



GLOBAL ISLAMI BANK  
Global Islami Bank Managing Director (MD) Syed Habib Hasnat, Prime Bank Investment Chief Operating Officer (COO) Khandoker Raihan Ali and LankaBangla Investments COO Iftekhar Alam signed an agreement yesterday over an initial public offering. The bank's additional MDs Md Golam Sarwar and Kazi Mashiur Rahman Jayhad and Deputy Managing Director Ataus Samad were also present.

## Brazil economy returns to pre-pandemic level with strong Q1

AFP, Rio Janeiro

Brazil's economy, the largest in Latin America, returned to its pre-pandemic level with stronger-than-expected growth of 1.2 per cent in the first quarter of 2021, the government said Tuesday.

The upbeat figure boosted hopes for a strong economic recovery this year in Brazil, which has been hit hard by Covid-19. But there is lingering uncertainty: epidemiologists warn a new surge of the virus is likely. "The result is far higher than expected. There was no fiscal stimulus (against the pandemic) in the first quarter of 2021, and some analysts were saying we would have a big contraction in GDP," said economist Margarida Gutierrez of the Federal University of Rio de Janeiro (UFRJ).

"Now the GDP forecast for 2021 should increase from 3.5 per cent to something around five per cent. If (Covid-19) vaccinations go quickly, it could be even more." The news helped push the Sao

Paulo stock exchange to a record close, up 1.63 per cent.

It was the third straight record close for the Ibovespa index, which had not hit a record since January. Experts cited by the economic daily Valor had predicted growth of 0.7 per cent for the first quarter, after Brazil posted a record 4.1 per cent GDP contraction for the year in 2020. Growth in the first three months of 2021 was largely driven by state and local governments lifting business closures and other Covid-19 restrictions, according to economists.

Epidemiologists say the move came too soon. They warn Brazil -- already the country with the second-highest death toll in the pandemic, with more than 460,000 lives lost -- now faces a third coronavirus wave. Brazil's Covid-19 vaccination campaign has been marred by shortages and delays.

Around 10.5 per cent of the country's 212 million people have been fully vaccinated so far -- still too small a number to significantly slow the virus.

## Huawei to launch new mobile operating system in fight for survival

AFP, Shenzhen

Embattled Chinese tech giant Huawei will launch a homegrown new mobile operating system on Wednesday as it fights for survival in the smartphone arena after the United States blocked it from using Android.

Huawei will unveil its first mobile devices loaded with the new HarmonyOS in an online event broadcast from its headquarters in the southern city of Shenzhen beginning at 8 pm (1200 GMT).

The development of HarmonyOS has been closely watched by the tech world since Donald Trump's White House in 2018 began an aggressive campaign to short-circuit the global ambitions of Huawei, which Washington considers a potential Chinese espionage and cybersecurity threat.

Aside from the geopolitics, no company has successfully taken on the mobile OS duopoly now dominated by Google's Android and Apple's iOS systems, a battleground littered with the likes of flame-outs including BlackBerry, Microsoft's Windows Phone and the Amazon Fire device.

Analysts say Huawei likewise faces a tough battle to carve out a sizeable share of the OS pie.

The world's largest supplier of telecom base station equipment and other networking gear, Huawei entered the handset business in 2003, using Android.

It became one of the world's three leading mobile phone manufacturers along with Samsung and Apple -- briefly occupying the number one spot last year -- driven by Chinese demand and sales in emerging markets.

But the US sanctions, which include cutting the firm off from global component supply chains, have thrown its mobile phone segment into uncertainty.

Analysts say Huawei's most immediate challenge is in apps -- convincing enough developers to reprogramme their applications and other content to work with HarmonyOS so that consumers will continue to buy Huawei phones.

Being cut off from Android effectively prevents Huawei offering phone users popular features such as Google's browser, its maps function and a range of other top apps available through the system.

Huawei's access to the chips required to make a smartphone has also been curtailed, and its shipments have fallen dramatically in recent quarters. Analysts say the apps conundrum should not be a problem in China.

Huawei has a huge slice of the domestic market and its own menu of apps that are largely designed for Chinese users.

But its global prospects may dim. "On content, when you're talking about the international market, you can't live without Google, you can't live without Amazon or YouTube."

## Indian central bank expected to keep rates steady

REUTERS

India's central bank will likely keep interest rates at record lows this week as it assesses the economic fallout of the country's evolving Covid-19 crisis, but the monetary authority is expected to reiterate its commitment on liquidity.

The Reserve Bank of India's (RBI) monetary policy committee (MPC) will likely keep the key lending rate or the repo rate unchanged at 4 per cent for a sixth straight meeting when it announces its decision after a three-day meeting on Friday.

All 51 economists polled by Reuters expected the MPC to hold rates as Asia's third-largest economy grapples with various state lockdowns.

The RBI has repeatedly said it will ensure there is adequate rupee liquidity in the financial system to help the economy's productive sectors and the government's massive borrowing program, and economists expected it to reiterate that message.

"The policy outcomes are no longer just a statement of rate action but much more," said Anand Nevatia, fund manager at Trust Mutual Fund.

"While markets will be

expecting reassurance on liquidity and awaiting the quantum of GSAP (government securities acquisition programme) for next quarter, one should not be surprised if Governor (Shaktikanta) Das announces yet another innovative tool," he added.

India's central bank unveiled

fresh measures in May to help lenders tide over mounting bad loans and give some borrowers more time to repay their debts, as surging Covid-19 infections triggered strict lockdowns in several states.

The RBI in April committed to buying 1 trillion rupees (\$13.71

billion) worth of government bonds from the market between April and May in a quantitative easing program it called G-SAP 1.0.

Traders will look to see whether the central bank will announce potentially more aggressive bond purchases under a GSAP 2.0 programme on Friday, and are also eyeing any revisions to growth and inflation forecasts.

Market expectations for larger bond-buying are high after the government recently increased its borrowing for this year.

The government said last week it was going to borrow an additional 1.58 trillion rupees, over and above its massive 12.06 trillion scheduled borrowing for 2021/22, in order to compensate state governments for a shortfall in tax revenues.

India's annual economic growth rate picked up in January-March compared with the previous three months, but economists are increasingly pessimistic about the June quarter after a huge second wave of Covid-19 infections hit the country last month.

"While the central bank will look to maintain adequate system liquidity, managing the increased supply of sovereign bonds will be a tightrope walk," Nevatia said.



REUTERS/FILE  
A security guard's reflection is seen next to the logo of the Reserve Bank Of India (RBI) at the RBI headquarters in Mumbai, India.

## Biden suspends Trump-era oil and gas leases in Alaska refuge

REUTERS

US President Joe Biden's administration on Tuesday said it would suspend oil and gas leases that were handed out in an Alaska wildlife refuge during the final days of the Trump administration pending an environmental review.

The action reverses one of former President Donald Trump's signature efforts to expand fossil fuel development in the United States, and delivers a setback to the Alaskan state government which had hoped opening the enormous refuge would help revive its declining oil industry.

Trump's Interior Department sold the leases in the Arctic National Wildlife Refuge (ANWR) in January over the objections of environmentalists and indigenous groups. During his campaign, Biden had pledged to protect the 19.6 million-acre pristine habitat for polar bears, caribou and migratory birds.

White House National Climate Advisor Gina McCarthy said Biden was "grateful for the prompt action by the Department of the Interior," and said the Trump administration's hastily-held auction of oil and gas leases in the refuge "could have changed the character of this special place forever."

Biden's Interior Department said it had notified the leaseholders, which include an Alaska state agency.

The review, which will examine "legal deficiencies" in the previous administration's environmental analysis of leasing in ANWR, will determine whether the leases would stand, be voided, or be subject to mitigation measures, the statement said.

The ANWR leasing program is already the subject of lawsuits by environmental and indigenous groups that allege the Trump administration violated federal law by performing a faulty environmental analysis that failed to adequately consider its impact on wildlife and native people.

The Alaska Industrial Development and Export Authority, which holds seven of the ANWR leases, said it was disappointed by the decision and did not have any reason to believe that the auction's underlying environmental

analysis was inadequate.

"I don't know what they are referring to," Alan Weitzner, AIDEA's executive director, said in an interview.

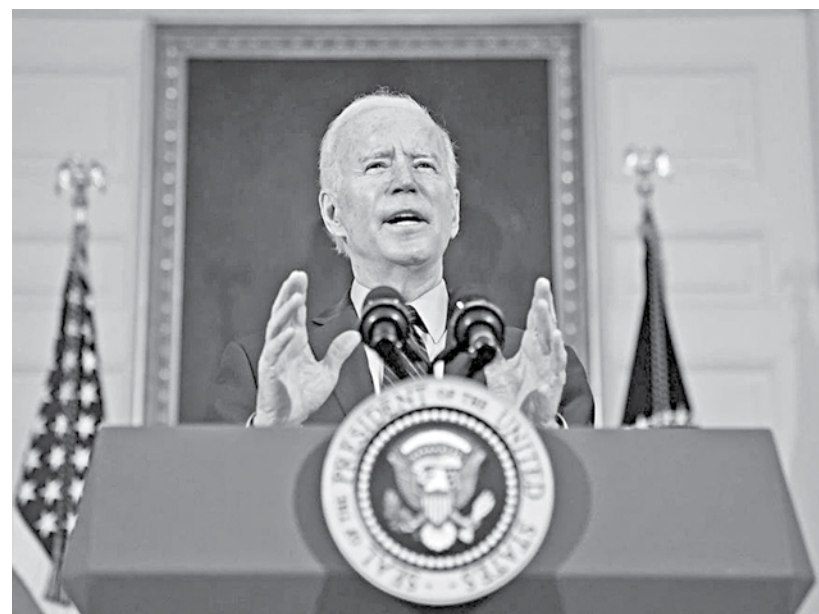
The action is the latest effort by Biden to restrict oil and gas activities on public lands, part of a broader agenda to decarbonize the US economy and combat climate change. He has also paused all new oil and gas leasing on federal lands and waters, source of a quarter of the nation's

end up in court.

"At the end of this review, they will make a final decision, and whoever is unhappy with that decision at that time may decide to institute litigation," Gerrard said.

Alaska-based green and indigenous groups that sued to stop the lease sale cheered the move.

"We look forward to working with the administration on stronger action to correct this unlawful leasing



REUTERS/FILE  
US President Joe Biden delivers remarks on the state of the US economy and the need to pass coronavirus disease aid legislation during a speech in the State Dining Room at the White House in Washington, US on February 5.

petroleum. Alaska officials expressed outrage, saying leasing in ANWR was required by a 2017 law that opened up oil and gas development in the region.

"Our leases for oil and gas are valid and cannot be taken away by the federal government," Alaska Gov. Mike Dunleavy said in a statement. "I oppose this assault on Alaska's economy and will use every means necessary to undo this egregious federal overreach."

Columbia Law School professor Michael Gerrard called the move "prudent" given the questions around whether the leases were lawfully granted, but said the matter may just

program and preserve one of our nation's most majestic public lands," groups including Alaska Wilderness League and the Gwich'in Steering Committee said in a joint statement.

The first sale of tracts in the refuge, held two weeks before Trump left office in January, received limited interest from the oil and gas industry and generated high bids of just \$14.4 million. Leases were ultimately issued for nine tracts covering 430,000 acres (1,740 square kilometers), Interior said.

Knik Arm Services LLC and Regenerate Alaska Inc, which each hold one lease, were not immediately available for comment.

## Expectations from budget

FROM PAGE B1

Also, all safety net programmes must be brought under one platform. While the allocation for these programmes needs to be doubled at the least, there is a need for ensuring coordination, accountability and transparency in the overall mechanism of allocation, distribution and management.

Various sectors in the economy and different sections of the population have been affected to different degrees during the pandemic. Despite that, there has hardly been any visible move by government agencies to assess such impacts. However, the current context necessitates a better understanding of the economic and social impacts of Covid-19. Needless to mention that it is not possible to undertake the necessary policies and actions without updated data, information and a better understanding of the ground realities.

The South Asian Network on Economic Modeling's quarterly surveys on 500 firms from 15 manufacturing and service sectors since June 2020 reveal that most micro and small businesses, who play a crucial role in the supply chain in the economy, have been struggling to survive.

This resulted in a large disruption in the supply chain, which will continue to hinder economic recovery even though remittance and export earnings have been showing an upward trend.

Since more than 85 per cent of employment is in the informal sector, a large part of which are micro and small businesses, the overall

economy will not recover unless these businesses are restored.

Micro and small businesses are also the lowest beneficiaries of the stimulus packages. Therefore, there is a need to place particular emphasis on these businesses in the budget for 2021-22 in order to establish a mechanism that would help them recover from the present condition.

There is now a discussion on the possibility of a second set of stimulus packages but at the same time, there is a need to review the experiences of the stimulus packages disbursed so far.

Valid concerns are there on the management and monitoring of the stimulus packages. There is also a need to take the necessary steps to make the stimulus packages more effective.

An important point related to the economic recovery is that unless the government can contain the ongoing health crisis through mass vaccination and enforcement of regulations, recovery will not be sustainable.

The national budget should prioritise the allocation of resources, mechanisms for coordination among relevant agencies, the necessary roadmap, and their execution.

As around 80 per cent of the country's total investment comes from the private sector, stimulating private investment is critical for economic recovery. While the official statistics on private investment amid Covid-19 are yet to come, the indicators related to private sector investment show a very alarming picture.

Depressing trends of imports

and exports and the private sector credit growth are testimony to this picture. The budget for fiscal 2021-22 has the prime task to show ways of overcoming stagnation in private sector investment.

There are also expectations over whether the government will show any direction in undertaking some long-standing critical reforms in taxation, financial sector, health and education.

The health sector, no doubt, requires considerable overhauling. Although the sector's allocation increased significantly in the last budget, the health ministry's weak capacity resulted in much of the resources being unutilised. At the same time, the health sector has been alleged to be affected by corruption and numerous irregularities. So, there should be steps in the budget on how the health ministry will spend resources more efficiently in the coming days.

The government alone cannot address the economic and social crisis induced by Covid-19. However, the government has to bring the private sector and its associations, NGOs, volunteer organisations, and people's representatives under coordinated initiatives. The budget should specify a roadmap for the Covid-19 recovery plan and how different stakeholders could play their roles under the overall leadership of the government.

The writer is a professor of economics at Dhaka University, and executive director of South Asian Network on Economic Modeling. He can be reached at selim.raihan@gmail.com.

## First nat'l tea day on Jun 4

FROM PAGE B1

The minister went on to say that National Tea Day would be inaugurated at 10:00am at Osmani Memorial Auditorium and a discussion meeting would be held there.

On the day, there will be a daylong tea exhibition from different organisations and rare items of the tea industry preserved in Bangabandhu Pavilion and Tea Museum at Srimangal will also be displayed.

Through observing the day, the role of the tea industry in the country's overall economic development will also be recognised.

Local tea was once exported but this is not possible now as the domestic demand has increased alongside production.

Now, the people living in villages have also grown accustomed to drinking tea, increasing its use manifold, Munshi

added. Only 31.38 million kilogrammes (kg) of tea was produced in 1970 while the country produced a record 96.07 million kgs in 2019 and 86.39 million kgs in 2020.

Last year, 2.19 million kgs of tea was exported to 19 countries, from which the country earned about Tk 35 crore.

Munshi said tea production on flat lands in Panchagarh started in 1996 under the direction of Prime Minister Sheikh Hasina.

Tea production is increasing day by day as the government is providing all necessary support to encourage production and necessary assistance is also being provided to the tea workers.

There is a huge demand for Bangladeshi tea in the international market and it is possible to export tea after meeting domestic demand, he added.

## Rose tea brings fresh taste

FROM PAGE B4

Shah Alam, chairman of Bangladesh Cha Sangsad, told this correspondent that they have been putting in extra effort to develop new teas to add a different dimension to the industry.

First it was white, then yellow and now it was rose tea, which he said was recognised as the most expensive blend in the world. "There is a lot of demand for this tea due to which many garden owners are interested in producing the variety," Alam said.