

US trade deficit hits a record high amid pent-up demand

REUTERS, Washington The US trade deficit jumped to a record high in March amid roaring domestic demand, which is drawing in imports, and the gap could widen further as the nation's economic activity rebounds faster than its global rivals.

policy stance. Manufacturers lack the capacity to satisfy the surge in demand and inventories are very lean, forcing businesses to import more goods. Demand during the pandemic also shifted to goods from services, with Americans cooped up at home.

Japanese firms want to expand despite pandemic: survey

FROM PAGE B1 pandemic's effects, 31.3 per cent expect to return to normalcy in the first half of 2021 and 34.3 per cent in the second half.

percentage points from the 2020 forecast (42.1 per cent) in 2019. Bangladesh will expect an increase by 38.3 per cent in 2021.

The report said a change in the trading environments in Vietnam, Bangladesh and India had a positive impact on business performance.

He said investors face different hassles like time consuming customs procedures, difficulty in local procurement of raw materials and components, power shortages and wage hikes.

Many investors stated that the shift of production to Vietnam and Bangladesh, caused by the US-China trade friction, had a positive impact.

According to him, in recent years the wages of workers and employees have increased in Bangladesh.

Jetro said further improvement of the business environment in Bangladesh was needed for more competitiveness and future investment.

Besides, Japanese companies have no opportunity to borrow from local banks in Bangladesh, for which they sometimes have to face a shortage of working capital.

Some 66.7 per cent of Japanese companies stated that their major challenges were in local procurement of raw materials and components while 56.1 per cent in customs procedures.

The survey took comments of 13,399 Japanese firms engaged in manufacturing and non-manufacturing sectors in 20 Asia and Oceania countries between August and September last year.

The report found that 48.9 per cent expected to generate an operating profit in 2020, down 16.7 percentage points from 65.6 per cent in 2019.

The report said business confidence had fallen to its lowest level due to the Covid-19 pandemic whereas the deterioration was mild in China.

In contrast, 32.4 per cent expect to incur an operating loss, up 14.7 percentage points from 17.7 per cent in 2019.

Even the intentions towards business expansions in the next one or two years hit a new record low.

With respect to operating profit forecast, Bangladesh stands in the lowest position while South Korea the highest with 71.8 per cent, exceeding 60 per cent in Taiwan, Australia, and China.

The impact of changes in trading environments such as the US-China conflict and a decline in demand due to the Covid-19 pandemic have had a negative impact on the companies' motivation to expand their business.

For 2020, 16 per cent expect an increase in operating profit over 2019, down 17.1 percentage points from 33.1 per cent in 2019. The proportion of companies expecting a decrease in operating profit was 65.6 per cent, up 26.8 percentage points from 29.8 per cent in 2019.

Even under such a harsh environment, 50.9 per cent of the companies in India and 53.5 per cent in Pakistan are still motivated towards expanding business in the next one to two years.

A total of 52.8 per cent expect an increase in operating profit in 2021, up 10.7

Early gains wane in Europe as tech, auto stocks weigh

REUTERS European shares inched lower on Tuesday as an early boost from commodity, bank and travel stocks was offset by losses in highly valued technology companies and automakers.

The pan-European STOXX 600 index inched down 0.1 per cent, with the German DAX falling 0.6 per cent and UK's FTSE 100 rising 0.5 per cent after a long weekend.

Miners and oil and gas stocks rose more than 1 per cent each, reflecting a rally in commodity prices, as investors bet on a strong global rebound on the back of massive vaccination drives in developed countries and unprecedented stimulus.

Notably the UK seems to be moving through the gears on reigniting the engine of the economy without hitting a road bump of rapidly rising infections or hospitalisations, said AJ Bell investment director Russ Mould.

Travel and leisure sector rose 0.2 per cent, benefiting from Britain's expected announcement of a green list for countries that people can travel to on holidays.

Tech stocks, however, slumped 1.2 per cent after their Wall Street peers came under pressure on Monday. Chipmaker Infineon fell 4.5 per cent after CEO Reinhard Ploss said he was expecting supply constraints in the automotive segment to only ease in the second half of this year, with lost volumes likely to be made up in 2022.

Europe's automakers fell 0.5 per cent. German meal-kit delivery company HelloFresh fell 4.5 per cent as worries about consumer behaviour, amid easing lockdowns, overshadowed a surge in first-quarter customer base.

Software company Teamviewer, another stay-at-home beneficiary, dropped 7.6 per cent despite reporting quarterly orders and core profit ahead of expectations.

More than half of the STOXX 600 companies have reported so far in what has largely been a positive earnings season, with 73 per cent of them topping profit expectations, as per Refinitiv IBES data.

Jewellery maker Pandora jumped 4.8 per cent on reporting quarterly operating profit above estimates, fuelled by strong online sales and plans to push for sales growth in the United States and China.

Dassault Aviation jumped 7.9 per cent after Egypt's defence ministry said it had signed a contract with France to buy 30 Rafale fighter jets.

BB clips National Bank's wings

FROM PAGE B1 The move from the BB came after the allegations of worsening governance at the bank surrounding approval and sanction of loans and appointment of top executives.

The financial health of the bank started worsening in 2009 when Sikder Group took over the control of the board.

The board was restructured after its chairman, Zainul Haque Sikder, passed away on February 10. His wife Monowara Sikder was elected chairman on February 24. NBL did not hold any board meeting between December 27 last year and April 11 this year, but it allegedly disbursed large loans without approval from the board.

The BB has imposed an annual credit growth ceiling of 10 per cent on the bank as part of its efforts to tackle aggressive lending.

NBL has been asked to take permission from the central bank before appointing any consultant, adviser, and additional and deputy managing directors.

As per the Banking Companies Act 1991, banks must secure approval from the BB to hire the managing director.

The board of NBL had earlier appointed Additional Managing Director ASM Bulbul as the acting MD.

His tenure ended on March 31, but Bulbul tried to continue holding the post with backing from a portion of the directors in a breach of regulations.

This prompted the central bank to order the NBL chairman on April 6 to remove Bulbul from the post.

The bank, which commenced its banking operation in 1983, appointed Shah Syed Abdul Bari as the managing director for three months.

The central bank could not rely on the board of NBL anymore, so it has imposed the conditions on the appointment of senior employees, the BB officials said.

The central bank instructed the lender not to take over loans from other banks or non-bank financial institutions.

NBL also will have to comply with various rules on the disbursement of loans once it is allowed to start lending after bringing down the ADR to the stipulated

level. For instance, it will be permitted to give out a maximum of 5 per cent in large loans against its capital amounting to Tk 3,066 crore.

In addition, the bank will not be allowed to lend more than 10 per cent of the capital to a single borrower, compared to 35 per cent applicable for other banks.

This means NBL can give a maximum of Tk 307 crore to a single party under the single borrower exposure limit.

Md Serajul Islam, spokesperson and an executive director of the central bank, said that the BB had recently unearthed gross irregularities committed by some of the directors of NBL.

"The latest instructions will help the bank restore the corporate governance," he said.

NBL has also been asked to submit a statement every month on the recovery trend of loans from the top 20 defaulters.

Last month, the central bank instructed the bank to send detailed information of the loans given to four companies - Rongdhanu Builders, Desh TV, Rupayan, and Shanta Enterprise.

The bank had disbursed a large amount of loans among the directors of other banks.

A good number of banks give such loans under mutual understanding among the directors, a practice that has created concern over corporate governance in the banking industry.

NBL disbursed Tk 7,216 crore among the directors of other banks, which is 18 per cent of the total outstanding credit as of December last year, showed data from the central bank.

Defaulted loans stood at Tk 2,085 crore as of December in contrast to Tk 388 crore in 2009. The non-performing loans would have been much higher had the bank had not written off Tk 2,154 crore last year.

NBL faced a provision shortfall of Tk 435 crore last year due to weak financial health. Forty of its 214 branches are incurring losses.

Shah Syed Abdul Bari did not respond to a request for comments.

5 economic zones to get modern telecom network

FROM PAGE B1 The Bangladesh Telecommunications Company Ltd (BTCL) will implement the telecommunication network project at the Srihatta Economic Zone in Moulvibazar, the Jamalpur Economic Zone, two tourism parks at Sabrang and Naf in Teknaf, and the Sonadia Tourism Park in Moheshkhali.

projects on their own fund, the planning minister told a virtual media briefing. "The prime minister stressed that state-owned entities established for doing business should try to be independent so that they do not have to rely on government grants," the minister said.

The project tenure runs from January 2021 to June 2023.

The Enec approved a proposal seeking the extension of one and a half years and an additional Tk 195 crore for a project to set up a super-specialised hospital with modern healthcare facilities at the Bangabandhu Sheikh Mujib Medical University.

The project activities include setting up high-power dense wavelength division multiplexing optical fibre transmission link, establishing telecom exchange with 6,000 connection capacity, installing routers with high-speed internet back up, and constructing a telecom building in each of the zones.

The estimated project cost was earlier fixed at Tk 1,366.34 crore. As per the approved proposal, the cost has gone up by 14.3 per cent to Tk 1,561.18 crore.

The prime minister emphasised that state-owned companies like BTCL implement such

extended to December 2020. The new deadline is June 2022.

The prime minister expressed concern over the delay in implementing the super-specialised hospital project and ordered to complete it fast, Mannan said.

Moshammat Nasima Begum, a member of the socio-economic infrastructure department of the planning commission, said the implementation was delayed last year due to the coronavirus pandemic as Korean consultants went back.

A South Korean consulting firm conducted the feasibility study of the project in 2014, she said.

Another project that received the nod was Tk 1,452.33 crore Rehabilitation and Expansion of Command area of the Teesta Irrigation Project. The implementation period is January 2021 to June 2024.

ঢাকা দক্ষিণ সিটি কর্পোরেশন সম্পত্তি বিভাগ আপনার পরিবেশ সুন্দর ও পরিচ্ছন্ন রাখুন আপনার শিশুকে টিকা দিন. Includes a table with 11 items for property tax assessment and a table for assessment criteria.

Bring social protection to the fore

FROM PAGE B1 Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD), said other than increasing the allocation for healthcare, ensuring effective and efficient spending is crucial.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said they lost \$6 billion worth of business over the last year due to the ongoing pandemic. "And so, recovery will take much longer than expected," he said while seeking the continuation of government support for the sector.

Ahsan H Mansur, executive director of the Policy Research Institute, said Tk 15,000 crore should be allocated for the health sector in the upcoming national budget.

He also urged the government to ensure vaccination for everyone in the country as soon as possible.

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, demanded that corporate tax be reduced by 2.5 per cent annually for the next three years to make it 25 per cent overall.

"Although it is very necessary, it is also quite difficult to understand whether the tax net has increased or not over the past few years," said Rupali Chowdhury, president of the Foreign Investors Chamber of Commerce and Industry.

Mashiur Rahman, the prime minister's adviser on economic affairs, said non-governmental organisations should play a vital role in healthcare issues.

ICAB President Mhamudul Hasan Khusrul, ERF President Sharmeen Rinvy and General Secretary Rashedul Islam also spoke at the event, moderated by Md Humayun Kabir, chairman of TCLC and a former ICAB president.

DCCI President Rizwan Rahman suggested reduction of corporate tax rate progressively by 2.5 per cent in the next three years to bring down the rate to 25 per cent to facilitate businesses.

Coming down heavily on the scope for whitening undisclosed money, he said that the business community would not accept such provision for whitening the money coming from 'burglary'.

"Otherwise, the honest businesses will not feel encourage to pay tax from the next year," he added.

LafargeHolcim to pay Tk 90.25cr

FROM PAGE B4 The dispute shall be adjudicated before the arbitration tribunal under the UNCITRAL, LafargeHolcim said in the disclosure.

The arbitration proceedings are presently continuing, it said. The Appellate Division of the Supreme Court of Bangladesh ordered LafargeHolcim to make the payments in instalments.

The court instructed it to pay as per the BERC rate going forward, which is approximately Tk 4.20 crore per month.

The order came after LafargeHolcim appealed to the higher court seeking interim protection so that the gas supply is not stopped during the arbitration proceeding.

The dispute will be determined by the arbitration tribunal, and the court's order will have no impact on the merits of the dispute that will be adjudicated by the tribunal, LafargeHolcim said.

Government of the People's Republic of Bangladesh Bangladesh Regional Connectivity Project-1 WTO Cell, Ministry of Commerce Level-12 (West side), Probashi Kollayn Bhaban 71-72, Eskaton Garden Road, Dhaka-1000 Request for Expressions of Interest (REOI) Memo No. 26.00.0000.066.11.003.18-382 Dated: 02/05/2021