Programme launched for women-owned SMEs

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 Word 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.

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

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 folowing 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 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 895-billion-pound ($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.

REUTERS/FILE

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.

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

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.

REUTERS/FILE

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.

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

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 spurted 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 Polash, 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 perishes quickly soon after the harvest," said Omar Faruk Tipu, a mango trader of Chapainawabanj'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.