

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.71%	▲ 1.63%	\$1,893.31	\$68.36	▼ 0.03%	▼ 0.33%	▲ 0.6%	▲ 0.43%	BUY TK 83.95	101.32	117.63	12.92
5,985.81	10,454.53	(per ounce)	(per barrel)	51,002.48	28,549.01	3,164.82	3,608.85	SELL TK 84.95	105.12	121.43	13.59



Star BUSINESS

DHAKA FRIDAY MAY 28, 2021, JAISHTHA 14, 1428 B5 • starbusiness@thedailystar.net

Community leaders allege graft in relief schemes

Ruling party lawmakers refute claims at CPD-Oxfam dialogue

STAR BUSINESS REPORT

Many poor people did not get the relief meant for them during the coronavirus pandemic because of the corruption perpetrated by a section of local elected representatives, alleged leaders of community-based organisations yesterday.

They made the allegation at a virtual national dialogue titled "Relief Supports to Cope with Covid-19: How Effective Were They?"

The Centre for Policy Dialogue (CPD) and the Oxfam in Bangladesh organised the event in association with the Citizen's Platform for SDGs, Bangladesh.

A total of 130 people from 13 districts attended the dialogue, where many alleged solvent households were extended assistance from the government while

OBSERVATIONS

- ▶ Many solvent households managed reliefs depriving the poor
- ▶ New poor were excluded from relief packages
- ▶ A lack of a central database constrained relief works
- ▶ Dissemination of information is inadequate for awareness-building

the poor did not receive the necessary support.

"Some solvent people had received the relief," said Shirina Khanom, a leader of a community-based organisation (CBO) in Gaibandha. She alleged some chairmen and members of the union councils had not selected the beneficiaries properly.

A list of the beneficiaries was prepared using the national identification cards of the poor. Some of them were given the relief, while the rest got nothing, she said.

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Farmers to get loans to buy machinery

Minister says

STAR BUSINESS REPORT

The government is taking initiatives to provide loans to farmers to buy agricultural machinery, Agriculture Minister Mohammad Abdur Razzaque said yesterday.

The minister said various agricultural equipment, including combine harvesters and reapers, are being given to farmers with 50-60 per cent subsidy in different regions.

"But even after giving subsidy, a farmer has to pay Tk 10-15 lakh to buy a combine harvester. In many cases, the farmer cannot buy the machine with this amount of money. The same is true of other agricultural machinery," he said.

Therefore, initiatives are being taken to provide loans from various banks on easy terms so that farmers can buy agricultural implements, he said while addressing a virtual meeting with the concerned stakeholders to expedite agricultural mechanisation from the conference room of the ministry.

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Agri-machinery makers may get 10-year tax break

Dairy, fruit, vegetable processors may also enjoy the benefit

RUN-UP TO BUDGET FOR FY2021-22

SOHEL PARVEZ

The government is planning to offer a 10-year tax exemption for agricultural machinery manufacturing in order to encourage investment and support farmers' growing appetite for machines to increase productivity and cut labour-shortage induced higher production costs.

Investors considering to sign up for making milk and dairy products and baby foods and establish facilities to process locally produced fruits and vegetables are also likely to get the same benefit, said finance ministry officials.

Firms will have to start commercial production between July 1, 2021 and June 30, 2030 to avail the tax incentive.

Entrepreneurs have welcomed the move.

"We are considering to offer the tax benefit to increase domestic manufacturing capacity and enable farmers and consumers to afford better," said a ministry official.

Bangladesh has made strides in food production, including staple



The market for agricultural machinery and their spare parts is increasing because of the government's generous support to farmers.

STAR/FILE

grain rice and vegetables, and production of fresh vegetable doubled to 20 lakh tonnes in the last two decades, making it almost self reliant on fresh vegetables.

The nation also cut its dependence on rice thanks to increasing yield, much of which can be attributed to increasing mechanisation that

reduced turnaround time, helped timely land preparation and harvesting.

Today, farmers prepare farmland through power tillers or tractors, irrigate fields with pumps and use various other machinery, namely reapers and threshers for farming.

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Outlook for banking system remains poor

Says Fitch Solutions report

STAR BUSINESS REPORT

Profitability of banks in Bangladesh will remain under pressure as a result of continued high requirement of provisioning and a weak outlook for a rebound in credit growth due to extended economic weakness, said Fitch Solutions in a report released recently.

The affiliate of the American credit rating agency Fitch Ratings Inc said weak capital buffers and high levels of non-performing loans (NPLs) would be a persistent problem in the banking system, in particular for state-owned commercial banks (SOCB).

It said profitability for the Bangladesh banking sector, particularly the SOCBs, suffered over the quarters leading into December 2020.

And continued high loan-loss provisions are likely over the coming quarters as NPLs continue to accumulate amid a weak economic environment and weak lending practices, particularly of the SOCBs, prior to the pandemic, it added.

"We expect the profitability hit from loan loss provisioning on SOCBs to be more severe than private commercial banks (PCBs)," said the Fitch Solutions in its report on banking and financial services on Bangladesh.

Banks have to keep 0.50 per cent to 5

Profitability of the Bangladesh banking sector, particularly the state-owned commercial banks, suffered over the quarters leading into December 2020

per cent in provisioning against general category loans, 20 per cent against classified loans of substandard category, and 50 per cent against classified loans of doubtful category. They have to set aside 100 per cent against the classified loans of bad or loss category.

"Outlook for Bangladesh banking system remains poor," it said.

Fitch Solutions said based on Bangladesh Bank data, private commercial banks (PCBs) were running a Tk 4,600 crore provisioning surplus as of December 2020, up from Tk 2,370 crore in September 2020.

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AC sales triple as temperature soars

JAGARAN CHAKMA

The sales of air conditioners have tripled year-on-year in April and May as people rushed to retailers to get rid of the scorching summer.

Local assembly and manufacturing have also made ACs affordable for the bulging middle class as the price came down.

April, May and June are the peak season for the outlets retailing ACs as the temperature rises from March. Nearly 90 per cent of the ACs are sold during the quarter.

In recent weeks, the temperature has hovered around 39 degree Celsius, and it went past 42 on April 24 in Jessore.

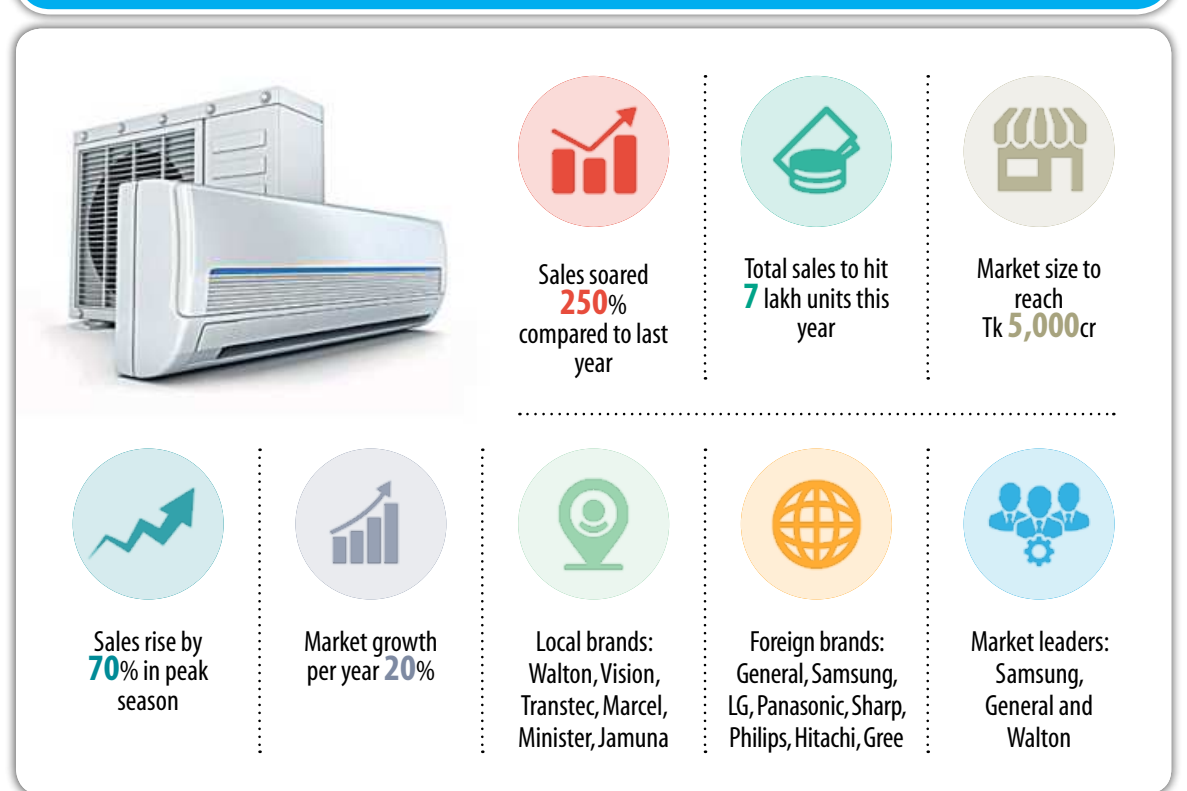
The annual demand for ACs rose 20 per cent on average in the last six years. Samsung posted 300 per cent higher sales in April. Walton registered 450 per cent growth in the January to April period compared to the same period last year. Transtec's sales have doubled since April 15.

The sales rose 250 per cent for Esquire Electronics and 100 per cent for Pran-RFL's Vision brand.

Md Shariful Islam, product manager (digital appliance) of Samsung, said the company clocked about 300 per cent higher growth in the current season.

Samsung assembles ACs locally, so the price has reduced significantly. It produces only

AC MARKET AT A GLANCE



inverter ACs to help users save on energy cost.

"Our target is the upper-middle-income segment of the customers. So, we emphasise the quality of the

product and services," he noted.

Samsung is providing a 12.5 per cent flat discount, free instalment, and three after-sales services.

Nurul Afsar, associate managing director of Electro Mart Ltd, the distributor of GREE AC, said people depended on ACs to protect themselves from the rising mercury.

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Beximco returning debenture dues of 2005

STAR BUSINESS REPORT

Beximco at last is going to return money of general investors who invested in its two debentures in 1995.

The tenure of the debentures ended in 2005 but many investors are yet to get their money back.

Debentures are debt instruments issued by companies in order to raise funds for a certain period of time, most often for 10 years. During this period, investors who purchased a debenture will receive interest against their investment.

"As per the information of Investment Corporation of Bangladesh (ICB), Beximco Limited has taken initiative to settle liabilities of debenture holders of Beximco Denims Limited and Beximco Textiles Ltd

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Stock index nears 6,000 points

STAR BUSINESS REPORT

The prime index of the Dhaka bourse advanced to very nearly reach 6,000 points yesterday thanks to higher participation of buoyant investors.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), surged 101 points, or 1.71 per cent, to 5,985.

Analysts say that most general investors were pondering whether the market was going to increase soon, for which they were increasing their

investments.

As the market has maintained a rising trend, investor confidence grew, said a stock broker.

Now many are investing into banking stocks, fuelling the index, he said, adding that paid-up capital of banking stocks was higher, for which the sector had a big impact on the index.

If investors invest into stocks which do not have good performance records, they will incur

losses and so should be careful, the broker added.

The DSE's turnover, an important indicator of the market, surged 13.49 per cent to Tk 2,365 crore.

At the bourse, 163 companies' stocks rose, 143 fell and 58 remained the same.

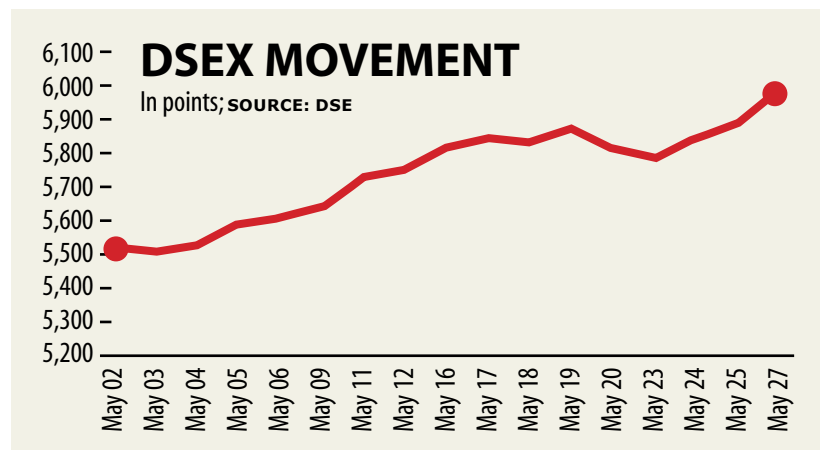
Northern Insurance topped the gainers' list rising 9.98 per cent followed by Pragati Life Insurance, Green Delta Life Insurance Company, Pioneer Insurance and Progressive Life Insurance Company.

Beximco stocks were traded the most, worth Tk 96 crore, followed by Prime Bank, IFIC Bank, LankaBangla Finance and Northern General Insurance Company.

Shyampur Sugar Mills shed the most, dropping 7 per cent, followed by Crystal Insurance Company, Continental Insurance, National Feed Mills and Lub-rref Bangladesh.

Chittagong Stock Exchange (CSE) also fell yesterday. The CASPI, the general index of the port city bourse, rose 277 points, or 1.62 per cent, to 17,347.

Among 297 stocks to witness trade, 140 advanced, 125 dropped and 32 remained the same.



Health insurance comes in handy

SUKANTA HALDER

Nazmul Ahsan, 36, works at a bank in Dhaka as the head of the treasury. He took up health insurance at the age of 29 as a part of his financial planning.

Another factor that prompted him to open the policy was the health expenditure in Bangladesh being very high compared to other countries. Besides, out-of-pocket expenditures account for more than two-thirds of the total health expenditure.

In 2018, the out-of-pocket expenditure, the payments spent on health directly by households, was 73.9 per cent of the health expenses for Bangladesh, up from 61 per cent in 2000, data from the World Bank showed.

"If job-holders like me suffer from a major disease, it is tough to bear the cost alone. If you are sick and you get support from the insurer, it will be helpful for you, although the amount is not always sufficient," Ahsan said.

"But the health insurance is beneficial for you and your family during any emergencies."

Not all people think in the same way. "There is an attitude among the people of our country that I will be able to tackle the situation."

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Tarik Morshed, managing director and CEO of Bengal Commercial Bank, and Mustafa Rafiqul Islam, chairman and CEO of Flora Systems, exchanged papers of an agreement over core banking solutions at the bank's head office in Gulshan, Dhaka recently. The bank's Chairman Md Jasim Uddin, Adviser Shahid Hossain and Deputy Managing Director KM Awlad Hossain were also present.



Quazi Osman Ali, managing director and CEO of Social Islami Bank Ltd, inaugurated four new sub-branches in Amzad Hat at Fulgazi (Feni), Rahmania Bazar at Hat Hazari (Chattogram), Barishal University at Barishal Sadar (Barishal) and Chondrer Bari at Lohajong (Munshiganj), taking the total to 79, recently through a virtual platform. Deputy managing directors Abu Naser Chowdhury, Md Sirajul Hoque and Md Shamsul Hoque were also present.

China's industrial profit growth slows in April amid high commodity prices

REUTERS, Beijing

Earnings at China's industrial firms grew at a slower pace in April, with high commodity prices and weaker performance in the consumer goods sector limiting overall profitability from manufacturing.

Profits at China's industrial firms rose 57 per cent year-on-year in April to 768.63 billion yuan (\$120.22 billion), down from 92.3 per cent in March, data from the National Bureau of Statistics (NBS) showed on Thursday.

For the January-April period, industrial firms' profits grew 106 per cent from the same period a year earlier to 2.59 trillion yuan, bolstered by a virus-related plunge in activity early last year.

"The improvement of corporate performance is still uneven," said NBS official Zhu Hong in a statement accompanying the data.

"The profitability of some consumer goods industries has not yet recovered to pre-epidemic levels; coupled with the high prices of bulk commodities, this has increased the pressure on the production

and operation of midstream and downstream industries."

Chemical products and metals processing firms recorded some of the highest year-on-year profit increases over the first four months, according to NBS data, recovering from the Covid-19-induced slump in economic activity in the same period last year. Profits surged 484

per cent over January-April in the non-ferrous metals smelting and pressing industry. Synthetic fibre manufacturing posted a 650.2 per cent profit increase.

Fast profit growth for metals processing has been spurred by higher metal prices, said Iris Pang, chief economist for Greater China at ING. "But this good time may not

last as the government is clamping down on high commodity prices," she said.

China's government watchdogs warned industrial metals companies to maintain "normal market order" during talks on significant gains in metals prices this year, China's top economic planner said on Monday.

Weaker garment and textile manufacturing profits reflect a still gradual global economic recovery amid uncertainties about Covid-19 cases in Asia, said Pang.

China's economy posted record growth in the first quarter as it emerged from the pandemic although analysts expect the brisk expansion to moderate later this year. Officials warn the foundations for economic recovery are not yet secure amid emerging problems, including pressures on firms caused by higher raw material costs as international commodity prices rise.

From the start of the year through mid-May, prices for China's steel rebar, hot-rolled steel coil and copper - vital for the construction of machinery, buildings, appliances and vehicles - surged more than 30 per cent.



Workers wearing face masks following the coronavirus disease outbreak load steel products for export to a cargo ship at a port in Lianyungang, Jiangsu province, China on May 27, 2020. REUTERS/FILE

Focus on Sylhet's prospects to reduce regional disparity

FROM PAGE B4

GM Shiblee, chairman of Bangladesh Tea Association's Sylhet branch, said climate change has led to an acute shortage of water for irrigation in all the valleys.

"Like any other agricultural sector, the government should consider our irrigation needs and keep an allocation in the budget for implementing an irrigation plan through agencies," Shiblee added.

Afzal Rashid Chowdhury, president of the Sylhet Metropolitan Chamber of Commerce and Industry (SMCCI), said the government should provide more stimulus funds for the tea industry at lower interest rates of 3.5 per cent to 4 per cent as the industry was passing through hard times.

"The government should also focus on the manufacturing of farm machineries so that this prospective industry could expand globally," he added.

Chandan Saha, president of Sylhet Coal Importers Group, said they struggle to get refunds when an inbound shipment of coal gets cancelled after the taxes were paid in advance.

"So, the pre-payment system should be cancelled and the added tax value should be reduced to 3 per cent from the existing 5 per cent," Saha added.

He also urged for the decentralisation of all export-import services so that local businesses do not need to go to Dhaka or Chattogram to avail them.

Faruque Mahmud Chowdhury, president of Shushashoner Jonno Nagorik's (Shujan) Sylhet chapter, said the budget was not just a matter of calculating income and expenses for the government but a reflection of the government's commitment to the people.

For example, the government's legalisation of black money does not reflect its commitment to a corruption-free country.

"For nationwide development, regional development is a must and so, the government should build more industrial zones in Sylhet, and offer more intensive facilities than Dhaka or Chattogram so that investors consider it a new hub," Chowdhury added.

Among other demands for the upcoming budget, various business leaders, civil societies and scholars have urged for the country's vast haor areas to be given emphasis in the budget.

They also suggested introducing a new ministry in this regard and decentralisation of the Haor and Wetland Development Board.

Other industries with potential in the region include ceramics, agro-products, consumer goods and fish processing.

They also urged for facilitating investment in the local health and education sector considering that the people of India's Seven Sister States are a potential market.

HSBC exits loss-making US retail banking as part of Asia pivot

REUTERS, Hong Kong

HSBC announced it is withdrawing from US mass market retail banking by selling some parts of the money-losing business and winding down others, a long-awaited move as the lender steps up a shift in focus to Asia, its biggest market. Europe's biggest bank has for years been trying to shrink its presence in some European and North American markets where it has struggled against competition from larger domestic players.

The bank said in a statement late on Wednesday (May 26) it would exit retail banking for most individual and

small business customers but retain a small physical presence in the US to serve its international affluent and very wealthy clients. "They are good businesses, but we lacked the scale to compete," Mr Noel Quinn, HSBC group chief executive, said in the statement.

HSBC unveiled in February a revised strategy focused mainly on wealth management in Asia, and at the same time said it was "exploring organic and inorganic options" for its US retail banking franchise.

As part of Mr Quinn's game plan that also involved slashing costs across the banking group, the London-headquartered bank has been looking

to step back from sub-scale markets and businesses. HSBC is also seeking to sell its French retail banking operations as part of the same strategy, and has entered final negotiations to sell that business to private equity firm Cerberus, Reuters reported in March.

Citizens Bank, part of Citizens Financial Group, has agreed to buy HSBC's east coast personal and small business banking business including 80 branches, and Cathay Bank, a unit of Cathay General Bancorp, has agreed to buy its west coast business including 10 branches, according to HSBC and separate statements from the two US-headquartered banks.

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Office of the Upazila Engineer
Laksham, Cumilla
www.lged.gov.bd

Memo No. 46.02.1972.903.14.123.19-525 Date: 27.05.2021

e-Tender Notice No. 14/2020-21

e-Tender is hereby invited through National e-GP Portal (<http://www.eprocure.gov.bd>) for the procurement of:

Sl. No.	Tender ID	Package No.	Name of the works	Date & time of closing
01	582253	EUCPW_243	Construction of Two Storied UNO Quarters at Upazila Parishad under Laksam Upazila, District Cumilla.	28 June, 2021 BST 11:30:00

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies are allowed. To submit e-Tender, registration in the National e-GP Portal (<http://www.eprocure.gov.bd>) is required. Any other conditions for this tender is stated in TDS. Interested tenderers may communicate with the undersigned during office hours.

Misuk Kumer Datta
Upazila Engineer
Laksham, Cumilla
Phone: 0803251367
ue.laksham@lged.gov.bd

GD-1081

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
বাংলাদেশ পুলিশ
ডিআইজি এর কার্যালয়
ট্রাফিক এন্ড ড্রাইভিং স্কুল, ঢাকা।

তারিখ: ২৭/০৫/২০২১ খ্রি।

পুনঃ দরপত্র বিজ্ঞপ্তি

"পাবলিক প্রকিউরমেন্ট আইন, ২০০৬ ও পাবলিক প্রকিউরমেন্ট বিধিমালা, ২০০৮ এর তৃতীয় সংশোধনী মোতাবেক ২০২১-২০২২ অর্থ বছরে ট্রাফিক এন্ড ড্রাইভিং স্কুল (টিডিসি), ঢাকার নিম্নলিখিত বিষয়ে বাংলাদেশের প্রকৃত চিকদার/ব্যবসায়ী/সরকারিকারী প্রতিষ্ঠানের নিচে হতে সীমসীমাবদ্ধকৃত খামে পুনঃ দরপত্র আহ্বান করা যাচ্ছে।

ক্র.সং.	স্বত্ব/বিভাগ	ক্র.সং.	স্বত্ব/বিভাগ
০১.	মুদ্রা/স্বত্ব/বিভাগ	০১.	জননিরাপত্তা বিভাগ, স্বরাষ্ট্র মন্ত্রণালয়।
০২.	স্বত্ব/বিভাগ	০২.	বাংলাদেশ পুলিশ।
০৩.	ক্রয়/সম্প্রদায়ক/স্বত্ব/বিভাগ	০৩.	ডিআইজি, ট্রাফিক এন্ড ড্রাইভিং স্কুল, মিলব্যারাক, গেভারিয়া, ঢাকা।
০৪.	সহায়ক পদ্ধতি	০৪.	উদ্ভূত দরপত্র পদ্ধতি (OTM)।
০৫.	সহায়ককারী দপ্তর/জেলা	০৫.	ট্রাফিক এন্ড ড্রাইভিং স্কুল, মিলব্যারাক, গেভারিয়া, ঢাকা।
০৬.	যে জন্য দরপত্র আহ্বান	০৬.	ব্যবহার্য ত্র্যবাসী, স্বাধ্বাধীন সামগ্রী, অন্যান্য মনিহারী, প্রশিক্ষণ সরঞ্জামাদি, ক্রীড়া সামগ্রী, কম্পিউটার সামগ্রী, কম্পিউটার ও কম্পিউটার যন্ত্রাংশ, যন্ত্রাংশ ও সরঞ্জাম এবং আউট সোর্সিং পদ্ধতিতে জনবল সরবরাহ।
০৭.	দরপত্র আহ্বানের সূত্র ও তারিখ	০৭.	দরপত্র বিক্রয়ি তারিখ নং-১৬৪১ তারিখ: ২৭/০৫/২০২১ খ্রি।
০৮.	বাজেট একে তথ্যবিশেষ উল্লেখ	০৮.	রাজস্ব বাজেট (জি ও বি)।
০৯.	দরপত্র প্যাকেজ নং	০৯.	০৩/২০২১-২০২২ খ্রি।
১০.	দরপত্র প্যাকেজ নাম	১০.	ব্যবহার্য ত্র্যবাসী, স্বাধ্বাধীন সামগ্রী, অন্যান্য মনিহারী, প্রশিক্ষণ সরঞ্জামাদি, ক্রীড়া সামগ্রী, কম্পিউটার সামগ্রী, কম্পিউটার ও কম্পিউটার যন্ত্রাংশ, যন্ত্রাংশ ও সরঞ্জাম এবং আউট সোর্সিং পদ্ধতিতে জনবল সরবরাহ।
১১.	দরপত্র পরিচয় প্রকরণের তারিখ	১১.	০১/০৫/২০২১ খ্রি তারিখের মধ্যে।
১২.	দরপত্র তফসিল বিক্রয়ের শেষ তারিখ ও সময়	১২.	১৪/০৬/২০২১ খ্রি অফিস চলাকালীন সময় পর্যন্ত (ছুটির দিন ব্যতীত)।
১৩.	দরপত্র দাখিলের তারিখ ও সময়	১৩.	১৭/০৬/২০২১ খ্রি ১২.০০ ঘটিকা।
১৪.	দরপত্র বাজ খোলা তারিখ ও সময়	১৪.	১৭/০৬/২০২১ খ্রি ১২.৩০ ঘটিকা।
১৫.	দরপত্র দাখিল বিক্রয়কারী অফিসের নাম ও ঠিকানা	১৫.	ডিআইজি এর কার্যালয় ট্রাফিক এন্ড ড্রাইভিং স্কুল, মিল ব্যারাক, গেভারিয়া, ঢাকা।
১৬.	দরপত্র প্রকরণকারী অফিসের নাম ও ঠিকানা	১৬.	ডিআইজি এর কার্যালয় ট্রাফিক এন্ড ড্রাইভিং স্কুল, মিল ব্যারাক, গেভারিয়া, ঢাকা।
১৭.	দরপত্র দাখিল খোলা অফিসের নাম ও ঠিকানা	১৭.	ডিআইজি এর কার্যালয় ট্রাফিক এন্ড ড্রাইভিং স্কুল, মিল ব্যারাক, গেভারিয়া, ঢাকা।
১৮.	দরপত্র দাখিল খোলা	১৮.	"The Public Procurement Act"- 2006 & "The Public Procurement Rules"- 2008" ও তৃতীয় সংশোধনী মোতাবেক দরপত্র দাখিল (সিডিউস) করে ইচ্ছুক প্রার্থীকে প্রকৃত যোগ্যতা যাচাইয়ের ক্ষেত্রে নিম্নোক্ত শর্ত সূত্র পূরণ সহ দরপত্র দাখিল করতে হবে। (ক) ন্যূনতমকৃত সন্দপত্র (খ) হাসপাতাল ব্যবসায়িক বৈধ ট্রেড লাইসেন্স (গ) যে কোন তফসিল ভুক্ত বাণিজ্যিক ব্যাংক হতে হোল্ডিং সনদের আধিকার সনদপত্র ও দরপত্র দাখিলের পূর্ববর্তী তিন মাসের ব্যাংক লেনদেন বিবরণী (ঘ) টি আই এন নম্বর উল্লেখ সহ হাসপাতালের আধিকার পরিচয়পত্রের সনদপত্র (ঙ) ভাট রেজিস্ট্রেশন সনদপত্র (চ) প্রতিদিনের ক্ষেত্রে মালিকের ক্ষমতা অর্পণ পত্র (মেট্রিট্রি পাবলিক কর্তৃক এবং সত্যায়িত তিনটি নমুনা স্বাক্ষর) (ছ) সংশ্লিষ্ট কাজের অভিজ্ঞতার সনদপত্র (জ) দুই কপি পাসপোর্ট সাইজের ছবি।
১৯.	মালমাল অথবা কাজের বিস্তারিত বিবরণ	১৯.	দরপত্র তফসিল (সিডিউস) মোতাবেক।
২০.	শর্তের পরিচিতি	২০.	দরপত্র সিডিউস ফর্ম (অনুলিপি যোগ্য)
০১.	ব্যবহার্য ত্র্যবাসী সরবরাহ	১,০০,০০০/-	১,০০,০০০/-
০২.	স্বাধ্বাধীন সামগ্রী সরবরাহ	৩০,০০০/-	৩০,০০০/-
০৩.	অন্যান্য মনিহারী সরবরাহ	১০,০০০/-	১০,০০০/-
০৪.	প্রশিক্ষণ সরঞ্জামাদি সরবরাহ	১০,০০০/-	১০,০০০/-
০৫.	ক্রীড়া সামগ্রী সরবরাহ	১০,০০০/-	১০,০০০/-
০৬.	যন্ত্রাংশ ও সরঞ্জাম সরবরাহ	১০,০০০/-	১০,০০০/-
০৭.	কম্পিউটার সামগ্রী সরবরাহ	১০,০০০/-	১০,০০০/-
০৮.	কম্পিউটার ও কম্পিউটার যন্ত্রাংশ সরবরাহ	১০,০০০/-	১০,০০০/-
০৯.	আউট সোর্সিং পদ্ধতিতে জনবল সরবরাহ	১০,০০০/-	১০,০০০/-
২১.	দরপত্র আহ্বানকারী কর্মকর্তার নাম, দপ্তর, ঠিকানা ও যোগাযোগের মাধ্যমঃ	২১.	জানার মোহাম্মদ খসরুল করিম, পুলিশ সুপার (প্রশাসন), ট্রাফিক এন্ড ড্রাইভিং স্কুল, মিল ব্যারাক গেভারিয়া, ঢাকা।
২২.	বিশেষ নির্দেশিকাঃ	২২.	১। নিম্নে প্রতিষ্ঠানের প্যাকেট আবেদনের মাধ্যমে দরপত্র গ্রহণ করতে হবে। ২। উপরে বর্ণিত দরপত্র আহ্বানকারী ট্রাফিক এন্ড ড্রাইভিং স্কুল, মিল ব্যারাক, গেভারিয়া, ঢাকা। ৩। দরপত্রের সাথে তফসিলের শর্তাবলী মোতাবেক সকল কাগজপত্রের ছায়াছবি ১ম শ্রেণীর পেজেটেড কর্মকর্তা কর্তৃক সত্যায়িত করে দাখিল করতে হবে। সংশ্লিষ্ট কাগজপত্র নিম্নলিখিত পাসপোর্ট সাইজের বাহাইকালে তা বাতিল হয়ে গণ্য হবে। ৪। দরপত্র দাখিলের প্রতিষ্ঠান কাগজে তাগিদকৃত নম্বর মতে নিম্নে প্যাকেট প্রতিষ্ঠানের মুদ্রাশেখা দিতে হবে। ৫। কোন কাসন বসত দরপত্র খোলার তারিখ সরকার কর্তৃক ষ্ট্রট ঘোষণা করলে পরবর্তী কার্যক্রমে নির্ধারিত সময়ের উল্লেখ করা হবে। ৬। দরপত্র সফল কর্তৃক "The Public Procurement Act"- 2006 & "The Public Procurement Rules"- 2008" ও তৃতীয় সংশোধনী মোতাবেক পরিচালিত হবে। ৭। স্বাক্ষরকৃত ছবি কোন কারণে মনে হলে বাতিল করণের সর্বস্বত্ব সংরক্ষণ করণ।

GD-1080

(মোহাম্মদ খসরুল করিম)
পুলিশ সুপার (প্রশাসন)
ট্রাফিক এন্ড ড্রাইভিং স্কুল, ঢাকা।
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Rubel Aziz, president of Banani Club and former chairman of City Bank, and Mashrur Arefin, managing director (MD) and chief executive officer (CEO) of City Bank, recently signed an agreement enabling the club's members to pay bills and fees using City Bank's digital banking platform "Citytouch". The bank's Additional MD Sheikh Mohammad Maroof and the club's Finance Director Md Abdul Gaffar Mollah and Director Administration Makin-Ur-Rashid (Rossi) were also present.



RN Paul, managing director of RFL Group, formally inaugurated manufacturing and marketing activities of five new models of a rice cooker brand at Pran Industrial Park in Narsingdi yesterday.

Outlook for banking system remains poor

FROM PAGE B1
This provides them with an even greater buffer to draw from, should loan delinquencies exceed their projections, it said. In contrast, the Fitch Solutions said state commercial banks managed to reduce their provision to Tk 4,920 from Tk 5,520 over the same period.

But the shortfall nevertheless implies continued high levels of provisioning over subsequent quarters and this will weigh on profitability, it added.
The gross non-performing loans (NPL) ratio of the banking sector stood at 8.1 per cent in December 2020, and the ratios of the SOCBs and PCBs stood at 21 per cent and 4.8 per cent respectively.

The report said December data of the NPLs showed a decline relative to September 2020 because of the loan moratorium facility in effect during the period, loan rescheduling, and a high level of loan write-offs.

Yet, aggregate NPLs in the sector was high.
"With the moratorium facility having ended December 2020, NPLs should show a rise in subsequent readings. SOCBs account for almost half of total sector NPLs despite only having a quarter of total sector assets," said Fitch Solutions. The report said there might be some recovery in credit growth but surge unlikely.

Fitch Solutions said any profitability recovery would be capped by a weak rebound in loans. It forecast that growth of advances to slow down to 10.5 per cent in 2021 from 12 per cent previously, representing only a slight recovery from 9 per cent in 2020.

"To be sure, our forecast continues to reflect some strengthening of credit growth from 8.9 per cent year on year in January," said Fitch Solutions, attributing the growth to export demand from two of the major markets Europe and the United States.

It, however, said delays to domestic vaccination would likely hinder a sharp rebound in business sentiment in Bangladesh for businesses reliant on the domestic market and cap gains to loan growth.

Fitch Solutions said capitalisation would come under further stress due to the NPL in 2021 following the expiry of a loan moratorium at the end of December 2020, with capital shortfall at state banks posing further downside risks to the view on credit growth.

Biden to propose \$6 trillion budget for 2022 fiscal year

REUTERS, Washington

President Joe Biden will seek \$6 trillion in U.S. federal spending for the 2022 fiscal year, rising to \$8.2 trillion by 2031, the New York Times reported on Thursday, a day before the White House is expected to unveil its budget proposal.

Citing documents, it had obtained, the Times said the Democratic president planned to pay for his agenda through increased taxes on corporations and high earners, and that the budget deficits would start to decrease in the 2030s.

On Friday, Biden is set to release his first full budget since taking office in January as he seeks to push his priorities of investing in infrastructure, childcare and other public works.

Republicans have criticized the president for seeking trillions in new spending, setting the stage for pitched battles over his priorities. Democratic US President Joe Biden plans to propose \$6 trillion in US federal spending for the 2022 fiscal year.

Community leaders allege graft in relief schemes

FROM PAGE B1

The representatives of the local government embezzled a portion of the reliefs, Khanom alleged.

The CPD and the Oxfam have been implementing a project titled "Enhancing the participation of CBOs and civil society organisations in democratic governance in Bangladesh" with support from the European Union for the past three years.

Jahanara Begum, chairman of the Human Rights Committee at Dimla of Nilphamari, alleged that the chairmen and members of union councils had not provided assistance properly to the poor under the vulnerable group feeding (VGF) programme.

Amina Akhter, who hails from Mohonganj of Netrokona, said many solvent households had managed to secure relief along with the poor households.

Md Sujaul Islam Suja, president of the Rowmari upazila press club, said although adequate government supports were available during the pandemic, the assistance went to the same persons because of the absence of a database.

A total of 2,600 households were selected for the survey, which was carried out in January and February. Twenty-four focus group discussions took place to verify the information gathered.

The survey covered the beneficiaries eligible to receive aid from three relief programmes: cash support to Tk 2,500 to 50 lakh households, and food (rice) distribution, and cash support under gratuitous relief (GR).

A high level of influence of acquaintance with local government representatives was cited in connection with the selection process, said Mustafizur Rahman, a distinguished fellow of

the CPD, in his keynote paper.

"Transparency is vital while providing relief supports, and there has been some lack of transparency."

The government had initially decided to give cash support to 50 lakh families whose breadwinners lost jobs because of the pandemic-induced slowdown. It extended the support to 36 lakh families after removing fake beneficiaries.

Among the respondents whose income declined because of the pandemic, 77.3 per cent did not receive GR (rice), GR (cash), and Tk 2,500 cash support, the survey report said.

A large number of workers in the informal sector remained outside the three relief programmes.

Only 20.6 per cent of day-labours received the support, while it was 32.3 per cent among the respondents who make a living by pulling three-wheeler rickshaws and vans, the survey found.

"Many of the new poor were excluded from the three packages. These people did not previously belong to the poor category. They lost their incomes during the pandemic," Rahman said.

There was hardly any scope for self-selection for the three programmes, the report said.

As a result, the share of beneficiaries who had applied on their own and got selected was significantly low, accounting for only 1.4 per cent in the case of the GR (rice) relief programme, 1.5 per cent for GR (cash), and 7.6 per cent for the cash support scheme.

The dissemination of information about the hotline was inadequate as only 1.6 per cent of the beneficiaries were aware of the telephone numbers set up to support them, Rahman said.

A lack of an updated database had severely constrained the quality of delivery of the social

safety net programmes, according to the survey.

The absence of a central database for distributing relief packages was affirmed by government officials as well, Rahman said.

The deputy commissioners tried to update the poverty database prepared by the Bangladesh Bureau of Statistics in 2014 to select the beneficiaries for the relief schemes.

Md Enamur Rahman, state minister for disaster management and relief, said people raised no complaints about the ongoing relief programmes.

AB Tajul Islam, a lawmaker and the chairman of the parliamentary standing committee on the ministry of disaster management and relief, said corruption in the relief scheme had lessened to a large extent during the pandemic.

Shameem Haider Patwary, another lawmaker and a member of the parliamentary standing committee on the ministry of law, justice and parliamentary affairs, recommended the relief distribution be based on the poverty scenario of each district.

Debapriya Bhattacharya, another distinguished fellow of the CPD, said there was a lack of government and private initiatives to tackle the second wave of the pandemic.

"The CBOs, NGOs, and media should work together with the government to ensure transparency, accountability and monitoring in relief distribution."

M Abu Eusuf, professor of the department of development studies at the University of Dhaka; Anir Chowdhury, policy adviser to the Access to Information programme; Tanvir A Mishuk, managing director of Nagad; Fahmida Khatun, executive director of the CPD; and Dipankar Datta, country director of the Oxfam in Bangladesh, also spoke.

Agri-machinery makers may get 10-year tax break

FROM PAGE B1
The market for agricultural machinery and their spare parts is also increasing because of the government's generous support to farmers to help them buy certain machines.

The government pays for 70 per cent of the prices of a number of machinery bought by farmers in haor and coastal regions.

Growers in the rest of the country get 50 per cent of the price as subsidy to buy machinery under a Tk 3,020 crore project.

Prof Md Monjurul Alam of the Department of Farm Power and Machinery of Bangladesh Agricultural University (BAU), said most of the agricultural machinery used for cultivation were imported and any tax-break would be instrumental in encouraging manufacturing in the country.

Local agriculture machinery makers can manufacture pumps and threshers. Local firms also meet the requirement for nearly 60 per cent of spare parts, he said.

"We should encourage local manufacturing even under joint ventures for technology transfer. It is needed for our own capability to meet domestic requirement. There is also the prospect of export of small machinery as China has shifted to making bigger ones," he said.

The National Board of Revenue (NBR), since fiscal 2016-17, has been offering one per cent tariff on import of certain spare parts to support domestic manufacturing of power tillers, power

threshers, power reapers and power seeders based on fulfilment of certain conditions.

Alam said the benefit was effective and the latest plan would be a big booster for domestic production and increase the pace of mechanisation.

The agricultural machinery market is around Tk 14,000 crore, he said.

For locally grown vegetables and fruits, there has been progress in processing and entrepreneurs are exporting various processed foods abroad. There is scope for processing as a quite good amount of produce are lost in absence proper post harvest management, preservation and processing.

During the peak harvesting season of vegetables, for instance tomato, farmers still cry out for fair prices as supply outpaces demand.

In recent years, dairy farming has increased too while local processors are adding dairy products in their list of production and marketing.

Md Rakibur Rahman, senior vice president of Bangladesh Dairy Farmer Association (B DFA), said dairy products account for 10 to 15 per cent of people's regular consumption.

"We see a lot of imported dairy products in the market. Tax benefit will encourage entrepreneurs," he said.

Bangladesh imported Tk 2,900 crore-worth milk and dairy products in fiscal 2019-20, showed data from Bangladesh Bank.

Officials of the finance ministry said the NBR

may tag conditions that businesses would need to use locally grown fruits and vegetables to claim the tax exemption benefit.

"It is fine if we are to source the main raw materials locally. But we use many ingredients and additives that are produced locally. In such case, we should be given scopes for import," said Syed Md Shoaib Hasan, vice president of Bangladesh Agro-Processors Association (BAPA).

"We also lag behind in packaging. And because of shortcomings we cannot fully utilise our export potential. The government should provide duty benefit for packaging materials and reduce value added tax to promote exports," he said.

Currently, the NBR offers progressively declining tax breaks to agri-machineries, locally produced fruits and vegetables processing for five to 10 years depending on the location of the manufacturing units.

Factories in Dhaka and Chattogram divisions are entitled to tax breaks at a declining rate for five years if they begin commercial production between July 1, 2019 and June 30, 2024.

Firms in other divisions will get 10-year benefit while the rate of exemption declines gradually to be phased out on the 11th year.

The finance ministry official said the new plan is to offer full tax exemption for 10-year instead of present reducing rates depending on locations of the facilities.

AC sales triple as temperature soars

FROM PAGE B1
"Moreover, the price is affordable for the middle-class. As the middle-class is expanding, the sales of ACs is increasing."

Existing ACs have advanced features like saving energy and protecting the rooms from dust and harmful virus and bacteria, he said. "This is helping AC sales even during the coronavirus pandemic."

Walton has introduced some new models of inverter ACs with a dual defender, ioniser, and UV (ultra-violet) care features to keep the room free from any virus or bacteria, said Augustin Sujan, senior additional director of the company.

Currently, Walton is running Digital Campaign Season-11. Under the campaign, customers are getting a free freezer or sure cashback. "As a result, the sales have gone up," Sujan said.

Walton has targeted to sell 175,000 AC units in 2021.

At present, the local company is manufacturing and marketing more than 27 models of one tonne, 1.5 tonnes, and 2 tonnes split-type AC.

Saikat Azad, deputy general manager for marketing at Transcom Digital, said the

company posted about 250 per cent higher sales in April and May.

During the lockdown period, the preparation for home delivery was better this year compared to last year, which drove the AC sales up, he said.

Transtec Digital retails ACs of Hitachi, Panasonic, Whirlpool, Samsung, and Transtec brands.

Raziur Rahman, senior manager for marketing communication of Singer Bangladesh, said despite the challenges posed by the pandemic, the sales of Singer ACs were reasonably good during this summer.

"The demand has shot up since we have started offering flat 10 per cent discount on all models of inverter and other ACs."

The growth of AC sales was impressive this summer compared to 2020, said Md Manzurul Karim, general manager of Esquire Electronics, the authorised sole distributor of Japanese giant electronics brands General and Sharp.

Retailers say the sales of ACs will reach seven lakh units in 2021 as the year is hotter compared to the previous year. The market size will expand to Tk 5,000 crore, from Tk 4,500 crore in 2019.

Farmers to get loans to buy machinery

FROM PAGE B1
"Our objective is to make agricultural machinery locally in phases. At present, most of the equipment has to be imported from abroad. We want to reduce it. In addition, we are emphasising on local manufacturing of spare parts and repair factories to increase employment at the local level," he said.

The minister called upon the manufacturers and importers of agricultural instruments to come forward in this regard.

At the meeting, the manufacturers and importers of agricultural machinery demanded bank loans for them. They also

urged the government to provide loans to farmers and distribute agricultural instruments to small village entrepreneurs to expedite the mechanisation of agriculture.

The minister further said the present government under the leadership of Prime Minister Sheikh Hasina has taken and implemented various initiatives to modernise and make agriculture profitable through mechanisation.

"The Tk 3,020 crore agricultural mechanisation project is a unique example of this. There will be a new revolution in agriculture in the country," he added.

Beximco returning debenture dues of 2005

FROM PAGE B1
issued by Beximco Limited, where, ICB has been working as Trustee," the DSE said in post yesterday.

In this regard, debenture holders are requested to communicate with documentary evidence with the ICB, it added.

After inclusion of new leadership in the BSEC, the regulator has taken initiatives to return the funds that were raised by eight debentures of many companies about 30 years ago, totalling Tk 150 crore.

Eight debentures -- Bangladesh Luggage

Industries, Bangladesh Zipper Industries, Beximco Knitting, Beximco Fisheries, Beximco Textiles, Beximco Denim, Aramit Cement and BD Welding Electrodes -- were listed with Dhaka Stock Exchange (DSE) back in the 1990s.

And although their tenures ended in between 2002 and 2008, the issuers did not repay the capital raised through investors.

All the issuers will have to pay back the investors, said a top official of the BSEC seeking anonymity.

They will return the money in phases, he added.

Health insurance comes in handy

FROM PAGE B1
But when one member of a family falls ill seriously, the whole family is in danger," said Ahsan.

He thinks people should avail themselves of health insurance when they are young as the premium would be lower than those who open policies at a much older age.

Ahsan has opened two policies: one for hospitalisation and the other for accidents. The policy on hospitalisation covers several major diseases.

"First of all, you get health protection as a result of buying an insurance policy. At the same time, your savings are also growing."

The lower interest rate offered by banks also makes health insurance attractive.

"If you look at it from the viewpoint of long-term deposits kept with banks, you will be doubly benefitted," said Hasina Sheikh, a professor of the banking and insurance department under the University of Dhaka.

If policyholders do not encounter any loss, a situation anyone will be comfortable with,

they will still benefit at the end of the maturity period.

"When it comes to investment, it is a smart choice," she added.

Prof Md Main Uddin, chairman of the banking and insurance department at the University of Dhaka, said insurance could not be directly compared with the money saved at banks, invested in the stock market, and used to buy land and other properties.

"It is a kind of investment where you are putting your money in insurance. In this sense, you are getting health coverage, and you will get back an amount of money when the policy matures."

Saifur Rahman, head of communications of MetLife Bangladesh, one of the leading life insurance companies in Bangladesh, said the policy should be bought depending on the flow of income.

Many a time, people cannot continue policies because of financial trouble.

"People will have to keep in mind the financial condition while subscribing to a policy

because you have to continue it for a long period," Rahman said.

If someone discontinues a policy before maturity, the money deposited is returned after deducting a portion as per the rules of the insurers.

Rahman advised potential customers to know well about the financial capability of insurers whether they can meet the insurance claim.

Currently, there are 78 insurance companies in Bangladesh. Of them, 32 are life insurers and 46 non-life insurers. But there is not much in terms of product diversity.

Shubasish Barua, head of impact business at Green Delta Insurance Company, said interest in health insurance had grown since the coronavirus pandemic hit the country in March last year.

"The number of clients in our company has increased by 15 per cent. Our clients in the corporate segment have grown. There is also a demand for individual health insurance. But that is not significant," he said.

BATB sees stocks drop despite higher profits

STAR BUSINESS REPORT

Stocks of British American Tobacco Bangladesh (BATB) dropped although it announced higher profits in the first quarter (January-March) of 2021.

Its stocks closed 1.25 per cent lower at Tk 553 yesterday.

The BATB's sales rose by around 11 per cent to hit Tk 9,554 crore in the first quarter of this year, fueling the company's

profits in turn.

During the January-March period, the listed multinational cigarette maker's profits surged 27 per cent to Tk 387 crore year-on-year.

The company's earnings per share (EPS) increased as well compared to the same period last year due to growth in volume and cost optimisation, the BATB said in its financial report.

Its EPS stood at Tk 21.51 this year while it was Tk 16.87 a year earlier.

The company issued two stocks against each owned in the form of stock dividend for 2020 but it was not credited to the shareholders' account before March 31 and so, the bonus share was not included in accounting the EPS.

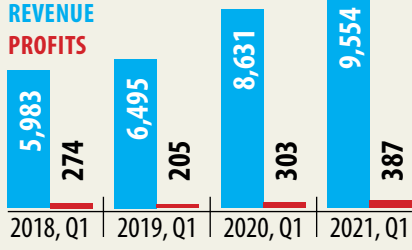
However, had the bonus shares been issued as of March 31, the EPS would have been Tk 7.17. The cigarette maker's operating expense rose four per cent to Tk 234 crore, according to the financial report.

Listed with the Dhaka bourse since 1977, the BATB's sponsors hold around 73 per cent of its shares.

REVENUE AND PROFIT OF BATB

First quarter; In crore taka;

SOURCE: FINANCIAL REPORTS



MI Cement shares soar on news of tripling profit

STAR BUSINESS REPORT

Stocks of MI Cement Factory rose 3.41 per cent to Tk 69.80 yesterday after news broke that its profits have almost tripled over the past year.

The company made this disclosure on the capital market's website, where it also announced plans to set up an uploading and delivery unit in Pabna.

The MI's earning per share was Tk 4.73 for the July 2020-March 2021 period while it was Tk 1.60 in the same period a year before.

The parent company of Crown Cement Group will set up an automatic uploading and delivery unit at Kazirhat, Bera of Pabna to increase its market share in the western and northern zones of the country.

Through yesterday's disclosure, the MI said its board had approved the project involving Tk 31 crore, including land purchase and civil construction.

The company expected to complete the

installation work by July.

Its board also approved the sale of a mother vessel, MV Crown Victory, at the end of its useful life at the price of about Tk 28.50 crore.

Crown Cement produces 33 lakh tonnes of cement per year through five production units that have a daily production capacity of 11,000 tonnes.

The company claims to be one of the top five cement manufacturers in Bangladesh.

A top official of Crown Cement told The Daily Star they intend to use the Pabna facility to package and distribute their products in the western and northern regions of the country.

The company will make bulk shipments of cement from its manufacturing unit in Munshiganj to the delivery unit through river routes.

Transport costs will come down this way and help grab a share of the regional market, he said.

Focus on Sylhet's prospects to reduce regional disparity

Experts urge government ahead of upcoming budget



SHEIKH NASIR

Although Sylhet is famous for its tea, the industry has been struggling to survive due to climate change and low prices compared to production costs.

DWOHA CHOWDHURY

The government should exploit the opportunities in northeastern districts by taking adequate measures when formulating the national budget for fiscal 2021-22 as it would help reduce regional disparity, according to various experts.

Besides, Sylhet should be considered a prospective economic hub as it has access to huge markets in the adjacent Indian provinces and a direct link to the rest of the world through its international airport.

"Sylhet was industrially underprivileged until very recently, when a few industrial and hi-tech parks were established by the government," said Abu Taher Md Shoeb, president of the Sylhet Chamber of Commerce and Industry (SCCI).

"So, the focus should be on infrastructural development, such as upgrading the Dhaka-Sylhet highway, establishing a bypass road for the airport, and many more projects which are vital for the region," he added.

The SCCI president also proposed that the government reserve a bulk allocation in



RUN-UP TO BUDGET FOR FY2021-22

the upcoming budget for small-and-medium businesses in order to help them survive the ongoing Covid-19 pandemic.

Sylhet is agriculturally vibrant and some of the more distinct products grown in the region, such as shatkora (a type of citrus fruit), betel leaf, various nuts and sugarcane, have high global demand.

"That is why the government should give emphasis on revitalising the different agricultural niches," said Md Abdul Hamid, a professor of the business administration department of the Shahjalal University of Science and Technology in Sylhet.

"Tourism in the region could also flourish if a little more was spent on related infrastructural

development projects," he added.

Following a recent spike in the coronavirus infection rate, the government imposed strict measures on public movement, including the closure of all tourist spots, on April 14.

Since then, the industry has incurred daily losses between Tk 2 crore and Tk 3 crore.

"Businesses involved with the tourism industry are facing tough times so the government should have some good news for them in the budget," said Mutaheer Hossain, chairman of the Association of Travel Agents of Bangladesh (Sylhet zone).

"For example, the acquittal of renewal fees or taxes, and a bulk allocation could save the businesses from being closed for good," he added.

Hossain also sought the government's attention for infrastructural development in all tourist spots and global branding.

Similarly, although Sylhet is famous for its tea, the industry has been struggling to survive due to climate change and low prices compared to product costs.

READ MORE ON B2

GLOBAL BUSINESS

China, India buying adds support to bullish gold narrative

REUTERS

Gold has snuck back on to the radar screens of investors thanks to increased concern about inflation pressures, but the precious metal also appears to be getting a boost from renewed interest from the top two physical buyers, China and India.

Spot gold failed to hold levels above \$1,900 an ounce during Wednesday's session, ending at \$1,896.44, having traded as high as \$1,912.50 during the session.

That was the highest price since Jan. 8 and the yellow metal has gained 13.1 per cent since its year-to-date low of \$1,676.10 an ounce, hit on March 8.

While these gains look modest when compared to the darlings of the metals market such as copper and iron ore, gold is once again making a case for investor attention.

The market narrative for the recent rally has been mounting worries that inflation is poised to make a comeback in the global economy, as governments across the globe spend massive amounts to stimulate economies ravaged by

lockdowns to combat the spread of the coronavirus.

This supports gold on the basis that inflation will take root before the world's central banks raise interest rates to stamp it out, thus

leaving the precious metal to fulfill its historical role as a hedge against rising prices. Certainly, investor interest in gold exchange-traded funds (ETFs) has returned in recent weeks, with the biggest gold ETF,

the SPDR Gold Trust, showing holdings at 33.568 million ounces on Wednesday.

This was down slightly on the previous day's 33.633 million ounces, but up 2.7 per cent since the low of 32.699 million on April 29.

While the increase in the SPDR's holdings may be a mildly bullish signal, it's worth noting that they are still well below the 41.115 million ounces in September last year, which was a 7 1/2-year high.

A further factor that weighs on investor appetite for gold is the view that the current inflationary pressures are temporary and will fade in coming quarters once baseline effects from the economic hit from coronavirus lockdowns pass through.

However, there are some positive signs emerging for gold from India and China, where physical demand appears to be returning to what could be described as more normal levels. India's imports in April were nearly 70 tonnes, according to Refinitiv GFMS, which was down from March's 103 tonnes.



REUTERS/FILE

A saleswoman displays a gold necklace inside a jewellery showroom on the occasion of Akshaya Tritiya, a major gold buying festival, in Kolkata, India on May 7, 2019.

US faces 'very large challenges' on China

US trade chief Tai says

REUTERS

US Trade Representative Katherine Tai said on Wednesday that the United States still faces "very large challenges" in its trade and economic relationship with China that require the Biden administration's attention across the board.

Tai spoke with Reuters in an interview before her first virtual call with Chinese Vice Premier Liu He, a meeting in which she raised "issues of concern," according to her office.

"During their candid exchange, Ambassador Tai discussed the guiding principles of the Biden-Harris administration's worker-centered trade policy and her ongoing review of the US-China trade relationship, while also raising issues of concern," the USTR said.

China's commerce ministry described the talks as "a candid, pragmatic and constructive exchange."

"Both sides view the development of bilateral trade as very important. (Both sides) exchanged views on issues of mutual concern and agreed to maintain communication."

The meeting marked the first formal engagement between the trade chiefs of

the world's two largest economies since US President Joe Biden took office in January.

It came at a time when Biden has sharply criticized China on human rights abuses and sought to rally his Group of Seven rich nation allies to form a united front on China.

China's handling of the Covid-19 pandemic - which has now killed more than 3 million people worldwide - has also ranked the United States and its allies.

Biden on Wednesday ordered aides to investigate rival theories held by US intelligence agencies on the origin of the virus, including the possibility of a laboratory accident in China. China said it supported a 'thorough investigation' but warned the United States to avoid politicizing the issue.

The Biden administration is conducting a comprehensive review of US-China trade policy, ahead of the expiry of the Phase 1 deal at the end of 2021.

CHALLENGES 'STILL THERE'
Tai told Reuters the Phase 1 trade deal was important but only part of a complex relationship.

"The overall challenges that we have with China are also still there and they are very large," Tai said.

Total, Chevron suspend payments to Myanmar

REUTERS

French oil and gas group Total and US energy company Chevron have suspended some payments from a gas joint venture that would have reached Myanmar's junta, earning praise from pro-democracy activists for taking an important first step.

International companies doing business in the country have come under pressure from rights groups and Myanmar's parallel civilian government to review their operations to stop payments flowing to a military government that seized power on Feb. 1.

Myanmar has been in chaos since the army overthrew the elected government and detained its leader Aung San Suu Kyi, and the junta has responded with brutal force to daily protests, marches and strikes nationwide in support of the ousted civilian administration.

In a statement, Total said "in light of the unstable context in Myanmar" after a joint proposal with Chevron shareholders at the meeting of the Moattama Gas Transportation Company voted to suspend all cash distributions.

Biden backs Alaska oil drilling project approved under Trump

REUTERS

US President Joe Biden's administration defended on Wednesday a proposed ConocoPhillips oil development in Alaska, backing the drilling project which was approved under the administration of former President Donald Trump.

"A Wednesday filing by the US Department of Justice continues to defend a 2020 Record of Decision for the Willow Project in the National Petroleum Reserve - Alaska (NPR-A)" a spokesman of the US Interior Department said in an email.

In February, an appeals court blocked construction of ConocoPhillips' \$2 billion-plus Willow crude oil project in Alaska. Wednesday's development comes even as Interior Secretary Deb Haaland had opposed the project last year when she was

a member of Congress.

The Trump administration approved the Willow development plan in October. Permits to mine for gravel and build roads were issued on the morning of Jan. 20, just before Biden was sworn in as the nation's 46th president. Environmental groups had sued, making the argument that the government failed to take into account the impact that drilling would have on fragile wildlife.

"The filing (on Wednesday) maintains that the decision complied with NEPA (National Environmental Policy Act) standards in place at the time, and that the plaintiffs did not challenge the Record of Decision within the time limitations associated with environmental review for projects in the NPR-A", according to the statement shared by a Department of Interior spokesman.



REUTERS

US Trade Representative Katherine Tai testifies before the Senate Finance Committee on Capitol Hill in Washington, US on May 12.