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16491

Banks log higher than expected profits despite slowdown

AKM ZAMIR UDDIN

Banks in Bangladesh posted a hefty operating profit in the first half of 2021 despite the business slowdown caused by the coronavirus pandemic, data of 20 lenders showed.

The lower interest rate on deposits and the moderate lending rate helped banks register the higher operating profit in the January-June period, bankers said.

Lenders also managed a good profit from their investment in the capital market as the bourses performed well during the period.

The foreign exchange business also made a turnaround, and banks received good commissions and fees from the sharp rise in exports and imports.

A number of officials of the Bangladesh Bank, however, said that some banks might have shown their incomes from credits even if they did not get any instalment on the loans in the first half of the year.

The BB earlier allowed banks to grant deferral supports to clients in the first quarter, meaning that borrowers had not turned defaulters despite failing to repay the loan.

In such a situation, banks might have shown unrealised interest as incomes, inflating profits, said a BB official.

Islami Bank Bangladesh posted the highest profit amounting to Tk 1,020 crore in the first half in contrast to Tk 1,007 crore during

OPERATING PROFIT OF BANKS

In crore taka

BANK	FIRST HALF-2020	FIRST HALF-2021	BANK	FIRST HALF-2020	FIRST HALF-2021
Islami	1,007	1,020	Dhaka	263	310
DBBL	417	504	Al-Arafah	305	310
Pubali	401	503	Jamuna	262	301
Bank Asia	351	484	Premier	186	301
Southeast	342	472	Shahjalal	247	280
Eastern	372	450	Social Islami	175	227
Mercantile	243	358	NRBC	91	150
EXIM	317	340	Modhumoti	124	127
NCC	290	328	South Bangla	70	80
IFIC	159	321	Meghna	12	70

SOURCE: RESPECTIVE BANKS

the same period a year ago.

The profit in Dutch-Bangla Bank stood at Tk 504 crore, up 21 per cent year-on-year.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said that both interest rates on loans and deposits declined sharply in the first six months due to the business slowdown.

But, the interest rate on savings fell faster than that of the lending rate, allowing lenders to make a higher profit.

Many banks now mobilise deposits by giving 3-4 per cent in interest, whereas they offer loans at 7-8 per cent.

The interest rate spread, the gap between lending and deposit

rates, stood at 3.26 percentage points in May in contrast to 2.94 percentage points a year ago, data from the central bank showed.

Rahman said the profit earned by the banks was much higher than expected, given the declining trend of the private sector credit growth.

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BANGABANDHU INDUSTRIAL AWARD

23 firms picked for accolades

STAR BUSINESS REPORT

The government, for the first time, is going to honour 23 small, medium and large companies with the "Bangabandhu Sheikh Mujib Industrial Award" for their contribution to industrialisation, job creation, product diversification and innovation.

The industries ministry will award the firms in seven categories, including large, medium and hi-tech, to encourage innovation and investment.

Outstanding entrepreneurs in the micro, small, cottage and handicrafts industries will also be recognised, according to a notification issued by the industries ministry on June 27.

"We want to honour the industrialists in September this year," said Industries Secretary Zakia Sultana.

The ministry announced the names of the awardees more than one and a half years after it introduced the Bangabandhu Sheikh Mujib Industrial Award 2019 with a goal to recognise entrepreneurs for their efforts, creativity and innovation.

Sultana said activities related to the award got delayed because of the outbreak of Covid-19.

Businesses have been selected through scrutiny by a high-level committee headed by the industries minister, she added.

The move to recognise industrialists comes as the manufacturing sector's contribution to the economy is growing steadily.

The manufacturing sector posted double-digit growth in the last several years and now accounts for one-fourth of the country's gross domestic product, data from the Bangladesh Bureau of Statistics showed.

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INTRODUCING NEW

HOTLINE NUMBER 16704

dbi CERAMICS

16704

Microsoft gets VAT registration

STAR BUSINESS REPORT

Microsoft, the introducer of the most widely used operating system Windows, yesterday got value added tax (VAT) registration from the National Board of Revenue (NBR), a development that would enable the revenue authority to get the tech company under its monitoring.

Microsoft is the fourth tech giant after Google, Facebook and Amazon that got registration from the VAT Commissionerate Dhaka South in the last two months.

Microsoft Regional Sales Pte Ltd, Singapore registered for a business identification number (BIN) on behalf of the leading American tech company, said SM Humayun Kabir, commissioner of VAT Commissionerate Dhaka South.

"We will now get returns from these tech companies and do auditing after the companies get registration," he said.

Kabir said the NBR was getting revenue as banks used to deduct VAT during payments to these companies by clients

READ MORE ON B3



Workers having to walk home, left, following their shift in Chattogram Export Processing Zone yesterday. Others, right, jostle for space seeking a ride to factories at Baipail in the Ashulia industrial belt. Most factories did not arrange transport for workers in spite of being asked by the government to do so from the first day of a weeklong lockdown.



RAJIB RAIHAN AND AKLAKUR RAHMAN AKASH

Many apparel workers walk to work

Strict lockdown deepens transport crisis

REFAYET ULLAH MIRDHA, AKLAKUR RAHMAN AKASH and MOHAMMAD SUMAN

Many garment workers faced trouble yesterday as they walked to their workplaces in absence of public transport and for not having any transport arranged by the factories on the first day of a week-long strict countrywide lockdown.

The government recently imposed a lockdown across the country to contain the spread of Covid-19, including restrictions on public transport and movement.

However, industries and factories have been kept open with their managements instructed to follow health guidelines.

Garment workers at Savar and Ashulia industrial area have faced immense sufferings on their way to and back from factories due to the transport crisis, said our Savar correspondent.

Some of them also alleged that they had to face police harassment on their way to work in the morning.

Nizam Uddin a sewing operator of a garment factory at Dhoura area in Savar, said they started coming to their factory from Ashulia at around 7:30am with some 90 workers. But the police stopped their rented car at Beribandh area in Dhaka and did not allow them to go forward in the car.

So the workers went to their factory

from Beriband area on foot. It took 20 minutes to go to the factory on foot from Beribandh area where the police stopped their car. Nizam Uddin said his factory did not arrange its own transportation for the workers.

However, police assured them that they will allow cars from the next days, Nizam Uddin told The Daily Star over the phone.

Rupali Aktar, another worker at Jamgora area, said she waited nearly one hour at the area but did not get any vehicle. "Finally I reached my factory on foot as the factory authority did not arrange transport for us," Rupali Aktar said.

"The factories have been kept open but

many owners did not arrange transports for the workers," said Nazma Akter, president of the Sammilito Garment Sramik Federation, a workers' platform.

As a result, many workers had to start walking from very early in the morning to go to their workplaces as there is a fear of the loss of jobs and attendance allowance for being absent for the day, Akter told The Daily Star over the phone.

Akter, who also sent a letter to the secretary of the labour ministry on Wednesday, demanded factories arrange their own transports for ferrying workers between their homes and workplaces.

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Online shopping: save money and time

MD ABU TALHA SARKER

Faria Binte Zaman Momo ordered a dress online in 2015 and this was first time she bought anything from digital shops.

Her experience was not a happy one because the item that was delivered at her doorstep was not identical to the image that was on display on the site.

At that time, young people, especially college and university students, would mostly jump at the eye-catching discounts offered by online retailers. Unfortunately, there were not many good brands with an online presence.

With the growing e-commerce landscape in Bangladesh in the last few years, Momo has gained experience.

"Now, I don't face any problems when I shop online because I buy from renowned brands," said the microbiology student at a private university in Dhaka.

In fact, e-commerce has become a boon for the busy people who can't manage time, for the homemakers who struggle to get out of houses because there is none to take care of children, for the educated elders and physically disabled who can't step out at their will, shop and bring them home, and for the millions who live in the hinterland.

YOUR MONEY

RedDot brings Tk 15cr private equity fund

STAR BUSINESS REPORT

RedDot Digital has unveiled a private equity fund worth Tk 15 crore called 'R-Ventures' to promote digital entrepreneurship in Bangladesh, according to a press release from the company issued yesterday.

The fund, a wholly-owned subsidiary of Robi Axiata, will work as an alternative investment fund registered under the Bangladesh Securities and Exchange Commission (BSEC).

With this move, the total number of venture capital and alternative investment funds available in the country stands at seven.

"The initiative to form the R-Ventures Alternative Investment Fund to support young

READ MORE ON B3

Mango farmers' hopes shattered

Prices plunge as strict lockdown begins

ANWAR ALI, Rajshahi

With over 50 per cent of mangoes yet to be harvested, the nationwide lockdown beginning yesterday has upended the normal marketing system, upsetting the already disappointed farmers of Rajshahi region.

Mango prices that were already low over the prevailing lockdown in Rajshahi region dwindled further after the nationwide lockdown, the farmers said.

The mango variety Fazli has appeared in local markets early this week and started selling at Tk 25 per kilogramme against prices of around Tk 40 per kilogramme during the lockdown last year. Fazli prices went down to Tk 17 per kilogramme yesterday.

Quality mango varieties like Himsagar, Khirsapat and Langra that are still available, are selling better yet at lower than normal prices.

Green mangoes of these varieties that sold at above Tk 60 per kilogramme a few days ago went down to Tk 55 per kilogramme. Ripe ones that were sold at Tk 37 per kilogramme two days ago went down to Tk 32 per kilogramme.

At normal times, these varieties would have sold at Tk 80 per kilogramme and above during the end of season, the farmers said.

READ MORE ON B2



Consignments of mangoes that were sent to different parts of the country by farmers and traders remained unsold.

PHOTO: STAR/FILE

Programme launched for women-owned SMEs

Don't over-react to temporary jump in inflation: BoE governor

STAR BUSINESS DESK
A capacity building training programme was launched yesterday to support women-owned small and medium enterprises (SMEs) do business with local and multinational corporations committed to expanding inclusive sourcing throughout their value chains.

Funded by World Bank's Women Entrepreneurs Finance Initiative (We-Fi)-Bangladesh, WEConnect International and North South University will implement this multi-pronged capacity building programme, says a press release.

In collaboration with SME Foundation Bangladesh, the project is developing a national supplier database to facilitate business connections.

Women have made tremendous strides in Bangladesh by stepping out of the home and participating in the economy in the last decade.

Yet out of the almost 8 million businesses in Bangladesh, 99.93 per cent of which are micro and SMEs, only a mere 7.2 per cent are women-owned and operated (ADB 2016).

With Bangladesh's GDP expected to grow by 6.8 per cent in 2021 and 7.2 per cent in 2022, enabling more women entrepreneurs to access market opportunities will accelerate economic growth despite the barriers that have grown more daunting during the pandemic.

"Economic participation and representation of women businesses in the corporate supply chain will not

only benefit large companies through inclusive growth but will also enhance women entrepreneur's ability to provide quality services" said Hosna Ferdous Sumi, private sector specialist of World Bank.

The programme will include a 20-hour advanced training program, a pitch training and finally support to establish linkages between women-led SMEs and buyers through business matchmaking events.

Corporate representatives will also take part as resource persons in the training programme.

"I am confident that we will succeed in making the connections that benefit both buyers and women suppliers," said Elizabeth A Vazquez, CEO and Co-Founder of WEConnect International.

"We will work closely with North South University to share business intelligence and training...seeking both networking opportunities with procurement departments and insights into how to navigate the complexities of corporate value chains. It is a win-win for all," she said.

"North South University is excited to be an implementation partner in the corporate connect program for women business owners," said Dr Atiqul Islam, vice-chancellor of North South University.

"We look forward to helping women entrepreneurs develop the skills necessary to compete for new business on a global scale," he added.

REUTERS, London
Bank of England Governor Andrew Bailey said on Thursday it was important not to over-react to a rise in inflation that was likely to prove temporary during Britain's economic recovery from the Covid-19 crisis.

Echoing the message from the BoE's June policy meeting last week, Bailey said the reasons the central bank thought inflation would not prove to be persistent were "well-founded".

"It is important not to over-react to temporarily strong growth and inflation, to ensure that the recovery is not undermined by a premature tightening in monetary conditions," he said in an annual Mansion House speech to leaders of the financial services industry.

Bailey added that the BoE would watch carefully for signs of more persistent inflation pressure.

"And if we see those signs, we are prepared to respond with the tools of monetary policy," he said.

Sterling fell following Bailey's warning against an over-reaction to rising inflation. British consumer price inflation jumped to 2.1 per cent in May, surpassing the BoE's 2 per cent target level sooner than the central bank had forecast.

Last week, the central bank said inflation would surpass 3 per cent



Bank of England Governor Andrew Bailey poses for a photograph on the first day of his new role at the central bank in London, Britain on March 16, 2020.

as Britain's locked-down economy reopens, but the climb further above its 2 per cent target would only be "temporary" and most policymakers favoured keeping stimulus at full throttle.

Only Chief Economist Andy Haldane, at his last policy meeting before leaving the BoE, voted to scale back the BoE's \$1.2 trillion bond-buying programme.

He warned last month that

BoE faced its "most dangerous moment for monetary policy" since the European Exchange Rate Mechanism debacle in 1992.

A week earlier, the US Federal Reserve began to move towards reducing its pandemic stimulus by signalling its first rate hike in 2023, a year earlier than previous projections. In his speech, Bailey said there were at least three reasons why the increase in inflation would probably be temporary.

They included distortions caused by comparing prices now with those of a year ago during the first lockdown; shortages of supplies caused by a rush of pent-up demand and pandemic-linked bottlenecks; and a return to spending on services which would smooth out demand that has been concentrated on goods.

As well as inflation, the BoE is concerned about a possible rise in unemployment.

The government began requiring employers to start contributing to the cost of keeping on furloughed workers from Thursday and was due to end the scheme at the end of September.

Bailey said in his speech on Thursday that a spike in average earnings was in large part due to heavy job losses in low-paying sectors such as hospitality which had been hardest hit by the pandemic.

"That is not where we should place most of our focus on the labour market," he said. "Our focus should be on whether, and how rapidly, people return to the labour force, and in what degree."

The BoE must also factor in risks from a new rise in Covid-19 cases, which has prompted the government to delay the lifting of the last social-distancing rules until July 19.

Britain working with EU as momentum grows for wider travel reopening

Nissan bets on UK 'renaissance' with battery plant, new vehicle

REUTERS, London
Britain is working with countries across the European Union to encourage them to accept its fully vaccinated travellers, its business minister said on Thursday, as momentum builds for a fuller reopening of travel from the United Kingdom.

Throughout May and June Britain has only permitted very limited quarantine-free travel, but the government has said that it will set out details this month of plans to allow fully vaccinated people avoid self-isolation on return from top destinations like Spain and France.

That rule change will come in by July 26, the first full week of the school holidays, The Times newspaper reported.

However, travel for those from Britain will also depend on countries allowing them in, and concern about a rise in the UK's Covid cases sparked by the Delta variant has prompted Italy, Portugal and Spain to tighten their entry requirements.

British business minister Kwasi Kwarteng said there were talks with EU countries to ensure travel could take place.

"We feel that the double vaccination does provide really, really first class support and protection against the variant, all the evidence suggests that, and we need to speak to EU governments and other countries to make that case," he told Sky News.

Britain is close to agreeing a deal with Brussels whereby its National Health Service (NHS) app would be accepted as proof of a double vaccination by the EU, and in return the UK would accept the bloc's new digital green card

for travel, The Times said.
That could avoid difficulties like those in Malta in recent days, where the Maltese government has not been accepting proof via the NHS app.

British Prime Minister Boris Johnson is due to meet German Chancellor Angela Merkel at his

Chequers official country residence on Friday, when the pair will discuss travel restrictions, read more

Merkel has been pressing for the EU to impose quarantine on all British arrivals but individual countries like Spain have so far rejected that.



Tourists from Britain arrive at Palma de Mallorca Airport after London lifted quarantine requirements for travellers returning from the Balearic Islands, amid the coronavirus disease pandemic, in Palma de Mallorca, Spain on June 30.

REUTERS, Sunderland, England
Nissan Motor Co bet on Britain to supercharge its European electric future on Thursday, pledging \$1.4 billion with its Chinese partner to build a giant battery plant that will power 100,000 vehicles a year including a new crossover model.

Facing the most profound technological shift in a century, the titans of the auto industry are racing to secure battery supply close to the factories where they will make the new cleaner electric vehicles of the future.

Nissan cast its backing for the 9 gigawatt-hour (GWh) plant as illustrative of a rejuvenation of Britain's automotive industry, which has for five years grappled with the fear that Brexit could cut off the rest of the European market.

"This project is the demonstration of the renaissance of the British car industry," Ashwani Gupta, Nissan's chief operating officer, told reporters at the Sunderland plant, which exports 70 per cent of its vehicles to the European Union.

British Prime Minister Boris Johnson said Nissan's move was "a major vote of confidence in the UK and our highly skilled workers in the North East". Nissan said Britain had backed the plan, but did not detail any guarantees or incentives.

The 1 billion-pound (\$1.4 billion) investment by Nissan, its Chinese partner Envision AESC and local government in northeast England will create 6,200 jobs at the Sunderland plant and in British supply chains.

Nissan will spend up to 423 million

pounds to produce a new-generation all-electric crossover vehicle at the plant, where it already produces the LEAF electric vehicle and the Qashqai crossover SUV. The new vehicle has yet to be named and there is no launch date.

As world powers try to slash carbon emissions by scrapping the fossil-fuel guzzling internal combustion engine, Britain has pledged to ban the sale of new diesel and petrol cars from 2030.

Going electric, though, is hard. China dominates the production of electric vehicle batteries and the processing of the minerals used to make them, though the United States and Europe are trying to catch up.

Western leaders, including Johnson, are loath to sacrifice hundreds of thousands of automotive jobs - often in politically sensitive constituencies - by importing batteries from China, rather than manufacturing domestically.

And unless Britain can build both battery production and supply chains, it risks losing its four-decade reputation as the investor-friendly gateway for top companies seeking to export to the rest of Europe.

Envision could invest an additional 1.8 billion pounds in the battery plant to expand generating capacity to up to 25GWh and create 4,500 new jobs in the region by 2030. There is potential on site for up to 35GWh.

"We also want to build the supply ecosystem in the country - but you do need critical mass," Zhang Lei, Envision Group founder and chief executive, told Reuters.

Rod prices surge for costlier raw materials

FROM PAGE B4
"The pandemic has squeezed the supply from these countries because the demand in their economies has gone up," said Md Shahidullah, secretary-general of the Bangladesh Steel Manufacturers Association and managing director of Metrocem Steel.

He expressed concerns about the rising trend of scrap steel prices globally as it could affect local development.

China used to produce iron ore products from its own raw materials until 2006. Now, the country is importing melting scrap, and it has had a significant impact on the international market.

So, entrepreneurs in the sector think that if the customs duty, advance income tax (AIT) and value-added tax (VAT) on imports are not reduced, the raw materials crisis will lead to an abnormal rise in prices.

According to Shahidullah, millers fear that the continuous rise in scrap prices could bring the local construction sector to a standstill.

At present, the import duty on melting scrap is Tk 1,500 per tonne, while the AIT at the import stage is Tk 500 per tonne. Although the 4 per cent AIT has been withdrawn at the import stage for FY22, the fiscal measure is not sufficient to bring down the price of rods.

In order to reduce the retail price, it is necessary to slash the import duty on raw materials from Tk 1,500 to Tk 500 per tonne, the AIT on imports from Tk 500 to Tk 300, and the VAT at the sales stage from Tk 2,000 to Tk 500, Shahidullah said. Ferroalloys, the main chemical used for rod production, cost between \$600 and \$850 per tonne a year ago. The price has surged to \$1,400 to \$1,450 per tonne now.

Manufacturers say container ship crew have to maintain a 14-day quarantine to drop goods off anywhere in the world, leading to a supply shortage of raw materials and doubling of container fares. BSRM's Sengupta assumes that suppliers will further increase their container fares in July. In this case, the price of rods is likely to rise further if the government does not reduce the tariffs.

Shahriar Jahan Rahat, deputy managing director of KSRM Group, said the rising prices of raw materials have led to a downturn in the construction industry as a whole.

He urged the government to reduce the VAT, tax and duty imposed on steel raw materials.

"Otherwise, the construction sector and infrastructure development will face challenges, and about two crore people involved in the sector will be affected."

Xinjiang forced labour claims unfounded: CSA

REUTERS, Shanghai
Claims that Chinese solar firms are benefiting from forced labour in Xinjiang are unfounded and unfairly stigmatise firms with operations there, the country's solar association said.

The United States last week banned imports from five Chinese solar companies accused of using forced labour in Xinjiang including Hoshine Silicon Industry Co and a unit of GCL New Energy Holdings.

The White House said forced labour was "an integral part of (China's) systematic abuses against the Uyghur population and other ethnic and religious minority groups" in Xinjiang.

The China Photovoltaic Industry Association said in a statement that it had recently inspected solar industry production facilities in Xinjiang and the U.S. assertions had no factual basis.

It also said the industry had created a large number of jobs, contributing to the region's economic and social development and added that the rights of employees from all ethnic groups were fully respected.

Mango farmers' hopes shattered

FROM PAGE B1
"All my hopes with mangoes have been shattered this season," said Anwar Hossain Polish, a mango farmer of Rajshahi's Bagha upazila, expressing worries about how he would bear the expenditures of farming and paying off labourers.

He said a laukhna variety of mango that sold at Tk 17.5 per kilogramme on the last week of June were selling at around Tk 5 per kilogramme at Arpara bazar of Bagha yesterday.

The situation arose as retail markets in districts became devoid of buyers, forcing the wholesalers to cancel orders of mangoes, the farmers said. The wholesalers who went to the Rajshahi, Natore, Naogaon and Chapainawabganj districts for purchasing mangoes returned homes after cancelling orders ahead of the lockdown.

Consignments of mangoes that were sent to different parts of the country by local farmers and traders remained unsold, they said.

"Mangoes are ripening in the trees and dropping," said Shafiqul Islam, another big mango farmer of Bagha.

"Locals are picking those from orchards and selling at local markets at low prices. If I go to harvest those, I will incur losses from the expenditures for the harvest," he said.

He said he sent 220 maunds of mangoes to Brahmanbaria on Tuesday and all of it remained unsold till yesterday while his consignment of 215 maunds of mangoes in Chattagram last week was sold at lower than expected prices.

The Department of Agricultural Marketing (DAM), however, assured the farmers that transportation of agricultural products including mangoes would remain uninterrupted while government-conducted farmers' markets in Dhaka would remain open for buyers during the lockdown.

"We're observing the situation. If it deteriorates, we will follow the procedures that we did during last year's lockdown in case of

spices and vegetables," said Shahnaj Parvin, acting deputy director of the Rajshahi regional office of DAM.

Last year, she said they analysed retail markets at districts and spread the supplies of spices and vegetables among different markets in accordance with the demands analysed by officials.

"We can do the same thing this time," she said, adding that the mango business in online markets was also remaining uninterrupted.

But mango farmers and traders expressed their indifference to the assurances.

"If buyers cannot go to the markets, what will we do by marketing these mangoes? Mangoes perish quickly soon after the harvest," said Omar Faruk Tipu, a mango trader of Chapainawabganj's Kansat market.

He said the number of people who joined the online markets of mangoes are very few compared to those at the wholesale and retail markets. This year, fortunes have remained elusive for mango farmers from the beginning, although a drought without rains or severe storms have blessed four mango-producing districts in Rajshahi division with good yields.

In the beginning of mango season in mid-May, the lockdown was imposed in Chapainawabganj. Three other districts followed lockdown from the first week of June as the coronavirus infections were transmitted at the community level.

The DAE officials said mango trees on 83,673 hectares of land in Natore, Naogaon, Rajshahi and Chapainawabganj are expected to yield 8.52 lakh tonnes of mango this year, higher than last year's production of 7.50 lakh tonnes.

Some three lakh farmers are engaged with mangoes worth Tk 2,500 crore while thousands others work in the trade, according to the DAE data.

The DAE officials said, although 82 per cent of mangoes were harvested in Rajshahi till June 30, the harvests in Natore, Naogaon and

Chapainawabganj were 60 per cent, 40 per cent and 50 per cent complete respectively.

"We aren't finding buyers even after sending consignments of mangoes to different markets," said Omar Faruk Tipu, one of the 800 wholesalers in Kansat market.

He sent five trucks to Dhaka's Badamtoli market last week and was able to sell only one truck of the mangoes.

"My four trucks loaded with mangoes are still at the market. If I can't sell these within a day or two, all the mangoes will be damaged," he said. He said he talked with retail buyers from Cumilla, Hajiganj, Narshingdi, and Mymensingh and they all told him that there was no demand in local markets.

"The retail businesspeople were not being allowed to keep their shops open," he said. Tipu said he had already stopped harvesting and purchasing mangoes four days ago.

Ismail Khan, a mango farmer, said the farmers would count losses if mangoes remain unharvested. He said local businesspeople purchased mangoes on condition to pay the farmers after those were sold off.

Ismail runs an online mango marketing business where some 400 businesspeople were enlisted. He said some 200 traders and farmers were active.

"Online business are becoming popular, but involvement of local farmers is not coming about as expected due to their lack of adaptation to the smartphones and internet," he said.

The farmers said the mango production was good this year despite dwindling prices while the lockdown aggravated the situation. Shafiqul Islam, a mango farmer of Bagha, said he was able to export at least 10 tonnes of mangoes so far this year although he had preparations to export 100 tonnes.

"Everything is in disarray," he said, adding that if the government authorities were active and controlled the markets, they would have seen more export of mangoes.

FBCCI seeks moratorium on loan classification until Dec 31

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has sought moratorium from Bangladesh Bank on industrial loan classification until December 31 to keep the private sector afloat during the coronavirus pandemic.

A delegation of the FBCCI made the request in a meeting with Bangladesh Bank Governor Fazle Kabir at his office in Dhaka on Wednesday, according to a press release.

At the meeting, FBCCI President Jashim Uddin said borrowers are losing their ability to repay bank loan instalments against the backdrop of uncertain recovery of economic activity amid the Covid-19 pandemic.

Seeking an extension of the loan classification deadline, he said most of the industries and businesses are struggling to keep the business running and are unable to repay the loan instalments on time.

They will become involuntary defaulters unless the benefits provided by banking watchdog are extended till the Covid-19 situation improves and business operations are restored, Jashim Uddin added.

"This will put an adverse impact on production and business operations."

He expressed worries and said the entire economy, including the banking sector, would be disrupted.

FBCCI vice presidents MA Momen and Amin Helaly and former director Manzur Ahmed were also present.

US weekly jobless claims fall; layoffs hit 21-year low in June

REUTERS, Washington

The number of Americans filing new claims for unemployment benefits fell more than expected last week, while layoffs plunged to a 21-year low in June as companies held on to their workers amid labor shortages.

Initial claims for state unemployment benefits dropped 51,000 to a seasonally adjusted 364,000 for the week ended June 26, the Labor Department said on Thursday.

But the pace of decline has moderated from May, when claims dropped below 400,000 for the first time since March 2020, when mandatory shutdowns of nonessential businesses were enforced to slow the first wave of Covid-19 infections.

Claims increased in mid-June, interrupting a stretch of six straight weekly decreases. Economists polled by Reuters had forecast 390,000 applications for the latest week.

Claims have dropped from a record 6.149 million in early April 2020, but are still above the 200,000-250,000 range that is viewed as consistent with a healthy labor market.

Some of the recent elevation

in claims has been blamed on the so-called seasonal factor, which the government uses to iron out seasonal fluctuations from the data.

"Partly, the recent increase has been a result of a less favorable seasonal factor, which could put some further upward pressure on initial claims over the summer

months if seasonal hiring is less strong than usual this year due to factors causing various labor shortages," said Veronica Clark, an economist at Citigroup in New York. "We still expect an overall downward trend to prevail over the coming months."

The claims data could become

noisy in the weeks ahead as 26 states with mostly Republican governors pull out of federal government-funded unemployment programs, including a \$300 weekly check, which businesses complained were encouraging the jobless to stay at home.

The early termination began on June 5 and will run through July 31, when Louisiana, the only one of those states with a Democratic governor, ends the weekly check.

For the rest of the country, these benefits will lapse on Sept. 6. There is no evidence so far of a surge in job searches in the 20 states that have already ended the federal benefits.

A survey this week by job search engine indeed found that while the vast majority of the unemployed indicated they would like to start looking for work in the next three months, many did not express a sense of urgency.

But rising vaccinations, dwindling savings and the opening of schools in the fall will be key to pulling them back into the labor force.

Lack of affordable child care and fears of contracting the coronavirus have also been blamed for keeping workers, mostly women, at home.

23 firms picked for accolades

FROM PAGE B1

The awardees will not be eligible for the same accolade in the next three years. Four business firms -- Square Pharmaceuticals, Jaj Bhuiyan Textile Mills, Adury Apparels, and Universal Jeans, Chattogram -- were selected for the award under the large industry category.

Auko Tex Ltd, Fortune Shoes, Rahimafrooz Renewable Energy, and Madhobdi Dyeing Finishing Mills were picked under the medium industry category.

Under the small industry category, Aman Plastic Industries, SR Handicrafts in Pabna, and Alim Industries in Sylhet have been chosen for the accolade.

M/S Karukola, Jamalpur, Trim Tex Bangladesh in Dhaka, and Janata Engineering in Chuadanga have won the award in the micro-industry category.

ServicEngine, Super Star Electronics, and Mir Telecom will be recognised under the hi-tech industry category.

Classical Handmade Products BD of Nilphamari, Ayojon Jashore, and Sonargaon Nakhsikatha Mohila Unnayan Sangstha of Narayanganj were selected under the handicrafts industry category.

Cumilla Arts and Crafts, Rongmela Nari Kalyan Sangstha (Narayanganj), and Agroj (Dhaka) are set to be awarded in the cottage industry category.



REUTERS/FILE

Job seekers attend the Long Beach North Pine Block Job Fair hosted by Catalyst Cares, as the coronavirus disease continues, in Long Beach, California, US on May 19.

Banks log higher than expected profits despite slowdown

FROM PAGE B1

The credit growth stood at 8.29 per cent in April, down from 8.82 per cent year-on-year.

Rahman said some banks might have added their unearned interest to incomes.

Emranul Huq, managing director of Dhaka Bank, said that banks' earnings from export and import activities rose significantly in the first half.

"This helped banks enjoy a magnificent profit growth," he said.

On top of that, the construction of expensive infrastructure has been underway despite the pandemic.

"Banks' lending to projects is highly secured, and they earned handsomely from the segment," Huq said.

M Kamal Hossain, managing director of Southeast Bank, said that his bank had cut

operating expenses recently, which gave a boost to the profit. The profit of the bank grew 38 per cent to Tk 472 crore.

He credited the central bank's deferral support for the higher profit.

Mirza Elias Uddin Ahmed, managing director of Jamuna Bank, said investment in the secondary bond market had helped his bank post a hefty profit.

The profit of the lender rose 15 per cent to Tk 301 crore. The bank has invested more than Tk 10,000 crore in the secondary bond market.

Mohammad Ali, additional managing director of Pubali Bank, said that his bank had taken various steps to keep its profit in the positive territory during the pandemic.

Pubali's profit stood at Tk 503 crore, up 25.43 per cent year-on-year.

There are 62 banks in Bangladesh.

Many apparel workers walk to work

FROM PAGE B1

She also demanded Tk 3,000 per month as risk allowance for the workers as they were working during such a severe period of the pandemic. Akter reiterated for strong compliance to health guidelines in running factories.

She also demanded vaccination for garment workers and not laying off any worker during this time of the pandemic.

Sirajul Islam Rony, a union leader and former workers' representative in the minimum wage board for garment workers, echoed Akter.

The garment workers should be allowed to avail transport showing their identity cards as the government kept industries and factories out of the purview of the lockdown, he said.

Many workers had to go to workplaces amid a lack of public transport on the roads, he said.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said more than 90 per cent of garment workers live near their respective factories.

So they do not need any transport to go to their workplaces, he said.

Of the remaining 10 per cent who live a bit

far away from their workplaces, they use public transports and in many cases the factories arrange their own vehicles for the purpose, he claimed.

However, a few factories have not arranged transport for their workers because they cannot afford the costs, he said.

In this case, the BGMEA instructed running the factories a bit under capacity as transport movement has been stopped for the lockdown.

Workers will not lose their jobs if they cannot come to their workplaces due to a lack of public transport during the lockdown, Hassan also told The Daily Star over the phone.

However, the BGMEA has strongly instructed factory owners to follow health guidelines in running factories during the pandemic.

Also, the BGMEA has been monitoring the factories to ensure compliance with health guidelines, he added.

Mahamud Naser Jony, additional superintendent of Dhaka Industrial Police-1, said a majority of factories did not arrange workers' transportation although the government earlier had instructed to do so.

"Some staff and workers brought up allegations that their staff vehicles were barred by law enforcers from plying the roads on way to the factories in the morning. We are working on that so no staff or worker-carrying vehicles are stopped," he added.

Thousands of garment workers in Chattogram suffered immensely due to the transport shortage during the ongoing countrywide lockdown, adds our Chattogram correspondent.

Workers said the factory owners did not provide an adequate number of vehicles as public transport was closed for the lockdown from Thursday.

However, even in cases where workers rented vehicles on their own initiative, maintaining social distancing inside was not possible.

Most of the workers had to reach their workplaces by rickshaws or rent vehicles but some of them were not able to manage any transport after waiting for hours. Many were also seen going to their destinations on foot.

The movement of all forms of public transport, except rickshaws, was banned for seven days from Thursday as the government went into a lockdown to tame the raging coronavirus.

RedDot brings Tk 15cr private equity fund

FROM PAGE B1

entrepreneurs is highly commendable," said Prof Shibli Rubayat Ul Islam, chairman of the BSEC.

"We will always provide our full support for such initiatives," added Islam, who expects that the success of this move would encourage others to introduce similar funds to support promising ventures.

R-Ventures will work to ensure a reliable and specialised source of alternative investment fund to turbocharge the country's promising digital start-ups, said Mahtab Uddin Ahmed, managing director and chief executive officer of Robi Axiata.

Apart from securing the investment fund, R-Ventures will provide management advisory and mentoring support to participating digital start-ups.

Besides, it will plug digital start-ups into a strong investors' network for securing their funding.

"So, R-Ventures will certainly diversify

our capital market," Ahmed added.

RedDot Digital will act as the fund's sponsor while SBK Tech Ventures will act as the general partner or fund manager. Meanwhile, Green Delta Insurance Company will act as the fund's guardian.

IDLC Investments and ACNABIN will perform the roles of valuer and auditor respectively. With the purpose of launching the fund, an agreement signing ceremony took place among RedDot Digital, SBK Tech Ventures and Green Delta Insurance Company at a city hotel on Wednesday.

Asif Naimur Rashid, managing director of RedDot Digital, and Sonia Bashir Kabir, founder of SBK Tech Ventures, signed the agreement on behalf of their respective organisations.

BSEC Commissioner Shaikh Shamsuddin Ahmed and Chairman of the Venture Capital and Private Equity Association of Bangladesh Shamim Ahsan were also present on the occasion.

Kamal seeks additional assistance from ADB

FROM PAGE B1

In June this year, the ADB supported Bangladesh's Covid-19 response through a \$250 million loan to strengthen social protection and resilience programmes and \$940 million in loan assistance for the purchase of vaccines.

The ADB has been cooperating with Bangladesh from the very beginning to restore the social and economic security overcoming the pandemic. "We will always be by the side of Bangladesh in the future," said Chen in the meeting.

Kamal stressed on the need to continue such cooperation between Bangladesh and the ADB in the future to achieve development goals.

The government is hoping to use a record Tk 115,000 crore (about \$13 billion) in foreign funding in fiscal 2021-22, up 35.4 per cent year-on-year to overcome the challenges brought on by the pandemic.

The government is sitting on a record amount of foreign aid and at the same time, the development partners are chipping in liberally to help Bangladesh weather the pandemic tempest. Closer to home, banks are sitting on excess

liquidity and nowhere to lend given the precarious state of the economy.

At present, about \$50.4 billion of foreign aid is present in the pipeline, while World Bank, the Asian Development Bank and other development partners have expressed their intent to provide budgetary support to the Bangladesh economy to better manage the pandemic whirlwind.

The ADB also has provided \$500 million budget assistance in May 2020, \$100 million assistance to the health sector in a project titled Covid-19 Response Emergency Assistance in April 2021, and \$9.3 million grant for Bangladesh in response to Covid-19.

Manmohan Parkash, ADB country director for Bangladesh; Abdur Rouf Talukder, finance secretary, and Fatima Yasmin, secretary to the Economic Relations Division, were present.

Bangladesh could get New Development Bank membership

The negotiation for Bangladesh to get membership of New Development Bank established by the BRICS states could start from July 15 and Bangladesh could get the

membership of the multilateral development bank by 2022.

The development comes as the finance minister met Marcos Troyjo, president of New Development Bank, about getting Bangladesh a membership of New Development Bank in a separate virtual meeting.

Bangladesh is trying to get 1 per cent stake in New Development Bank and negotiations are going on about how much Bangladesh has to pay as subscribing fees for the membership, according to a finance ministry official.

The BRICS states—Brazil, Russia, India, China and South Africa—established New Development Bank to provide support in various development sectors.

Kamal said Bangladesh's membership in New Development Bank would be beneficial for both. The funding of New Development Bank will play an important role in making development sustainable and making Bangladesh a happy and prosperous country by 2041.

Troyjo assured all cooperation to expedite the process of awarding Bangladesh the membership of New Development Bank.

Online shopping: save money and time

FROM PAGE B1

During the pandemic, e-commerce has become an essential part of life. One can purchase goods and products comfortably from the convenience of their homes.

If they visit an online retail store, browse through the products, add them to carts and click to buy. The whole process will take a few minutes. Thus, they can easily avoid the risk of catching the virus, save time and money.

Scorching heat, heavy downpours, risk of being pick-pocketed and mugged all can be avoided if they shop online.

"It saves time. It means it saves money," said Ridwan-ul-Arefin, an engineering student who bought the entire wardrobe for his family, who lives in Jamalpur, from an online outlet during Eid-ul-Fitr.

When he is in Faridpur, where his college is located, Arefin will buy things that are not available in the district town, or online stores are giving discounts and running special campaigns.

He orders from the flagship stores of an online platform where he would find original products at original or lower prices.

Before placing an order he pours over the reviews. He orders the products that have at least average ratings. Arefin said many online shopping firms have hubs at the district level.

"So, if you use the hub as your delivery address while placing the order, you will not have to pay the delivery charge. The delivery charge becomes higher when you buy a lot of things. But using the hub, you can eliminate the charge," said

Arefin, who studies civil engineering at the Faridpur Engineering College.

When online shops offer discounts on the purchase of products for a particular amount, Arefin and some of his friends will make a single order to qualify for the waiver.

"We always wait for the discounts and offers," he said.

Nujhat Sharmin, a banker, buys everything from online outlets, except for clothes.

"It is really tough to find original products even from physical stores. So, I rely on some reliable e-commerce sites to purchase from groceries to cosmetics."

Speaking about clothing items, Sharmin said her personal experience is that the garments that are shown during live presentations sometimes don't match the products delivered.

"So, I buy clothes from physical stores."

The pandemic has accelerated online shopping.

"I have become fully dependent on online since the pandemic arrived," Sharmin said.

In the case of valuable goods, Momo chooses items online but buys them from the company's showroom if it has any.

As the online landscape has been flooded with thousands of stores, it has become very tough to separate the good ones from the bad.

"So, we have to be watchful," Momo said.

She said ratings or reviews are not enough to conclude whether a product is authentic or counterfeit because sometimes they could be manipulated.

"We have an online group. When any of us wants to buy something, she gives status and seeks opinions from the other members. We decide to buy a product based on the opinions," Momo said.

Online shoppers say identifying safe online platforms has become difficult because there are thousands of outlets to choose from. Many fraudulent sites are on the prowl to steal personal data and money.

But they also admit that one can't stop buying online just because of the swindlers as advantages outweigh disadvantages by a mile.

Rajib Ahmed, the husband of Momo, said because of the popularity of online shopping, competition has increased among e-commerce firms as well.

"Every retailer wants to retain its standards and customers and attract new ones. Now, the quality of the products sold online is good. Fraudulent activities have reduced. The quality you seek is available."

Ahmed also talked about the disadvantage of cash on delivery.

"If I order a sari or dress for my wife, I will not unwrap it completely on the street or at the entrance of our building. If I later notice a fault in the product and inform the company, they would not accept it. They would say: 'Why didn't you check it before receiving the delivery?'"

Saif Hasnat and Shanto Mahmud, both private-sector employees, echoed the sentiment and suggested buying products online from renowned brands to avoid troubles.

Microsoft gets VAT registration

FROM PAGE B1

for taking services such as giving advertisement digitally.

"Now we will get a clear picture of how much revenue we are getting from the global technology companies," he said.

The Podder & Associates will act as the VAT agent for Microsoft, said Pramila Sarker, additional commissioner of VAT Commissionerate Dhaka South.

Sarker said they were in a process of getting LinkedIn and Netflix under VAT registration.

The global tech companies started getting registered with local VAT authority two years after the NBR made rules in July 2019.

The rules say digital companies will have to either set up offices in Bangladesh or appoint agents such that the government

can collect VAT generated through online advertisements, sales of software and electronic services provided by them to local firms.

Internet companies were unwilling to set up representative offices here.

Also, through agents, the tech firms were uninterested to deposit VAT, paid ultimately by the consumers, to the NBR or share data on sales containing information about customers on the ground of privacy breaches and security risks.

Finally, in order to bring them under the tax net, the NBR in early 2020 revised rules so that digital companies can get BINs without opening offices here.

Over the last one year, progress of bringing tech firms under the VAT had been slow. The companies started signing up for BIN over the last two months.

Cargo handling rises at Ctg port despite pandemic

FROM PAGE B4

"It indicates to the country's growing foreign trade. It is also a wake-up call for enhancing the capacity of the port to meet the rising demand," he said, emphasising speedy completion of the ongoing expansion projects of the port.

Shahjahan said the construction of the

Patenga Container Terminal (PCT) would be complete this year.

Once completed, the PCT, which will be equipped with three jetties and a dolphin jetty, will handle half a million TELS of containers every year. "We are also planning to create more yard spaces by making some existing places usable," Shahjahan said.

Cargo handling rises at Ctg port despite pandemic



The port was not shut for a single day even during the pandemic. The round-the-clock operation has helped the port handle more than three million TEUs in the just-concluded fiscal year, CPA Chairman M Shahjahan said.

DWAIPAYAN BARUA, Ctg
Despite the Covid-19 pandemic, Chattogram port clocked 3.1 per cent year-on-year growth in container handling in the just-concluded fiscal year, which highlighted the growing foreign trade of Bangladesh, official data showed.
The premier port in the country handled 30,97,236 twenty-foot equivalent units (TEUs) of containers in the fiscal year 2020-21, up from 30,04,142 TEUs a year ago, according to data from the Chittagong Port Authority (CPA).
The figure was found by calculating the containers handled by the port, the Pangoan Inland Container Terminal and the Kamalapur Inland Container Depot, said CPA Secretary Md Omar Faruk.
The port registered 2.92 per cent growth in 2019-20 and 3.28 per cent in 2018-19. It handled

30.04 lakh TEUs in FY20 and 28.08 lakh TEUs in FY19.
Commercial items, machinery, commodities, chemicals, and industrial raw materials, except for those used in cement and ceramics manufacturing, are imported through containers. All export-oriented goods are solely carried through containers.
Cargo handling by the port was up 11.98 per cent year-on-year.
The port handled 11.37 crore tonnes of cargo in FY21 against 10.16 crore tonnes the previous year.
Vessel movement through the port also rose: 4,062 vessels plied to and from the port in FY21, up from 3,764 in the preceding year.
CPA Chairman M Shahjahan said, "The port was not shut for a single day even during the pandemic. The round-the-clock operation has

helped us handle more than three million TEUs in the year."
He thanked the port staff and workers and other stakeholders such as berth operators, ship-handling operators, importers, exporters, shipping agents, clearing and forwarding agents, freight forwarders, and customs officials for working together to achieve the growth.
The number of gantry cranes has increased from four to 14 and the storage capacity on the yards has also increased, said Shahjahan.
"These capacity-enhancing measures helped the port raise the productivity."
Chittagong Chamber of Commerce and Industry President Mahbubul Alam lauded the handling of such a vast number of containers during the pandemic.

PHOTO: STAR/FILE

READ MORE ON B3

Rod prices surge for costlier raw materials

Millers call for tax cuts

JAGARAN CHAKMA

The price of mild steel (MS) rods has increased by Tk 1,500 per tonne in Bangladesh in the past month because of the rising cost of raw materials globally, making building houses and implementing infrastructure projects costlier.

The spike in the price came even though the source tax was slashed in the budget for fiscal 2021-22.

Manufacturers blame the increasing cost of melting scrap in the international market for the price hike in the local market. So, the cost of building private homes and implementing infrastructures and development projects will not decline.

The retail price of 60-grade MS rod rose to Tk 75,000 per tonne, up from Tk 73,500 per tonne one month ago, data from the state-run Trading Corporation of Bangladesh showed.

Rod prices jumped 38 per cent in the last year as millers were compelled to hike the rates in the wake of spiralling scrap prices in the global market.

A year ago, 60-grade MS rods were sold

for Tk 54,000 per tonne after the demand went down to almost zero due to the coronavirus pandemic, putting the brakes on the construction sector.

"The impact of the increasing price of melting scrap in the global market will affect the local market in a short time. If the situation remains unchanged, the price of MS rods could hit Tk 80,000 per tonne," said Tapan Sengupta, deputy managing director of BSRM, the largest steelmaker in Bangladesh.

"This would be a burden for infrastructure and construction projects," he added.

The price of melting scrap, which was \$300 to \$350 per tonne last October, has risen to \$590 per tonne, prompting several countries, including India, to cut the tariffs on raw material imports.

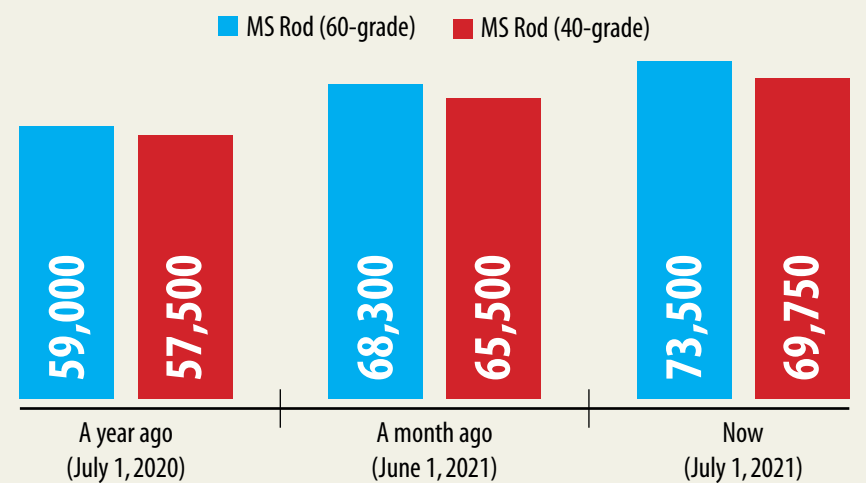
Around 70 per cent to 85 per cent of the melting scrap used by the domestic steel industry has to be imported, while the rest is produced locally.

The scrap is imported from the US, Canada, Australia, South Korea, and European countries.

READ MORE ON B2

PRICES OF ROD IN DHAKA

Taka per tonne; SOURCE: TCB



READ MORE ON B3

GLOBAL BUSINESS

India's industrial activity shrinks for first time in 11 months

REUTERS, Bengaluru

India's factory activity contracted for the first time in almost a year in June as restrictions to contain the deadly second wave of the coronavirus triggered declines in demand and output that pushed firms to cut more jobs, a private survey showed on Thursday.
Although many Indian states have recently relaxed some containment measures following a decrease in daily cases the rapid emergence of the new Delta Plus variant has raised concerns over the nation's already weak economic outlook.
The Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, declined to an 11-month low of 48.1 in June from May's 50.8, moving below the 50-level separating growth from contraction.
"The intensification of the Covid-19

crisis in India had a detrimental impact on the manufacturing economy," said Pollyanna De Lima, economics associate director at IHS Markit.
"Out of the three broad areas of the manufacturing sector monitored by the survey, capital goods was the worst-affected area in June. Output here declined at a steep rate due to a sharp fall in sales."
As overall demand and output shrank in June for the first time in 11 months, manufacturing firms extended their record job cutting spree, albeit at a slower pace.
The survey, conducted before Finance Minister Nirmala Sitharaman's announcement of additional fiscal support on Monday, also showed optimism about the year ahead declined to its lowest since July 2020.
"Companies became increasingly worried about when the pandemic

will end, which resulted in downward revisions to output growth projections. As a result of subdued optimism, jobs were shed again in June," De Lima said.
Despite a sustained rise in input costs, firms increased output prices at a slower rate last month to attract demand.
However, that may not be enough to significantly soften a surge in overall inflation, which hit a six-month high in May. A jump in input costs due to a strong increase in energy and commodity prices pushed wholesale price inflation to its strongest in at least 15 years.
Still, the Reserve Bank of India, which in April cut its growth forecast for this fiscal year to 9.5 per cent from 10.5 per cent, was not expected to hike its key interest rates anytime soon as the primary focus remains on boosting economic growth.



A worker wearing a protective face mask cleans a machine inside an undergarment factory after it was re-opened after a week-long shutdown to slow the spread of coronavirus disease in Kolkata on April 20, 2020.

REUTERS/FILE

European factories racing

REUTERS, London/Tokyo

European factories continued to ramp up their post-lockdown recovery in June but Asian manufacturers saw momentum weaken amid rising input costs and the reintroduction of curbs to combat a new wave of coronavirus infections, surveys showed.
Euro zone manufacturing activity expanded at its fastest pace on record last month while Britain's factories extended their post-lockdown recovery and went on a hiring spree.
"How has that story turned — a few months ago we were seeing the euro zone was lagging with vaccinations far behind. We were expecting a turnaround and we haven't seen much disappointment," said Bert Colijn at ING.
"That upside scenario has materialised. There is a very broad feeling amongst businesses in both services and industry that the coming months are going to be very strong as economies reopen."

Czech and Polish manufacturing hit a record pace of activity for the second month in a row as orders rose and economies opened up again.
But manufacturing activity grew at a slower pace in China and Japan as raw materials rose, while activity shrank in Vietnam, Malaysia and India, where governments imposed tougher restrictions to contain fresh coronavirus outbreaks.



REUTERS/FILE

Employees working on the assembly line at the BMW factory in Berlin.

A shortage of shipping containers and supply chains hugely affected by the global pandemic have made it a sellers' market for materials needed by factories.
An index measuring input prices in the euro zone was at its highest since the survey began 24 years ago.
IHS Markit's final manufacturing Purchasing Managers' Index (PMI) nevertheless rose to a survey high of 63.4 in June from May's 63.1, above an initial 63.1 "flash" estimate. Anything above 50 indicates growth.

Britain's PMI dipped to 63.9 from May's all-time high but the pace of expansion in output, new orders and employment remained among the highest in the survey's near 30-year history after some Covid-19 restrictions were eased.
Data showed Asia was lagging behind western economies in recovering from the pandemic doldrums, reinforcing the view that many regional central banks were unlikely to withdraw pandemic-era stimulus soon.

New recycling techniques set to make electric vehicles greener

REUTERS, London

Researchers in Britain and the United States have found ways to recycle electric vehicle batteries that can drastically cut costs and carbon emissions, shoring up sustainable supplies for an expected surge in demand.

The techniques, which involve retrieving parts of the battery so they can be reused, would help the auto industry tackle criticism that even though EVs reduce emissions over their lifetime, they start out with a

heavy carbon footprint of mined materials.

As national governments and regions race to secure supplies for an expected acceleration in EV demand, the breakthroughs could make valuable supplies of materials such as cobalt and nickel go further. They would also reduce dependence on China and difficult mining jurisdictions.

"We can't recycle complex products like batteries the way we recycle other metals. Shredding, mixing up the components of

a battery and pyrometallurgy destroy value," Gavin Harper, a research fellow at the government-backed Faraday Institution in Britain, said.

Pyrometallurgy refers to the extraction of metals using high heat in blast furnaces, which analysts say is not economic.

Current recycling methods also rely on shredding the batteries into very small pieces, known as black mass, which is then processed into metals such as cobalt and nickel.