 crore in stimulus for large-scale industries, Tk 20,000 crore for CMSMEs, Tk 10,500 crore for export-oriented sectors and Tk 5,000 crore for the agricultural sector.

Fahim also recommended that the tax authority reduce value added tax (VAT) and advance income tax (AIT) in certain sectors.

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Unique Power selling stakes to Qatari company

STAR BUSINESS REPORT

Unique Meghnaghat Power is going to sell an 11.76 per cent stake to Doha-based power development and investment company Nebras Power Investment Management BV worth \$24.06 million or Tk 206 crore.

Parent company the Unique Hotel and Resorts made the disclosure through the Dhaka Stock Exchange website yesterday. It said to have already signed a memorandum of understanding with Nebras.

A total of 14,641 shares would be sold having a face value of Tk 10, informed the company.

Nebras develops and manages portfolios of strategic investment in the power sector globally. Its total asset was 7.2 billion Qatari riyals in 2019, according to the company's website.

Following the DSE disclosure, stocks of Unique rose 2.8 per cent to Tk 36.50.

In 2019, Unique signed a deal with the Bangladesh Power Development Board (BPDB), Power Grid Company of Bangladesh, and Titas Gas Transmission and Distribution Company to set up the power plant. It has a 22-year power purchase agreement with the BPDB.

The company has also informed of developing a 584 MW gas/liquefied natural gas-based power plant with Strategic Finance and GE Capital Global Energy Investments BV.

The Meghnaghat plant is under construction on 18.75 acres of land at an estimated cost of \$520 million. It is expected to start operations by July 2022, generating electricity that could power 700,000 homes.

This correspondent could not reach Unique for a comment despite repeated attempts.

Govt launches \$7.5m Covid response fund

Medical equipment, PPE makers will get the money

AKANDA MUHAMMAD JAHD

Entrepreneurs will now get financial support from the government to produce medical and personal protective equipment (MPPE) for both local and international markets as the fight against Covid-19 continues.

Commerce Minister Tipu Munshi yesterday launched a \$7.5 million Covid-19 response fund to help private enterprises procure the necessary equipment in this regard as the demand for MPPE products has ballooned amid an ongoing second wave of infections.

The fund, styled "Covid-19 Enterprise Response Fund (CERF)", is an initiative of the Export Competitiveness for Jobs (EC4J) project which is currently being implemented by the commerce ministry with support from World Bank Group.

"Under the CERF, grants ranging between \$50,000 and \$500,000 will



be provided to private enterprises for procuring manufacturing plants, equipment, materials, and the know-how for rapid repurposing of capacity to produce MPPE products on a sustainable basis," said Md

Hafizur Rahman, project director and additional secretary of the commerce ministry. About 50 applications for the grant will be accepted on a competitive basis, he added.

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BB restores interbank cheque clearing system

Electronic fund transfer yet to be functional

AKM ZAMIR UDDIN

Bangladesh Bank yesterday restored the interbank cheque clearing system in a major relief for users but a backlog of cheques and the non-operational electronic fund transfer (EFT) platform are still causing sufferings to clients.

Interbank electronic cheque transaction and fund transfer activities through the Bangladesh Automated Clearing House (BACH) of the central bank were suspended on April 13 due to the disconnection of an optical fibre cable between two data centres of the BB.

The central bank restored the connection between the centres - one at Motijheel and the other at Mirpur - on the evening of April 13, but the full-fledged operation of the BACH is yet to be restored.

The BACH, the first-ever electronic clearinghouse in Bangladesh, has two components - an automated cheque processing system (ACPS) and the EFT.

The ACPS has been restored. The EFT was restarted for a while yesterday, but it collapsed again, a central banker said.

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Boro harvest in full swing in Sylhet's haor

Farmers in a hurry to avoid nor'wester

MINTU DESHWARA

Farmers have already harvested about 25 per cent of the boro paddy sown in haor areas of Sylhet despite the ongoing coronavirus pandemic.

Besides, the region's vast haor tract has produced good yields, much to the delight of locals. Farmers began to harvest paddy as early as possible this season in anticipation of natural calamities that could devastate their crops.

Six large haor areas in Moulvibazar were brought under cultivation this season with an aim to produce 218,022 tonnes of paddy, according to the Department of Agricultural Extension (DAE) office in Sylhet.

In Sunamganj, the crop was cultivated on 223,330 hectares of land with a production target of 885,299 tonnes.

Similarly, 122,130 hectares of land in 54 haors were cultivated in Habiganj to produce 518,151 tonnes of rice.

During a visit to paddy fields in the Hakaluki haor areas, it was seen that farmers were passing busy times in reaping

and storing the paddy from dawn to dusk. "Suitable climate conditions alongside frequent rainfall during the growing season gave farmers hope of getting their desired production," said Mahfuz Hamid, administrator of the Kulaura Problem Prospect Facebook group.

The group works in the locality to solve different social and economic problems and raise awareness on different issues.

Now is the perfect time to harvest paddy and so, farms are bustling with activity to get the job done in due time, he said.

"We are raising awareness among local farmers to harvest boro paddy as quickly as possible this season," Hamid added.

Farmers are also quite pleased with the current price of boro paddy, leading to increased cultivation and employment opportunities for locals, he said.

Md Abdul Momin, agriculture officer of Kulaura upazila, told this correspondent that a favourable climate, quality seeds, proper use of fertiliser, monitoring and advice from field-level employees are the main reasons for this year's bumper production.

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Six large haor areas in Moulvibazar were brought under cultivation this season to produce 218,022 tonnes of paddy. The photo was taken from Hakaluki haor in Sylhet on Saturday.

PHOTO: MINTU DESHWARA



Md Ahsan-uz Zaman, managing director and CEO of Midland Bank, and Md Zahid Hossain, deputy managing director, inaugurated a chatbot at the bank's head office in Gulshan yesterday.

Huawei defence to ask Canada court for delay in CFO's extradition hearings

REUTERS, Vancouver

The defense team for Huawei's chief financial officer, Meng Wanzhou, will ask a Canadian court to delay upcoming hearings in her US extradition case, the court said on Friday.

Meng's US extradition hearings have lasted more than two years and she is scheduled to be back in the British Columbia Supreme Court on April 26.

A source familiar with the matter told Reuters the application was a result of an agreement announced last week in a Hong Kong court between Huawei Technologies Co Ltd and HSBC regarding publication of internal documents relating to the fraud allegations against Meng.

The source was not authorised to speak publicly about the matter.

Meng, 49, is facing charges in the United States for allegedly misleading HSBC about Huawei's business dealings in Iran, potentially causing the bank to break US

sanctions.

She has been held under house arrest in Canada since her arrest at Vancouver International Airport in December 2018.

Meng's lawyers have been seeking the release of more documents from HSBC, arguing the charges against her were based on a presentation she gave to a senior HSBC executive in 2013. They claim that "an incomplete version" of her statements made in the presentation was used by US authorities to request her extradition, and have pushed HSBC to release documents detailing the contents of the meeting.

A British judge in February blocked the release of internal HSBC documents sought by Huawei.

Meng's extradition hearings are scheduled to wrap up in May, although the potential for appeals on either side means the case could drag on for years.

Canada's justice department did not offer an immediate comment.

A tale of two carmakers: GM and Toyota take different electric roads in China

REUTERS, Shanghai

Toyota pioneered the world's most successful hybrid car but when it comes to pure electric vehicles it has some catching up to do, especially in China.

The Hong Guang Mini EV, a tiny, no-frills car made by a General Motors joint venture that costs under \$5,000 is a smash hit in the world's biggest car market while Toyota has yet to launch its own small, low-cost electric vehicle in China.

Toyota, the world's biggest carmaker, is set to unveil its solution at the Shanghai auto show on April 19: a new universal platform for electric vehicles (EVs) called e-TNGA that will underpin an array of models from small runarounds to large SUVs.

It will also display its concept electric mid-sized sport-utility vehicle (SUV), based on the e-TNGA platform, which is set to be sold worldwide within a couple of years, two people familiar with Toyota's plans said.

Toyota's executives have long called for a small electric runabout but the fact it is going first with a mid-sized SUV is a sign of the challenges it still faces to produce small, low-cost EVs that are also competitive, comfortable and safe.

With pressure growing on carmakers to slash emissions, Toyota is scrambling to produce EVs that can compete globally with the Mini EV, Tesla's high-end sedans, mid-range models from Volkswagen and Renault and sleek EVs from Chinese startups like and Xpeng.

While Toyota's Prius hybrid became a world bestseller, one of its early efforts to develop a small EV, the eQ, was a flop.

After selling about 100 eQs in 2012, Toyota ditched it due to concerns about the limits of EVs, such as their high price, short range and long charge time.

The eQ, an electric version of Toyota's mini iQ, cost 3.6 million yen (\$33,000), roughly the price of its mid-sized Camry.

One key issue in developing an affordable, small EV is the need to use

electric powertrains that have yet to achieve parity with their gasoline counterparts, the people familiar with Toyota's plans said.

Cramming bulky batteries into a tiny car is another challenge.

Many EVs have high floors because the batteries are stacked underneath, leaving automakers the choice of making cars much higher to give passengers ample room, or keeping them lower and sacrificing comfort, the sources said.

Toyota doesn't want to compromise on quality, comfort or performance with its small EV, but it is aware it needs to develop expertise in slashing engineering costs to deliver such a vehicle with a price well under \$20,000.

That expertise is precisely what GM leveraged to make the Mini EV, which can cost as little as 28,800 yuan (\$4,410).

Its joint venture, SAIC-GM-Wuling (SGMW), is the biggest manufacturer in China of no-frills commercial vans that

start at about 30,000 yuan and it tapped that cost-control know-how.

"Wuling basically has simply had to replace gasoline engines in those commercial vans with simple electric powertrains," said Yale Zhang, head of consultancy Automotive Foresight.

He expects sales of the the Mini EV and its upscale Macaron version to hit 500,000 this year.

Zhou Xing, a SGMW vice president in charge of Wuling and Baojun sales and marketing, said it was set to roll out four small EVs by early 2022 under its brands, taking the model range to 10 just as more rivals enter the market.

The Mini EV also cuts corners that would not be allowed in the United States or Europe, underlining the challenge Toyota faces in developing a viable rival that handles easily in a crowded city and is still high in quality and performance.

The Mini EV only has one air bag, for

example, with none for passengers or on the sides to protect occupants if it rolls.

The car has an anti-lock braking system but no stability control technology even though its relatively tall, stubby profile makes it prone to tipping over when cornering sharply at speed, two people familiar with its development told Reuters.

"First of all, the product meets all the vehicle safety requirements of China. The Hong Guang Mini EV is basically a commuting tool, helping people go from point A to B in city traffic. It's highly unlikely for them to drive this car at high speeds," said SGMW's Zhou.

The no-frills approach certainly hasn't dented its appeal.

Launched in July, cost-conscious Chinese customers and young, fashionable urbanites are snapping up about 100,000 Mini EVs a quarter, making it one of the top EV sellers in China.

Some younger drivers are buying it and other Wuling cars in part after a video of a Wuling van racing deftly on a twisty mountain road went viral. For many, seeing a basic Chinese van doing tricky manoeuvres tickled their national pride.

"I am proud of what Chinese-made vehicles like Wuling workhorse vans can achieve," said Huang Peixian, 26, a small business owner in the city of Shantou in Guangdong province.

"When I saw the Hong Guang Mini EV, I thought this could be a good car for me," she said. "I'm not just attracted to the car because of its cheap price, it's really fun to drive." Many drivers personalise their Mini EV's with a new paint job and sleek head and tail lamps. A few are even customising their other cars, such as Audis and BMWs, with Wuling stickers and badges.

Huang went all out, turning the interior of her Mini EV pink and splashing characters from Japanese cartoon series Chibi Maruko-chan on the white exterior.

Toyota's electric SUV will be the first car produced by its new zero emissions vehicle design division in Japan, known as ZEV Factory.



A man walks past a Wuling Hong Guang MINI EV (Centre) at a SAIC-GM-Wuling dealership in Beijing, China.

Used electronics trading platform Aihuishou to raise up to \$1b in US IPO

REUTERS, Hong Kong

Chinese secondhand electronics trading platform Aihuishou is aiming to raise \$500 million to \$1 billion in a US initial public offering by early June, said two people with direct knowledge.

The 10-year-old company, backed by online retailer JD.Com Inc, is targeting a valuation of \$4 billion to \$5 billion in the float, said the people.

Aihuishou has hired Bank of America and Goldman Sachs to work on the IPO and plans to file around mid-May, said the sources, who declined to be named as the information is confidential.

The company and the two banks declined to comment. Aihuishou recycles second-hand mobile phones, computers, laptops, cameras and other electronics products from individuals and corporations and resells them on its website and apps, as well as offline stores in 140 cities, according to its website. The company aims to attract investors with its environmental, social and governance (ESG)-friendly business nature, said one of the people.

It also counts International Finance Corporation and Tiger Global as investors, the website shows.

JD.Com disclosed in 2019 it would merge its own Paipai secondhand business into Aihuishou with certain exclusive traffic resources for the next five years, and additionally invest \$20 million in cash in exchange for a non-controlling interest in the company.

Nissan to furlough 800 workers at its UK plant

REUTERS, Tokyo

Japan's Nissan Motor will furlough around 800 workers at its production plant in Britain, as output slows there because of a semiconductor shortage, the Nikkei newspaper reported.

The people, who represent about a tenth of the workforce at the facility in Sunderland, will be asked to stay away until the chip shortage eases and production can increase, the Nikkei said, without saying where it got the information. A Nissan spokeswoman was not able to immediately comment.

Carmakers around the world are struggling with a chip shortage caused by strong demand from makers of smartphones and other consumer electronics amid the COVID pandemic. A fire at a Japanese auto chip plant last month has further squeezed supplies.

Nissan plans to slash production at several factories in Japan next month, sources earlier told Reuters.

Some EU countries to miss April deadline for recovery plans

REUTERS, Brussels

Some European Union governments will miss the April 30 deadline to submit their recovery plans to the European Commission, its Vice President Valdis Dombrovskis said on Friday, but they are still likely to submit the plans within a few weeks afterwards.

The delay in the submission of some of the national plans, which spell out how each government wants to spend its share of the EU's 750 billion euro joint borrowing scheme, will not delay the scheme as a whole, Dombrovskis told a news conference.

"Some Member States are nearly there and submitting their plans by the end of April is achievable. For others, it looks more difficult. Finalisation will require somewhat more work for a couple of more weeks," Dombrovskis said.

The 27 national plans are blueprints for spending grants and loans that each EU country will get from the unprecedented joint borrowing by the European Commission to rebuild economies greener and more digital after the COVID-19 pandemic.

To get the money, each country has to earmark 37 per cent of the funds to reduce CO2 emissions and 20 per cent to make the economy better prepared for the digital age through investment and reforms that will get piecemeal financing from the EU until 2026.

It is the long time horizon of the investments and reforms, as well as the need to allocate the prescribed percentage of the cash to certain areas, that is challenging for governments.

"For a vast majority of Member States, plans are in very advanced stages and are

going to be submitted either by end of April or maybe in a next couple of weeks after the end of April," he said.

A few weeks slippage in the submission of some plans will not derail the whole programme because for any of the grants or cheap EU loans to flow to governments, 27 national parliaments need to first ratify their own increased budget guarantees for the overall EU budget. These commitments are the ultimate security for the borrowing, ensuring it will be repaid.

This is likely to take longer than the preparation of the spending plans -- so far up to 17 countries have ratified the increased guarantees, called the Own Resources Decision, and others were expected to do so soon.

But the process is held up in several countries for various reasons. For example, in Germany the constitutional court is probing if it is in line with German law, in Poland the decision is subject to domestic political infighting and the Netherlands is struggling to form a ruling coalition after elections.

Yet without all 27 national ratifications, the Commission cannot start borrowing and no government can get any funds.

"If the Own Resources Decision ratification is completed in all Member States in June, and we are confident that this is going to be the case, then we can, as European Commission, go to the markets and do the borrowing and make first disbursements in July," Dombrovskis said.

The amount that EU governments can get up-front this year, before any of the investments and reforms start, is 13 per cent of their total share. Since most will want primarily the grants part of the funding, the total EU cash injection this year is likely to be around 44-45 billion euros.

No knockout, but new US sanctions add to Russia's 'slow destruction'

REUTERS

For all the insouciance with which markets treated Washington's latest sanctions on Russia, its move to target Moscow's main funding avenue - the rouble bond market - has in some ways, crossed the Rubicon, potentially with far-reaching consequences.

Drawing on experiences of sanctions imposed previously, including after the 2014 Ukraine crisis and the Mueller report on Russia's alleged US election meddling, money managers haven't rushed to dump Russian assets en masse read more.

The rouble, which fell as much as 2 per cent at one point on Thursday, has clawed back losses and is on its way to recording its best week this year; Russian bond yields, on local as well as international markets, have fallen.

That reaction suggests Washington's ban on US investors buying new Russian rouble bonds - OFZs as they are known - is being perceived as yet another annoyance for a market that's coped for years with sanctions risk.

Investors had feared "nuclear" options such as barring US firms completely from rouble debt or cutting Russia out of international money-transfer systems. Those may yet come to pass.

But for now, US funds can buy the bonds in secondary markets, which is what most of them already do. read more

Yet many caution the US move is an escalation from previous sanctions against individuals and Russian dollar debt.

"This is not just another round of essentially political sanctions that target a few officials or blacklist companies no one has ever heard of," said Christopher Granville, managing director at consultancy TS Lombard and a veteran Russia watcher.

"They have gone this time for real financial sanctions that are designed to harm Russia by raising its borrowing costs and weakening the rouble." Granville reckons these will lead to Russian interest rates being 50 basis points (bps) above where they would otherwise have been.

Indeed banks such as Morgan Stanley and JPMorgan now see a higher chance of a larger-than-expected 50 bps hike next week, which could hurt Russia's expected 4 per cent economic rebound in 2021.

Foreigners have already cut OFZ exposure to six-year lows. US investors hold nearly 7 per cent of the total. Extrapolated to the expected \$37 billion worth (2.8 trillion roubles) of OFZ sales this year, the removal of US buyers would remove \$2.6 billion in demand.

This is an extreme figure, though, and does not account for secondary-market purchases.

Russian banks too can absorb surplus debt. But it will likely reduce market liquidity - Russian investors mostly buy to hold - while yields should rise at least at the margin.

Russia has more strength than most developing countries to absorb such blows. Since the 2014 double-whammy of an oil price collapse and the first set of sanctions over its annexation of Crimea, it has built up fortress-like defences.



A sheet of 1000 Russian rouble notes at Goznak printing factory in Moscow, Russia.

World stocks at new peaks on strong China, US data

REUTERS, New Reuters

Gold prices hit a seven-week high and global stocks scaled new records on Friday after strong US and Chinese economic data bolstered expectations of a solid global recovery from the coronavirus pandemic.

Government stimulus, strong corporate earnings from US banks and in Europe, along with signs of economic recovery in countries leading the COVID-19 vaccination race have all helped push stock market indexes to new heights this week.

MSCI's broadest gauge of world stocks rose 0.42 per cent to an all-time peak, lifted by surging European shares and lesser gains on Wall Street where both the Dow Industrial and benchmark S&P 500 posted their fourth week of successive gains.

As long as the strong economic rebound, tremendous fiscal and monetary support and progress on vaccine distribution remain in place, markets can grind higher, said Michael Arone, chief investment strategist at State Street Global Advisors in Boston. "Investors and market participants

continue to underestimate both the economic and earnings recovery," he said. "The earnings numbers have continued to exceed expectations by a very wide margin." First-quarter earnings are expected to rise 30.9 per cent from a year ago, the highest since late 2010 when the economy was pulling out of financial crisis, according to Refinitiv data.

U.S. homebuilding surged to nearly a 15-year high in March, the Commerce Department said on Friday, adding to robust retail sales data the prior day, suggesting the economy was roaring.

Boro harvest in full swing in Sylhet's haor

FROM PAGE B1

"The damage caused by the recent storm was very little," he said, adding that they first cut a sample of the grain to estimate the total harvest.

If its raw moisture content is 23 per cent, humidity in dry condition is 14 per cent, raw weight per hectare is 7.25 tonnes and dry weight per hectare is 6.49 tonnes, then each hectare will produce about 4.28 tonnes of rice.

"We are announcing each and every area for harvesting boro paddy quickly," Momin said.

Nurul Mia of Mirshankar village said he is anxious about whether he will get the right price for his produce.

Siddeq Ali, a farmer of Halla area in Barlekha upazila of Moulvibazar, said an acute labour crisis prevails in the region as the government has enforced a countrywide lockdown in a bid to curb the spread of Covid-19.

The public transport system has also been shut down, resulting in a scarcity of workers to help farmers harvest paddy in the haors.

"This has raised labour costs," Ali said.

"So, we have to spend more money to manage farmhands for harvesting crops," he added.

Bimol Das, a haor farmer of Bhusimol area under Kulaura upazila, said farmers are engaging even their schoolgoing children to harvest their paddy before the arrival of the upcoming nor'westers and hail-storm.

"This natural calamity may occur at any time and cause damage to the crops," Das added.

Dilip Kumar Adhikari, additional director of the DAE office in Sylhet, said there may be a bumper paddy harvest this year thanks to the various government initiatives and favourable weather conditions.

Boro paddy was cultivated on 483,703 hectares of land in 424 haor areas under four districts of Sylhet division this season with a production target of 1.934 million tonnes of rice.

Over 25 per cent of these lands have already been harvested while rest will be harvested within a short period of time.

Since the paddy could be damaged by natural calamities, farmers have been asked to cut ripe crops early in order to prevent the whole harvest from being lost, Adhikari added.

Susceptible to natural calamities during this period of the year, Sylhet division, also known as haor region, accounts for 10 per cent of total Boro area and 8 per cent of total annual production of 1.96 crore tonnes of Boro rice. This year, farmers cultivated Boro paddy on 48.83 lakh hectares of land across the country and they have grown paddy on 4.80 lakh hectares.

ADP spending slows in Jul-Mar

FROM PAGE B4

"Sectors instrumental for fighting and coping with the pandemic are among some of the worst performers," said the economist.

Sectors responsible for helping the economically distressed, such as the ministries of food, social welfare, and women also failed to rise to the occasion, he added.

There is no easy explanation of such ill execution, he said, adding, "Perhaps we must revisit the ways in which state capacity building has been supported, both internally and externally, in the past."

Numerous initiatives promoting greater transparency and accountability in public financial management have failed to push ministries to reform the ways of delivering their mandates, he said.

Business as usual appears resilient to both national imperatives and grassroots pressure, said Hussain.

Efforts to promote good governance through increased transparency and accountability without simultaneously incorporating efforts to strengthen enforcement have failed

to deliver, he said.

Development spending was picking up pace since January after a bumpy ride in the first half of the fiscal year.

The country's economy was impacted intensely due to the Covid-19 pandemic last year and it was also reflected in the ADP implementation. The average monthly implementation rate in the first nine months of the fiscal since July was at 4.66 per cent.

Following more than two months of a countrywide shutdown till June last year, movement restrictions were gradually lifted and activities started returning to pre-pandemic level by October.

The country's economy started seeing signs of a gradual recovery with the number of adult workers seemed to have returned to pre-Covid level in February this year.

This economic rebound helped the implementation of the development programmes in picking up pace early on this calendar year.

The monthly ADP implementation rate reached 7.23 per cent in March when the expenditure stood at Tk

15,131.21 crore, which was 43.25 per cent higher than the monthly expenditure of Tk 10561.18 crore in the same month last fiscal 2019-20.

But the ADP implementation may face challenges again due to recent restrictive measures taken earlier this month and a fresh lockdown imposed last week to control a resurgence of coronavirus infections.

The seven-day countrywide lockdown imposed on April 14 could be extended for one more week while there was a possibility for it to be extend till Eid-ul-Fitr.

IMED Secretary Pradip Ranjan Chakraborty said government projects have not been halted at all, rather work was being done during the lockdown through special arrangements like keeping workers at workplaces.

There are some challenges, greater challenges indeed, he said.

He hoped to timely complete the projects which have a completion timeline by this fiscal.

Feasibility works of some projects would be done digitally, he said, adding that every sector had been hurt due to the fresh hit of Covid-19.

BB restores interbank cheque clearing system

FROM PAGE B1

"The EFT may be operable from today. Although we have put in all our efforts to resume the system, there is a bit of uncertainty to resolve the glitch by today."

Banks submitted 1.46 lakh inter-bank cheques involving around Tk 150,000 crore to the BB.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said his bank submitted all pending inter-bank cheques to the central bank.

He expressed a hope that the EFT would return to normalcy by today, which will help customers conduct banking activities smoothly.

Emranul Haq, managing director of Dhaka Bank, said that the current problem would be completely solved once the BACH recovers fully.

The managing directors of two banks, however, said they had been unable to submit all cheques yesterday due to a huge backlog of the documents, meaning that clients would have to wait to receive

money.

An accountant of a private firm said that his company had been facing a cash shortage for the last few days as it had failed to deposit money to its account using the cheques of its clients.

"Our bank has informed us the system has resumed, but we have been unable to manage our fund due to a large backlog of the cheques," he said.

On Thursday, the central bank settled some of the EFT transactions through its real-time gross settlement (RTGS). It did not use it yesterday, a banker said.

The central bank assured banks of settling EFT transactions through the RTGS today if the BACH does not restore fully.

Clients of a bank are allowed to send Tk 1 lakh and above to customers of other banks through the RTGS.

On the other hand, 95 per cent of the values, which are settled through the EFT, are below Tk 1 lakh.

The interbank transactions through the two digital modes are the largest

in terms of number and volumes.

For instance, clients submit around one lakh interbank cheques, amounting to around Tk 12,000 crore, per day.

The APCS uses a cheque imaging and truncation technology for electronic presentment and payment of paper-based instruments.

Under the EFT system, around 1.5 lakh transactions are settled by clients every day, amounting to Tk 1,000 crore.

Established in February 2011, the Bangladesh Electronic Fund Transfer Network (BEFTN) was the country's first paperless electronic interbank funds transfer system.

It facilitates both credit and debit transactions as a lead over cheque clearing systems.

The network can handle credit transfers such as payroll, foreign and domestic remittances, social security payments, company dividends, bill payments, corporate payments, government tax payments, and person-to-person payments.

Govt launches \$7.5m Covid response fund

FROM PAGE B1

Speaking as chief guest, Munshi said the purpose of producing these health and medical safety products is not just to tap into the domestic market, but also the international ones.

"We hope our producers will take advantage of the fund to successfully tap into a new product segment which is critical to face Covid-19. I believe the CERF will work for the interest of the people and also the world," he added.

Salman F Rahman, private industry and investment adviser to the prime minister, said the government has taken various steps in its fight against the current crisis.

The CERF is one such initiative

to build the resilience of domestic producers of MPPE in an ever-changing world.

"It will strengthen the government's plan to boost the exports," Rahman added.

Dr Md Jafar Uddin, senior secretary of the commerce ministry, urged local entrepreneurs to come forward and apply for this grant on a first-come-first-serve basis.

"The CERF will push to strongly integrate Bangladesh with the global value chain," Uddin said.

Highlighting some salient features of the CERF, World Bank's Country Director for Bangladesh Mercy Tembon said the CERF would boost production of MPPE by local

entrepreneurs, increase domestic supply and subsequently exports.

The EC4J project was initially a \$10 million matching-grant programme that provided financial support to eligible Bangladeshi firms in four targeted sectors -- Leather goods, footwear, plastics, and light engineering -- to identify gaps, catalyse investment and improve environmental, social and quality standards in an effort to enhance their competitiveness in export markets.

The purpose of the EC4J is to integrate Bangladesh in the global value chain. The Export Readiness Fund, another part of the EC4J, provides grant-based incentives to firms to support exports.

Turn some stimulus into grant: FBCCI

FROM PAGE B1

He also suggested that the government opt not to go for more lockdowns.

Instead, he demanded strengthening health safety management so that no physical, mental and economic pressure is imposed on the people during such hard times. "Because lockdowns are not sustainable," he said.

The FBCCI also urged that the government to provide one per cent as an incentive to banks which succeeded in disbursing their respective portions of the funds on time.

Fahim said the budget needs to be formulated to address the challenges accrued due to Bangladesh's upcoming United Nations status graduation from a least developed country to a developing country.

In this connection, the FBCCI demanded withdrawal of the AIT from all kinds of businesses for the next two years. The apex trade body also demanded reduction of corporate tax by 2.5 percentage points from the present 32.5 per cent. It also appealed for a further reduction of tax for listed companies from last year's rate of 25 per cent.

He also suggested that the government ease access to finance for companies and traders and check hidden charges imposed by banks on

businesspeople.

Rupali Chowdhury, president of the Foreign Investors' Chamber of Commerce and Industry, demanded continuation of financial supports for the CSMEs through the creation of a smart database of such firms.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, demanded increasing cash incentives for non-traditional markets to 5 per cent from 4 per cent and reducing tax at source to 0.25 per cent.

He also urged going away with the submission of tax returns and VAT on all kinds of materials used for exports.

He also demanded a 10 per cent incentive on export of garment items made of non-cotton fibres mainly to encourage local garment exporters to using manmade fibres as the demand for garments from such fibres is soaring worldwide.

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, sought fixing VAT at Tk 3 per kilogramme on sales of all kinds of yarn for narrowing the discrepancy between manmade fibres and cotton yarn.

Currently, the government takes Tk 6 per kg as VAT on the sale of manmade fibres but Tk 3 per kg for cotton yarn.

He also suggested treating

exporters equally when giving out cash incentives.

Md Jashim Uddin, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association, said the revenue collection growth should be 20 per cent instead of the 35 per cent targeted every year because usually 10 per cent to 15 per cent was achieved.

Shaful Islam Mohiuddin, former FBCCI president, said the VAT on manmade fibre sales should be zero per cent and at the same time the government's policy continuation was very important.

While chairing the discussion, NBR Chairman Abu Hena Md Rahmatul Muneem said the next budget would be formulated targeting to save local industries, trade facilitation and expansion of the tax net.

However, tax dodging through the fabrication of multiple audit reports by a section of companies might become impossible because the auditing system was being automated, he said.

A trade-off is necessary in some cases in the next budget because of Covid-19, said Finance Minister Kamal. It is very difficult to reach a balance between revenue collection and reducing the taxes from different sectors, he said.

Weavers stare at bleak Eid sales after dismal Baishakh

FROM PAGE B1

"The demand for sari has increased and traders have asked us to weave more sari," said Devi. She said Baishakh had been great for her as she received higher orders.

According to Rabi Kiran Singh, member secretary of Kamolganj's Manipuri Cultural Complex, which promotes the handloom industry, some small entrepreneurs were created during the pandemic, and they started to sell products online.

"Many people lost jobs during the pandemic, and some of the youths have turned to online-based business as alternative employment. And the online sales make Manipuri sari accessible to many customers."

Rajshahi's young entrepreneur Jarin Tasnim Jui received tremendous responses for her Baishakh-centric products such as hand paints, block works and Kurti on batik.

Operating through a Facebook page called Tonirika, she rolled out the business a few months ago.

Industry insiders said although some producers connected to online platforms were flying high as demand rose, the number of online sellers is very low. Online purchase accounts for less than 10 per cent of the total retail sales.

Producers in and around Dhaka are getting benefits from online sales because many e-commerce and F-commerce entrepreneurs are sourcing products from local weavers, said Shomi Kaiser, president of the e-Commerce Association of Bangladesh (e-CAB).

"Internet has already reached all over the country, and the delivery system has expanded to every district. Small entrepreneurs and producers have to be brought into this network." She said the e-CAB was helping budding entrepreneurs access online platforms.

Bangladesh has a huge size of Facebook population, with nearly 40 million users.

"We are trying to promote local handmade products through our platform," said Nasima Akter Nisha, president of the Women and e-Commerce Forum (WE), a Facebook-based marketplace with more than one million followers.

Since April last year, there has been a surge in the sales of local items. This is because import has been disrupted due to lockdown.

"When people saw that the quality of these

products is very good, they keep buying," Nisha said.

"Those who are properly connected to online and Facebook platforms have been flooded with orders. They are struggling to deliver them in time."

Now, the challenge is to connect rural producers to online and Facebook-based platforms.

Zunaid Ahmed Palak, state minister for ICT, said the government was closely working with the 1,500-member e-CAB, e-commerce platform ekShop and payment platform ekPay to encourage people to shop online.

"The prime minister has instructed us to ensure smooth online sales during Eid. So, we are helping e-commerce platforms to operate during the restrictions seamlessly."

The ICT Division is providing training to 13,000 entrepreneurs working at 6,000 union digital centres so that they can connect producers and sellers with e-commerce platforms, giving rural weavers access to a wide range of new customers and making online sales more popular.

E-COMMERCE PLATFORMS PLAYING THEIR PART

Khokon Basak said, for the last few years, some students have been selling products online after buying them from wholesalers.

"The online sellers have no permanent business plan. They enter the business for a short period hoping for a limited profit. We don't see any good prospects for selling products online yet."

Abul Hossain said online sales were good last year, but it was not enough to stay afloat.

"We are not familiar with the method of business through online platforms."

Local e-commerce platform PriyoShop, has recently completed a campaign called "Bangaliana" to promote 'Made in Bangladesh' products, especially jamdani sari.

The campaign, which aims to facilitate local entrepreneurs and small cottage industries and provide special discounts to end-buyers, has caught customers' attention.

Asikul Alam Khan, founder and CEO of priyoshop.com, said the platform facilitated the shift to online for sari weavers in Tangail.

Alibaba-owned e-commerce giant Daraz organised "Daraz Baishakhi Mela 1428" and

received a good response.

During the campaign, its sales were up 14 times.

The platform has transformed 145 villages in 29 districts into Daraz Village, a framework created to take e-commerce to untapped rural communities and enable them with business opportunities using the marketplace.

"Most of these talented individuals create amazing products," the e-commerce platform said in a statement.

Selling online requires maintaining digital shop and processing orders using tools. But more than 70 per cent of these sellers do not have access to a proper computer or smartphone, it said.

The business of weavers who are connected to the platform grew more than five times during the pandemic, it said.

Daraz is also organising campaigns centring Ramadan and Eid.

Shayantani Twisha, head of public relations of Daraz Bangladesh, said Daraz started to see an exponential flow of new sellers after a few weeks of lockdown last year.

Some 17,000 new sellers registered during the pandemic. Most of these sellers sell local products, she said.

The sales of the leading lifestyle brand Aarong, the top employers of artisans in Bangladesh with 30,000 independent and 35,000 fixed crafts workers, dropped significantly in 2020, according to Mohammad Ashrafal Alam, CEO of the brand, which has 21 stores.

Online sales soared tenfold amid the pandemic, although they accounted for less than 5 per cent of Aarong's total sales.

To enable the artisans to keep churning out products ahead of Eid, the brand upgraded its online platform, launched a new mobile app, and improved delivery systems.

Due to the pandemic, more people have been staying at home and making online purchases. Businesses too migrated to selling their goods and services through digital platforms.

"Facebook continues to support local businesses, including artisans, to communicate with their audiences and boost their sales online ahead of Eid. We guide them through our authorised sales partner. There is also free training available on our Business Resource Hub," said a spokesperson of Facebook.

Consistent policy support needed to nurture automobile industry

FROM PAGE B4

"Increased purchasing power is motivating people to procure personal vehicles, raising the demand for cars," he said.

In order to cater to the growing demand, a number of automobile manufacturers have shown interest in setting up local manufacturing facilities.

"We have analysed the industry to see their current state and what the future holds for them. Besides, we are drafting an automobile policy for the future development of this industry," Humayun added.

While moderating the webinar, DCCI President Rizwan Rahman said that the government should implement a supportive tariff policy for at least five to ten years in order to boost the local automobile assembly and manufacturing industry.

Bangladesh's automobile industry is dominated by reconditioned and new car imports mostly from Japan, China, India, the EU, and the US.

Considering the growing market demand, local and foreign investors are now showing interests in the industry.

The automobile market has been growing by 15 per cent to 20 per cent annually.

Similarly, the spare parts market has grown by about 12 per cent each year as well, Rahman said.

The DCCI president also urged for a separate economic zone for automobile manufacturers and to allow joint ventures in parts manufacturing in order to develop local experts.

Taskeen Ahmed, deputy managing director of IFAD Group, said the launch of Padma Bridge will boost the demand for commercial vehicles.

Around Tk 8,000 crore has been invested in the local motorcycle industry, which accounts for about 0.5 per cent of the country's gross domestic product.

Reconditioned cars make up about 50 per cent of the entire local car market while 45 per cent of the remainder are used cars and only 5 per cent are brand new.

Ahmed also said the commercial vehicle

market is currently worth around \$1 billion and its growth will only continue in the future.

In the light engineering sector, the market size of the auto-parts industry is about Tk 1,400 crore with an annual growth rate of 12 per cent, he added.

John D Dunham, economic and Indo-Pacific Affairs Unit chief of the US Embassy in Dhaka, said since Bangladesh will soon graduate into a developing country, the government needs to formulate ideal policies on tax and investment.

"Bangladesh's prosperity is important to the US," Dunham added.

Md Touhiduzzaman, managing director of Pragati Industries, said his company wants to locally manufacture vehicles.

Touhiduzzaman also emphasized on the need to expand the local spare parts manufacturing.

Matiur Rahman, chairman and managing director of the Uttara Group of Companies, said long-term policy support and incentives would foster the industry's growth.

"This is a promising sector which has the opportunity to attract private sector investment," Rahman added.

Abdul Haque, president of the Bangladesh Reconditioned Vehicle Importers and Dealers Association, said the taxation policy should be industry-friendly as the industry needs consistent policy support.

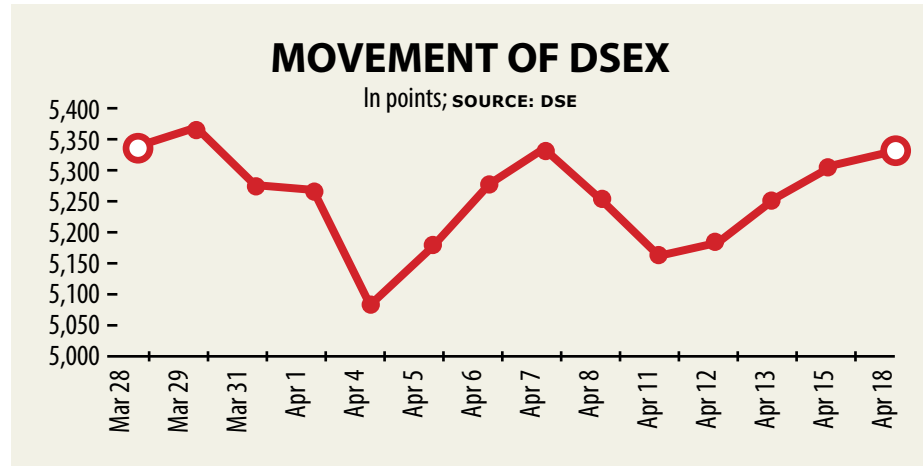
Hayakawa Yuhou, chief representative of the Japan International Cooperation Agency Bangladesh, said appropriate industrial policies are needed to protect and nurture the local automobile industry.

He also said the government may think of providing investment incentives to private sector investors from both home and abroad.

Yuhou went on to suggest that the automobile policy should be carefully formulated and implemented since the industry's situation changes every day.

The webinar was also addressed by NKA Mobin, senior vice president of the DCCI, and Syed Intiaz Ahmed, president of Canada's Signal Stream Inc.

Stocks extend rising streak



STAR BUSINESS REPORT

The stock market continued to rise for a fourth day yesterday following the two-day weekend thanks to a curious increase in share prices of non-bank financial institutions (NBFIs).

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 21 points, or 0.39 per cent, to 5,331.42.

There is apparently no reason for the rise of the stocks and index, said a merchant banker preferring anonymity.

However, one recent development is of a group of people taking up stakes of the NBF sector, he added.

While most stocks at the Dhaka bourse dropped, 20 out of 23 NBFIs made gains, shows the DSE data.

"This is crazy. How can all the shares of listed NBFIs behave like this," said the banker.

The NBF shares rallied last Thursday too, he said.

This year NBFIs will have to keep provisioning against loans as an associated waiver came to an end last year, he added.

Banks and the NBFIs recorded higher incomes last year as Bangladesh Bank eased rules on loan classification taking the pandemic into consideration.

The banking regulator asked lenders not to consider businesspeople as defaulters if they failed to repay instalments until June 30 last year.

With the prolonging of the crisis, the deadline was extended initially

to September 30 and then to last December.

Another stock broker also cited that there was no significant reason behind the rise of the NBFIs.

BD Finance's recent move to attract investment from the US gave a boost to investors' confidence in the sector, he said.

The Bangladesh Finance and Investment Company (BD Finance) signed a deal with US-based Sovereign Infrastructure Group to attract \$2 billion worth of investment in infrastructure projects in the next two years.

Yesterday Prime Insurance Company topped the gainers' list rising 10 per cent followed by Provati Insurance Company, MIDAS Financing, HeidelbergCement Bangladesh and Rangpur Dairy & Food Products.

Singer Bangladesh gained 1.79 per cent to Tk 170.8 a share after it posted an increase in its quarterly earnings.

The electronics and home appliance maker said its earnings per share rose 52 per cent year-on-year to Tk 1.81 in the January-March period of 2021.

Overall, 103 stocks advanced, 165 declined and 80 remained unchanged.

An upward trend is also prevailing at Chittagong Stock Exchange. The CASPI, the general index of the port city bourse, rose 34 points, or 0.22 per cent, to stand at 15,413.

Among 209 stocks to witness trade, 78 rose, 95 fell and 36 remained unchanged, shows the CSE data.

Consistent policy support needed to nurture automobile industry

Experts say at DCCI webinar

STAR BUSINESS REPORT

Policy support, tax benefits, and incentives are needed to help develop the country's automobile industry, according to experts and entrepreneurs.

"Bangladesh has strong potential to establish its own automobile industry but to do so, it needs policy support, tax benefits and incentives to grow," said Ito Naoki, Japan's ambassador to Bangladesh.

"When we talk about export diversification, the automobile, light engineering and agriculture-based sectors could play a vital role," he added.

Naoki made these comments while addressing a webinar styled, "Automobile Industry Development: Present Situation & Future Prospects", organised by the Dhaka Chamber of Commerce and Industry (DCCI).

The ambassador also informed that Japan's Mitsubishi Motors has shown interest to invest in Bangladesh in the form of a completely knock-down (CKD) plant.

Having reached an agreement in this regard last month, Mitsubishi and Bangladesh's Ministry



Bangladesh's automobile industry is dominated by reconditioned and new car imports mostly from Japan, China, India, the EU, and the US.

PHOTO: STAR/FILE

of Industries will now sign a memorandum of understanding to conduct a joint feasibility study on the investment.

If approved, the investment will lead to technology transfer and employment opportunities for Bangladesh, he added.

Industries Minister Nurul Majid Mahmud Humayun urged investors from both home and abroad to set up automobile spare parts and tool manufacturing plants in the country's economic zones.

READ MORE ON B3

ADP spending slows in Jul-Mar

REJAUJUL KARIM BYRON and DWAIPIYAN BARUA

The first nine months of the current fiscal year of 2020-21 saw slow implementation of the Annual Development Programme (ADP) with only 41.92 per cent of the total outlay spent till March while development spending declined 3.27 per cent year-on-year.

But surprisingly, some ministries and divisions have made much progress in implementing their development programmes, in some cases much higher than the overall level of 41.92 per cent.

However, the implementation rates of sectors mainly related to fighting the pandemic are very low.

The latest data from the Implementation Monitoring and Evaluation Department (IMED) shows that Tk 87,734.57 crore was spent from

July to March against the total yearly ADP allocation of Tk 209,272 crore.

The expenditure in these nine months declined 3.27 per cent year-on-year from Tk 90,704.23 crore spent in the same period last fiscal year.

The environment, forest and climate change ministry implemented the highest 63.56 per cent of its development programmes till March.

Other ministries and divisions that had highest implementation rates in this period include the Information and Communication Technology (ICT) Division (60.47 per cent), Energy and Mineral Resources Division (55.51 per cent), science and technology ministry (54.03 per cent), Power Division (51.62 per cent) and Bridge Division (51.13 per cent).

On the contrary, health service division

implemented the lowest 20.99 per cent.

Other sectors that showed lower implementation rates include the social welfare ministry (30.66 per cent), food ministry (31.55 per cent), women and children affairs ministry (40.48 per cent).

Zahid Hussain, a former lead economist of World Bank's Dhaka office, said it was easy to blame the pandemic for everything that has gone awry with ADP implementation this year.

There certainly is truth in it, but it cannot be the whole truth, he said.

He said this was evident from a comparison of ministries whose implementation rates were higher than the overall 41.9 per cent rate during the nine months till March and the ones whose implementation rates were lower.

READ MORE ON B3

GLOBAL BUSINESS

Power companies urge Biden to implement policies to cut emissions 80pc by 2030

REUTERS

A group of US electricity companies wrote to President Joe Biden this week saying it will work with his administration and Congress to design a broad set of policies to reach a near-term goal of slashing the sector's carbon emissions by 2030.

Washington should implement policies, including a clean energy standard, or CES, to ensure the electricity industry cuts carbon emissions 80 per cent below 2005 levels by 2030, the group of 13 power interests, including generators Exelon Corp, PSEG and Talen Energy Corp, said in a letter to Biden.

The letter, a copy of which was seen by Reuters, did not mention Biden's goal to fully decarbonize the power sector by 2035 as part of his strategy to fight climate change. But it said the 2030 timeline is consistent with Biden's wider goal of decarbonizing the entire economy by 2050.

"A federal policy framework can be designed to support the power sector's deployment of



US President Joe Biden

strategies that are technically feasible, ensure reliability, and maintain affordability for customers," said the letter, sent to Biden on Friday.

The White House did not immediately respond to a request for comment.

The 2030 goal was consistent with Evergreen

Action, an advocacy group that proposed a CES in February. Sam Ricketts, a co-founder, said utilities should worry less about the 2035 goal, and focus on early wins as the last portion of emissions cuts is the hardest to achieve. read more

Several lawmakers, including Democrats U.S. Representative Frank Pallone and Senator Tina Smith, have introduced legislation that includes a CES.

The standard would set gradually rising targets for the power industry to cut emissions until they hit net-zero, with a range of methods from adopting wind and solar power, using existing and advanced nuclear energy, or sucking up carbon from coal and natural gas plants before they reach the atmosphere.

The White House this month included a CES in its \$2.3 trillion infrastructure package, without detailing how it would work.

Some plans for a CES include flexibilities such as allowing utilities to earn bankable credits for over-achieving in early years that could be used for compliance in later years when progress on cutting emissions becomes more difficult.

China's Ant explores ways for Jack Ma to exit as Beijing piles pressure

REUTERS, Hong Kong

Ant Group is exploring options for founder Jack Ma to divest his stake in the financial technology giant and give up control, as meetings with Chinese regulators signaled to the company that the move could help draw a line under Beijing's scrutiny of its business, according to a source familiar with regulators' thinking and two people with close ties to the company.

Reuters is for the first time reporting details of the latest round of meetings and the discussions about the future of Ma's control of Ant, exercised through a complicated structure of investment vehicles.

The Wall Street Journal previously reported that Ma had offered in a November meeting with regulators to hand over parts of Ant to the Chinese government.

Officials from the central bank, People's Bank of China (PBOC), and financial regulator China Banking and Insurance Regulatory Commission (CBIRC) held talks between January and March with Ma and Ant separately, where the possibility of the tycoon's exit from the company was discussed, according to accounts provided by the source familiar with the regulators' thinking and one of the sources with close ties to the company. Ant denied that a divestment of Ma's stake was ever under consideration. "Divestment of Mr. Ma's stake in Ant Group has never been the subject of discussions with anyone," an Ant spokesman said in a statement.

Reuters could not determine whether Ant and Ma would proceed with a divestment option, and if so, which one. The company hoped Ma's stake, which is worth billions of dollars, could be sold to existing investors in Ant or its e-commerce affiliate Alibaba Group Holding Ltd without involving any external entity, one of the sources with company ties said.

But the second source also with company connections said that during discussions with regulators, Ma was told that he would not be allowed to sell his stake to



REUTERS/FILE

Jack Ma, billionaire founder of Alibaba Group, arrives at the "Tech for Good" Summit in Paris, France.

any entity or individual close to him, and would instead have to exit completely. Another option would be to transfer his stake to a Chinese investor affiliated with the state, the source said. Any move would need Beijing's approval, both sources with knowledge of the company's thinking said.

The accounts provided by all the three sources are consistent in terms of the timeline for how discussions have evolved over the past few months. On the company side, one source said Ma met regulators more than once before the Chinese New Year, which was in early February. And the second source said Ant started working on options for Ma's possible exit about a couple of months ago. The source familiar with the regulators' thinking said Ant had told officials during a meeting sometime before mid-March that it was working on options.

The source familiar with the regulators' thinking has direct knowledge of conversations between Ant and officials, while one of the sources with company ties has been briefed on Ma's interactions with regulators and Ant's plans. The other one has direct knowledge of Ant's discussions about options. They requested anonymity because of the sensitivity of the situation.

The Ant spokesman did not provide any comments from Ma. Alibaba referred questions to Ant. Jack Ma's office did not respond to Reuters' request for comment made via Ant. The State Council Information Office, PBOC, and CBIRC, also did not respond to requests for comment.

'NASA rules,' Musk says as SpaceX wins \$2.9b moon lander contract

REUTERS

NASA awarded billionaire entrepreneur Elon Musk's space company SpaceX a \$2.9 billion contract to build a spacecraft to bring astronauts to the moon as early as 2024, the agency said on Friday, picking it over Jeff Bezos' Blue Origin and defense contractor Dynetics Inc.

Bezos and Musk - the world's first and third richest people respectively, according to Forbes - were competing to lead humankind's return to the moon for the first time since 1972.

Musk's SpaceX bid alone while Amazon.com founder Bezos's Blue Origin partnered with Lockheed Martin Corp, Northrop Grumman Corp and Draper. Dynetics is a unit of Leidos Holdings Inc. "NASA Rules!!" Musk wrote on Twitter after the announcement.

The US space agency awarded the contract for the first commercial human lander, part of its Artemis program. NASA said the lander will carry two American astronauts to the lunar surface.

"We should accomplish the next landing as



Elon Musk

soon as possible," Steve Jurczyk, NASA's acting administrator, said during the video conference announcement.

"If they hit their milestones, we have a shot at 2024," Jurczyk added.

NASA said SpaceX's Starship includes a spacious cabin and two airlocks for astronaut moon walks and that its architecture is intended

to evolve to a fully reusable launch and landing system designed for travel to the Moon, Mars and other destinations in space.

SpaceX also responded on Twitter, writing, "We are humbled to help @NASAArtemis usher in a new era of human space exploration."

Unlike the Apollo landings from 1969 to 1972 - the only human visits to the moon's surface - NASA is gearing up for a longer-term lunar presence that it envisions as a steppingstone to an even more ambitious plan to send astronauts to Mars. NASA is leaning heavily on private companies built around shared visions for space exploration.

SpaceX will be required to make a test flight of the lander to the moon before humans make the journey, NASA official Lisa Watson-Morgan told reporters.

NASA had been expected to winnow the lunar lander contest to two companies by the end of April, but instead it picked only SpaceX, a move that deepens their cooperation. On Thursday, NASA said it would send its crew to the International Space Station aboard a SpaceX rocket on April 22.