

Benapole port users at risk of Covid infection

Reluctance to follow safety guidelines is to blame

OUR CORRESPONDENT, Benapole

Around 10,000 people involved with the Benapole port are at risk of getting infected with Covid-19 due to their reluctance to abide by health safety guidelines.

During a visit to the port on April 17, this correspondent found no truck being sprayed with disinfectants during entry or exit while no driver going through health checks.

Taking advantage of a lack of supervision by the port authorities, Indian and Bangladeshi truck drivers are roaming around the port without any safety equipment. Other did have masks, albeit hanging around their necks.

Many security personnel are also turning a blind eye to health safety standards.

The Benapole port has been kept out of the purview of the seven-day countrywide lockdown from April 14 under special arrangements to ensure smooth operation of factories.

As a result, there was no barrier on import and export goods through rail and land routes via Benapole.

Disinfectants are no longer being sprayed on Indian and Bangladeshi trucks in the port area, said truck driver Shaiful Islam.

"An increasing number of people are getting infected with the Covid-19 every day. The authorities concerned should take immediate measures to make everyone follow health and safety guidelines," said Abdul Latif, joint general secretary of the Benapole Importers and Exporters Association.

Around 1,500 truck drivers and

their assistants travel between the two countries every day to transport import and export goods between Benapole and Petrapole ports, said Raju Ahmed, secretary of Benapole Port Handling Workers Union.

Health workers were active at the railway station when trade restarted after a shutdown in the middle of last year, said Saiduzzaman, master of Benapole Railway Station. "Now no health worker comes here."

The operations to maintain of health and hygiene are now facing some challenges due to a manpower crisis, said Abdul Jalil, director of the Benapole port.

"In consultation with the health department, all safety measures will be implemented in the port very soon," he assured.

DBS, StanChart weigh bids as Citi retreats from Asia consumer business

REUTERS

Banks including DBS Group, Mitsubishi UFJ Financial Group, OCBC and Standard Chartered are set to bid for parts of Citigroup's consumer business in Asia, people with direct knowledge of the matter said.

The sale process will start within a couple of weeks, they added, declining to be named as they were not authorised to speak to media.

The move comes after Citi said it would exit from its consumer franchises in 13 markets, 10 of which are in Asia, as it refocuses on its more lucrative institutional and wealth management businesses in these markets.

Potential bids from the regional banks and StanChart, which makes most of its profit in Asia, underscores their growing appetite for businesses like credit cards and mortgages in a push to lock in long-term income growth.

The businesses Citi is exiting had \$82 billion in assets and were allocated \$7b in tangible common equity last year. Citi has plans to reposition its Asian consumer banking business from its "wealth centres" of Hong Kong and Singapore.

As Citi is not giving up its banking licences in most of the markets it is exiting, the sale of the consumer banking portfolios and branches will only appeal to lenders with existing presence in these countries, the people said.

"Asia is critical to our firm's strategy, and we will allocate resources to drive profitable growth," a Citi spokesman in Hong Kong said, declining to comment on the sale process.

Representatives at Japanese lender MUFG and StanChart, and Sumitomo Mitsui Financial Group, which the sources said was another potential bidder, declined to comment.

"DBS has always been open to exploring sensible bolt-on opportunities in markets where we have a consumer banking franchise (China, India, Indonesia and Taiwan) and where we can overlay our digital

capabilities," Southeast Asia's biggest lender said in a statement.

In 2016, DBS bought ANZ's wealth management and retail businesses in five Asian markets for about \$80m.

Citi's sprawling India consumer business, comprising retail deposits, mortgages and credit cards, and its Taiwan business would be among the most valuable parts of its Asian consumer portfolio, the sources said.

Citi's consumer banking business in the 13 markets accounted for \$4.2b of the bank's \$74.3b revenue in 2020. All the markets it is exiting made a combined loss of \$40 million in the consumer banking business in the

other markets," one of the sources added.

Citi has been in India for decades and was among the first to introduce Indians to credit cards in 1987. It ranks as the sixth largest local card issuer with nearly 2.7m cards.

Sources say Citi has a significant share in the premium segment, commanding higher spends per card of 10-25 per cent versus the industry average. It is also among the top five wealth management players, with 35 branches and about 4,000 staff in the consumer banking segment.

Kotak Mahindra declined to comment, while Axis Bank and SBI



same year.

DBS, the only big foreign bank with a fully owned Indian subsidiary, is eyeing Citi's India business, which is also set to attract StanChart and local lenders Kotak Mahindra Bank and Axis Bank, the sources said.

SBI Cards and Payment Services Ltd, a unit of State Bank of India, is also weighing a bid for Citi's credit card portfolio in India, two of the sources said.

Citi's India consumer business is valued at over \$2b, according to four sources.

"India is the jewel in the crown and will command a better price than the

Cards did not respond to a request for comment.

The other markets Citi is exiting as part of its new CEO Jane Fraser's strategy include South Korea, Australia, mainland China and Thailand - countries where it does not have the necessary scale to compete with local rivals.

Singapore's DBS and OCBC, Britain's StanChart, and the Japanese lenders are also weighing bids for some of Citi's Southeast Asia businesses, the people said.

Citi's businesses in Australia and South Korea could attract interest from domestic banks, they added.

Dubai Aerospace orders 15 Boeing 737 MAX jets

REUTERS

Dubai Aerospace Enterprise (DAE) on Tuesday announced an order for 15 Boeing 737 MAX 8 jets, signalling an end to the aircraft leasing giant's pricing standoff with planemakers.

Dubai state-owned DAE in 2019 abandoned plans to place a major order with Airbus and Boeing after it said it was unable to reach agreements on pricing.

It instead sought to expand its fleet by taking over a rival, which is yet to take place, and bought aircraft from airlines who would then take them back on lease.

"We are delighted to deepen our already strong relationship with Boeing," DAE Chief Executive Firoz Tarapore said in a statement.

"We are confident in the success of these aircraft as domestic and regional air travel is seeing strong signs of recovery." The order, worth



US\$1.8 billion at list prices, though discounts are common, also signals a further show of confidence in the narrow-body jet that until recently was banned worldwide.

The United States late last year lifted its safety ban, imposed after two fatal crashes in 2018 and 2019, and

the United Arab Emirates followed earlier this year.

DAE, which says it own and manages 162 Boeing aircraft, last year announced an agreement to purchase 737 MAX jets from American Airlines, who would then take them back on lease.

Value differs, so does tariff

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The importer and the custom commissioners concerned wrote several times to the National Board of Revenue (NBR) to address the issue. It is yet to come up with a solution.

Apart from private cars, most new vehicles, including pickups, minibuses, and minibuses, have faced different assessments at the two major seaports in the last two years.

In Bangladesh, most of the imported goods are assessed based on the import or invoice value, but it is not followed in the case of car imports.

For reconditioned cars, the tariff is considered as per yellow book price -- for duty assessment.

Customs officials say 85 per cent to 90 per cent of the total cars used to be imported through the Chattogram port. But the volume is decreasing as bringing in vehicles through the largest seaport in the country costs more.

The imports of cars have increased through Mongla port.

According to the NBR, 3,265 private cars were imported through Chattogram port as of February of the fiscal year 2020-21, down 35 per cent from 5,014 vehicles a year ago.

During the same period, 7,258 vehicles entered the country through Mongla port, up 6 per cent year-on-year.

The Chattogram Customs House has written to the NBR that the government was being deprived of revenue for assessing the price of the cars differently. In a letter to the NBR on October 11 last year, the Chattogram Customs House Commissioner said there was no complication in setting customs duty on imported reconditioned cars as the tariff was fixed.

It requested the NBR to fix the tariff rate for the

new vehicle.

At both Mongla and Chattogram stations, cars are being assessed at higher prices compared to the import value declared by importers.

According to the letter, the branded Honda car was shown to have an import price of about \$15,000. However, the deduction value (market price estimates) of the Customs Valuation Rules-2000 shows that the value of the vehicle should be at least \$21,144.

Chattogram Customs House Commissioner Fakrul Alam said: "We have fixed a customs duty by deducting market sales price, and we are following this value during the assessment."

A trader can make a profit of Tk 8 lakh to Tk 10 lakh at the import stage because of the different assessment, he said.

Mongla Customs House Commissioner Hossain Ahmed said no goods should be assessed differently at two customs stations.

However, due to the differences in product quantity and exporters, the same car is imported at different prices. As a result, it becomes difficult to apply the same assessment rate, he said.

"We are trying to get accurate information from various sources. We have sent letters to the NBR seeking opinions. If the NBR addresses the issue, complications will be removed."

Golam Kibria, member of the NBR for customs policy and ICT, said a wing of the NBR had already been given the responsibility to resolve it.

The wing has collected information from the two customs stations, reliable companies, exporters and the embassies of Bangladesh in the exporting countries.

"Based on the information and opinions, the NBR will give a decision in this regard very soon," Kibria said.

Home delivery boom churns out 1 lakh jobs

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teaching at coaching centres and working as a private tutor before the pandemic. They lost the income-generating opportunities. This segment has entered the delivery industry to sustain.

"Since the beginning of the pandemic, the e-commerce sector has employed more than one lakh people," Zunaïd Ahmed Palak, state minister for ICT, told The Daily Star.

Evaly has added more than 700 fixed employees, of which 45 per cent are women. More than 5,000 new delivery personnel were also hired by the company to make the deliveries—from grocery to food to luxury items—in eight districts, including Dhaka.

"To deliver thousands of orders during the pandemic, we had to expand our workforce," said Arif R Hossain, chief marketing officer of Evaly. "E-commerce is keeping the country's economy afloat in these difficult times and is employing many people."

According to industry insiders, most e-commerce and logistics companies have onboarded delivery makers as freelancers. For a single delivery, they receive Tk 20 to Tk 75.

In the food delivery segment, one of the biggest employers is Foodpanda, which witnessed 300 per cent year-on-year growth last year, the highest since it was launched in Bangladesh in 2013.

In the last one year, more than 10,000 new regular freelancers were added to Foodpanda, and its grocery delivery arms

Pandamart and Shop, taking the number of regular freelancers, who are working across 64 districts, to more than 20,000.

"We get Tk 38 for a delivery, and the payment increases when the distance is longer," said a deliveryman of Foodpanda.

The deliveryman, an undergraduate student at a college in Dhaka, makes Tk 300-350 by working three hours every day.

A courier of Pathao said he earns Tk 5,000 in fixed salary a month and makes around 30 deliveries per day. He also receives Tk 15 per delivery.

"Pathao is committed to providing income opportunities to the daily earners, whose livelihood is now at the greatest risk," said Fahim Ahmed, president of Pathao.

Pathao has created access to incomes for several thousand food, courier and parcel delivery agents over the year, he said.

"We onboarded nearly 1,000 new people during the pandemic."

Daraz, one of the leading e-commerce platforms making more than 60,000 deliveries a day, said it recruited 3,185 employees last year and another 4,069 people in 2021.

Paperfly, a logistics solution provider where Indian logistic behemoth Ecom Express owns the majority stake, employed more than 1,000 people during the pandemic after receiving a vast number of orders, said Rahath Ahmed, co-founder and chief marketing officer of the company.

Chaldal, Bangladesh's leading online shopping platform for household goods, generated 1,250 new jobs to take its

number of employees to 2,100 as its orders grew over 150 per cent during the pandemic and it expanded to new cities.

"In addition to delivery persons, we employed people for warehouse, processing, quality control, and sorting," said Waseem Alim, CEO of Chaldal.

In the last year, dozens of courier and logistics service providers sprung up to cater to online deliveries of e-commerce and f-commerce platform, creating employment opportunities for thousands.

A delivery person of Provati Courier, which was founded last year and serves e-commerce and f-commerce platforms, said he received Tk 7,000 per month and made 30-35 deliveries per day. "A rapid expansion of online business is occurring because of the coronavirus. As a result, a lot of new jobs are being created. The expansion will continue in the future, and more jobs will be generated as people will keep purchasing online even in the post-pandemic era," said Sayema Haque Bidisha, a professor at the economics department at the University of Dhaka.

Youth employment in Bangladesh is more than 10 per cent, and the pandemic coronavirus has exacerbated it, she said.

"Creation of new jobs involving online business is very important, and the government should incentivise the sector to help it create more jobs."

She urged the government to bring the sector under a minimum regulation so that workers in the gig economy could receive some protection and benefits.

Construction costs burdened with cement price rise

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"We are hoping for the sector to achieve 20 per cent growth this year as the construction and infrastructure sector may consume huge quantities of cement," he noted.

Shahriar Jahan Rahat, deputy managing director of Kabir Steel Re-rolling Mills, whose sister concern is Royal Cement, said the rise was at least Tk 40 to Tk 60 per bag.

Basically, the production cost increased due to an increase in transportation costs, he said adding, "If production cost increases, its impact will automatically fall in retail market."

He hopes for the price to come down within the next two to three months when shipping costs would come down.

Meanwhile, Bangladesh Cement Manufacturers Association (BCMA) has expressed concern over a continuous rise in the price of raw materials in the international market.

Clinker is one of the main raw materials for making cement in Bangladesh. Importing one tonne used to cost \$42 whereas it now costs \$46 to \$48, meaning an increase of \$4 to \$6.

According to cement manufacturers, clinker now costs more to produce due to the increase in the price of fuel coal used in its manufacture in the international market.

All the basic raw materials of Bangladesh's cement industry needs to be imported, said Md Alamgir Kabir, president of the BCMA and vice-

chairman of Crown Cement.

For this the possibility remains for price changes in the domestic market keeping with the international market, he said.

It is not possible to sell this product at a reasonable price due to intense competition in the cement sector in the domestic market.

He also said there was no chance of monopoly. Only when there is an increase in price in the international market, there is likely to be an impact on the country, he said.

"We would request that in the interest of the development of this country, especially in the interest of middle-income buyers, adjustments be made in additional tax imposed by the National Board of Revenue, which continues to be tolerable, to actually increase sales," Kabir said.

For example, there could be adjustments to the double tax and reduction in the import duty from Tk 500 to Tk 250.

He thinks that if it was possible to keep the price within the reach of general buyers and within their purchasing power, then revenue generation would also increase due to the increase in sales of goods.

Asadul Haque Sufiyan, chief operating officer of Bengal Cement, does not see any chance of a decrease in price before October as there was no possibility of a reduction in the price of raw materials in the international market.

Even, there is no chance for a reduction in freight cost within the next six months, he said.

Mir Nasir Hossain, a former president of the Federation of Bangladesh Chambers of Commerce and Industry, said the construction sector was facing a great threat due to the price rise of construction materials including cement, rod and other components.

"The implementation of the Annual Development Programme will be affected significantly. We have no scope to stop the ongoing projects as there is no provision to adjust prices," he said.

"We, the local construction companies, fell in trouble as procurement entities do not adjust prices for the projects with tenures less than 18 months," he said.

However, he said there was a provision to adjust the prices for foreign companies.

"Our construction cost increased almost 15 to 18 per cent due to the recent price rise of raw materials," he observed.

Like Hossain, SM Khorshed Alam, president of the Bangladesh Association of Construction Industry, was in doubt over how they would keep business afloat as the price of raw materials has suddenly increased.

He said the construction and infrastructure costs increased significantly, which was a big burden for the construction industry.

He said some mid-level companies would inevitably stop their works to increase the budget next year and it would delay implementation of development projects.

Watermelon -- a game changer for Khulna's coastal farmers

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This year though, watermelon is being planted on about 7,512 hectares of land.

Around 70 per cent of the region's total watermelon production comes from Dacope upazila, where more than 12,000 people are involved in the cultivation of this crop on 3,085 hectares of land.

Meanwhile farmers have started cultivating watermelon on fallow lands in the Kamarkhola and Sutorkhali unions for the first time this year.

"The local farmers were encouraged to produce watermelon as it is more profitable than paddy," said Mehedi Hasan, the agriculture officer of Dacope upazila.

Similarly, Dumuria upazila's agriculture officer, Md Mosaddek Hossain, said watermelon fields could be seen across many villages, including Jhailata, Sharafpur and Bahir Akra.

Farmers have urged the government to set up cold storages in the area to help preserve their produce for sale year-round.

They also asked for steps to be taken to export the delicious fruit to ensure higher prices.

Hafizur Rahman, deputy director of the DAE, told The Daily Star that the farmers

made huge profits from watermelon last year.

Many monoculture fields are being diversified for the first time in the district and if the weather is favourable, production will be much better.

"But if the marketing system is not improved, farmers will face loss," Rahman said.

Besides, production will improve if more irrigation facilities are introduced," he added.

Banks open for limited hours till April 28

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However, staff of these banks have found it difficult to travel to their offices as all public transport movement had been suspended.

On condition of anonymity, an official of a private bank in Dhanmondi said he lived in Mirpur and it was very difficult to manage transport to his workplace.

As a result, he sometimes was having to pay way more than the usual fare and was usually ending up late to work due to the lack of transportation, he added.