

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
0.37%	0.36%	\$1,848.89	\$73.32	0.15%	0.74%	0.15%	0.58%	83.95	100.51	117.58	12.87	
6,013.61	10,516.56	(per ounce)	(per barrel)	52,551.53	29,161.80	3,153.14	3,589.75	BUY TK	84.95	104.31	121.38	13.53



Star BUSINESS

DHAKA TUESDAY JUNE 15, 2021, ASHAR 1, 1428 BS • starbusiness@thedailystar.net

Rising yarn prices threaten garment export recovery

REFAJET ULLAH MIRDHA

Local garment exporters are feeling the pinch of a sudden unusual rise in yarn prices in the local and international markets, a development that is threatening to derail the recovery of the apparel shipment from the pandemic-induced slowdown.

Yarn prices rose 40 per cent between December and June because of the cotton price hike in the international futures markets, exporters say.

Yarn accounts for 50 per cent of the cost to produce a t-shirt or a garment item, while button, zippers and other accessories comprise the rest.

The yarn prices increased in the local markets because of the cotton price spike, the abnormal rise in freight charge, and the hike in utilisation capacity at the mill level due to the resumption of production after a pause caused by



AT A GLANCE

- Garment export recovering gradually
- Yarn price rose 40% during Dec-Jun
- Production cost of garments went up 25% for yarn price hike
- Share of yarn in a finished t-shirt is 50%
- Buyers offering 3-10% higher prices for old work orders
- They are giving 15% higher prices for fresh work orders

lockdowns. In the international futures markets, cotton was traded between \$88.21 per pound and \$87.72 per pound on June 11, up

from \$72.65 to \$72.90 on December 14.

Cotton prices soared 21 per cent year-on-year to \$1.99 per kilogram in the January-March quarter of 2021, World Bank Commodities Price Data showed.

As a result, the widely consumed 30-count yarn sold for \$4.25 to \$4.30 per kg in the local markets on Sunday. It ranged from \$3.9 to \$4 in December.

The rise in the freight charge has affected the yarn price badly in the local market.

The freight rate was \$1,000 per

40-foot container in December. It rose to \$3,000 in June, said Monsoor Ahmed, additional secretary of the Bangladesh Textile Mills Association (BTMA), a platform of primary textile millers.

The demand for cotton rose 163 per cent between April and June compared to the corresponding period last year as almost all the local mills either enhanced their capacity or have gone for the highest use of the installed capacity because of the rise of demand for yarn, he said.

READ MORE ON B3

Strong bike industry inspires component makers

JAGARAN CHAKMA

Buoyed by the government policy aimed at developing the motorcycle industry, local companies are gradually making a foray into the component manufacturing segment with a view to cutting the country's reliance on imports.

The motorcycle industry needs more than 700 components to manufacture a bike. The local light engineering industry can make four components, namely drive chain, seat, stand, and battery.

At first glance, the achievement might seem like nothing compared to the vast requirement. But producing the components locally is a major stride

compared to a decade ago when the industry had completely relied on imports to meet the demand.

At least four companies manufacture components in Bangladesh, and one of them is QVC Bangladesh.

Located in Sundarban union in Dinajpur sadar upazila, the company produces around 2.5 lakh drive chains every year against the capacity of about 5 lakh.

ATM Shamsuzzaman, managing director of QVC Bangladesh, started making drive chains in 2014 after seeing the potential of the bike market. He invested around Tk 35 crore to set up the factory, which employs around 200 people.

READ MORE ON B3



STAR/FILE

The motorcycle industry needs more than 700 components to manufacture a bike.

ACI stocks soar on news of Tk 84cr foreign investment

STAR BUSINESS REPORT

ACI stocks soared yesterday when news broke that its subsidiary ACI Motors is set to receive Tk 83.99 crore in foreign investment for the expansion of its vehicle manufacturing capacity.

Stocks of ACI closed 2.51 per cent higher at Tk 269 at the Dhaka Stock Exchange (DSE).

The plants in question are of Yamaha motorcycle and agro machinery. The company is also planning to set up a plant to assemble Foton-branded commercial vehicles.

With the investment, the motorcycle plant's annual production capacity will reach 1,40,000 units from 1,08,000.

The investment is being made by Dutch investment bank FMO, United Kingdom's development finance institution Commonwealth Development Corporation (CDC) and Norfund through Bangladesh Managed Account CV, which is a limited partnership.

"We decided to take the equity investments not for money, but for innovation and utilisation of their experiences," said Pradip Kar Chowdhury, chief financial officer of ACI.

"We wanted to get investment from those who can contribute to our business

expansion, technological innovation, and idea generation," he said.

"The CDC can add value to our company as it has experience in innovation, artificial intelligence etc.," he said.

"All the companies have worldwide exposure, and they will sit in our board so we hope that they will contribute to improve our company," Chowdhury added.

The ACI will issue 15.55 lakh convertible, non-cumulative preference shares worth Tk 100 each at a premium of Tk 440 per share.



In case of non-cumulative preferred stocks, the dividend is only payable from the net profits of each year. If the company makes no net profit in a year, the arrears of dividend can not be claimed in subsequent years.

"The proceeds of the investment will be used for business growth as well as for expansion of existing manufacturing facilities of ACI Motors," the company said in a disclosure published on the DSE website yesterday.

READ MORE ON B3

Tax benefit to spur growth of oceangoing shipping sector

Entrepreneurs say



STAR BUSINESS REPORT

Bangladesh's fleet of oceangoing vessels is expected to expand in the coming years after the National Board of Revenue eased age rules for ships to qualify for VAT exemption during imports and cut advance income tax.

The revenue authority said it would extend the value-added tax (VAT) exemption to import up to 25-year-old ships in the next fiscal year from the existing 22 years.

It also relaxed the restriction on the sales of vessels over 5,000 deadweight tonnages. Importers will be able to sell ships after three years from the current five years from the next fiscal year.

The NBR brought down the advance income tax (AIT) on vessel imports to 1 per cent for FY22 from 2 per cent in the outgoing fiscal year.

"It will have a very positive impact because the investment size in oceangoing ships is huge.

READ MORE ON B3



Currently Bangladeshi entrepreneurs have 70 ships operating on international routes and the number of vessels doubled in the last couple of years.

COLLECTED

Make farm machinery affordable

Farmers, machinery makers, importers call for 80pc subsidy

STAR BUSINESS REPORT

The government should provide at least 80 per cent subsidy to farmers to bring agriculture machinery within their purchasing power.

Representatives of farmers, machinery manufacturers and importers made this call at the "National Workshop on Agricultural Mechanisation Project through Integrated Management" at the Krishibid Institution Auditorium in the capital's Khamarbari yesterday.

To speed up farm mechanisation across the country, they also urged the government to provide bank loans and agriculture machinery to small entrepreneurs in villages.

The government is currently giving 70 per cent subsidy to farmers in the haor areas and 50 per cent subsidy to the farmers in the rest of the country to buy agriculture machinery.

But most farmers cannot afford the rest of the cost to buy machinery like a combined harvester, which costs around Tk



The government is currently giving 70 per cent subsidy to farmers in the haor areas and 50 per cent subsidy to the farmers in the rest of the country to buy agriculture machinery.

COLLECTED

14 lakh to Tk 15 lakh.

Addressing the workshop, Agriculture Minister Muhammad Abdur Razzaque said the government was planning to provide bank loans to the farmers so that they could afford the rest of the cost.

He said the government wanted to manufacture farm machinery locally to reduce the dependency on imports. Most of the farm machinery is brought in from abroad.

"Besides, we are giving importance to producing spare parts and machinery repairing factories so that the opportunity for jobs can increase locally," Razzaque said.

The government has undertaken a Tk 3,020-crore project with an emphasis on agricultural mechanisation.

In addition, 284 posts of agricultural engineers have been created at the field level to accelerate farm mechanisation, the minister said.

READ MORE ON B3

Modernise FBCCI

Commerce minister urges leaders of the apex trade body



STAR BUSINESS REPORT

Commerce Minister Tipu Munshi yesterday asked the leaders of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) to leave their traditional way of thinking and contribute more to trade by modernising the country's apex trade body.

Munshi made this request during a meeting at his secretariat office with a 45-member delegation of the newly elected FBCCI body led by its president, Md Jashim Uddin, according to a statement from the commerce ministry.

Bangladesh has been preparing to sign free trade agreements and preferential trade agreements with some of its major trading partners as the nation is set to graduate from a least developed country (LDC) in 2026.

The government has been forming several sub-committees to prepare for the challenges it may face after LDC graduation.

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FIRST SECURITY ISLAMI BANK

Syed Waseque Md Ali, managing director of First Security Islami Bank, virtually inaugurated sub-branches at Kalihati, Tangail and at Sitakunda, Chattogram yesterday. The bank's additional managing directors Abdul Aziz and Md Mustafa Khair, and deputy managing directors Md Zahurul Haque and Md Masudur Rahman Shah were present.

Proposed budget may raise inequality

FROM PAGE B4
belief that tax cuts for the better off would have trickle down benefits through greater innovation and higher growth.

Since the time of former US president Ronald Reagan, conservative economists and politicians in the industrially developed nations are pursuing the Washington Consensus and the progressives have continuously opposed the idea and tried to enhance corporate tax rates in many ways.

Former US president Donald Trump cut corporate tax to 21 per cent from 35 per cent while his successor, Joe Biden is trying to pull it up to 25 per cent this year.

Nobel laureate and renowned global economist Joseph Stiglitz in an article titled "Why Tax Cuts for the Rich Solve Nothing", published by Project Syndicate in 2017 wrote, "It won't, because it never has. When president Ronald Reagan tried it in the 1980s, he claimed that tax revenues would rise. Instead, growth slowed, tax revenues fell, and workers suffered. The big winners in relative terms were corporations and the rich, who benefited from dramatically reduced tax rates."

In the same article, Stiglitz also ruled out the possibility of higher savings and investments from the private sector and argued, "There is simply no theoretical or empirical basis for this, especially in countries like the US, where most investment (at the margin) is financed by debt and interest is tax deductible. The marginal return and marginal cost are reduced proportionately, leaving investment largely unchanged. In fact, a closer look, taking into account accelerated depreciation and the effects on risk sharing, shows that lowering the tax rate likely reduces investment."

Bangladesh's economy in this context is similar to the US. In Bangladesh, most investments are financed by debt too. The expectations of greater private savings and investments will not be materialised.

Cutting the corporate tax rate would have worked better in Bangladesh if most of the corporate bodies had been tax compliant and savings from such lowered tax would be invested

in productive sectors with due care. But the reality is that most businesses in the country hide a lion's share of their income to pay comparatively little income tax. Actually, they do not bother about the income tax rate. Mismanagement is rampant in the business community.

In the absence of efficient management, better profit, savings and investments cannot be expected. Only a handful of good multinationals and a few local companies with better corporate governance systems will benefit from these tax cuts. Most of the big multinational companies are from the power, oil and gas, and infrastructure sectors. These companies, however, take a very calculated business risk. Further investment opportunities in their respective sectors are very limited.

No person with an understanding of Bangladesh's current economy and reasonable economic sense do not expect anything from Mr. Karmal's tax cut. In fact, the current and proposed budget's tax cut will result in more economic and social inequality, which have been widening in Bangladesh with rising robust economic growth over the last twelve years.

Last year, IMF Managing Director Kristina Georgieva wrote in a blog that higher tax rates for the better off were needed as part of a policy rethink to tackle inequality.

The IMF has moved away from the tax-cutting approach that once formed a central part of its policy advice. Tax cutting benefited only the big monies. G7 finance ministers also agreed to a tax clampdown and took a first step towards dismantling the irresponsible beggar-thy-neighbour version of capitalism.

Instead of tax cutting, Bangladesh needs to widen its tax net by reducing corruption amid taxmen and introduce more digital tools for tax collection. This would help the government spend money in the need of the poor and pandemic-induced new poor that is estimated to have risen to three crore.

The pandemic made many people jobless and many more are surviving with lower income at a time when the price of essentials are continuously

skyrocketing. Aggressive social spending is needed to increase the money flow to the bottom, which will increase velocity of money i.e., keep the economy vibrant.

In the current fiscal year, government spending was lower than the target. Many of the funds allocated for infrastructure, education, and health remained unspent because of the pandemic itself, inefficiency in public services and government policy for spending only on essential purposes.

During an economic hardship, the government should collect more from well-off people and spend that on social purposes so that money flow to the bottom remains uninterrupted. This would create employment as well as demand for goods and services produced or served by the cottage, micro, small and medium enterprises (CMSMEs) that provide more than 40 per cent of employment in Bangladesh and are the worst victims of the pandemic.

But the government's policy was just the opposite. This is the time to correct all the wrong policies that the government took during the first year of the pandemic.

The budget for 2021-22 is still in its proposal stage, awaiting approval in the parliament by the end of this month. The proposed budget has increased the number of beneficiaries of social safety nets but that is not enough to tackle the current dire straits of the country's ultra-poor.

Spending more on social safety programmes by increasing both the number and amount would ease the lives of millions, direct cash support for the self-employed and waged people who lost their jobs and are surviving with reduced wages as well as the CMSMEs is the need of the hour.

Instead of seeing what the private sector does, the government should make huge public investment in the dilapidated health sector, education and infrastructure in order to generate employment for the new poor and keep the economy flourishing. The government cannot afford to miss the tune of the hour.

The writer is a fellow chartered accountant and managing partner of Ahmed Sheikh Roy & Co.

Mercantile Bank brings MBL Rainbow app

STAR BUSINESS DESK

Mercantile Bank has recently launched digital banking app "MBL Rainbow", saying it would ensure faster, safer and convenient banking activities doing away with the need for physical presence.

The app is downloadable from Google Play Store and Apple App Store, says a press release.

The app enables opening bank accounts and banking anytime and from anywhere across the country.

Services include account to account fund transfers, utility bill payment, mobile top up, money withdrawal through QR code, online purchases, insurance payment, travel and entertainment related ticketing and booking services, agent banking and Mycash transactions.

Customer can also pay credit card bills, deposit scheme installments, view account statements and locate branches and ATM booths.

Bitcoin rises 9.8pc to \$39,035

REUTERS

Bitcoin surged 9.8% to \$39,035.47 on Sunday, adding \$3,492.71 to its previous close.

Bitcoin, the world's biggest and best-known cryptocurrency, is up 40.7 per cent from the year's low of \$27,734 on Jan. 4.

Ether, the coin linked to the ethereum blockchain network, surged 7 per cent to \$2,532.77 on Sunday, adding \$165.77 to its previous close.

Tesla Inc Chief Executive Officer Elon Musk tweeted on Sunday that the electric carmaker will resume allowing bitcoin transactions.

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

শেখ হাসিনার স্মরণীয়
প্রথম শহরের উন্নতি

Invitation for Tender (Works)

e-Tender Notice No.06/2020-2021

e-Tender's are invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of the following packages.

Sl. No.	Tender ID No.	Package No.	Name of Works	Tender Method	Tender Last selling date & time	Tender Closing date & time	Tender Opening date & time
1	587224	e-Tender/Sub Project/2019-20/305670/01	Estimate for Supplying of Central Medical Gas pipe line System under Saturia, Manikganj.	OTM	6.7.21 17.00	7.7.21 16.00	7.7.21 16.00
2	587229	e-Tender/Sub Project/2019-20/305670/02	Construction of Hygienic Safety Corner for 9 nos High School (Dhankura Grish Institute, Kollta, Cornel Malek, Abdur Rahman, Balati I.C, Char Tili Adarsho, Saturia Pilot Girls, Fukurhati Kandapara Mojibur Rahman & Daragram High School) under Saturia, Manikganj.	OTM	6.7.21 17.00	7.7.21 16.00	7.7.21 16.00
3	587230	e-Tender/Sub Project/2019-20/305670/03	Supplying & Installation of Street Light, Solar Panel and Pol at Different Places of Golora to Balati road under Saturia, Manikganj.	OTM	6.7.21 17.00	7.7.21 16.00	7.7.21 16.00

These are online Tender's where only e-Tender's 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 Documents from the National e-GP System portal have to be deposited online through any registered Bank's branches up to 17.00pm on 6-7-2021. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

(AFM, Masudur Rahman)
Upazila Engineer
Saturia, Manikganj
e-mail: u.saturia@lged.gov.bd

GD-1210

EU hires banks for first recovery fund bond

REUTERS

The European Union on Monday hired banks for a 10-year bond sale, the first to finance its recovery fund, according to two lead managers, a crucial step in financing the bloc's economic recovery from the coronavirus pandemic.

The sale will be launched on Tuesday, subject to market conditions, memos from the lead managers seen by Reuters said. The deal is the start of up to 800 billion euros of debt issuance between now and 2026 that will back grants and loans to member states - an unprecedented act of fiscal solidarity on the EU's part that may transform it into a leading European borrower.

It will build on 90 billion euros of EU issuance backing the SURE unemployment scheme, another support programme, since last October, which had already given the EU a significant presence in the bloc's debt markets.

The bond will raise 10 billion euros, France's junior minister for European affairs said on May 31.

The EU has said it expects to issue 80 billion euros of debt this year.

After the inaugural deal, the EU will sell two more bonds via syndication -- where a borrower hires banks to sell the debt directly to end investors -- by the end of July.

The EU will then launch a bill programme for short-dated borrowing that will be placed from September via auction, the more common way governments raise debt.

The bloc hired BNP Paribas, DZ Bank, HSBC, IMI-Intesa Sanpaolo and Morgan Stanley as joint lead managers for the debut deal, while Danske Bank and Santander will act as co-lead managers, according to the memo.

বাংলাদেশ পানি উন্নয়ন বোর্ড
Bangladesh Water Development Board

নির্বাহী প্রকৌশলীর কার্যালয়
মৌলভীবাজার পণ্ডর বিভাগ
বাপাউবো, মৌলভীবাজার
ফোনঃ ০৮৬১-৫২২৮২

Office of the Executive Engineer
Moulvibazar O&M Division
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Memo No. DA-1/1776 Date: 13/06/2021

Invitation for e-Tender

Tender ID:	Name of work
Invitation Reference No. DA-1/1773 dt: 13/06/2021 T ID No. 543523	Bank Revetment work along the right bank at Miyarpara from km 19.350 to 19.950 600m & 20.500 to 20.750 250m in C/W Protection Project at Moulvibazar Sadar Rajnagar & Kulaura Upazila from erosion of Manu river under Moulvibazar O&M Division BWDB Moulvibazar during the FY 2020-21 & 2021-22. Package No. MR-PW-46.
Invitation Reference No. DA-1/1774 dt: 13/06/2021 T ID No. 542056	Bank Revetment work along the left bank at Kamarchak from km 35.485 to 38.935 450m with 1 No. R/S stair in C/W Protection Project at Moulvibazar Sadar Rajnagar & Kulaura Upazila from erosion of Manu river under Moulvibazar O&M Division BWDB Moulvibazar during the FY 2020-21 & 2021-22. Package No. ML-PW-31.

This is an online tender where only e-Tenders will be accepted in the National e-GP Portal and no offline/hard copy 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 documents from National e-GP System Portal have to be deposited online through any registered bank's branches. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd) (01762625528-31).

পানি-৯৭৪/২০২০-২০২১
৫*৩
জিডি-১২০৩

Mohammad Aktaruzzaman
Executive Engineer
Moulvibazar O&M Division
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Government of the People's Republic of Bangladesh
Prime Minister's Office
Bangladesh Export Processing Zones Authority (BEPZA)
BEPZA Complex, House # 19/D, Road #06
Dhanmondi, Dhaka-1205.
(www.bepza.gov.bd)

Memo No- 03.06.2616.325.07.002.21-1038 Date: 14 June 2021

CORRIGENDUM NOTICE for

Request for Expression of Interest (EOI) to achieve Environmental Clearance Certificate (ECC)

This is to notify all concerned that due to unavoidable circumstances, the EOI notice invited vide Memo No- 03.06.2616.325.07.002.21-958, Dated on 02 June 2021 is hereby amended as stated below:

Sl.	Particulars	As invited in EOI notice	As Amended
01	Heading	For selection of ----- for proposed Patuakhali & Jashore EPZ at Patuakhali & Jashore district.	For selection of ---- for Establishment of Rangpur, Jashore & Patuakhali EPZ at Gaibandha, Jashore & Patuakhali district.
02	Project/ Programme Name (If Applicable) (Sl. No.:13)	Patuakhali & Jashore EPZ Project	Establishment of Rangpur, Jashore & Patuakhali EPZ Project
03	EOI Closing Date & Time (Sl. No.:14)	June 27, 2021 at 12.00 PM	July 04, 2021 at 12.00 PM
04	Brief description of Assignment (Sl. No.:15)	Bangladesh Export Processing Zones Authority (BEPZA) is----- for the proposed Jashore & Patuakhali EPZ.	Bangladesh Export Processing Zones Authority (BEPZA) is ----- for the Establishment of Rangpur, Jashore & Patuakhali EPZ Project.
05	Objectives of The Assignment (Sl. No.:16)	Submission of Environmental Clearance Certificate ----- for establishing Jashore & Patuakhali Export Processing Zone.	Submission of Environmental Clearance Certificate ----- for Establishment of Rangpur, Jashore & Patuakhali Export Processing Zone.
06	Other Details (Sl. No.:18)	03. Incomplete/partial EOIs will --- upto-12.00 PM by 27 June, 2021---	03. Incomplete/ partial EOIs will ---- upto- 12.00 PM by 04 July 2021 -----
07	Package Details (Sl. No.:23)	To achieve ---- for proposed Jashore & Patuakhali EPZ.	To achieve --- for the Establishment of Rangpur, Jashore & Patuakhali EPZ Project.
08	Location (Sl. No.:23)	Avoyanagar Upzilla, Jashore & Pocha Koralia, Patuakhali Sadar, Patuakhali.	Gobindaganj Upzilla, Gaibandha & Avoyanagar Upzilla, Jashore and Pocha Koralia, Patuakhali Sadar, Patuakhali.

(Md. Shah Riar Chowdhury)
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GD-1207

Euro zone production stronger than expected in April

REUTERS, Brussels

Euro zone industrial production was stronger than expected in April, driven by a more than doubling of durable consumer goods output from a year earlier as economies steadily reopened after Covid-19 pandemic lockdowns, data showed on Monday.

The European Union's statistics office Eurostat said industrial output in the 19 countries sharing the euro rose 0.8 per cent month-on-month for a 39.3 per cent year-on-year surge.

Economists polled by Reuters had expected a 0.4 per cent monthly and a 37.4 per cent annual jump.

The biggest production gain in April against March was in durable consumer goods, where output rose 3.4 per cent after 1.2 per cent monthly declines in both February and March.

Profit booking prevails in market

FROM PAGE B4

Khan Brother PP Woven Bag Industries shed the most, dropping 4.76 per cent, followed by Malek Spinning Mills, Far East Knitting and Dyeing Industries, Generation Next Fashions and Alif Industries.

Chittagong Stock Exchange (CSE) also fell yesterday. The CASPI, the general index of the port city bourse, dropped 63 points, or 0.36 per cent, to 17,465. Among 307 stocks to witness trade, 90 advanced, 198 dropped and 19 remained the same.

Government of the People's Republic of Bangladesh
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Construction of 8th Bangladesh China Friendship Bridge Project
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Invitation for e-Tender (OTM)

e-Tender is invited in the National e-GP System Portal for the following works:

Tender ID & Package No.	583384 & e-GP/001/8thbcfb/2020-2021 No.
Name of Tender	Construction of Toll Plaza including Rigid Pavement with association site office building and Inspection Bungalow under 8th Bangladesh-China Friendship Bridge Project.
Tender last selling date and time	Date: 28-Jun-2021 & Time: 17:00.
Tender closing & opening date and time	Date: 29-Jun-2021 & Time: 12:00.

This is an online tender, where only e-Tender will be accepted in e-GP Portal and no offline/hard copy will be accepted. To submit e-Tender, please register on e-GP System (<http://www.eprocure.gov.bd>). For more details, please contact e-GP help desk (helpdesk@eprocure.gov.bd).

Masud Mahmud Sumon
ID No. 602165
Project Manager (EE), RHD
Construction of 8th Bangladesh-China Friendship Bridge Project
Sarak Bhaban, Tejgaon, Dhaka-1208

GD-1204

World stocks near record high as investors await dovish Fed act

REUTERS, Tokyo
Global shares held firm near record highs on Monday while US bond yields flirted with three-month lows as investors expect the Federal Reserve to stick to its dovish mantra later this week.

Japan's Nikkei rose 0.35 per cent while MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.1 per cent. Activity was limited with the region's largest markets - China, Hong Kong and Australia - closed for a holiday.

Globally, equity markets were basking in the prospects of a broadening economic recovery from the coronavirus pandemic and anticipation of continuity in dovish monetary policy from the US Federal Reserve.

The MSCI all-country world equity index, the US S&P 500 and the pan-regional STOXX Europe 600 index all closed at record highs on Friday.

The rally came even as US inflation data on Thursday exceeded market expectations.

"One big factor is that the Fed has been saying inflation will be transitory and that it will maintain loose monetary policy," said Norihiro Fujito, chief investment strategist at Mitsubishi UFJ Morgan Stanley Securities.

"But another factor to consider is

that markets are simply awash with cash."

Ample funds are finding their way to bonds, where the yield on 10-year US Treasuries stood at 1.465 per cent ahead of the Fed's policy meeting this week, having fallen to a three-month low of 1.428 per

cent on Friday.

"It is becoming painful for bond bears and I bet the 10-year yield will fall to 1.25 per cent or even 1 per cent," said Akira Takei, fund manager at Asset Management One, noting that US economic recovery is likely to slow in coming months.

"The US employment rate was 61 per cent before the pandemic. It has recovered to 58 per cent but I expect its recovery to slow. After the great financial crisis (of 2008), it has never recovered to its pre-crisis levels."

Speculators are also building up long positions in US debt, with their net long positions in US bond futures hitting the highest level since October 2017, US financial watchdog data showed.

Many investors expect the Fed to repeat its dovish view at its two-day meeting from Tuesday.

While some Fed board members have said the bank should start discussing tapering its bond buying, most investors think a majority of policymakers still prefer to wait a bit more.



A man wearing a protective face mask, following an outbreak of the coronavirus, talks on his mobile phone in front of a screen showing the Nikkei index outside a brokerage in Tokyo, Japan on February 26, 2020.

Tax benefit to spur growth of oceangoing shipping sector

FROM PAGE B1
And the AIT during the import increases our initial cost," said Azam J Chowdhury, president of the Bangladesh Ocean Going Ship Owners' Association.

According to the businessman, the relaxation would raise interest among entrepreneurs to invest in taking a slice of freight charges that businesses pay to import goods.

Bangladesh spends \$7-8 billion as freight charges every year to carry goods for its imports. The country has the opportunity to retain a portion of freight charges, ship owners earlier said.

Currently, entrepreneurs have 70 ships plying on the international waters. The number of vessels, dry cargo vessels, tankers and container vessels doubled from 35 five years ago.

Bangladesh had 85 oceangoing ships. But the owners sold off most of them in the face

of declining freight rates, higher operating costs and removal of the VAT exemption on the imports and manufacturing of ships from fiscal 2014-15.

Private investors showed renewed interest in buying ships after the NBR reinstated the VAT exemption in 2018 to accelerate the shipping industry's growth.

Since then, the number of locally owned ships has started increasing as the volume of imports and exports for the growing economy has increased.

Chowdhury said investment in ships to cater for the global freight market would increase if the government further relaxed some more rules.

The tax at source on freight incomes should be removed, he said.

"We are earning foreign currency. Either the government should withdraw the tax or bring down the rate to 1 per cent," he said.

At present, 3 per cent to 5 per cent tax on freight is applicable depending on the destinations.

"In addition, Bangladesh Bank's support is needed," Chowdhury said, adding that steps should be taken so that importers mention C&F (cost & freight) and FOB (Free on board) prices of goods while opening the letters of credits.

"Once this is done, Bangladeshis will buy many ships," he said.

Mostafa Kamal, chairman and managing director of Meghna Group of Industries, said the AIT on freight income should be withdrawn as ship owners received a small portion of the revenue after deducting operating expenses.

"This is a highly capital-intensive sector, and a lot of risks is involved. Many entrepreneurs will sign up in the trade if the remaining issues are addressed," he said.

MGI owns eight oceangoing vessels.

ACI stocks soar on news of Tk 84cr foreign investment

FROM PAGE B1

The new investment will reduce ACI's shareholding in ACI Motors from 52.70 per cent to 46.80 per cent, the company added.

ACI Motors is one of the market leaders in the distribution of agricultural machinery in Bangladesh and the sole distributor of Yamaha motorcycles in the country.

The FMO will support access to mechanisation for farmers and help ACI Motors increase local value creation in the motorcycle segment, the FMO said about the investment in its website.

Bangladesh is experiencing significant labour shortages during peak crop harvesting seasons and mechanisation can play a key role in increasing yields and improving farmers' income. The FMO's investment is expected to contribute to economic growth and reduce inequalities and indirectly to zero hunger, it added.

Earlier, in 2020, the FMO bought 23.33 lakh convertible non-cumulative preference shares worth Tk 126 crore.

Of the total foreign fund, including the previous investment, around 65 per cent will be used as capital expenditures while the remaining as working capital.

Revenue of ACI Motors rose 1.67 per cent year-on-year to Tk 970 crore in the nine-month period of the current fiscal year, from July 2020 to March 2021. During the same period, its profit before tax was Tk 91.74 crore.

Its asset was Tk 1,381 crore and liabilities Tk 849 crore as of March 31, 2021, according to the financial reports.

ACI Motors offers a line-up of high horsepower agricultural machinery, such as tractors, power tillers, reapers, mini combine harvesters and rice transplanters.

It introduced the Sonalika Tractor, which is said to be specially designed for Bangladesh's small sized lands and roads.

In 2017, ACI Motors added China's leading brand Lovol's construction equipment such as wheel loaders and mini excavators.

Modernise FBCCI

FROM PAGE B1

FBCCI representatives will be included in those sub-committees for their opinions to face these challenges. "So, a trade organisation like the FBCCI should be more active in contributing towards the national interests," the minister said.

Munshi also advised the FBCCI leaders to diversify Bangladesh's list of export products as the country is highly dependent on the garment sector, which accounts for 84 per cent of the total exports each year.

The commerce minister urged them to explore opportunities to export ICT products, leather and leather goods, plastic goods, jute and jute goods and light

engineering goods, apart from garment items.

"We want to export merchandise worth \$50 billion in the next fiscal year," he said. Munshi sought the cooperation of all businessmen to achieve this target.

FBCCI President Jashim Uddin said the government should facilitate export of new goods and diversification of markets.

Welcoming the proposed budget, he assured of the FBCCI's readiness to help the government face the challenges of LDC graduation and achieve sustainable development goals.

Commerce Secretary Tapan Kanti Ghosh also spoke at the meeting.

Make farm machinery affordable

FROM PAGE B1

"As a result, agriculture is moving towards mechanisation, and the benefits of mechanisation are being reaped," he added.

Md Monjurul Alam, a professor of the farm power and machinery department of Bangladesh Agricultural University, said a survey should be carried out to assess the usefulness of the agriculture machinery currently in use.

"Moreover, farmers need long-term training to learn about modern machinery," he said.

Women's participation in the agriculture sector is increasing, and the government should pay special attention to them.

About 60,000 more combine harvesters are needed to harvest crops across the country. Agricultural loans have to be disbursed in a way that makes buying farm machinery mandatory, Alam added.

Strong bike industry inspires component makers

FROM PAGE B1

"My company is unable to fulfil the demand despite running the factory round the clock. Users appreciate the quality of our product," he noted.

QVC Bangladesh supplies drive chains to Grameen Motors, Runner Automobiles, and state-run Atlas Bangladesh.

It meets around 60 per cent of the demand for drive chains of Runner Automobiles.

Officials from Honda, TVS, and Hero have visited his factory and inspected the quality of the product, Shamsuzzaman said, adding that he was optimistic about becoming a supplier of the companies.

Md Tazul Islam, president of the Automobile Components & Accessories Manufacturers Association, said Bangladesh could manufacture all motorcycle components as local vendors had all the resources.

Islam is the managing director of Run Industries, which manufactures motorcycle seats.

Set up at Sibrapur in Faridpur in 2009, the company is the sole seating solution provider to Runner Automobiles and Hero Motorcycle.

It sells more than two lakh seats to Runner and Hero combined. The factory has an annual production capacity of 18 lakh seats.

Local firms could not provide any official data on the annual market size

of bike components or spare parts.

The annual demand is worth no less than Tk 500 crore and the market has been growing around 15 per cent per annum for the last 10 years, they said.

The growing demand for the two-wheelers and the Motorcycle Industry Development Policy 2018 has inspired local firms to set up manufacturing facilities or assembly plants to keep prices lower and capture the market share.

Currently, 96 per cent of motorcycles running in the country have either been locally manufactured or assembled.

Around 5 lakh units of motorcycles were sold in 2019. The sales declined to 3.11 lakh units in 2020 as demand fell because of the impacts of the economic slowdown caused by the coronavirus pandemic.

"Local component makers are trying to cater to the motorcycle industry amid challenges," said Hafizur Rahman Khan, chairman of Runner Automobiles, the pioneer in motorcycle manufacturing in Bangladesh.

OBSTACLE FOR LOCAL VENDOR DEVELOPMENT

The government has extended tax facilities to encourage the bike industry to develop local vendors to create world-class products for the local and export markets and to create jobs.

But not a single motorcycle company is working to develop local vendors to produce parts and components. Motorcycle assemblers import finished and semi-finished goods.

WHAT MOTORCYCLE MANUFACTURERS SAY

Khan of Runner Automobiles said policy support was needed to develop local vendors. "Runner is trying to develop local vendors."

Abdul Matlub Ahmad, chairman of Nitul Niloy Group, which assembles Hero-branded motorcycles, said all manufacturers should cooperate with local vendors in the greater interest of the industry.

Shah Muhammad Ashequr Rahman, head of finance and commercial at Bangladesh Honda Pvt Ltd, said manufacturing generated the most robust backward linkages industry through vendors across all sectors of the economy.

He noted the expansion of the motorcycle industry might encourage the growth of the parts component and supporting industries and technical consulting services.

He said the technology transfer was highly required to develop local suppliers. Sound policies and facilities were needed for local suppliers and vendors to produce parts.

"Local manufacturers may be able to offer good quality products at a reasonable price," Rahman added.

Rising yarn prices threaten garment export recovery

FROM PAGE B1

According to the US Department of Agriculture, global cotton production and consumption are expected to rise marginally from last month.

The record global trade will be boosted, led by robust demand in China, Bangladesh, and Turkey, it said.

Since Bangladesh is not a major cotton-producing nation, 99 per cent of the requirement for the raw material is met through imports.

Traders, importers and millers import 8 million bales of cotton, spending \$3 billion a year.

Last year, cotton imports fell to 7.2 million bales as production halted in many mills after the government had imposed nationwide restrictions to tame the coronavirus pandemic.

Bangladesh produces 1.5 lakh bales of cotton annually.

Despite the increase in the price of raw materials, international clothing retailers and brands are reluctant to offer a better price to local garment suppliers.

The increase in yarn price has pushed up the production cost of a finished exportable garment item by 25 per cent. But buyers are offering a 5 per cent to 10 per cent increase.

"One of my buyers had proposed a 3 per cent price hike. I rejected the offer," said a garment supplier.

"The buyer shifted the work orders to Sri Lanka, but the Sri Lankan supplier also did not accept the price. Finally, a Bangladeshi buying house received the order at a lower rate."

Md Fazlul Hoque, managing director of Narayanganj-based Plummy Fashions Ltd, said his buyers were offering a 5 per cent to 10 per cent hike.

"I am taking the orders to keep my factory up and running. Keeping the factory operational even at an abnormally lower price is also a business," he added.

Some local suppliers are not getting any additional prices from the buyers as retailers and brands booked the orders at least six months ago, according to a European buyer in Dhaka.

"Six months ago, the prices of cotton and yarn were lower. The suppliers should have bought the raw materials at that time. Then, they would not have faced the current situation," he said.

Last year, cotton production was lower in the US and India, the two

major suppliers of the raw material for Bangladesh, said Mohammad Ali Khokon, president of the BTMA.

"So, the yarn prices have gone up in local markets," Khokon said.

Because of the depressed demand in the western markets and lower prices, Bangladesh is set to miss its apparel export target for the outgoing fiscal year.

At the beginning of the fiscal year, the government aimed to earn \$33.79 billion from apparel exports.

In the first 11 months of FY2020-21, the country earned \$28.57 billion from garment exports, registering 11.1 per cent year-on-year growth, according to data from the Export Promotion Bureau.

Knitwear shipments fetched \$15.36 billion, and woven garments brought home \$13.19 billion, registering 20.55 per cent and 1.80 per cent year-on-year growth respectively.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said the retailers and brands raised the prices up to 15 per cent for new orders, although the cost had gone up by up to 25 per cent.

"We need to negotiate strongly with buyers," he added.

North-West Power Generation Company Ltd.

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(An Enterprise of Bangladesh Power Development Board)

Office of the Plant Manager (Superintending Engineer)
Sirajganj 225 MW Combined Cycle Power Plant (Unit-1)
NWPGL, Soyadabad, Sirajganj-6750.

Ref: 27.28.8878.101.07.001.19.142 **Date: 14/06/2021**

e-Tender Notice

The following e-Tender is invited in the National e-GP System Portal (www.eprocure.gov.bd):

Sl. No.	Tender ID	Brief Description of Tender	Publication Date & Time	Last Selling Date & Time	Opening Date & Time
1	587968	Supply of Aqueous Film Forming Foam and Refilling of FM-200 Gas Cylinder.	13/06/2021, 16:00 PM	29/06/2021, 03:45 PM	30/06/2021, 11:00 AM

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 (www.eprocure.gov.bd) is required. Further information and guidelines are available in the National e-GP System Portal and e-GP Help Desk (helpdesk@eprocure.gov.bd).

(Shafiqul Islam)
Plant Manager (S.E.)
Sirajganj 225 MW CCPP (Unit-1)
NWPGL, Soyadabad, Sirajganj-6750.
Contact No.: + 8801755630007

GD-1209

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ক্রমিক নং	টেন্ডার রেফারেন্স নং	Tender আইডি নং	ক্রয়ের ধরণ ও কাজের নাম	দরপত্র পদ্ধতি	দরপত্র দাখিলের তারিখ ও শেষ সময়
১।	DA-2-1.88	587400	Works: At SSAE/Works/KRF Section: Partial rebuilding of BTPK and abutment wall and wing wall of bridge No. 28 (Span 1x20'-0") at Km. 347/4-5 and other ancillary work in between BTPK-MIZ Station.	OTM (NCT)	30-Jun-2021 12:40:00pm
২।	DA-2-1.88	587407	Works: At SSAE/Works/KRF Section: Re-construction of bed block on both end abutment by RCC Slab of bridge No. 23 (1x20'-0" span) at Km. 345/9-346/0 in between BTPK-MIZ Station with temporary arrangement including construction of pre-cast RCC ballast protection wall as per drawing.	OTM (NCT)	30-Jun-2021 12:50:00pm
৩।	DA-2-1.90	587414	Works: At SSAE/Works/KRF Section: Partial rebuilding of Both end abutment wall and repairs to damaged Floor of bridge No. 220(Span 1x12'-0") at Km. 327/5-6 in between KRF-LNG Station with other ancillary work.	OTM (NCT)	30-Jun-2021 14:00:00pm
৪।	DA-2-1.27	587426	Works: At SSAE/Works/BCI Section: Partial Re-rebuilding of Bridge No. 35 (1x40'-00"+2x20'-00" Span) at section BCI-DLY Km 237/5-6 and other related works.	OTM (NCT)	30-Jun-2021 14:10:00pm

বিঃদ্রঃ

- শুধুমাত্র ই-জিপি সিস্টেমে নিবন্ধিত শর্তাবলী পূরণকারী দরদাতাগণ সরাসরি অংশগ্রহণ করতে পারবেন।
- দরপত্র অংশগ্রহণের জন্য দরপত্র দাখিল ও দরপত্র জামানত বাবদ অর্থ নির্ধারিত ব্যাংকে জমা করতে হবে।

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মোঃ সুলতান আলী
বিভাগীয় প্রকৌশলী/২/ঢাকা

Custom greenhouse enables faster yields



Vegetable saplings growing in coco peat in a greenhouse of Maxim Agro where temperature and humidity are controlled while pests kept away, enabling faster yields. The photo was taken recently.

DISTRICTS IN FOCUS

MOKAMMEL SHUVO and AZIBOR RAHMAN, Jhenidah

Imagine neat rows of vegetable saplings in the thousands growing in a temperature and humidity controlled environment fitted with drip irrigation and free from pests, capable of providing harvests 15 days in advance.

What was mostly on trial is now in practice some 200 kilometres southwest of Dhaka by the Jashore-Jhenidah highway.

Maxim Agro sits in Jashore sadar upazila near Churamankati Bazar.

Its primary operations encompass four sheds on a piece of land just shy of a football field in size.

Each of these sheds are custom greenhouses, with concrete pillars holding up green netting for walls,

allowing air to move freely yet keeping out the pests.

The top is made up of a steel frame covered with UV resistant clear poly film, which, in other words, allows just the right amount of light and heat.

Inside, on bamboo platforms sit custom plastic trays, each capable of holding 104 seedlings, alongside tea pots for the same purpose.

But what makes this farm stands out the most is its use of coco peat or coco dust instead of soil to turn seeds into saplings, which they say enable harvests 15 days in advance.

This was confirmed by Samaul Islam, a farmer of Bhagalpur village under Haibatpur union in Jashore Sadar upazila.

He said the price of the seedlings were almost double that sold in local markets.

But the cabbage he cultivated was ready for harvest 15 days in advance last season, he said.

This was for the germination

carried out in coco peat, he said, adding that the success rate in germination was over 90 per cent.

"I benefited in both ways, first for early yielding and second for the success rate of seedling survival," said Samaul.

Md Tauhidul Islam, director of an agricultural project of Jagorani Chakra Foundation, a corporate client of the farm, said they distributed these seedlings among their 600 beneficiaries and got good feedback.

Selling the saplings at twice the market rate has not stopped the farm from reaching break-even and then to profit in just three years of operations.

Last year the farm sold around one crore seedlings, said its business manager, MD Beplob Hossen.

"In this greenhouse, temperature and humidity are controlled. Excess sunlight and temperature are not suitable for vegetable seed germination and growing

seedlings," he said.

"So the environment inside the shed is cooler than that outside," he added.

Now the farm germinates 32 varieties of vegetable seedlings, including that of tomato, yellow watermelon, papaya, chilli, brinjal, gourd, capsicum, squash and cabbage.

It is also working on producing black sugarcane and corpus cotton seedlings, said Biplob.

The farm also sells mulch film, seedling trays, growing media such as coco dust, UV poly film, green and black nets, drip irrigation etc.

Mulch film are used to modify soil temperature, limit weed growth, prevent moisture loss, and improve crop yield as well as precocity.

The owner, Md Shariful Amin, hailing from Naogaon and now residing in Dhaka, has two more similar operations in Meherpur and Bogura.

"I had a cherished desire for an uncommon nursery from my childhood," he told our Jhenidah correspondent over the phone.

"After visiting a vegetable seedling farm in India, my childhood dream revived in my mind and at the end of 2018, I started this agro farm," he said.

Though this farming method was very costly, the output was good while it also provided employment opportunities, he said.

Some 10 women are said to be employed to carry out the planting. Mohammad Hamidur Rahman, a former director general of the Department of Agricultural Extension, said seedling production using UV poly film was practiced in Bogura on a small scale by some farmers.

However, this type of seedling production on an industrial scale is a new concept in Bangladesh, he said.

They can deliver quality seedlings in any parts of the country and this is good for the country's agriculture, he said.

Proposed budget may raise inequality



SABBIIR AHMED



OPINION

infections caused by a multitude of variants, and progress in vaccination, no one can foresee any better economic conditions in the upcoming financial year.

The budget itself has not offered any silver bullet that can change the current gloomy economic landscape.

One of the chief features of the proposed budget is a reduction in corporate tax rates.

Corporate tax rates for listed, non-listed and one-person companies have been reduced by 2.5 percentage points while keeping other corporate tax rates unchanged in hopes that the proposed cut, reduction in turnover VAT rate, lower interest rate, widening scope of tax exemption, etc. will generate new employment, private sector savings, investment and revenue.

In the last budget, the government had also reduced the corporate tax rate by the same percentage. By the current finance minister's two consecutive budgets, corporate tax rates have been reduced by 5 percentage points.

It is very much clear that Mr. Kamal believes in the so-called 'Washington Consensus' -- a free-market approach to running economics that includes the

Finance minister MFM Mustafa Kamal on June 3 placed his second consecutive national budget at the parliament for fiscal 2021-22, targeting 7.2 per cent annual GDP growth while revising last year's current growth target to 6.1 per cent from the initial 8.2 per cent estimated amid the ongoing Covid-19 pandemic.

It is evident from the revision that the government underestimated the pandemic's impact. At the time of last year's budget proposal, many economists and budget analysts, including this writer, opined that the 8.2 per cent growth target was not achievable.

Even though the finance minister lowered the target this time, it was still kept higher than the current year's revised target.

Specific reasons for such a higher target have not been explained elsewhere in the budget. Considering the wave after wave of

READ MORE ON B2



Women are carrying relief supplies provided by the authorities amid the coronavirus pandemic in Dhaka. The proposed budget has increased the number of beneficiaries of social safety net programmes but that is not enough to mitigate the sufferings of the country's ultra poor.

REUTERS/FILE

Bill placed in parliament to upgrade bankers' law

STAR BUSINESS REPORT

The Bankers' Book Evidence Bill 2021, defining digitally recorded documents as evidence, was placed in parliament yesterday.

Finance Minister AHM Mustafa Kamal placed the bill, which was sent to a parliamentary standing committee on finance ministry for further scrutiny.

The parliamentary watchdog was asked to submit its report within 30 working days.

The draft new law was brought to incorporate digitally recorded evidences in an existing law. The proposed law will replace the old Bankers' Book Evidence Act 1891 as many aspects of the current law are not familiar with the real situation of the present time.

Besides, the banks are now working digitally, which was not mentioned in the previous law and this is one thing that the draft law has addressed.

The proposed law has suggested making information public, except those of a private nature which would require prior permissions from the court and authorities

The proposed law will replace the old Bankers' Book Evidence Act 1891 as many aspects of the current law are not familiar with the real situation of the present time.

concerned. The new law also states of some offences, punishments and trial procedures to prevent unauthorised and behind-the-scene leak of any information.

The bill defines the jurisdiction of courts for any bank related information, which was totally prohibited in the old law.

Some of the information has been opened up in the new law, axing the privileged and personal information, which will be authorised to be published.

Profit booking prevails in market

But insurance stocks continue to climb

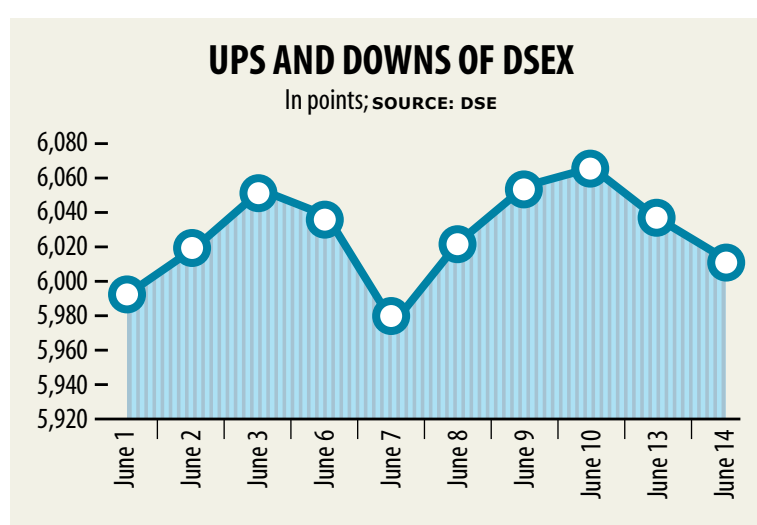
STAR BUSINESS REPORT

A tendency to book profits prevailed among investors in the stock market yesterday, all the while the insurance sector had started soaring again.

The DSEX, the Dhaka Stock Exchange's (DSE) benchmark index, fell 22 points, or 0.37 per cent, to 6,013.

The market opened marginally higher compared to that the previous day but it slowed down as the session continued to experience a profit-booking tendency, said LankaBangla Securities in its daily market observation. The DSE's turnover, an important indicator of the market, dropped around 16 per cent to Tk 1,740 crore.

"The market is going through a falling trend due to the profit booking tendency among



investors," said a stock broker.

However, the insurance stocks are still undergoing an unexpected, sharp rising trend after having

soared abnormally in recent months, according to data from LankaBangla Securities.

"Investors need to be cautious in

their investment because a wrong decision might be harmful for them and in the long run, for the stock market," he added.

Among major sectors, insurance was the only one to rise with a 3.86 per cent growth while textile, engineering and pharmaceuticals dropped.

At the country's premier bourse, 103 companies' stocks rose, 258 fell and 11 remained the same.

Safko Spinning Mills topped the gainers' list, rising 10 per cent, followed by Bangladesh Monospool Paper Manufacturing Company, Monno Fabrics, Index Agro Industries and Standard Insurance.

Stocks of Beximco traded the most, worth a total of Tk 112 crore, followed by NRB Commercial Bank, Pioneer Insurance, Lub-tref (Bangladesh) and Fortune Shoes.

READ MORE ON B2

GLOBAL BUSINESS

Oil prices rise as demand improves, supplies tighten

REUTERS, London

Oil prices rose on Monday, hitting their highest levels in more than two years supported by economic recovery and the prospect of fuel demand growth as vaccination campaigns in developed countries accelerate.

Brent was up 85 cents, or 1.2 per cent, at \$73.54 a barrel by 0908 GMT, their highest since April 2019.

US West Texas Intermediate gained 72 cents, or 1 per cent, to \$71.63 a barrel, their highest since October 2018.

"The two leading crude markers are trading at (almost) two-and-a-half-year highs amid a potent bullish cocktail of demand optimism and OPEC+ supply cuts," said Stephen Brennock of oil broker PVM.

"This backdrop of strengthening oil fundamentals have helped underpin heightened levels of trading activity."

Motor vehicle traffic is returning to pre-pandemic levels in North America and much of Europe, and more planes are in the air as anti-coronavirus lockdowns and other restrictions are being eased, driving three weeks of increases for the oil benchmarks.

The mood was also buoyed by the G7 summit where the world's wealthiest Western countries sought to project an image of cooperation on key issues such as recovery from the Covid-19 pandemic and the donation of 1 billion vaccine doses to poor nations.

The International Energy Agency (IEA) said on Friday that it expected global demand to return to pre-pandemic levels at the end of 2022, more quickly than previously anticipated.

Virus outbreaks at Thai factories threaten export sector, recovery

REUTERS, Bangkok

A series of Covid-19 outbreaks in Thai factories is raising concerns that the export sector could be hit hard, threatening to further undermine an

economy as it struggles to recover from the pandemic's crippling blow to the crucial tourism industry.

The virus has swept through more than 130 factories, including those supplying international brands, with

more than 7,100 cases across 11 provinces, making manufacturing one of the top sources of infections along with prisons and construction camps.

The affected plants are just a fraction of about 63,000 factories in Thailand that employ 3.4 million, government data shows, but officials worry about the impact on exports that have kept the struggling economy moving as income from tourism has collapsed.

In 2020, exports accounted for 45 per cent of gross domestic product. The tourism-reliant economy, a global trade hub, suffered a steep 6.1 per cent contraction last year, and last month the government trimmed GDP growth forecast for this year to 1.5per cent to 2.5per cent from 2.5per cent to 3.5per cent previously.

Electronics, rubber gloves, and food are among the export sectors hit by infections, Federation of Thai Industries vice chairman Kriengkrai Thiennukul told Reuters, but he said it was too early to assess the overall impact.



A container is loaded onto a cargo ship at a port in Bangkok.

REUTERS/FILE

NEWS In Brief

India's May inflation accelerates to 12.94pc

REUTERS, New Delhi

India's wholesale price inflation accelerated to 12.94 per cent year-on-year in May, versus 10.49 per cent year-on-year in April, mainly due to a spike in energy prices, government data showed on Monday. Fuel prices accelerated by 37.61 per cent year-on-year in May, the data showed.

The government said the high rate of inflation in May was primarily due to a low base effect and a rise in prices of crude petroleum, mineral oils and manufactured products.

Average age of US vehicles hits record 12.1 years in 2020

REUTERS

The average age of US cars and light trucks rose to a record 12.1 years in 2020, as Americans drove fewer miles and scrapped more vehicles during the Covid-19 pandemic, according to IHS Markit.

The research firm said the two-month increase in vehicles' average age over the 2019 figure could be short-lived as sales of both new and used cars continue to pick up as the pandemic eases. Vehicle miles traveled in the United States declined more than 13 per cent in 2020, according to IHS, while more than 15 million vehicles were scrapped - about 5.6 percent of the total vehicle population.

Normally, such a high scrappage rate would cause average vehicle age to decline, the firm said.