



ASM Shahidullah Khan
ONE Bank chairman reelected

STAR BUSINESS DESK
ONE Bank has recently witnessed the reelection of its chairman. The chairman, ASM Shahidullah Khan, is the managing director of Media New Age and publisher of the daily New Age, says a press release. He is a director of Holiday Publications and also chairman of Charuta Homes and North Pole Cold Storage. He is a member of the Board of Trustees of Bangladesh Protibondhi Foundation and founding president of Club Notre-damians. He obtained a bachelor's degree in physics from the University of Dhaka.

Broadcom settles US antitrust case on chip market

AFP, San Francisco
US regulators on Friday announced an antitrust settlement with Silicon Valley chip maker Broadcom, accused of abusing its clout in the market for set-top boxes for internet or streaming television services. Broadcom pressured AT&T, Charter, and Comcast and other service providers into agreements that precluded them from buying chips from its competitors, according to the Federal Trade Commission. "America has a monopoly problem," FTC Bureau of Competition acting director Holly Vedova said in a release. "Today's action is a step toward addressing that problem by pushing back against strong-arm tactics by a monopolist in important markets for key broadband components. A consent order approved by the FTC to settle the complain requires Broadcom to no longer make customers source components exclusively from the company."

Ctg customs revokes 245 expired licences

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But they again resorted to irregularities using unused licences, he said. According to the law, there is no opportunity to sell or transfer these licences, said Mahamud. But some dishonest traders got involved in irregularities availing unused or expired licences by paying the holders an illegal hire charge or through illegal contracts, he said. "Licences that have long remained unused have been revoked to prevent these irregularities," he added. Customs officials and C&F agents said the customs authority issued about 4,000 licences to C&F agents and another 534 to shipping agents under the Customs Act-1969. Only 800 to 900 licences of C&F agents are in regular use, said Altaf Hossain, general secretary of the C&F Agents Association. He said many licence holders were doing business by renting those out or by transferring ownership. These licences were bought and sold illegally as new ones had not been issued for a long time, he said. There are about 200-250 licences of

X Ceramics to go for high-end tiles

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"Still though, the future of the high-end tiles segment in Bangladesh is bright," he added. Abu Jubaid Mohammad Rassel, senior marketing manager at Akij Ceramics, said the demand for high-end tiles was previously fulfilled through imports but local manufacturers now cater to about 84 per cent of the total requirement. He believes the demand for high-end tiles will increase in line with the country's economic development. Bangladesh is now almost self-sufficient in meeting the demand for ceramic products, which is quite a turn of events

Clean Clothes claims wage theft in apparel sourcing factories

STAR BUSINESS REPORT
International brand watchdog Clean Clothes Campaign released a report yesterday alleging that Nike, Primark and H&M have been sourcing from factories where wage theft was occurring. The body interviewed 49 workers across 14 factories in three countries, Bangladesh, Cambodia and Indonesia. Of them 16 workers were from Bangladesh, working in seven factories. "Nike, Primark, and H&M's supply chains were chosen for investigation due to the high number of reports of worker rights violations in their supply chains during the pandemic, and their leading roles as major recognisable brands in the garment industry," said the report titled "Breaking Point". Of the Bangladeshi workers, all have had their basic salary reduced, found the report. Thirteen workers are paid less now than they were before the pandemic.

All have had periods where they had not been paid their full wages, and are still owed \$1,770 collectively. "The data shows that 13 workers have experienced an average decrease in pay (including bonuses and overtime) of \$82 per month. Eleven workers' take-home salary decreased by over \$50 per month, whilst three workers' take-home salary decreased by over \$100 per month, almost half their average take-home salary from before the pandemic," said the report. None of the workers have received their annual leave pay during the pandemic, said the report. "H&M and Nike both committed to pay in full for all orders, completed and in production, at the onset of the Covid-19 crisis. However, CCC has documented labour rights violations, including non-payment of wages, in both brands' supply chains," it concluded, adding that Primark was "quick to cancel orders already placed with factories when the Covid-19

pandemic hit and most clothing shops in Europe and the US closed." Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association, declined to comment on the matter. "I don't want to comment on the report now as I need to read it carefully. We will give our reaction soon," he said. Meanwhile, Bangladesh Trade Union Sangha yesterday sent a statement demanding that the government take responsibility for the crises of informal workers who have been left jobless during the lockdown. The statement said in the last one year 2.5 crore people have become the new poor, but the newly passed budget had nothing for this section of the society. The government is saying that the lockdown will be extended, but no solid steps have been taken to arrange for relief distribution, said the statement.

Global container crisis hits local exporters

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Anjan Shekhar Das, managing director of RSB Industrial Ltd, an activewear exporting firm in Chattogram Export Processing Zone, said five trucks full of goods had been waiting in front of two ICDs for the last three days. He expressed his concern about whether he would be able to deliver his cargoes to the buyer in Europe. Md Ruhul Amin Sikder, secretary of the Bangladesh Inland Container Depots Association, said most of the ICDs were overflowed since export cargoes were staying inside the depot for a much longer period than usual as freight forwarders were not providing them with cargo loading plan (CLP) for their failure to book containers. The shortage of empty containers is not limited to Bangladesh. Since November last year, the problem has been plaguing the global shipping sector as the supply chain has been disrupted because of the coronavirus pandemic. Because of the global crisis, export cargoes are staying inside the ICDs for five to eight days against the normal two or three days, Sikder said. Even if containers are available and cargoes are stuffed into them, the loaded containers are being forced to wait to be shifted to the port due to a delay in

getting the nomination of vessels, he said. Trucks and covered vans carrying cargoes from different parts of the country are also facing delays in unloading them, so they too are waiting in the long queue. A total of 14,000 TEUs export containers were lying in the ICDs against the capacity of 8,000 TEUs, according to the BICDA. And BICDA Secretary Sikder said they were facing a shortage of 6,000 TEUs empty containers. Kamrul Islam Mazumder, chief operating officer of Summit Alliance Port Ltd, said more than 2,400 twenty-foot equivalent units (TEUs) of export-bound containers piled up on its ICD as of yesterday against the capacity of 900 TEUs. "There is a long queue of trucks and covered vans loaded with export cargoes outside their ICD," he said. This type of prolonged stay of export cargoes and containers in the ICDs is hampering the operational hindrance inside the depot, said BICDA President Nurul Quayyum Khan. "Any delay in these stages has a negative impact on the whole operational dynamics," said Khan. Bangladesh Freight Forwarders Association Director Khairul Alam Sujian said export cargoes could not be stuffed into containers on time due to the container crisis. "This is a global crisis."

Even when containers are available, there is a crisis in ensuring booking containers in the feeder vessels, he said. Ajmir Hossain Chowdhury, head of operations of Mediterranean Shipping Company Bangladesh, said following the economic rebound in the western countries since November last year, the export from China and other Asian countries had picked up. This huge volume of containers could not be brought back timely due to the long congestion at the ports of Europe and the US, creating an acute shortage of containers in the exporting countries, he said. "This has increased container freights. Vessel owners also raised charter hire that forced the feeder vessel operators to reduce their capacity," said Chowdhury. Some shipping companies are charging \$19,000 for a 40-foot container, way higher than \$2,200 before the pandemic, industry people say.

Benapole customs posts 57pc rise in revenue collection

OUR CORRESPONDENT, Benapole
Benapole custom house earned Tk 4,148.27 crore in revenue in 2020-21 fiscal year, posting a 57 per cent year-on-year rise. "All credit goes to the efforts taken by the customs authorities to cut tax evasion and the beginning of goods' import through railways," Benapole Customs Commissioner Md Azizur Rahman told The Daily Star. The customs house has taken extensive measures to cut tax evasion, which has paid off as revenue collection hit a record growth in 2020-21 fiscal year, he said. Moreover, bulk import of goods through railways has also played a big role in the revenue collection, Rahman also added. The revised revenue collection target for the custom house in FY21 was Tk 6,100 crore, up from Tk 5,563 crore in the previous fiscal year. The country's largest land custom house collected only Tk 2,635.77 crore in revenues in 2019-20 fiscal year, which is Tk 1,512 crore less than that of FY21's.

India joins global deal to tax multinational firms

REUTERS, New Delhi
India has joined a global consensus framework deal to tax multinational companies, the government said on Friday, an effort backed by the United States. Officials from 130 countries, including G20 nations and OECD members, agreed on Thursday in Germany's business hub of Frankfurt to the broad outlines for an overhaul of rules for taxing international companies. "The principles underlying the solution vindicate India's stand," the government said in a statement. It listed advantages such as a greater share of profits for the markets, consideration of demand-side factors in profit allocation and tax rules to stop treaty shopping. But some issues, such as profit-sharing and the scope of tax rules, remain open and need to be resolved, it added. US Treasury Secretary Janet Yellen urged Indian Finance Minister Nirmala Sitharaman on Tuesday to discuss a "robust global minimum tax". The deal calls for a minimum tax rate of at least 15 per cent, a key element pushed by the administration of US President Joe Biden. An implementation plan and remaining issues will be finalised by October, with the deal expected to be implemented in 2023, said the Organisation for Economic Cooperation and Development (OECD), which coordinated the global campaign.

Another dismal Eid looms for rawhide trade

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However, Commerce Minister Tipu Munshi in a virtual meeting with tanners, Bangladesh Bank officials, rawhide merchants and representatives of different commercial banks last week asked the central banks to make loans available ahead of Eid. This can help avert the dismal situation in the rawhide business this time, Khan said. Among the public banks, Janata, Rupali, Sonali and Agrani banks are main the financiers in the rawhide and leather goods business, he added. During this year's Eid-ul-Azha, Khan is expecting the sacrifice of some 40 lakh cattle and another 20 lakh goats, sheep and buffaloes. The number of animals sacrificed will be the same as of last year as people's income is low in the time of Covid-19, he added. Some 50 per cent of the year's rawhide collection is made during the Eid-ul-Azha and the rest round the year, he said. Shakawat Ullah, general secretary to Bangladesh Tanners Association (BTA), said some 60 per cent of tanned hide stocks had remained unsold as demand had declined worldwide due to the fallouts of the Covid-19. "We demanded Tk 600 crore from

the banks as loans this year," Ullah told The Daily Star over the phone. Some 17 banks have shown interest to finance the tanners this year, he said, adding that expectations were that there would not be a problem in making payments to rawhide merchants this year. The tanners, except for defaulter Crescent Leather, had loans of more than Tk 1,500 crore with banks in total, he said. "We also demanded that the government not allow banks to take payments of old loans from the fresh loan to increase the inflow of money in the rawhide trade," he said. Every year, banks charged payments for old loans from fresh loans ahead of Eid. As a result, the amount is reduced ahead of the purchase of rawhide in Eid, he said. Commerce Secretary Tapan Kanti Ghosh said this time the government would improve monitoring in rawhide trade so that the valuable asset of the country was not wasted. "We will launch a massive campaign soon on how to preserve the rawhide with salt during the rainy season and in humid weather conditions," he said. Ghosh also said the commerce ministry had already allowed five tanneries to export wet blue so that

the demand was created in markets for the generation of proper prices of the rawhide. So far some 14 banks have shown interest with Bangladesh Bank for financing tanneries in purchasing rawhides, Ghosh also said. "So, it is expected that this year the situation in rawhide business will improve," the commerce secretary also said. Nasir Khan, chairman and managing director of Jennys Shoes, a local pioneer in the manufacture and export of leather footwear, said the leather sector was still in a vulnerable situation as exports had declined due to a reduction of orders. For this reason, stock leather is available in the market while the demand for rawhide will be slow to come this year, he said. Against this backdrop, like last year, the seasonal rawhide traders have no possibility to do good business, he said. He also blamed a lack of compliance at the tannery industry, pointing out that the construction of the estate's central effluent plant was yet to be complete. "The leather industry will not get proper treatment in the global market until compliance is ensured at the tannery estate," he noted.

Cattle traders in a blue funk as Covid rages on

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Contacted by The Daily Star, Jinnat Sultana, deputy director of the Department of Livestock Services, however, said due to the Covid-19 situation, they were suggesting operating cattle markets in wide and open spaces following health guidelines. "The local administration will take necessary steps as per government orders," she said. She assured that there was nothing for the cattle traders to be worried about as the government had stuck to a decision to not let Indian cattle enter centring the festival for the alarming condition in the neighbouring country. "The Ministry of Fisheries and Livestock has already issued an order to each of the divisional headquarters and district administrations so that no Indian cattle enters during Eid," she said. There is a sufficient number of cattle available in the local farms across the country to meet demand, she added. According to the livestock department, 1.19 crore sacrificial animals have been prepared this year across the country. Of them, 45,47,000 were cows, 73,65,000 goats and lambs and 4,765 others. "Last year 95,000 animals were sacrificed while we are expecting 99,22 lakh animals to be sacrificed this year," said Sultana. "But marketing of cattle is a big concern for cattle farmers and traders in the Eid market due to the alarming Covid-19 situation so we

are encouraging cattle farmers to go for online marketing," she said. Online Marketing Haropara, a remote village in Pabna's Vangura upazila, has set an example of selling sacrificial animals in online markets. There are about 150 cattle farmers in the village dependent on online marketing. "We are preparing videos of our animals and posting those in online platforms such as Facebook and YouTube using our contacts," said Shahabul Islam, owner of ABC Cattle Farm. "Seeing the videos, buyers are contacting us and paying money through banks. We are then loading animals onto trucks and sending those to the respective addresses," he said. He said he often buys cows from farmers running operations on a small scale and has been selling those through online platforms over the last couple of years. "Last year I have sold 100 cows in this way. This year I am expecting to sell more but only a small number of buyers have contacted me for the strict lockdown. It is mostly big merchants who are contacting us," he added. Md Ashraf Alom, another trader using online markets, however, said different big companies were buying cattle from them through online transactions but were waiting to take delivery at the last minute. "Most big companies buy sacrificial animals through online platforms and pay a charge for

maintaining the animal in our farms," he said. "They will, however, take the delivery on the last week of the festival and sell to other big buyers at a handsome price," Ashrafal said. Price Soars Prices of cattle has soared rapidly by some 20 per cent to 25 per cent this year due to rising production cost, according to the cattle farmers and traders. "I bought five healthy bulls eight months ago, each for Tk 1 to Tk 1.5 lakh," said Sirajul Islam, a cattle trader of Sirajganj's Shahzadpur upazila. "I spent Tk 60,000 to Tk 70,000 for feed and medicine of each. Now I expect to get Tk 2.3 lakh to Tk 2.5 lakh for each of the bulls that weigh approximately 8 to 10 maunds (one maund equals around 37 kilogrammes)," he said. According to the cattle farmers and traders, an animal weighing anywhere from three to five maunds was selling for around Tk 70,000 to Tk 1.25 lakh. Anything half that size was available for approximately Tk 22,000 to Tk 25,000. But prices usually depended on the likings of customers, they said. Md Johurul Islam, a businessman of Pabna, said he was yet to buy a bull for he did not get one of his liking. "A three maund bull costs over Tk 70,000. As a man of a middle-class family, I cannot afford that much yet I have to sacrifice an animal," he said.

Operators eye SIM-locked phones to ramp up 4G use

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"Operators will have to make an attractive offer to customers. Then, 4G subscribers will grow at a faster rate." Under the proposal, customers will have to buy the handset from an operator, and the operator's SIM must be used until the repayment period is over. In Bangladesh, 4G was introduced in 2018. Twenty-eight per cent of the mobile phone subscribers currently use the service, although 4G capabilities can cover 95 per cent of internet users. There has been an information technology revolution in the past few years, buoyed by a surge in mobile and internet users in the country. But customers are not happy about the quality of the service. Operators say they have set up more than 36,000 4G sites and spent heavily in other areas, such as purchasing spectrum. According to the AMTOB, four operators have invested Tk 28,000 crore in the 4G service. To increase the number of 4G subscribers, the AMTOB plans to sell handsets on instalments by locking them to a specific carrier. SIM-lock handsets are in use in many

countries. In India, Jio offers 4G-enabled mobile phones under its own brand. The handset can only be used with the company's SIM. In Bangladesh, operators plan to bring 100 per cent of the population under 4G coverage by 2025. According to their estimate, 40 per cent of the customers will use 4G in 2021, 60 per cent in 2022, 75 per cent in 2023, 85 per cent in 2024, and 100 per cent in 2025. More than 101 million out of 173 million mobile subscribers use the internet, according to the Bangladesh Telecommunication Regulatory Commission (BTRC). Second-generation (2G) subscribers make up 48 per cent of the subscribers, and 3G subscribers account for the remaining 24 per cent. Bangladesh has the biggest gap in regards to 4G and 3G users in South Asia. The AMTOB blames the high price of 4G-enabled devices for the lower number of users. As a result, more than eight crore subscribers still use basic or feature phones. If smartphones could be handed over to these customers at the

price of a feature phone, they could be brought under the 4G umbrella. Zakaria Shahid, general secretary of the Bangladesh Mobile Phone Importers Association, said network operators could not use their brand name on the phone by crossing out manufacturers' names. "We have agreed to go for co-branding. They can sell handsets of existing brands as well." Shahid said that manufacturers had nothing to do with reducing prices because there are many other issues involved, including taxes. Manufacturers and importers say it is not possible to cut the price of smartphones. Besides, the price of locally made handsets is already low compared to other countries. "A customer buys a phone once every three to four years, but they use it every day. So, operators should make attractive offers when customers buy a handset, whether the network is locked or not," Shahid said. SM Farhad, secretary-general of the AMTOB, said mobile operators and manufacturers would take the next course of action to decide whether they would go for carrier-locked or SIM-locked phones following the green light from the BTRC.