

## Progress on Covid and economy under Biden, but disunion haunts US

REUTERS

Most US adults are vaccinated but Covid-19 cases are rising. The economy is accelerating but inflation looms. Bipartisan cooperation has improved but political rancor is high.

More than five months into Joe Biden's presidency, the United States has changed in multiple ways, with a healthier business outlook and a pandemic - at least in many parts of the country - increasingly under control.

But as the world's largest economy celebrates its 245th birthday on July 4, the Independence Day holiday will not be the full celebration that Biden had hoped, or promised.

A White House goal of vaccinating 70 per cent of adults against Covid-19 with at least one shot will not be met, and legislation to repair the nation's infrastructure is still far from arriving on Biden's desk.

Biden will celebrate with a 1,000-person party on the White House lawn and fireworks over the National Mall.

Historians said he, and the country, have a reason to do so.

"Compare where we are versus a year ago economically, in terms of public health, in terms of national psyche, it is almost like living in a different country," said presidential historian Michael Beschloss.

He said Biden had to walk a careful line between celebrating the progress made on the pandemic and declaring: Mission Accomplished.

"If Biden had been too hasty in declaring the pandemic over, which he has not, it would be difficult to ask Americans for future sacrifices and it would also make Democrats politically vulnerable next year if the pandemic in some way recurs," Beschloss said.

Trouble may loom ahead, though. The US government said on Thursday that daily coronavirus cases rose in the past week, driven by increases in the Midwest and Southeast where vaccination rates are low and the highly contagious Delta variant, first found in India, is spreading.

"We are celebrating, as a country, at the same time as we recognize the fact that we're in a serious situation for those who have not been vaccinated," said infectious disease expert Dr

Anthony Fauci.

"And the message is: Get vaccinated."

In a sign of economic progress, the Labor Department said on Friday that US companies hired the most workers in 10 months in June.

But the economy is far from back to normal, with 7 million fewer jobs than it had in February 2020, before the pandemic.

Meanwhile some businesses are having trouble hiring the employees they need, as workers struggling with childcare or worried about illness choose to stay home.

Vanderbilt University historian Thomas Alan Schwartz noted the country's challenges had changed since the tumultuous tenure of former President Donald Trump.

"Our problems are really different now," he said. "I think Joe Biden's America is a calmer, gentler place."

Demonstrations over racial disparities have fallen after massive unrest in 2020 over the death of George Floyd, a Black man, and the white police officer charged with murdering him was sentenced to 22-and-a-half years in prison.

Biden commemorated the 1921 massacre of Black Americans in Tulsa, Oklahoma, last month and signed a bill into law making June 19 a federal holiday commemorating the emancipation of the enslaved.

At the same time, threats from home grown extremism, particularly white supremacists, are on the rise, Biden's Justice Department has said.

And a Republican-led fight against "critical race theory" has turned the teaching of American history into a new political battleground.

Despite Biden's pledge to get Republicans and Democrats in Congress to work together - and massive popular support - legislation on infrastructure, police reform, and gun safety still has not crossed his desk.

The January 6 storming of the Capitol by Trump supporters, during which five people died including a Capitol Police officer, remains an open wound.

House of Representatives Republican leader Kevin McCarthy has criticized members of his party who cooperate with a committee set up by Democratic Speaker Nancy Pelosi to investigate the insurrection.

Still, McCarthy attended a White House event on Friday to honor the Los Angeles Dodgers baseball team, the 2020 World Series winners. Baseball is the quintessential American pastime.

## Britain's Morrisons agrees \$8.7b takeover by Fortress-led group

REUTERS, London

Morrisons has agreed to a takeover led by SoftBank owned Fortress Investment Group that values Britain's fourth-largest supermarket chain at 6.3 billion pounds (\$8.7 billion) and tops a rival offer from a US private equity firm.

The offer from Fortress, along with Canada Pension Plan Investment Board and Koch Real Estate Investments, exceeds a 5.52 billion pound unsolicited proposal from Clayton, Dubilier & Rice (CD&R), which Morrisons rejected on June 19.

However, it was less than the 6.5 billion pounds asked for by top 10 Morrisons investor JO Hambro last week.

Shareholders will get to vote on the Fortress offer, which gives the supermarket chain an enterprise value of 9.5 billion pounds once its net debt of 3.2 billion is taken into account.

Under British takeover rules CD&R has until July 17 to come back with a firm offer. CD&R declined to comment. Analysts have also speculated that other private equity groups and Amazon, which has a partnership deal with Morrisons, could enter the fray in a potential bidding war.

The Fortress deal underlines the growing

appetite from private funds for British supermarket chains, which are seen as attractive because of their cash generation and freehold assets.

"We have looked very carefully at Fortress' approach, their plans for the business and their overall suitability as an owner of a unique British food-maker and shopkeeper with over 110,000 colleagues and an important role in British food production and farming," said Morrisons Chairman Andrew Higginson.

"It's clear to us that Fortress has a full understanding and appreciation of the fundamental character of Morrisons."

Fortress, an independently-operated subsidiary of Japan's SoftBank Group Corp, is a global investment manager with about \$53 billion in assets under management as of March. It purchased British wine seller Majestic Wine in 2019.

"We are committed to being good stewards of Morrisons to best serve its stakeholder groups, and the wider British public, for the long term," said managing partner Joshua A Pack.

But Britain's opposition Labour Party called for close scrutiny from the government.



REUTERS

**US President Joe Biden holds up a jersey given to him during a ceremony honouring the members of the 2020 World Series Champion Los Angeles Dodgers in the East Room at the White House in Washington, US on July 2.**



REUTERS/FILE

**A Morrisons store is pictured in St Albans in London, England.**

## Do away with unnecessary regulations

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Highlighting the government's efforts to attract more foreign direct investment (FDI), the planning minister said everyone agrees that this year's national budget was made business-friendly.

"So, what else should we do? Open up, liberalise and cut down unnecessary rules and regulations," Mannan added.

Japan's Ambassador to Bangladesh Naoki Ito said more than 300 Japanese companies are now operating in the country. The number of Japanese companies in Bangladesh has tripled in the last 10 years.

Japan is the largest Asian export market for Bangladesh with shipments amounting to about \$1.3 billion. So, Japanese companies are ready to expand their business here even despite the difficulties presented by the ongoing Covid-19 pandemic.

"We see three important factors to increase business and facilitate trade and investment -- further development of infrastructure, better investment climate and workforce development, particularly of young people," Ito said.

He went on to say that Bangladesh's infrastructure would change drastically in the next five years and Japan is fortunate to be a part of this journey through its involvement in numerous development projects, such as the Matarbari deep seaport and Dhaka metro rail.

Mentioning that the country's investment climate has improved, Ito said

some issues still remain, such as delays in customs clearing, securing letters of credit, and certain restrictions.

So unless a solution to these issues is found, they will further hinder the flow of investment for Bangladesh.

"Since we are working on the construction of Araihaaz special economic zone, the success in Araihaaz is very very crucial for future partnerships between Japan and Bangladesh," he said.

"I do hope that at the end of the day, Araihaaz will have hundreds of companies and at least \$1 billion in investment. But we need a better business environment as well as investment incentives," the Japanese ambassador added.

While speaking about future investment prospects in Bangladesh, Ito said they recently announced a \$25 million investment in the local garment sector, including the Ishwardi Export Processing Zone.

Besides, Mitsubishi Corporation is considering the possibility of investing in the local automobile manufacturing sector.

"I do hope that Mitsubishi will make the investment decision soon," he added.

Sirazul Islam, executive chairman of Bida; Md Jashim Uddin, president of FBCCI; Faruque Hassan, president of BGMEA, and Ghulam M Alomgir, chairman of Max Group and director of FBCCI, also spoke at the programme.

Masud A Khan, chairman and founder of BBF, moderated the event.

## Dhaka Bank rides on tech to make retail, SME banking vibrant

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Huq said the bank had never adopted any aggressive strategy to make quick bucks in its history.

"We have always concentrated on quality growth. We always try to provide financial services to clients in line with global standards. As a result, we have been able to avoid any major financial anomalies."

The noted banker also touched upon the macroeconomic situation of Bangladesh, saying the major indicators were now in good shape despite the pandemic.

Higher export earnings and robust growth in remittances have assisted the government in tackling the economic uncertainty comfortably. The ballooning

of foreign exchange reserves has given a breathing space.

According to Huq, both Bangladesh Bank and the country's lenders should continue supporting SMEs as the economy would not return to its higher growth trajectory if the sector did not make a turnaround.

Excess liquidity has become a burden for banks owing to lower credit growth for the time being. But the private sector would absorb the additional funds in the coming months as many businesses plan to expand their footprint.

"On top of that, the global economy is gradually recovering from the slowdown, and the revival will have a positive impact on our economy," he said.

## Oil, lentil, sugar on OMS from today

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Besides, every truck will carry 500 to 800 kgs of sugar, 300 to 600 kgs of lentils and 800 to 1,200 litres of soybean oil, according to the notification.

The move comes at a time when people, mostly from the low-income groups, are struggling to afford daily essential commodities due to the economic fallouts of the Covid-19 pandemic.

This is especially the case of the daily wage-earners who have been passing

miserable days amidst the soaring prices of almost every essential commodity in the local market as they are unable to go out to find work during the ongoing shutdown.

In retail markets, bottled soybean oil is being sold at Tk 149 per litre, lentils between Tk 110 and Tk 120 per kg and sugar Tk 72 and Tk 78 per kg.

In the notification, the TCB said the OMS programme would continue till July 29, except for the Eid holidays.

## Tk 68cr project to amp up agarwood exports

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Agarwood comes from the Aquilaria malaccensis tree. If it comes to suffer an external damage, a fungal infection grows inside called Phialophora parasitica. This prompts the tree to produce an aromatic resin, which coagulates over time to create agarwood.

Since the frequency of natural infections is extremely low, the artificial practice for triggering the resin secretion is hammering iron nails into the tree.

Dr Mohammad Jakir Hossain, an official of the BFRI's Department of Forest and Biomaterials Science, who prepared the project, said agarwood was produced both artificially and naturally in Bangladesh.

Only 5-10 per cent of a tree's volume materialised in the form of resin in the current iron nail method, he said, adding that the agarwood produced using iron nails was of substandard quality.

He said they were trying out other ways of triggering the resin's secretion, one of which was a "transfusion or saline method".

"So far, we have had the most success with this method in trials. Hopefully, we will be able to generate 80 per cent of agarwood from a tree through the method," Hossain said.

Out of all the methods, the one that turns out to be the most fruitful will be adopted, he said.

Businesspeople of the agarwood industry said the traditional iron nail method has been in use around the world, including Bangladesh, since

ancient times.

They, however, said they were open to new ideas, provided it was organic.

Abdul Kabir, an entrepreneur of the industry and a resident of Sujanagar union of Moulvibazar's Barlekha upazila, said they have been in this business for a few generations.

"I own an agar garden and processing plants," he said.

He sees the project as a government support for the industry. "If the government can collect agar resin without using chemicals, they, the entrepreneurs of this industry, will welcome it," he said.

"But the entrepreneurs will not appreciate it if they take any initiative to collect the substance by using any artificial or non-traditional means," he added.

Ansarul Haque, president of the Bangladesh Agar and Perfume Manufacturers and Importers Association, labelled the project to be a futile effort.

"The project the government is initiating would not be beneficial for us. It will only waste the government's money by doing the research," he said.

However, he said, if the proposed methods turned out to be beneficial for producing agarwood, then they would adopt it.

"Our overarching aim is to reach an annual export revenue of \$1,000 crore by 2025 through this project," said Dr Jakir Hossain.

Bangladesh exports agarwood mainly to

Singapore, Hong Kong, Dubai, Qatar, Riyadh, Bahrain, China, Japan, Korea and Taiwan.

Agarwood is also produced in Indonesia, Malaysia, Vietnam, Thailand, India, Myanmar, Laos, Cambodia and some other countries.

According to the BFRI, there are currently about six crore Aquilaria trees in Bangladesh.

At present, private forestries of Aquilaria trees are managed in Sylhet, Chattogram, Chattogram Hill Tracts, Cumilla, greater Mymensingh and Gazipur.

The project encompasses areas including Chattogram, Moulvibazar, Sylhet, Khagrachhari, Rangamati and Mymensingh.

Its implementation period is estimated to be five years spanning from January 2021 to December 2025.

A project official informed that they were looking to conduct some research on issues, including artificial storage, oil extraction and quality determination, engaging in partnerships with universities or institutes of Malaysia, Indonesia, Vietnam and Japan.

Over 300 agarwood oil refineries are present in different parts of the country. This industry has directly or indirectly created employment opportunities for about 20,000 people.

BFRI Director Dr Masudur Rahman said if the project was implemented properly, agarwood production would increase several fold.

"And if we can capture the international market, we will be able to play a greater role in the country's economy," said Rahman.

## A new way of manipulating stocks

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"Normally, these types of abnormal buy orders come from manipulators," said Faruq Ahmed Siddiqi, a former chairman of the Bangladesh Securities and Exchange Commission (BSEC).

"The regulator should investigate and find out who did this and for what reasons. Exemplary punishment may rein in the trend."

The shares of many small-capitalised companies had been manipulated, but no concrete action was yet to be seen from the regulator, Siddiqi said.

Using the trick, some people dump low paid-up capital-based shares and earn money, whereas general investors incur losses.

"It is the responsibility of the regulator to curb artificial price mechanisms," said the former secretary.

A vested quarter places such an aggressive buy order to create an artificial demand for a stock and send a message to general investors to buy it, said a former director of the DSE.

"This is a new style of manipulation."

In order to buy the big volume of shares of Malek Spinning, at least Tk 210 crore was needed to be kept in the beneficiary owner's (BO) account. "The question is whether the amount was kept in the account," he said.

A few individual investors have such a huge amount of funds at their disposal, and the

institutional investors are not involved in buying these shares, said the veteran stockbroker.

The vested quarter either had insider information or placed the buy order to manipulate the stock because such orders could not be normal, the broker said.

In most cases, the order is not executed as general investors opt not to sell shares as they expect the stock to go up further.

Stocks of NRB Commercial Bank soared 224 per cent to Tk 39 in one month. Delta Life Insurance stocks surged 97 per cent to Tk 154. Beach Hatchery's shares advanced around 40 per cent to Tk 18 in the span of one month.

"There might be an ill-motive behind the buy order, so the regulator should look into it," said Sharif Anwar Hossain, president of the DSE Brokers Association.

Md Nazrul Islam Mazumder, CEO of MTB Securities, blamed investors' behavioural problems for the placement of such massive purchase orders by the manipulators.

"There is no point to chase these stocks because they have no potential. Some people are just playing with the general investors."

Some investors like to run after the stocks that see abnormally high buy orders despite knowing that they are being manipulated, in the hope of making a profit from the gamble, he said.

In order to make a quick buck, some

people bid for shares at higher prices for the companies that did not see sellers on the previous day, said Rahmat Pasha, CEO of UCB Stock Brokerage.

"They think if the stocks rise for three days, they will sell off and make some profits on the day the shares mature," he said.

When general investors start buying shares, the vested group discontinues the order and starts selling, he said.

"This is nothing but wickedness. The regulator can easily identify the manipulators, and it should do it because the investment of many general investors gets stuck."

"Anyone can place a buy order. But we have to see whether they have enough money in the BO account," said Mohammad Rezaul Karim, spokesperson of the BSEC.

"We are getting information that some people are placing these orders with a motive to increase the price of stocks," he said.

The BSEC had taken steps against such orders for the shares in case of an initial public offering, bringing down the incidences of false bids, Karim said.

"But steps have not been taken for other companies. We will take measures if this happens again for any low-performing companies where such a buy order is abnormal," said the executive director of the commission.