



SOCIAL ISLAMI BANK

A total of 50 mango cultivators of Kalaroa in Satkhira availed agricultural loans at 4 per cent interest from a government stimulus package under a joint initiative of Social Islami Bank and Solidaridad Network Asia. Kalaroa Upazila Nirbahi Officer Md Jubayer Hossain Chowdhury and Md Nurul Islam, deputy director of the Department of Agricultural Extension in Satkhira, attended the programme.



MERCANTILE BANK

Mercantile Bank Chairman Morshed Alam inaugurated the bank's 22nd anniversary celebrations launching an "MBL Rainbow" mobile banking app at its head office yesterday. Managing Director and CEO Md Quamrul Islam Chowdhury was present.

Pubali Bank chairman reelected

STAR BUSINESS DESK

Pubali Bank recently witnessed the unanimous reelection of the chairman of its Board of Directors.

The chairman, Monzurur Rahman, has 53 years' experience in banking and insurance and is also chairman of Rema Tea Company, says a press release.

He was an independent director of Lafarge Holcim Bangladesh and an elected member of the executive committee of Bangladesh Association of Publicly Listed Companies.

Rahman obtained a graduation degree from the University of Calcutta.



Monzurur Rahman

City Bank gets FinanceAsia title

STAR BUSINESS DESK

City Bank has been named "Best bank in Bangladesh 2021" by Hong Kong-based international publication FinanceAsia recently.

The title, awarded for the seventh time since 2012, recognises its performance, banking service innovations, financial growth during pandemic-hit 2020 and competence in serving customers and investors, says a press release.

"This recognition is a testament to the strong foundation on which this institution has been built and also our commitment to the valued customers," said City Bank Chairman Aziz Al Kaiser.

Airlines press US on refusal to lift Covid-19 travel restrictions

REUTERS, Arlington

Major airlines are pressing the United States government on its decision not to move quickly to relax Covid-19 restrictions that block travelers who have been in much of Europe and elsewhere even as other countries began to ease prohibitions.

On Monday, the heads of several major airlines as well as the chief executives of Heathrow Airport and industry group the US Travel Association will hold a virtual news conference to push for removal of travel restrictions between the United States and the United Kingdom.

On hand will be the CEOs of American Airlines, IAG unit British Airways, Delta Air Lines, United Airlines and JetBlue Airways Corp. The airline CEOs on May 11 had called for a summit between US officials, UK officials, and airlines to discuss how to "expeditiously reopen transatlantic travel."

Since March 2020, the United States has barred nearly all non-US citizens who have been in the UK within the last 14 days from entering the country. Most US travelers visiting the UK must quarantine for 10 days upon arrival.



REUTERS/FILE

Travellers wearing protective face masks to prevent the spread of the coronavirus disease reclaim their luggage at the airport in Denver, Colorado, US on November 24, 2020.

Airline and administration officials say no change is expected in the near term but add it is possible the restrictions could be removed as early as July 4 or thereabouts, but they caution no decisions have been made. On Friday, France said

vaccinated Americans starting on June 9 will be able to travel to the country. United said it would resume Paris flights from Washington in July and Delta said it was adding flights to France as well.

At a press event at Washington

National Airport on Friday, American Airlines President Robert Isom said, "We know there is tremendous pent-up demand for service." Isom said the airline has "a lot of capacity to be ready to go" for European travel. Asked if July 4 would be too late for

European summer travel, Isom said: "We're going to take it whenever it comes."

Airline officials had held out hope earlier that by late May, the United States would have lifted travel restrictions on the United Kingdom and Ireland, where new Covid-19 cases have plummeted.

The travel restrictions also apply to most non-US citizens in Brazil, South Africa, India and Iran. The Biden administration held a call with British officials on Thursday, people briefed on the matter said, but the White House gave no indication it is planning to lift restrictions.

The White House, which is focused on boosting US vaccination rates and reducing Covid-19 cases, declined to comment on Friday.

President Joe Biden is certain to face questions about the issue from foreign leaders when he travels to Europe next week.

"We certainly understand the desire of many Europeans to come to travel the United States and vice versa," White House spokeswoman Jen Psaki said May 21.

"We can't respond to public pressure or even emotion. We have to rely on the guidance of our health and medical experts."



UJJWALA

Afroza Parveen, managing director and co-founder of Ujjwala, and Moriam Javed Juhi, head of City Bank's dedicated banking platform for women City Alo, recently signed a memorandum of understanding facilitating loans for women entrepreneurs on easy terms for business expansion and skills development.



BEACON PHARMACEUTICALS

Md Ebadul Karim, managing director of Beacon Pharmaceuticals and lawmaker of Brahmanbaria-5 constituency, hands over health safety equipment to Shibganj Municipality Mayor Syed Monirul Islam for residents of the area in Chapainawabganj district.

Focus shifting from power generation to transmission

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"Power generation is now in surplus. So, the government has put emphasis on transmission and distribution in the budget," he added.

Previously, about 80 per cent of the allocation used to go to the projects for generation and the rest for transmission. But for the next fiscal year, about 60 per cent of the allocation is going to transmission and distribution projects.

Under the transmission and distribution projects in the upcoming fiscal year, new distribution substations will be built, the old lines will be replaced with new ones, the wooden boards will be changed, and the capacity of transformers will be upgraded.

The Bangladesh Rural Electrification Board (BREB) is set to implement many distribution projects which will help reduce power outages in rural areas.

A project involving Tk 4,000 crore has been taken under the BREB to develop the distribution network.

The Bangladesh Power Development Board (BPDB), Dhaka Power Distribution Company (DPDC), Dhaka Electric Supply Company, West Zone Power Distribution Company, and Northern Electricity Supply Company also got funds to modernise their distribution systems.

DPDC received Tk 3,051 crore from the Annual Development Programme to

expand and strengthen the power system network. Under the project, the overhead electric cables will go underground.

The government has made allocations to develop the transmission system to evacuate electricity from the Rooppur Nuclear Power Plant and Matarbari and Payra power plants.

However, the budget for FY2021-22 is not in line with the government plan to phase out rental and the quick rental power plants to bring down the expenses stemming from growing capacity charges.

Khondaker Golam Moazzem, research director at the Centre for Policy Dialogue (CPD), welcomed the higher budget for the transmission and distribution systems.

"But, the transmission and distribution systems have not got as much importance as they should have got, and a tendency to spend money on generation is continuing despite the overcapacity," he said. "For the lack of adequate investment in the transmission and distribution, consumers are experiencing power cuts across the country."

The 600-megawatt Matarbari ultra super-critical coal-fired power project was given an ADP allocation of Tk 6,162 crore and the Rooppur Nuclear Power Plant Tk 18,426 crore.

Although the allocation for the Rooppur plant falls under the science and technology ministry, it is still for power generation.

"The allocation for generation is still higher than the funds set aside for transmission and distribution, which is disappointing," Moazzem added.

According to the CPD, 62 per cent of the ADP outlay for the power sector went to generation.

The power sector is struggling with overcapacity. More than 48 per cent of the generation capacity remained unused on June 2. As a result, BPDB needs a significant amount of subsidy to meet its cost.

For the next fiscal, the subsidy provided for the energy and power sector has remained unchanged at Tk 9,000 crore.

The subsidy will likely mean that the BPDB will not need to seek permission from the Bangladesh Energy Regulatory Commission to raise the power tariff. This is not desirable during the crisis, the CPD said in its budget analysis.

Because of the inefficiency in the power sector and overcapacity, the government has to pay the capacity charges, forcing it to subsidise the sector.

"If they don't get the subsidy, they have to increase the power tariff. If the quick rental plants and inefficient plants are phased out, this problem would be solved," Moazzem said.

"We expect a specific announcement from the power ministry on how these quick rental power plants will be phased

out, the old plants will be shut, and the new financing on coal-based power plants will be suspended," he added.

The government has a commitment to retire fossil-fuel based power generation and is moving towards clean-energy based power generation.

"But, the budget makes no such indication," Moazzem said.

Industry insiders say extreme overcapacity is undermining the government's success in the power sector.

At present, the installed capacity was 25,227 MW as of June 3, according to the Power Cell. The maximum power generation on the day was 13,014 MW. In Bangladesh, the highest 13,792 MW of power was generated on April 27.

The rates of overcapacity were found to be 59 per cent, 46 per cent, and 49.8 per cent in June FY18, FY19 and FY20, respectively.

The highest overcapacity was recorded in January and March of 2020, at 63.3 per cent and 62.5 per cent, respectively.

The excess capacity in developing countries is about 10 per cent, according to the California-based Institute for Energy Economics & Financial Analysis.

The beneficiary coverage of electricity has increased from 47 per cent in 2009 to 99 per cent this year with per capita power consumption having more than doubled at the same time.

Canada loses more jobs in May but summer hiring boom looms

REUTERS, Ottawa

Canada lost more jobs than expected in May amid continued lockdowns to curb a harsh third wave of Covid-19, data showed on Friday, but economists were quick to predict a rush of hiring in June as those restrictions ease.

Some 68,000 jobs were lost in May, Statistics Canada said, more than the average analyst forecast for a loss of 20,000. The unemployment rate climbed to 8.2 per cent, in line with expectations. Employment is now 3 per cent below pre-pandemic levels, Statscan said. "I am hopeful that this is the last down-print we have before we release a fury of hiring activity starting in June," said Derek Holt, vice president of Capital Market Economics at Scotiabank.

Many Canadian provinces are easing restrictions as new Covid-19 infections plummet and more Canadians get their job. Canada has administered first doses to about 60 per cent of its adult population, with just over 6 per cent fully vaccinated.

That should bolster the reopening of "high-contact" service sectors, where employment remains furthest below pre-pandemic levels, with hiring set to ramp up in subsequent months as businesses respond to a surge of pent-up demand.

"With households sitting on an exceptionally large stockpile of savings built up during the pandemic, that recovery could accelerate relatively quickly over the summer," said Nathan Janzen, senior economist at RBC, in a note.