

Dollar falls as yields languish, euro gets extra late-day lift

REUTERS
The dollar fell against major currencies on Friday as US yields languished and the euro got an extra late-day lift following a earlier boost from an upbeat survey of purchasing managers.

The dollar index fell 0.5 per cent to 90.8080, a level not seen since early March, after the euro climbed 0.7 per cent to \$1.2098, pushing through its earlier high for the week.

More than half of the euro's appreciation came late in the day after the market digested earlier economic news.

"This is thin markets on a Friday afternoon," said Marc Chandler, chief market strategist at Bannockburn Global Forex in New York.

"The euro making new highs for the week late in the day suggests it is going to have momentum into next week."

The exaggerated move came after the markets saw a European purchasing managers' index for April come in better than expected, supporting the view that the region's economic recovery is accelerating and won't keep lagging so far behind the US recovery.

A similar U.S. survey showed factory activity powered ahead in April.

Another report said new home sales in the United States jumped 21 per cent in March.

Both affirmed that the economy was being lifted by government stimulus and increased vaccinations against the coronavirus.

The US survey results were tempered by manufacturers reporting increased struggles to get raw materials and other supplies for production. Yields on 10-year US Treasuries traded in a narrow range through the news and were at 1.56 per cent late in the day, about four basis points lower than at the start of the week.

Until the late-day boost to the euro, Chandler



Rolled euro banknotes are placed on US dollar banknotes in this illustration taken on May 26, 2020.

said Friday's major currency markets were largely "a continuation of what we have seen since the beginning of the month," with the dollar losing much that it had gained earlier in the year as yields climbed to 1.75 per cent on March 31.

"The dollar had a very strong first quarter and the market is still unwinding that," Chandler said.

The dollar in the first quarter gained 3.6 per cent but it has lost about 2.6 per cent so far in April.

Markets now are looking toward next week's meeting of the US Federal Reserve Open Market Committee to review monetary policy and the

economy.

Fed Chair Jerome Powell is expected to echo Thursday's message from European Central Bank President Christine Lagarde that scaled back some expectations for a withdrawal of monetary easing.

Powell's remarks could put more downward pressure on Treasury yields and limit any bounce of the dollar. Auctions of US Treasuries next week are not likely to be big factor, Shaun Osborne, chief currency strategist at Scotiabank told the Reuters Global Markets forum on Friday.

"There still appears to be good demand for Treasury product," Osborne said.

UK retail sales surge before lockdown easing, borrowing leaps, too

REUTERS
British retail sales jumped last month before a partial lifting of coronavirus restrictions, suggesting an economic rebound is under way, but official data also showed record peacetime government borrowing.

Sales volumes leapt by 5.4 per cent in March from February, the Office for National Statistics said, with clothing stores benefiting especially.

Economists polled by Reuters had expected a month-on-month increase of 1.5 per cent.

The ONS said the data reflected "the effect of the easing of coronavirus restrictions on consumer spending".

"March's strong rise in retail sales showed that the economy made a fair bit of progress even before non-essential retailers reopened in April," Paul Dales, an

economist with Capital Economics, said.

Separate data showed Britain's government borrowed 303.1 billion pounds (\$420.1b) in the financial year which ended last month, a surge of 246 billion pounds on the previous year and the biggest share of the economy in peacetime.

Borrowing stood at 14.5 per cent of economic output, the highest such ratio since 1946, after World War Two, when it was 15.2 per cent.

The numbers reflected the surge in public spending and tax cuts to offset the economic hit from the Covid-19 pandemic.

Britain's economy slumped by almost 10 per cent last year, its biggest collapse in more than three centuries, but it is expected to grow by more than 5 per cent in 2021 and 2022, according to the International Monetary Fund.

Amazon and Nestle join public-private plan to save world's forests

REUTERS
The United States, Norway and Britain joined forces with companies including Amazon and Nestle on Thursday to launch a project aimed at protecting the world's tropical forests.

Announcing the Lowering Emissions by Accelerating Forest finance (LEAF) Coalition at the US-convened Leaders Summit on climate, the public-private project aims to raise at least \$1b in initial financing, it said.

Governments and companies taking part will pay countries with tropical

and subtropical forests for emissions reductions, a move it hopes will help reduce and eventually end deforestation.

As the world looks to move quickly to a low-carbon economy to prevent catastrophic climate change, protecting the forests that help remove carbon from the atmosphere naturally is seen as a crucial step, but one that has so far largely failed.

The pace of deforestation actually picked up in 2020, LEAF said, with data from Global Forest Watch showing a 12 per cent increase from the prior year or more than 10 million hectares of primary tropical forest, roughly the size of Switzerland.

Branchless banking gaining ground

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Sub-branch offers limited-scale banking services where five-six officials are usually appointed.

Bank Asia has already established the agent banking window in a massive manner and it now works on popularising the retail banking operated by the micro-merchant account holder.

The small businesses, like owners of grocery shops, are allowed to open micro-merchant accounts with banks as per the central banking guidelines.

Customers can pay their bills against their purchased products from the shops through scanning quick response (QR) codes by using their smartphones.

In addition, remittance receivers and the beneficiaries of different safety net programmes run by the government will be able to withdraw money from the shops of micro merchant accountholders.

This will lessen the requirements of branches to a great extent, Ali said.

Dutch Bangla Bank has been taking up initiatives to embrace the branchless model since 2005, said its managing director, Abul Kashem Md Shirin.

"We have 210 branches to serve 3 crore clients. We would have been unable to cater banking services had different models of the branchless banking not been introduced," he said.

The bank has already gained huge popularity by rolling out MFS, agent banking, ATM service and so on.

The bank opened 20 branches in the last two years, but it will set up a maximum of 20 branches in the next five years.

A bank, which manages strong CAMELS rating from the central bank, is supposed to

open the highest 12 branches per year. Banks with lower CAMELS rating are permitted to open a lesser number of branches than the strong ones.

The CAMELS is a recognized international rating system that bank supervisory authorities use in order to rate financial institutions according to six factors represented by its acronym.

The CAMELS acronym stands for "capital adequacy, asset quality, management, earnings, liquidity, and sensitivity".

Dhaka Bank even now allows businesses to open letters of credit sitting from their homes or offices, said Emarul Huq, managing director of the bank.

The bank has recently rolled out a virtual banking product named "Dhaka Bank Trade Cloud", helping clients to do overseas trade smoothly, he said.

This has helped branchless banking flourish further in the country.

As much as 1,576 branches had become loss-making last year, which was 15 per cent of the total 10,685 outlets, the BB data showed. The business slowdown deriving from the pandemic fuelled the rise in the number of loss-making branches, encouraging lenders to adopt branchless banking.

In most cases, the requirement of smartphones turned digital banking essential to be carried out by clients, said Atiur Rahman, a former governor of the central bank.

Poor people are still far away from managing such digital devices, so the government should take measures to this end, he said. The existing tax regime over the import of smartphones can be reduced to make the device available among the marginal people, he said.

Govt to expand safety net

FROM PAGE B1
The WB and the Bangladesh government signed the \$250 million financial agreement on Thursday.

As the ongoing pandemic has highlighted the urgency to enhance resilience to future shocks, the government has built on its Employment Generation Program for the Poorest (EGPP), Kamal said in the letter.

"As such, it adopted an expanded EGPP 'Plus' modality that has adaptable targeting and policies to respond to a range of potential events, including natural, human, health and biological disasters," he added.

Various studies have found that just 50 per cent of the government's targeted demographic receive assistance under its safety net programmes.

The government has also failed to provide any assistance, financial or otherwise, to the indigent hit by the Covid-19 fallout.

Economist Binayak Sen, director-general of the Bangladesh Institute of Development Studies (BIDS), told The Daily Star that such social protection programmes should be carried out through coordinated efforts between government and non-government organisations.

In his letter, the finance minister also pointed out certain steps that could be taken in this regard.

"To strengthen our ability to respond to disasters, we have revised and published the Standing Order on Disasters (SOD) in line with the latest global and national frameworks and development plans," he said.

"We expect that this SOD will improve coordination between government and non-government organisations, which is critical for a swift and efficient response to economic shocks."

He mentioned that the coronavirus pandemic

has presented extraordinary challenges for the economy over the past year.

Due to the temporary closure of offices, business, factories and public transport during a nationwide general holiday between March 26 and May 31 last year, the export sector had faced an unprecedented challenge as international orders were either cancelled or put on hold.

This affected around four million workers, mainly female, amid a temporary collapse in demand, Kamal said.

He also mentioned that Bangladesh is showing signs of recovery as mobility has returned to pre-pandemic levels, while exports are on the uptick even though Covid-19 remains a threat.

And with the recent surge in infections across the country, the government imposed strict restrictions on public movement on April 14. However, with Eid-ul-Fitr just around the corner, the government recently announced that all shopping malls would reopen today.

Kamal's letter also mentioned the government's progress on reform programmes to support jobs and the Covid-19 recovery, including modernising the country's trade and investment environment, strengthening systems that protect workers, and improving policies and programmes that enhance access to jobs for vulnerable people.

On the modernisation of trade and investment climate, he claimed that Bangladesh had achieved rapid progress in lowering the cost of starting a business by waiving fees for small firms and enacting the One-Stop Services (OSS) Act to streamline common business registration and operational processes through a single online platform.

He said that the OSS services for 35 key regulatory services are already operational.

The government has also taken steps to amend the Bankruptcy Act to reduce the duration of

legal proceedings and recovery from four years to one or two years while increasing recovery rates.

Legislation in this regard is to be submitted for approval by the cabinet in the coming weeks and the subsequent submission to the Parliament.

The Customs Act (2018) issued new customs rules and directives and established a risk management unit to operationalise modern risk-based customs procedures, speeding up clearance time and freeing up space at ports.

Mentioning that the government is committed to providing support to vulnerable informal sector workers to boost their productivity and help address the impact of Covid-19, Kamal said that adopting a new policy for the Livelihood Restoration Loan microfinance product managed by the Palli Karma-Sahayak Foundation (PKSF) could provide low-interest loans to informal microenterprises.

"The government is committed to ensuring that the collection, use and processing of any personal data for these initiatives is done in accordance with good international practice, ensuring legitimate, appropriate, and proportionate treatment of such data," he added.

Kamal also informed about enacting the Child Daycare Act, saying the government is moving forward to establish the institutional foundations for regulations in the day-care sector.

While the government is making a concerted effort to address the impacts of Covid-19 in the near term, it also believes addressing structural challenges are critical to maintaining Bangladesh's development trajectory and delivering a resilient, equitable economic transformation to support the creation of quality jobs.

"As such, we will continue to build on the reforms supported under this programme," he added.

Carew hand sanitisers remain unsold

FROM PAGE B1
"Carew's sanitiser is way effective and cheaper than other products we normally get. But I couldn't find it anywhere nearby after collecting first two bottles from the Suger corporation's Motijheel office," Shahan Shahriar, a regular user of the sanitiser, told The Daily Star.

"I think it can be a profitable venture for a state-owned company. It can serve the people in this pandemic by supplying hand sanitiser at a cheap rate."

But for that the company should make the product available everywhere, he said.

"You can't really ask customers to go to certain places to get Carew's hand sanitisers

when nearly dozen other varieties of them are available in the nearest shops."

"Only those who know about the product are buying our sanitiser," said Mazhar-ul-Haq Khan, chief marketing officer of Bangladesh Sugar & Food Industries Corporation (BSFIC), which runs Carew & Co.

"In fact, we did not even work on how to sell the product after its production. That's why our sales slowed."

Khan said his company had contacted online grocery and food product suppliers to sell the sanitisers. "But none showed that much interest in our product."

"We will emphasise more on marketing with

the start of production of the new batch of hand sanitisers where we will use a new wrapper."

A proposal to launch new wrappers and sell each 100ml new bottle of the sanitiser at Tk 120 got the go-ahead in a recent board meeting of the company, officials said.

Several companies have the same product to attract buyers in the market, said Arifur Rahman Apu, chairman of the BSFIC.

"If the new sanitiser spray bottle is released in the market in a more attractive way, it will become popular among the people."

Carew's managing director said they will sell the unsold products first to avoid any financial loss and then go for new production.

Education should be skill-oriented

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He also underscored the importance of redesigning the curriculum with an emphasis on technology, innovation, business incubation and entrepreneurship development.

M Abul Kashem Mozumder, pro-vice chancellor of the Bangladesh University of Professionals, said students need training facilities to conduct research.

"Universities should mainly focus on teaching, research and entrepreneurship development," he added.

Echoing the same, Dr Carmen Z Lamagna, vice chancellor of the American

International University of Bangladesh, said the government could arrange financial incentives, policy regulations, guidance, support, and infrastructure development to foster industry-academia collaboration.

Prof Imran Rahman, dean at the University of Liberal Arts Bangladesh, said universities should modernise teaching methods.

"There are three aspects of education -- teaching, research and career placement -- but as a whole, we need to redesign our curriculum in line with the 4th industrial revolution and current market demands," he added.

Yardlong bean farmers over the moon with bumper yields

FROM PAGE B4
Sometimes when the plants are destroyed due to pest attacks, or drought, farmers are left to count losses as they don't get any support from the government.

"The local agriculture officers visit from time to time just to give advice. We have to buy the fertilisers, seeds and pesticides ourselves," he added.

There is usually no or less rain in the country between December and April each year. So, water has to be sourced from nearby ponds to water the land.

If tube-wells and pumps were provided for irrigation, the crisis could be alleviated, farmers said.

"With government subsidies or incentives, we could expand cultivation," Jahangir said.

Feroz Mia cultivated yardlong bean on four bighas of land in Chakergram, while Ashuk Ahmed planted the legume on one bigha of land in Sreepur.

They sold the vegetable at wholesale prices of Tk 20 to Tk 40 per kg.

"I have sold beans worth about Tk 1 lakh so far. I can earn another Tk 20,000 this season if there are no pest attacks," Feroz said.

It costs about Tk 400-500 to apply pesticides every day. Besides, the water crisis discourages people from cultivating yardlong bean.

"It would be better if the government provides incentives," he added.

According to Ahmed, everyone could plant beans if given the opportunity since most lands are left unused after the aman paddy season.

Ashraful Islam Rajib, a union member of Baramchal, said that more than 400 families from about 30 villages of the Brahmanbazar and Baramchal unions were involved in yardlong bean cultivation.

There is a lot of interest in cultivating the vegetable because of its relatively low production cost. But only with the government's help can the farmers expand the acreage, Rajib added.

Hosen Ali and Rajan Ahmed, wholesalers from Sylhet who source legumes from Sreepur Madrasa Bazar, said there was a lot of demand for yardlong bean.

"I buy 30-40 maunds of beans every day to sell in different parts of the country," Ali said.

Md Abdul Momin, agriculture officer of Kulaura upazila, said that they only provided advice to local farmers as there are no official incentive packages for yardlong bean cultivation.

"We encourage the use of eco-friendly and cost-effective pheromone traps to prevent infestations. We also give the necessary advice to prevent yellow mosaic virus infections," he added. The yardlong bean grown in Brahmanbazar and Baramchal are very popular in the Sylhet region, said Lutful Bari, deputy director of the DAE.

"The profitable crop has seen a gradual increase in farming across the division, and growers are pleased with the bumper yields this year."

More needs to be done to ensure workplace safety

FROM PAGE B4
The RCC is a temporary structure under the Department of Inspection for Factories and Establishments set up to monitor the remediation of National Initiative factories.

It will also help institutionalise industrial safety capacities under the Ministry of Labour and Employment and facilitate broader safety initiatives to be built based on good practices in the RMG industry.

It is important to pursue greater collaboration with other ministries, regulatory authorities, employers, workers' associations and academia to establish a safety culture in Bangladesh.

DS: Why did the incident of the Rana Plaza building collapse happen? Who are responsible? Retailers and brands, the government, manufacturers, the ILO, or a lack of unionism

in the sector?
TP: The main reason for the building collapse can be attributed to failure by relevant authorities to enforce national planning and building regulations and the building owner ignoring legal licensing procedures.

Other factors such as the lack of workers' voice exacerbated the situation. However, the legal responsibility for building safety should lie with enforcement authorities during construction (including extensions) and with the building owner once the building is occupied.

With stronger regulation and accountability, workers' voice, and responsible practices by employers and building owners, catastrophes such as the Rana Plaza collapse are preventable.