

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.70%	▲ 0.75%	\$1,839.00	\$67.95	▲ 0.60%	▲ 0.55%	▼ 0.56%	▲ 0.27%	BUY TK 83.95	101.06	116.41	12.85
5,645.69	9,848.37	(per ounce)	(per barrel)	49,502.41	29,518.34	3,182.41	3,427.99	SELL TK 84.95	104.86	120.21	13.51



# Star BUSINESS

DHAKA TUESDAY MAY 11, 2021, BAIASHAKH 28, 1428 B5 • starbusiness@thedailystar.net

## Sales pick up as Eid nears

But businesses faraway from pre-pandemic level



Shoppers exit Bashundhara City shopping mall in the capital yesterday afternoon.

MAHMUDUL HASAN and SUKANTA HALDER

With Eid less than a week away, smiles have returned to the face of retailers after sales picked up as customers thronged shopping centres, defying the risk of contracting the deadly coronavirus.

Millions of customers are flocking shopping malls, markets and roadside vendors to buy clothes, footwear, electronic items, home appliances, and other fashion items ahead of the festival.

Eid-ul-Fitr, the biggest religious festival in the Muslim-majority Bangladesh, is the peak

shopping season that begins from the first week of the fasting month, accounting for nearly a third of the total annual wholesale and retail trade.

Retailers had bet big on this year's Pahela Baishakh and Eid after watching their businesses evaporate last year when the government imposed lengthy lockdowns to contain the spread of the contagious pathogen.

The infection rate has been climbing up since the middle of March and a seven-day restriction was imposed on April 5 to counter the second wave,

pouring cold water on the optimism of good sales for the retailers.

Since then, the curb has been extended several times, cutting Dhaka from the rest of the country, and even one district from another, although enforcement has been lax.

Their hopes rekindled when the government allowed shopping malls, shops and markets to reopen from April 25 after a 12-day shutdown. Retailers and wholesalers said although sales had rebounded significantly, it still stood below 50 per cent of the pre-pandemic level.

For Aarong, which has 21 outlets, sales reached 65 per cent in comparison to the Eid festival of 2019.

"Sales have been good in the last few days. However, if we are allowed to keep our shops open for extended hours, we would get more customers," said Mohammad Ashraf Alam, chief operating officer of the lifestyle brand.

Many customers venture out for shopping after having Iftar meal, and managing safety protocol would have been easier if there were extended opening hours, he said.

Aarong has taken some cost-cutting measures to cover business losses.

"In other years, we would employ 700-800 additional staff to deal with the rush of the customers. This year, we have recruited only 200 people," Alam added.

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## School banking getting popular

AKM ZAMIR UDDIN

School banking is increasingly gaining popularity among students as the total deposits in such accounts reached around Tk 2,000 crore last year, sidestepping the pandemic-induced economic hardship.

As of December last year, students deposited Tk 1,950 crore in the accounts, up 20 per cent from a year ago and 7 per cent three months earlier, according to data from Bangladesh Bank.

The number of accounts under school banking rose 10 per cent to 26.90 lakh

last year.

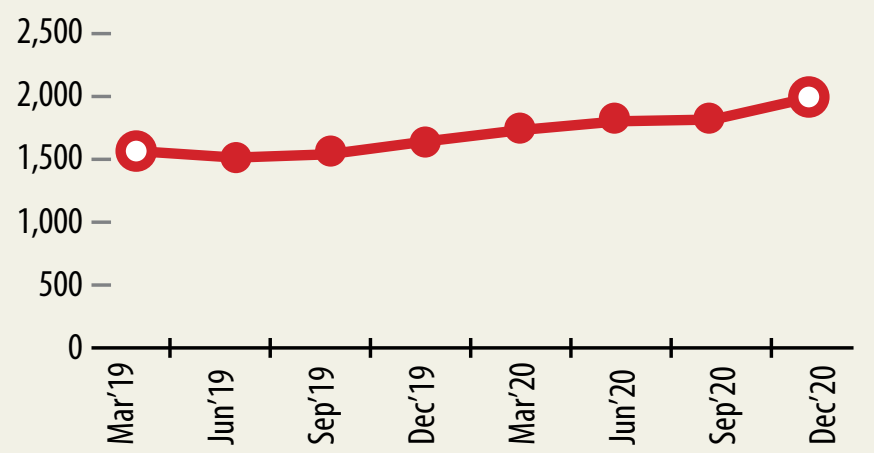
A number of banks earlier took a set of measures to widen the banking operations as per instructions of the central bank, which mainly gave a boost to financial inclusion among students, said a central bank official having substantial knowledge on the matter.

The number of accounts and the outstanding balance under school banking would have increased manifold had not the coronavirus pandemic hit the economy, he said.

READ MORE ON B3

## DEPOSITS IN SCHOOL BANKING ACCOUNTS

In crore taka; SOURCE: BB



## LDC GRADUATION Committee formed to address challenges

SUKANTA HALDER

The government has formed a 22-member committee to address the challenges that Bangladesh will face as a result of its transition from a least developed country (LDCs) into a developing one.

The committee headed by Ahmad Kaikaus, principal secretary to the prime minister, will carry out preparation, planning, implementation and monitoring to address the possible challenges and create an action plan to overcome those.

It is learnt that the committee will determine the sectors and the level of impact in the post-transition period. Moreover, it will map up the roles of the main responsibilities and associated ministries, divisions, and agencies designated for each sector.

The committee will take initiatives for commercial expansion through bilateral, regional and international agreements. It will provide suggestions on the formulation of tariff policies consistent with free trade agreements.

At the same time, the ministry, divisions or organisation concerned will take a precise and timely action plan and implement it.

It will provide suggestions and regular monitoring on the implementation of action plans adopted by ministries, divisions or organisations.

Bangladesh will lose various international assistance in the period of status transition. Duty-free and quota-free access and easy and low-interest loans from bilateral or multilateral parties will shrink.

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## Safety net budget to cross Tk1 lakh crore for first time

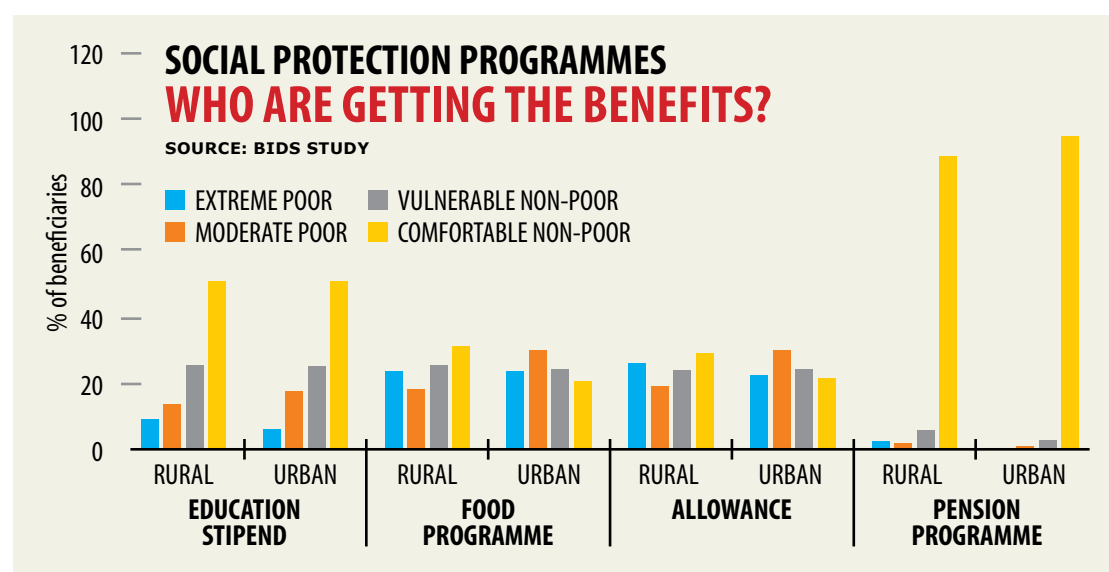
But large portion still goes to non-poor

REJAUL KARIM BYRON and DWAIPIYAN BARUA

The budgetary allocation meant for the poor and vulnerable is set to go past Tk 1 lakh crore mark for the first time as the government sets aside additional funds to support the needy during the coronavirus-induced income collapse.

The government may earmark Tk 103,600 crore in the next fiscal year to meet its growing expenditure for social protection and safety net programmes, which is up 8.4 per cent from the revised allocation of Tk 95,574 crore in the current fiscal year, according to an official of the finance ministry.

The higher allocation came despite concerns raised by experts and a government-sponsored study that the real poor and vulnerable usually do not benefit from a large portion of social protection allocation.



The budget for food assistance programmes such as vulnerable group development (VGD), the vulnerable group feeding (VGF), and test relief (TR) could go up to Tk 19,000 crore in FY22 from Tk

17,981 crore in FY21, an increase of 5.66 per cent.

The next fiscal's allocation for stipend may stand at Tk 5,000 crore, up by Tk 10 crore up from FY21.

The fund for the allowance programmes for the elderly and widows would see the highest hike by 42.97 per cent to Tk 14,600 crore against the current fiscal's allocation of Tk 10,212 crore.

The allowance programmes covered 112 upazilas in FY21, and it would be expanded to 150 upazilas in FY22 to add 11 lakh new beneficiaries. For this, the government will have to bear an additional expense of around Tk 1,000 crore.

The allotment for other social protection programmes may go up to Tk 65,000 crore, up 41.47 per cent year-on-year.

The allocations will be finalised in a meeting between the finance ministry and other ministries after Eid as the latter demanded additional funds to feed the poor throughout the pandemic.

The economic shock induced by the pandemic has pushed 2.45 crore people, 14.75 per cent of the country's population, into poverty in one year, according to a new survey of the Power and Participation Research Centre and the Brac Institute of Governance and Development.

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## Small farmers produce the bulk of foods

AKANDA MUHAMMAD JAHD

The small, marginal and landless farmers together account for around 70 to 80 per cent of the country's food production, said agricultural analysts.

Of them, small farmers who own between 1 to 2.5 acres of land operate around 40 per cent of the total farmland and contribute 50 per cent to the food production, said Prof Abdul Bayes, former director of the Research and Evaluation Division of Brac.

And marginal farmers who own on an average of 50 decimals of land operate nearly 7 per cent of land.

Meanwhile, a section of marginal farmers also grow food by leasing land. So, together with marginal farmers, both landless and marginal farmers operate around 20 per cent of the total cultivable land through leases, according to Bayes.

Bayes, who co-authored the book 'Rural Transformation: Insights from Bangladesh' with Mahabub Hossain, said small, marginal and functionally landless farmers operate over 60 per cent of the total cultivated land and contribute to around 80 per cent of the total food output.

The rest 20 per cent output comes from medium and large farms. The medium farmers, who own between more than 2.5 to 4 acres of land, operate 20 per cent of land and the large farmers, who possess more than 4 acres of land, operate around 14 per cent of the land, he said.

READ MORE ON B3



Small, marginal and functionally landless farmers operate over 60 per cent of the total cultivated land.

## 10pc RMG factories yet to pay salary, bonus

REFAYET ULLAH MIRDHA

Not all garment factories have been able to pay workers' salaries and festival allowances within the government-set deadline ending yesterday.

As of yesterday, 92 per cent garment factories paid the festival allowances while some 90 per cent salaries of April, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The rest will complete making all payments within the next two days, he said.

"Still we have confusion over whether 10 to 12 factories would be able to pay the workers as their financial strength was not that strong. Most of these are small units," Hassan told The Daily Star over the phone.

"We are working with these factories so that they can pay the workers before Eid-ul-Fitr," he said.

Some 40 factories were in a very vulnerable situation over making the payments but the tally declined significantly after the BGMEA worked with them and held consultations with banks concerned, Hassan also said.

He said many factories, particularly the small ones, have been facing troubles in making payment as either their work orders had been cancelled or they were facing delays in payments from international retailers and brands.

Moreover, banks are not interested in providing loans to these small units which have been running under a financial crunch, he said.

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# Investors chide Toyota's Toyoda for questioning combustion car ban

REUTERS, Tokyo

Some Toyota Motor shareholders have criticized its President Akio Toyoda for questioning Japan's plans to ban conventional cars only days after the firm said it was reviewing its climate lobbying and aimed for carbon neutrality by 2050.

The five investors, who collectively have around \$500 billion in assets under management and spoke exclusively to Reuters, said the carmaker risks falling behind competitors that are rolling out electric vehicles, while giving cover for other companies seeking to avoid big changes to meet climate goals.

Japan's Toyota signalled a shift in its climate change stance last month when it said it would review its lobbying and be more transparent on what steps it was taking as it responded to increased activist and investor pressure.

Three days later though, in his capacity as head of the Japanese automobile Manufacturers Association, Toyoda questioned the country's decision to ban new internal combustion engines by 2035 in its quest for carbon neutrality.

"What Japan needs to do now is to expand its options for technology. I think regulations and legislations should follow after," Toyoda said.

"Policy that bans gasoline-powered or diesel cars from the very beginning would limit such options, and could also cause Japan to lose its strengths," he added.

Investors who had welcomed the earlier Toyota statement on lobbying said they were worried that Toyoda may not be on board with the plans.

"We're genuinely concerned that Mr. Toyoda does not seem to realize what is at stake here," said Jens Munch Holst, CEO of AkademikerPension.



REUTERS/FILE

Akio Toyoda, president of Toyota Motor Corporation, speaks at a news conference, where he announced Toyota's plans to build a prototype city of the future on a 175-acre site at the base of Mt. Fuji in Japan.

The Danish fund told Reuters last month that it would consider a shareholder resolution or sell its holding in Toyota if there was no change after "intense" engagement with the company.

A Toyota spokeswoman told Reuters the company could not immediately comment on the investors' criticism but would be addressing climate issues later in the week when it announces earnings. The company in recent years has said that electric vehicles will play a greater role in reducing emissions but other solutions should be used, like its successful hybrid or slow-selling hydrogen vehicles.

With pressure growing on carmakers to slash emissions, Toyota is scrambling to produce electric vehicles that can compete with models from the likes of Tesla, Volkswagen

, General Motors and Renault, plus Chinese startups like Nio and Xpeng.

The five investors who spoke about Toyoda's comments - also including Norway's Storebrand Asset Management, Nordic investor Nordea Asset Management, the Church of England Pensions Board and KLP, Norway's biggest pension fund - said Toyota was in danger of blunting its competitiveness.

"As a shareholder in Toyota, we actively engaged with the company and received reassurances that all of its lobbying activities, including with industry associations, would be reviewed and reported on this year," said Jan Erik Saugestad, CEO of Storebrand Asset Management.

"Full electrification of transport is vital if we are to meet our climate targets and Toyota should be leading the charge on this rather than prolonging the production of new combustion engines and giving away their market share to other companies," he added.

# Vanguard announces 15pc cash dividend

STAR BUSINESS DESK

While the DSEX, the Dhaka Stock Exchange's benchmark index, witnessed its lowest level in nearly seven years since January 2013, Vanguard Asset Management managed an open-end mutual fund showcasing noteworthy performance even amidst the pandemic.

The Vanguard AML Growth Fund declared a 15 per cent (1.50 per unit) cash dividend for the year ending on March 31, 2021, which is 53.20 per cent of the realised earnings, says a press release.

"We put investors' interest above everything else in managing funds," said Managing Director and CEO Waqar Ahmad Choudhury.

"We are very happy to declare the cash dividend for our investors who always keep their faith on our fund management process," he added.

Choudhury urged the institutional investors to come forward and participate in Vanguard AML Growth Fund.

It is an open-ended fund that was launched for long-term capital appreciation and generating return from the money market.

# UK's Provident Financial to close troubled doorstep-lending arm

REUTERS

UK's Provident Financial said on Monday it was exiting its 141-year-old doorstep-lending division, adding that it has begun a consultation process for 2,100 employees, as the pandemic delivered the final blow to the loss-making business.

# What should be tax policy response to the pandemic in FY22?

FROM PAGE B4

The most fundamental criticism is that there are too many VAT rates, which can cause revenue leakage and severe economic distortions. Available evidence shows that the VAT performance has not improved relative to other taxes since the new law was implemented.

The Act needs to be reviewed, and efforts may be made to return to the original VAT and SD Act, 2012, to the extent possible by consolidating various differentiated rates and turnover-based regimes into a unified structure.

The present Income Tax Ordinance, 1984, is outdated to keep pace with the changing time. So, a new income tax code is needed to put in place an efficient and modern income tax regime.

## BROADENING TAX NET

Voluntary compliance may be increased by a strong and efficient third-party reporting system. The tax net may be broadened by giving emphasis on withholding taxes, reducing tax exemptions, and linking different services with the tax system.

## REVIEWING TAX EXEMPTIONS

In the amended VAT Act, 2012, there are numerous provisions of tax exemptions. So is the case with the Income Tax Ordinance 1984. Time has come to review the exemptions given to individuals or corporate bodies in case of income tax and goods and services in case of VAT. The government should restrict tax exemptions.

## ENHANCING TAXES ON DEMERIT GOODS

Significant increases in the taxes of demerit goods such as tobacco products, alcohol, and goods-creating pollution deserve the attention of policymakers.

The Addis Ababa Action Agenda also highlights tax and price measures on tobacco as key mechanisms to reduce demand and save lives while

increasing domestic resources for development.

Research shows that the government intervention in the form of increasing prices and SD of the low segment of cigarettes and introducing a specific tax is projected to generate substantial additional revenue in a year.

## COMBATING TAX AVOIDANCE AND EVASION

Tax avoidance and evasion are rampant in Bangladesh. According to the Economic and Social Commission for Asia and the Pacific (2014), the estimated tax gap is 7.5 per cent of the gross domestic product.

Some multinational corporations try to shift money to their headquarters through the transfer pricing mechanism.

The NBR should strengthen its central intelligence cell and other intelligence offices to address tax avoidance and evasion, which exploit gaps and mismatches in tax rules.

## DIGITALISATION OF TAX SYSTEM

At present, there is automation in the registration of income tax and VAT. Little automation of tax processes results in low tax compliance. Therefore, the NBR needs to fully automate the tax system and integrate the information technology in the three tax wings to create synergy.

## TAX DISPUTE RESOLUTION

Dispute resolution is a key issue in taxation. Up to mid-March 2021, some 33,318 tax cases were pending in different courts, involving about Tk 66,114 crore, according to data from the NBR.

For resolving tax disputes, the NBR can take a two-pronged approach: taking the initiative to get the pending cases disposed of and reducing the tax pendency in the courts by strengthening the mechanism of alternative dispute resolution (ADR).

This is likely to bring a huge chunk of money to the government exchequer. We may follow the South Africa model that disposes of more

than 80 per cent tax cases through the ADR mechanism.

## STRENGTHENING NBR

The government should redefine the status and regulatory powers of the NBR, delineate the relationship between the Internal Resource Division and the NBR, restructure the NBR and its field formations by function and type, ensure adequate coordination among the three tax wings, provide service to taxpayers through a web-enabled tax administration (e-registration, e-filing of tax returns, e-payments, e-refunds), introduce incentive schemes for NBR officials, develop a strategic communication and taxpayer outreach and education programme, and develop human resources and institutional capacity of the NBR.

## FINANCIAL INCLUSION

According to the Labour Force Survey 2016-17, more than 85 per cent of the people are employed in the informal sector, of whom about 92 per cent are women. The pandemic has added more people to the informal sector. The government can generate additional revenue by bringing the informal sector into the formal one through financial inclusion.

## IMPROVING GOVERNANCE IN REVENUE SECTOR

There are allegations of corruption in the revenue sector. Therefore, combating corruption is needed to reduce the cost of doing business and boost revenue collection.

## ESTABLISHING REVENUE REFORM COMMISSION

The government may establish a Revenue Reform Commission to analyse the tax system and make specific, measurable, achievable, realistic and time-bound recommendations to reform the tax policy and the tax administration.

The author is a former chairman of the National Board of Revenue. He can be reached at ahmed.nasiruddin@gmail.com.

# Stocks cheer prospects for low rates, oil jumps on pipeline outage



REUTERS/FILE

A passerby wearing a protective face masks walks past an electronic board showing Japan's Nikkei average and the exchange rate between Japanese yen against the US dollar, amid the coronavirus disease (Covid-19) outbreak, in Tokyo, Japan.

REUTERS, Milan

World stocks ticked up to new peaks on Monday on bets interest rates will remain low and the economy continue its recovery, while oil prices jumped after a cyber attack on a US pipeline operator unnerved markets.

MSCI's gauge of stocks across the globe hit a fresh record high and was up 0.1 per cent by 0740 GMT, driven by gains across Asian markets overnight and a steady open in Europe. Europe's STOXX 600 regional benchmark was up 0.1 per cent in early deals, while MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.4 per cent. S&P 500 futures were flat while Nasdaq futures fell 0.5 per cent.

US nonfarm payrolls data on Friday showed jobs growth slowed much more than expected in April in a shock release that gave equities a lift but put downward pressure on the dollar and US Treasury yields.

"A statistical fluke and/or a temporary pause in labor market demand is the likeliest culprit for this report. However, the Federal Reserve cannot afford to adjust policy without concrete proof of a stronger labor market recovery," said Natisis economist Troy Ludtka.

On Friday the Dow Jones Industrial Average and the S&P 500 rose to record

closing highs as the disappointing data on the US jobs market eased concerns about a spike in consumer prices.

In recent weeks, some investors had been placing bets that a robust US economic recovery from the coronavirus pandemic would force the Federal Reserve to tighten policy earlier than the central bank has outlined. However, the weak nonfarm payrolls report caused a rapid reversal in some of these trades, which rippled through stocks, bonds, and major currencies.

US President Joe Biden said after the report that the figures showed the economy was not at risk of overheating and underscored how vital his administration's economic actions are.

"In the end, it is the best of all possible worlds for equities: robust economy, strong earnings, but no monetary policy tightening and more fiscal spending coming," said Giuseppe Sersale, fund manager at Anthilia in Milan.

The focus now shifts to US consumer price data due on Wednesday, which will help investors determine whether they need to scale back their inflation expectations even further.

The dollar index against a basket of six major currencies edged up 0.17 per cent to 90.301 but was just above its lowest since February 25 hit earlier in the session.

**Government of the People's Republic of Bangladesh**  
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**e-Tender Notice**  
Tender Notice No. 122/EED/BARI/Project Code: (1250301-120001601-3258108) e-Tender/2020-21 Date: 09/05/2021  
Name of Project: Repair/Renovation of Govt. Educational Institutions.

e-Tender is invited through the National e-GP Portal for the following procurement of works.

Sl.	Name of the tender	Tender ID	Type method	Last date & time of selling documents	Last date & time of submission documents
01	Govt. Rev-08: Repair & Renovation work of Boundary wall at Barishal Govt. Girls High School, Sadar Upazila Barishal District.	566176	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
02	Govt. Rev-09: Construction of Toilet in/c Sanitary and repair works of west Academic Building at Govt. Girls High School, Sadar Barishal District.	566177	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
03	Govt. Rev-10: Construction of Internal Road at Govt. Girls High School, Sadar Upazila Barishal District.	566178	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
04	Govt. Rev-15: Repair & Renovation work of Head Master Old House at Barishal Zilla School, Sadar Barishal District.	566182	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
05	Govt. Rev-14: Repair & Renovation work of Mathematics Building in/c stair room at Govt. Barishal College Sadar Barishal District.	566181	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
06	Govt. Rev-13: Repair & Renovation work of Academic Internal Room in/c grill pointing at Barishal Govt. College Sadar Barishal District.	566180	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
07	Govt. Rev-12: Construction of Internal Road and Boundary wall at Barishal Govt. Mohila College Sadar Barishal District.	566179	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
08	Govt. Rev-16: Repair & Decoration work of Academic Building Hall Room at Barishal Zilla School Sadar Barishal District.	566184	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
09	Govt. Rev-17: Repair & Renovation work of Prayer Room Toilet and ablution place at Barishal Zilla School Sadar Barishal District.	566185	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
10	Govt. Rev-17: Repair & Renovation work of Toilet Block at Barishal Zilla School Sadar Barishal District.	578080	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00
11	Govt. Rev-11: Repair & Renovation work of 03-storied Rawshon Jahan Girls Hostel roof in/c Toilet at Barishal Govt. Mohila College Sadar Upazila Barishal District.	578079	NCT, LTM	02-Jun-2021 15:00	03-Jun-2021 12:00

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender document of following packages from the National e-GP System Portal have to be deposited online through any registered banks branches. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

**Md. Jahangir Alam**  
Executive Engineer  
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# Committee formed to address challenges

FROM PAGE B1

Generally, countries that are comparatively weaker among the developing countries are considered LDCs. The group was formed in 1971.

Bangladesh was included in the list in 1975.

If everything goes well, Bangladesh will be positioned in the club of developing countries after five years. Recently, it has been recommended to graduate from the list of LDCs.

The final recognition is given at the UN General Assembly three years after the final recommendation is provided by the UN Committee for Development Policy (CDP). Such a recommendation is made if a country achieves a certain standard in triennial assessments twice in a row.

But the duration has been extended by two years to enable preparations to deal with the effects of the coronavirus pandemic. Bangladesh had asked for additional two years during a meeting with the CDP on January 15.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, told The Daily Star that a concerted effort had been taken, and that was really a good thing.

"Now is the time. We do not have much time to take preparation. In the next five years, we have to take preparation at various stages," he said.

"We need to make preparations for the impact this will have on various sectors of the economy. And it is needed to take the necessary preparation to build up various economic partnerships in future."

Rahman called for forming a negotiation cell so that "we can easily find out the offer list and request list of what we give and what we want. This is a very important issue."

"We have to find out what our offensive and defensive interests are and which are related to that. And then they have to work. Along with that, an overall vision is needed for us," he said.

The committee will fully monitor the whole thing, he said.

The members of the committee are senior secretaries of the information technology division, the finance division and the commerce ministry, chairman of the National Board of Revenue, a member of the general economics division, the secretary of the PMO, the Economic Relations Division, foreign, agriculture, environment and Liberation War Affairs ministries.

The executive chairman of the Bangladesh Investment Development Authority, chairman of the Bangladesh Trade and Tariff Commission, president of the Federation of the Bangladesh Chambers of Commerce and Industry, the Bangladesh Garment Manufacturers and Exporters Association, the Dhaka Chamber of Commerce and Industry, the Bangladesh Association of Pharmaceutical Industries, and Planning Commission Member Sharifa Khan are also in the committee.



# BioNTech to build mRNA vaccine manufacturing site in Singapore

REUTERS

BioNTech plans to set up a regional centre and a new factory in Singapore for its vaccines, it said on Monday, boosting its presence in Asia as a debate over patents rages and pressure grows on drugmakers to raise output of Covid-19 shots.

Governments are looking to build up local vaccine production to secure access to supplies after manufacturing setbacks have slowed the rollout of Covid-19 doses in some countries.

The Singapore facility will "address potential pandemic threats" in southeast Asia and will increase BioNTech's global supply capacity of product candidates - also beyond vaccines - based on messenger RNA technology, BioNTech said. mRNA vaccines, like BioNTech and Pfizer's Covid-19 shot, prompt the human body to make a protein that is part of the virus, triggering an immune response.

The German biotech company said the Singapore factory will have an estimated annual capacity of several hundred million doses of its mRNA vaccines depending on the specific type, once it is operational in 2023.

"Having multiple nodes in our production network is an important strategic step in building out our global footprint and capabilities," said Ugur Sahin, CEO and co-founder of BioNTech.

He told a press conference that the investment amounted to hundreds of millions of dollars, declining to be more specific.

BioNTech Chief Strategy Officer Ryan Richardson said there were ongoing discussions with countries around the world about more production sites but added the Singapore decision was exceptional.

"We made a unique long-term commitment to Singapore," following more than a year of talks with the country, he added.

Leading vaccine makers have come under growing pressure to free up their Covid-19 vaccine patents to aid poor countries. BioNTech



A general view shows the laboratories of BioNTech at their Covid-19 vaccine production facility as the spread of the coronavirus disease continues, in Marburg, Germany.

and other vaccine makers have said they were already transferring vital production knowledge to other parts of the world.

BioNTech and Pfizer are jointly commercializing the vaccine worldwide, excluding China, Macau, Hong Kong and Taiwan, which are covered by BioNTech collaboration with Fosun Pharma.

BioNTech and Fosun Pharma have done clinical trials in China but Fosun had not started producing the vaccine, which has yet to be granted approval there.

Fosun said on Sunday it would provide a factory with an annual capacity to make up to 1 billion doses of the Covid-19 vaccine under a joint venture with BioNTech.

This marks a step closer for China to have localized manufacturing capability for the

German firm's vaccine. Five domestically-developed Covid-19 vaccines are being used in the country, while no foreign ones have gained regulatory approval. BioNTech plans to open the Singapore office in 2021 and expects the manufacturing site to be operational by 2023, creating up to 80 jobs in Singapore.

The establishment of a southeast Asia regional hub, which is supported by the Singapore Economic Development Board, comes after BioNTech, based in Mainz, Germany, set up a US headquarters in Cambridge, Massachusetts in 2020.

BioNTech has said it and Pfizer would have capacity to produce up to 3b doses in 2021. Pfizer said last week the pair was targeting production of 4 billion doses next year, mostly for low- and middle-income countries.

# Jack Ma makes rare visit to Alibaba headquarters in Hangzhou

REUTERS

Alibaba founder Jack Ma, largely out of public view amid a regulatory clampdown on the group, made a rare visit to its Hangzhou campus on Monday during the e-commerce giant's annual "Ali Day" staff and family event, company sources said.

The billionaire has kept an extremely low profile since delivering a speech in October in Shanghai criticising China's financial regulators, which set off a chain of events that led to the shelving of what would have been a record \$37 billion initial public offering of Alibaba's affiliate

Ant Group.

On Monday, Ma was seen in an open-air campus shuttle bus with a number of Alibaba executives, according to a photograph taken by an employee at the event, viewed by Reuters. Wearing a blue T-shirt, white trousers and a pair of Chinese-style cloth shoes, Ma was smiling.

"It's so exciting to see Jack," said the employee, declining to be named.

"It's a pity there was no chance to take a photo with him."

China's most famous entrepreneur, Ma enjoyed cult-like status among staff even after stepping down as chairman in 2019.

# 10pc RMG factories yet to pay salary, bonus

FROM PAGE B1

"So we are also talking with the banks for arranging loans for the troubled factories so that they can pay the workers," he said.

Regarding holidays, Hassan said the factory owners have already started allowing extensions of holidays in consultation with the workers as the labour ministry in a meeting Sunday agreed to allow it if deemed necessary.

However, Nazma Akter, president of workers' platform Sammito Garment Sramik Federation, refused to accept Hassan's data on payments.

Akter said some 70 per cent of factories paid the salary of April and 80 per cent festival allowances as of yesterday.

The factory managements should pay the workers timely as they worked hard even amidst the Covid-19 pandemic and in the month of fasting, Akter said.

Earlier, Begum Monnujan Sufian, state minister for labour and employment, on several occasions and tripartite meetings of factory managements, government highups

and union leaders instructed the factory owners to complete making the payment by May 10.

Sufian also in a statement on Sunday requested the workers to stay back during the three-day public holiday for Eid instead of going back to their permanent homes in other districts to contain the spread of Covid-19 infection.

She said workers could spend more than three days as holidays in consultation with the factory managements but they would have to stay back at their workplace-focused residences.

Industrial police could not be contacted for comment on the payment issue.

Md Nasir Uddin, inspector general of the Department of Inspection for Factories and Establishments (DIFE), also said he has not got the final, updated report regarding salary disbursement.

"It was late to make the report on salary and allowance disbursement as it is a public holiday," Nasir Uddin told The Daily Star over the phone.

# Safety net budget to cross Tk1 lakh crore for first time

FROM PAGE B1

A large share of the social protection allocation was set aside for the payment of pension for retired government employees and their families and for paying interests against savings certificates.

Tk 23,000 crore was allocated for the payment of pension, which accounted for more than 24 per cent of the total allocation in FY21. Tk 6,625 crore, or 7 per cent, was set aside to provide interest support to savers.

But the poor and vulnerable can't afford savings certificates. So, it is the middle- and higher-income groups that make the most of the taxpayer-backed tools.

In June last year, a government-commissioned research found that a bulk of the safety net benefits ended up in the non-deserving non-poor groups.

The share of comfortable non-poor is about 30 per cent when it comes to allowance programmes, 32 per cent in food-supported programmes, 44 per cent in maternity allowance, 51 per cent in stipend schemes, and 33 per cent in other programmes in rural areas, the study said.

"Even when it comes to social protection, the extreme poor group constitutes a minority," said the General Economics Division report, prepared by the Bangladesh Institute of Development Studies (BIDS).

In the rural areas, the share of the poor among the total beneficiaries of stipend schemes is 9 per cent. It is 26 per cent in allowance programmes, 24 per cent in food-assisted programmes, 25 per cent in maternity allowance, and 24 per cent in other programmes.

A quarter of the social protection beneficiaries are from vulnerable non-poor households. This is, of course, leakage in the narrow sense of the term but may be viewed as permissive leakage in times of severe shocks, the report stated.

After all, in times of the pandemic shock, the vulnerable non-poor households also risk slipping into poverty and hence merit social protection support, it said.

An official of the finance ministry said the leakage had been reduced to a great extent since it prepared a database.

Zahid Hussain, a former lead economist at the World Bank's Dhaka office, said the government uses an expansive definition of social protection encompassing core social assistance, social insurance, labour market interventions, livelihood programmes, child protection, primary health services, primary and secondary stipends and credit support, pensions to retired government employees, allowances to freedom fighters, and lately interest on national saving certificates.

Excluded the non-core programmes, transfers to households and individuals aimed at addressing poverty and vulnerability in the current year budget is equivalent to 0.9 per cent of GDP across 40 programmes, he said.

"These have resulted in an unenviable trade-off between coverage comprehensiveness and adequacy of benefits."

He said patronage politics had emaciated the new registration undertaken by the expanded open market sales, the new cash support, and the distribution of the augmented VGF cards.

BIDS Director-General Binayak Sen, one of the authors of the report, said the study showed that a large portion of the safety net programmes went to the non-poor.

"This leakage can't be solved through the ongoing digital payments system only since many non-deserving people are getting the benefit," said the economist, adding that the real poor needed to be identified properly.

He emphasised using the national household database of the Bangladesh Bureau of Statistics to eliminate the leakage.

The database is now lying at the disaster management and relief ministry, he said.

An official of the ministry said it had been preparing software based on the national household database, but the work came to a halt because of the pandemic as the foreign consultant had not arrived to complete the task.

# Small farmers produce the bulk of foods

FROM PAGE B1

Bayes, however, said small and marginal farmers mostly produce for their own food security and they usually do not have enough marketable surplus after their home consumption.

"Large farmers supply bulk of the rice in the market," he said. Prof Shamsul Alam, a member of the Planning Commission, said about 85 per cent of local farmers are small farmers.

"So they have a big contribution to ensuring our food security. Relatively, the small farmers with less than one-acre of land produce more than large farmers," he added.

The views by the economists is reflected in the findings of the Food and Agriculture Organization (FAO) of the United Nations. In a report last month, the FAO said small family farmers who possess fewer than two hectares of land produce around one-third of the world's food.

They operate only around 12 per cent of all agricultural land and produce roughly 35 per cent of the world's food, as per the findings of the study revealed on April 23.

Bayes and Alam said the FAO report would not fully reflect the scenario in Bangladesh, as the definition of small farmers may vary from one country to another.

Even the size of land used by a small farmer in America could be similar to the land of a large farmer in Bangladesh, they observed. However, small and marginal farmers are the largest contributors to food production in Bangladesh, said Bayes, who also teaches economics at East West University.

The small farmers used their lands more efficiently than others as they have no alternative, he said.

"All members of a small farmer's family take care of the land they possess and so, their total production stands higher than the large farmers."

The FAO report titled "Which farms feed the world and have farmlands become more concentrated?" said that there are more than 60 crore family-farms around the world, including Bangladesh.

The family farmers (small and medium farmers) possess between 70 and 80 per cent of the world's farmland and produce around 80 per cent of the world's food in value terms, it said.

In the South Asian region, including Bangladesh, small family farms occupy a much larger share of agricultural land than the global average, the UN study shows.

Shamsur Rahman, deputy director of the Department of Agricultural Extension, said there are more than 2.20 crore farmers in Bangladesh.

Small and marginal farmers represent 56 per cent of them. DAE Director General Md Asadullah said the small, marginal and landless farmers contribute the highest amount of the country's total food production.

# Sales pick up as Eid nears

FROM PAGE B1

Raihan Kabir, head of marketing at Yellow, a fashion lifestyle brand of Beximco, said sales had improved, but many customers were avoiding brick-and-mortar stores.

Yellow's online sales have increased tenfold in the last two weeks, and Kabir attributed it to brand value and a loyal customer base.

According to Shaheen Ahmed, the owner of Anjans, around 40 per cent of Eid sales were posted in the first half of Ramadan, and the remaining sales came in the second half.

"Since there was a lockdown for 10 days in the first half of Ramadan, the sales were not good during the period. Sales have increased gradually and reached 50 per cent of normal time."

"Compared to the decline that we had anticipated, the business has been really well. Since the sales are always higher in the last week of Ramadan, hopefully, it will accelerate this time as well," said Ahmed, also the president of the Fashion Entrepreneurs Association of Bangladesh.

Khalid Mahmood Khan, a co-founder of Kay Kraft, said sales had been increasing for the last few days.

"If the trend continues, recovery is possible. However, the sales don't match the 2019 level. We may be able to achieve 40 per cent of the pre-pandemic sales."

Fashion houses in the Aziz Cooperative Super Market in the capital's Shahbagh are not passing good times as the presence of students of the colleges and universities that make up its customer base was thin.

Ujjwal Das, owner of Lanthon Fashion House, said, "We are spending time idly waiting for customers. But we only get disappointed."

"Our main buyers are college and university-level students. But a majority of them are outside of Dhaka at the moment because of the closure of educational institutes since March last year."

Compared to the 2019 level, Das forecasts that the sales would be 20 per cent. So, he would have to dip into his savings to pay the space rent and meet other expenses.

Jobayer Hossain, owner of a cosmetics shop in Gaucha, now sells products worth

Tk 10,000-12,000 daily, down from Tk 18,000-20,000 in the pre-pandemic period.

"I am struggling to repay the amount of money I borrowed last year as the pandemic has destroyed my business. What is more, I have to pay the salaries and bonuses to the employees."

The Sharif Market in Sadarghat is the largest wholesale panjabi market in Bangladesh, meeting about 70 per cent of the demand of the popular attire, according to traders.

Atul Chowdhury, a salesman of Syed Garments in the market, said that the sales had been very sluggish, and the shop was able to recover only 40 per cent of the business. "Due to the lockdown, many traders could not come to Dhaka to buy panjabi before Ramadan. Had they been able to come, the business would have been better."

Md Selim, a wholesale cloth trader in the Islampur market in Dhaka, echoed Chowdhury.

"We are in bad shape. There are bank loans and the expense of the store and employees," Arfanul Hoque, head of retail at Bata, said the business was 70 per cent compared to 2019.

"We will not be able to make a profit at the end of Eid with such sales. The business has not been good throughout the year."

Saikat Azad, marketing manager at Transcom Electronics, said that although the sales of refrigerators went up, that of air conditioners and television sets was low.

"We are not getting many responses from customers. We have three to four days left before Eid, and I hope the sales will increase slightly. But, it will be very difficult for us to achieve the sales target we had set," he added. Mohammad Mesbah Uddin, chief marketing officer of Fair Group, the authorised manufacturer of Samsung devices in Bangladesh, said smartphone sales had rebounded in May after a sluggish April.

"If we can keep up the trend, we will be able to touch the sales we achieved during Eid in 2019."

Helal Uddin, president of the Bangladesh Shop Owners' Association, said businesses slumped significantly compared to the pre-crisis period.

# School banking getting popular

FROM PAGE B1

Banks usually organise school banking conferences every year but the event was not held last year due to the pandemic, he said.

In addition, educational institutions remained closed throughout last year in order to keep the pandemic at bay, putting an adverse impact on the school banking programme.

"It is a positive sign that both the outstanding deposits and the number of accounts under the school banking programme rose last year," the official said.

The central bank introduced school banking in 2010 as a part of its efforts to widen financial inclusion and make students financially literate.

The scheme aims to instill the habit of savings into students and make them more efficient in money management.

So far, 55 banks have rolled out school banking operations, allowing students aged 11 years to 17 years to open accounts.

The accounts come with a number of advantages, such as waivers on fees and charges, free internet banking, lower minimum balance requirement and debit card availability at lower costs.

Accounts can be opened with a minimum deposit of Tk 100.

Dutch-Bangla Bank, the lender with the highest number of accounts opened under the school banking programme, has continued to keep its

focus on school banking despite the pandemic, said Managing Director Abul Kashem Md Shirin.

As of December last year, the lender had opened 527,397 accounts, which amounts to 20 per cent of the total number of accounts under the school banking programme.

The bank accounted for 27 per cent of total deposits in school banking accounts operated by all lenders.

Guardians deposit funds in the school banking accounts on behalf of their sons and daughters with hopes of safeguarding their future from crisis, said Shirin.

"We have not lessened our focus on school banking despite the pandemic. We have got the guardians to understand that savings in the accounts will help make the future of their children bright," he said.

Such savings are usually used for the purpose of education, medical treatment and marriage of students in the future, he said.

The school banking programme will gain more tempo in the days ahead as the country's per capita income has been on the rise, said Shirin.

Md Moniruzzaman, a school teacher by profession living in Rangpur city, said he had been maintaining two separate accounts with banks for his two children so that they could have a better future.

"I will continue to maintain the accounts until they reach maturity when they will be allowed to

operate the accounts," he said.

Dhaka Bank, which earlier took a number of initiatives to popularise school banking, struggled to shine with banking operations during the pandemic, said Managing Director Emranul Huq.

The lender rolled out two savings products -- Students' Ledger and Edu Savings Plan -- to attract students. Edu Savings Plan is a long-term deposit scheme where students park a certain amount every month and the deposit is insured by MetLife Bangladesh.

Students with such accounts will receive insurance coverage for health treatments along with benefits that come with an insurance product. Huq said the bank would take up initiatives soon to make the programme vibrant.

Bangladesh Bank earlier requested the National Curriculum and Textbook Board (NCTB) to include some chapters on financial literacy in textbooks of secondary school students, said the central bank official.

"We have already given some contents to the NCTB in order to generate financial literacy among students. Both the central bank and the NCTB earlier arranged three-four meetings to this end," he said.

But, the NCTB is yet to give any final response over when they will include the contents, he said.

The practice of savings will increase among students if the contents get included in the textbooks, said the official.

# Shop owners in Sylhet, Rangpur in a festive mood at last

FROM PAGE B4

"And even though we are open now, there is not enough time before Eid to make up for lost sales," she added.

The pandemic has also hurt spice sales ahead of Eid.

Pradip Paul, owner of MS Pradip Paul, a wholesale spice shop at Mahajan Patti, said that compared to any other Eid season, they are seeing less demand although prices are more stable now than ever before.

At retail, cinnamon is being sold at Tk 350-500 per kilogramme (kg), cardamom Tk 2,400-2,800 per kg, cloves Tk 900-1,050 per kg and raisin Tk 300-500 per kg.

Similarly, sales of consumer electronics such as refrigerators and televisions, which are usually in high demand ahead of Eid, have collapsed.

Md Khurshed Alam, assistant director of the Walton office in Sylhet, said they usually witness huge sales before Eid but since the pandemic has affected peoples' earnings, the demand for luxury items such as electronics has almost completely vanished.

"This is not just the case for us as. All other companies are facing the same problem," he added.

Abu Taher Md Shoeb, president of the Sylhet Chamber of Commerce and Industry (SCCI), said the usual shopping trend before Eid has been lost.

Many traders invested more to recover last season's loss but it has not paid off in the end.

"All businesses have been affected as there is a chain reaction in the economy," Shoeb said.

"Some businesses have shifted online to ensure their survival but that is not possible for most traders who do business the traditional way," he added.

The SCCI president went on to say that the tourism sector in Sylhet has faced losses of Tk 2.5 crore to Tk 3 crore every day since the Covid-19 outbreak.

With this backdrop, Shoeb urged the government to reserve a bulk allocation for small and medium businesses.

"Stimulus funds won't work for small and medium businesses anyway as no one knows if everything will get back to normal and when they can repay," he said.

"They need bulk allocation to survive and that's crucial for the long term betterment of the economy," the SCCI president added.



# Shop owners in Sylhet, Rangpur in a festive mood at last



People thronged different shopping centres in Rangpur and Sylhet to complete the last minute shopping. This photo was taken on May 8 afternoon from the Federal Trade Centre at Zindabazar in Sylhet city.

## DISTRICTS IN FOCUS

DWOHA CHOWDHURY and KONGKON KARMAKER

Various businesses across the Rangpur and Sylhet regions are seeing an influx of customers ahead of Eid-ul-Fitr, which is likely to be celebrated on May 13 this year.

The demand for clothing items has soared in the two divisions, where traders are now struggling to keep up with the added orders.

As a result, workers at Benarashi Palli in Rangpur's Gangachara upazila, a region famous for its handmade saris, are practically putting in 24-hour shifts, according to traders.

Benarashi Palli houses around 72 handloom garment factories and it is just 12 kilometres away from Rangpur City. It is a popular shopping destination for locals.

Besides, the region's public transport system also benefits from increased customers as the city's affluent often use auto-rickshaws, taxis, and so on to visit factories and showrooms for Eid shopping.

Benarashi saris are known for their decorative multi-colour designs with the Jhut, Kota, Net, Chundari and Ranguli varieties being popular choices.

Other than physical sales, online sales have also picked up thanks to the saris' affordable prices.

As such, Benarashi Palli has become a vibrant place once again ahead of the country's biggest religious festival, which comes as a much needed change of pace considering how the coronavirus outbreak had decimated sales last year.

Other than traditional saris, there is high demand for three-pieces, Jamdani and silk saris as well.

Many traders in the area said that

they are making affordable clothing for all quarters ahead of Eid.

Cheaper saris can be bought for between Tk 1,000 to Tk 3,000 while the high quality ones are priced between Tk 5,000 to Tk 12,000.

Similarly, each Jamdani sari is sold for between Tk 1,000 to Tk 9,000.

Farida Rahman, owner of Fyaz Benarashi, said their sales increased manifold at the wholesale and retail levels ahead of Eid.

"Shopping gained momentum when Ramadan began," she added.

However, many factories struggled to procure raw materials amid the ongoing nationwide lockdown aimed at curbing the spread of Covid-19.

Following a recent surge in coronavirus infections across the country, the government imposed a week-long lockdown on April 14.

Although the restrictions on public movement and other measures were eventually extended

until May 16, shopping centres were allowed to reopen on April 25 in order to recover their Eid sales.

Nazmoon Nahar, a resident of Rangpur City, said she buys most of her clothing items from Benarashi Palli as products are cheaper here than that of shopping malls in the city.

Other than showrooms, roadside stalls have also seen a notable increase in customers.

Nishat Rahman, a roadside trader in Rangpur City, said he was concerned about customer turnout ahead of Eid due to the lockdown.

"It was a big challenge to collect the items to be sold but finally I succeeded," Rahman added.

Similarly, the major shopping areas in Sylhet, such as Zindabazar, Bandabazar and Kumarpara, are bustling with activity.

Still though, local traders allege that this year's customer turnout is nowhere near pre-pandemic levels.

"Considering the complete loss incurred last year due to the pandemic, I bought more clothes this year, said Anwar Chowdhury, proprietor of Toha Fashion at Shukria Market in Zindabazar.

"But the closure of all shops until April 25 has already caused huge losses and so, we don't know if we can manage our expenses this season," he added.

On the other hand, Zaman Hadi, managing partner of Raison, a new fashion brand at Kumarpara, said that customer turnout had not reached satisfactory levels but was acceptable considering the pandemic situation.

"All businesses are incurring losses amid the ongoing crisis but since we were able to reopen this season, we may recover something by the end," said Mahi Uddin Ahmed Selim, president of the Nayasarak Business Association.

Subsequently, local tailors were also hit hard by the lockdown.

"We normally get orders in the first weeks of Ramadan but we were closed then due to the lockdown," said Isha Ahmed, a tailor at Nehar Market in Zindabazar.

READ MORE ON B3

# What should be tax policy response to the pandemic in FY22?

## OPINION



NASIRUDDIN AHMED

In the Addis Ababa Action Agenda 2015, which aims to provide a global framework for financing the Sustainable Development Goals, countries committed to enhancing revenue administration through modernised, progressive tax systems, improved tax policy, and more efficient tax collection.

It also committed to improving the fairness, transparency, efficiency and effectiveness of the tax systems, including by broadening the tax base and continuing efforts to integrate the informal sector into the formal economy in line with country circumstances.

With the tax-GDP ratio hovering around 10 per cent, Bangladesh's tax-GDP ratio is much below the average of South Asian countries (16.4 per cent). This is mainly because of the poor tax compliance rate, in both income tax and value-added tax (VAT), which contribute about 80 per cent

to the revenue collection of the National Board of Revenue (NBR).

The Eighth Five-Year Plan, covering FY21 to FY25, has set the target of raising the tax-GDP ratio to 12.26 per cent by 2025.

The Covid-19 pandemic underlines the need for a strong, resilient domestic financial system, which is stable, facilitates an inclusive economy, and provides public goods such as the universal health system. Effective public revenue generation is of critical importance to finance the kind of system that is better able to deal with the pandemic.

Against the background, the NBR needs to prepare and implement a five-year tax modernisation plan. The plan may aim at reforming both tax policy and tax administration to improve tax compliance.

### REFORMING TAX LAWS

The VAT and SD Act, 2012, implemented in July 2019, appears to be largely a return to the structure of 1991. It is widely regarded as a missed opportunity to reform the task in a positive direction. Although the standard VAT rate is 15 per cent under the VAT Act, there is currently a multitude of applicable VAT rates.

READ MORE ON B2



People take assistance for filing tax returns at a tax fair in Chattogram city in November 2018.

PHOTO: STAR/FILE

# US government working to aid top fuel pipeline operator after cyberattack

REUTERS

The White House was working closely with top US fuel pipeline operator Colonial Pipeline on Sunday to help it recover from a ransomware attack that forced the company to shut a critical fuel network supplying populous eastern states.

The attack is one of the most disruptive digital ransom schemes reported and has prompted calls from American lawmakers to strengthen protections for critical US energy infrastructure from hacking attacks.

Commerce Secretary Gina Raimondo said the pipeline fix was a top priority for the Biden administration and Washington was working to avoid more severe fuel

3 per cent to \$2.217 a gallon, the highest since May 2018, as trading opened for the week and market participants reacted to the closure.

Colonial transports roughly 2.5m barrels per day of gasoline and other fuels from refiners on the Gulf Coast to consumers in the mid-Atlantic and southeastern United States.

Its extensive pipeline network serves major US airports, including Atlanta's Hartsfield Jackson Airport, the world's busiest by passenger traffic.

A Charlotte Douglas International Airport spokesperson said the airport had supply on-hand and was "monitoring the situation closely," adding that the complex



Holding tanks are seen at Colonial Pipeline's Charlotte Tank Farm in Charlotte, North Carolina, US.

supply disruptions by helping Colonial restart as quickly as possible its more than 5,500-mile (8,850 km) pipeline network from Texas to New Jersey.

"It's an all hands on deck effort right now," Raimondo said on CBS' "Face the Nation" program.

"We are working closely with the company, state and local officials, to make sure that they get back up to normal operations as quickly as possible and there aren't disruptions in supply."

Colonial said on Sunday its main fuel lines remain offline but some smaller lines between terminals and delivery points are now operational. Neither Raimondo nor the company gave an estimate for a full restart date and Colonial declined further comment on Sunday.

US gasoline futures jumped more than

is supplied by another major pipeline as well as Colonial.

Retail fuel experts including the American Automobile Association said an outage lasting several days could have significant impacts on regional fuel supplies, particularly in the southeastern United States. During previous Colonial outages, retail prices in southeastern states have risen substantially.

Offices of governors in several of the US states most vulnerable to fuel shortages - including Tennessee, Georgia and Maryland - were not immediately available for comment.

While the US government investigation is in the early stages, a former US official and three industry sources said the hackers are suspected to be a professional cybercriminal group called DarkSide.

## GLOBAL BUSINESS

# Pandemic surge in European house prices raises fears of new bubble

REUTERS, Berlin

If Sweden's government gets its way, Bromma airport on the western edge of Stockholm will shut down and be used to build around 30,000 new homes, helping to ease a housing shortage that has sent prices in the capital soaring.

Sweden is not alone in seeking innovative ways to boost the supply of housing and, ultimately, reduce a build-up of mortgage debt that threatens the wider economy.

In many big European cities, prices have been rising for decades, pushed higher by a cocktail of low interest rates, land shortages and construction that cannot keep pace with demand.

At Berlin's former Tegel airport, closed in November last year, the city's authorities are planning to build more than 5,000 apartments. Politicians are also looking at whether they can build social housing at the former Tempelhof airport in the heart of the city.

"In the medium term, we



The main building and the Control Tower are seen during the media tour at the former Berlin Tegel airport, as the city's authorities are planning to build there more than 5,000 apartments, in Berlin, Germany on May 4.

need some 200,000 additional apartments," Berlin Housing Senator Sebastian Scheel said, adding that half of those apartments should be built by the public sector and subsidised under social housing rules. Despite the deep effects of the

pandemic on Europe's economies, prompting comparisons with the 2008 financial crisis, property price rises have picked up speed over the last year.

Demand from stay-at-home workers desperate for space for an

office has contributed to the price surge, while unprecedented fiscal and monetary stimulus aimed at keeping economies afloat have poured more fuel on the fire.

British Finance Minister Rishi Sunak's March budget extended a temporary cut to property purchase tax and announced a new scheme to help first-time buyers struggling to raise a deposit. British house prices recorded their biggest monthly rise in more than 17 years last month.

"What we were expecting to see was much the same as 2008 - that prices would drop," Kate Everett-Allan, Head of International Residential Research at property consultancy Knight Frank, said.

"We had no idea the extent to which governments were going to support the market." In Berlin, prices are up 11 per cent over the last year, the Global Property Guide, a residential property research site, showed.

And rising rents are a big problem for the city, where only about 17.4 per cent of the population own their house or apartment.

# G7 should invest \$10 trillion to stoke climate-friendly recovery

REUTERS

G7 countries should invest \$10t to stoke an investment-driven recovery that puts Covid-19 vaccines in arms and triggers a sweeping energy transformation to slow climate change, according to a report requested by Prime Minister Boris Johnson.

US President Joe Biden is expected to join other Group of Seven leaders at a G7 summit chaired by Britain's Johnson in Cornwall, southern England, on June 11-13.

Founded in 1975 as a forum for the West's richest nations to discuss crises such as the OPEC oil embargo, the G7 will discuss what it perceives as the biggest threats: China, Russia, climate change and the coronavirus pandemic.

Nicholas Stern, professor of economics at the London School of Economics, said in a report for Johnson that the G7 was a crucial opportunity for the West's richest economies to make a real change to the global economy.



British Prime Minister Boris Johnson

"The transition to a zero-emissions and climate-resilient world provides the greatest economic, business and commercial opportunity of our time," Stern said in the report.

"At the heart of the proposed vision for the economic response to the pandemic is a coordinated global programme of investment

for recovery, reconstruction and transformation that can boost all forms of capital - physical, human, natural and social," Stern said.

G7 countries, he said, should set a collective goal to raise annual investment by 2 per cent of GDP above pre-pandemic levels for this decade and beyond and improve the quality of investment - equal to about \$1t per year in additional investment over the next decade.

The G7 leaders should ensure a timely global roll-out of vaccines by immediately closing the \$20 billion funding cap of COVAX, a global programme to provide vaccines mainly for poor countries.

After Johnson called for countries to do more than produce "hot air" rhetoric on climate, the report said the G7 should come up with credible ways to meet Biden's climate goals.

The G7 should commit to eliminating all fossil-fuel subsidies no later than 2025, lead a sweeping energy transition, end overseas support for fossil-fuel investments and consider a minimum corporate profit tax of 21 per cent.