STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold ▲	Oil ▲	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		$USD	€EUR	£GBP	¥CNY
▼ 0.31%	▼ 0.40%	$1,803.73	$72.76	▲ 0.37%	▼ 0.96%	▼ 1.54%	▲ 0.66%	BUY TK	83.95	98.19	114.96	12.74
6,177.21	10,739.10	(per ounce)	(per barrel)	53,054.76	28,366.95	3,141.60	3,553.72	SELL TK	84.95	101.99	118.76	13.39

Star BUSINESS

DHAKA THURSDAY JULY 8, 2021, *ASHAR 24, 1428 BS* ● starbusiness@thedailystar.net

Evaly under probe for alleged breach of competition rules

IMBALANCE OF ASSETS AND LIABILITIES

evaly

Total assets: Tk 91.69cr

Total liabilities: Tk 407.18cr

Current liabilities to customers: Tk 213.94cr

Current liabilities to merchants: Tk 189.85cr

Current assets: Tk 65.17cr

Gap (current assets minus current liabilities): Tk 338.62cr

SOURCE: COMMERCE MINISTRY LETTER TO ACC

STAR BUSINESS REPORT

The competition authority is carrying out two investigations against e-commerce company Evaly for alleged embezzlement of funds and breach of competition rules.

The commerce ministry sent a letter to the Bangladesh Competition Commission (BCC) on July 4, asking it to open a probe into Evaly after the central bank found that the digital commerce platform was involved in misappropriating funds.

"We have already started working on the investigation upon request from the commerce ministry," said Md Mofizul Islam, chairperson of the commission.

The BCC has also been investigating Evaly in a suo moto case filed in February for selling goods through an unusual cash-back offer through an advertisement.

The ad offers 60 per cent and 40 per cent cash-back, subject to next sales.

In an interim verdict, the commission ordered to suspend all sales arrangements related to the conditional cash-back offers.

The Eid Dhamaka ad was a violation of the Competition Act, according to the interim verdict.

"The Evaly case on the cash-back offer is still under investigation," said Islam, adding that the two probes would continue simultaneously.

He said the BCC had filed the case against Evaly after it found the cash-back offers to be anti-competitive.

In recent months, the e-commerce platform has come under regulatory scanner for its business practices, which include offering unusual discounts. Customers also have alleged delays in the delivery of products.

Earlier, the commerce ministry suggested the Anti-Corruption Commission (ACC) investigate the allegations of embezzlement or transfer of Tk 338.62 crore against Evaly.

The ministry also requested the home ministry initiate a probe against the e-commerce platform and take steps.

Besides, the commerce ministry asked the Directorate of National Consumer Rights Protection to take measures against the firm for alleged breaching of consumer rights, and examine whether the digital commerce platform was engaged in any anti-competitive practices, said Md Hafizur Rahman, director-general of the WTO Cell of the ministry.

Evaly had a total asset of Tk 91.69 crore as of March 14. Of the sum, the current asset was Tk 65.17 crore, and the total liability was Tk 407.18 crore, according to a central bank probe.

On the day, the liability of Evaly to its customers was Tk 213.94 crore, and to merchants Tk 189.85 crore, said a letter of the commerce ministry to the ACC on July 4.

The company was supposed to have at least Tk 403.80 crore as the current asset, given the money received from customers and products taken from merchants.

However, it has current assets of Tk 65.17 crore, said the letter.

READ MORE ON B3

These lighters play a crucial role in unloading cargo from bigger ships which have to stay back at the outer anchorage for a lack of draft on way to the Chattogram port. These flat-bottomed barges also help reach imported foodgrain, essential commodities and industrial raw materials to Dhaka and various parts of the country through waterways. The photo was taken near Shah Amanat Bridge over the Karnaphuli river yesterday.

RAJIB RAIHAN

Lockdown may slow recovery

BB says in quarterly report on economy

REJAUL KARIM BYRON *and* MAHMUDUL HASAN

The lockdown reinstated to curb the latest surge in coronavirus infections is likely to slow the pace of economic recovery in Bangladesh, said the central bank in a report.

The economy had rebounded strongly in the third quarter of the just-concluded fiscal year thanks to strong growth in manufacturing output and exports and imports as consumer confidence grew.

"But the recent extension of the lockdown period to tackle the resurgence of Covid-19 infections is likely to slow the pace of economic recovery to pre-pandemic levels," the Bangladesh Bank said in its third quarterly report on economy.

"Recoveries of Bangladesh economy confronted new headwinds from the increasing infection rate and associated restrictions measures to check the new surge since April 2021."

Travel restrictions from Bangladesh to other countries are likely to dampen migration, remittances and exports to some extent, it said.

As the highly contagious Delta variant of the coronavirus turned more deadly in Bangladesh, the government has extended the strict countrywide lockdown to July 14.

In the January to March quarter, when the infection had rate dropped significantly, some signs of economic recovery were observed as the agriculture sector displayed a solid performance and the industrial sector experienced a rebound on the back of improving domestic and external demand.

According to the report, manufacturing output rose more than 8.76 per cent in the quarter thanks to the 14.47 per cent expansion in manufacturing of textile, 56.38 per cent in leather and leather products, 15.25 per cent in pharmaceuticals, 18.46 per cent in chemical and chemical products, 14.67 per cent in non-metallic mineral product, and 368.21 per cent in electrical equipment.

Industrial production was up 8.27 per cent year-on-year, mostly owing to favourable demand-side factors such as higher remittance inflow, substantial credit to trade and commerce, and consumer finance.

SM Khaled, managing director of Snowtex, an apparel exporter, said the political crisis in Myanmar, India's coronavirus situation, and the conflict in Ethiopia were prompting international retailers and brands to shift work orders to Bangladesh.

The garment export forecast is good with increasing orders from the EU and North America as they vaccinated a higher number of people against the virus, he said.

However, the local demand for apparel dropped significantly during the pandemic as consumers are spending cautiously, said Khaled.

READ MORE ON B3

DELAY IN EXPORT

Stakeholders call for alternative shippers

STAFF CORRESPONDENT, *Ctg*

Exporters should convince their buyers to allow the use of alternatives to the few designated shippers to quickly end the backlogs in cargo shipment, recommended stakeholders.

Currently, a few main-line operators (MLOs), which are carriers employing vessels on the principal routes, are usually nominated to carry a major portion of export cargoes, they said.

This prevents booking other MLOs' empty containers, causing them to lie idle at private inland container depots (ICDs) alongside an unprecedented pileup of export cargoes at those depots, they observed.

The observations came at a virtual meeting organised by the shipping ministry yesterday on prolonged delays in export shipments.

Exporters urged the government to take steps, such as arranging direct operation of small sized vessels from the Chattogram port to export destinations.

There could be feeder vessels running from Chattogram to China to connect with mother vessels reaching export destinations in the US and Europe, they said.

This will be an alternative to the current popular route, from the Chattogram port to the transhipment ports of Singapore and Colombo, which are facing congestion, they added.

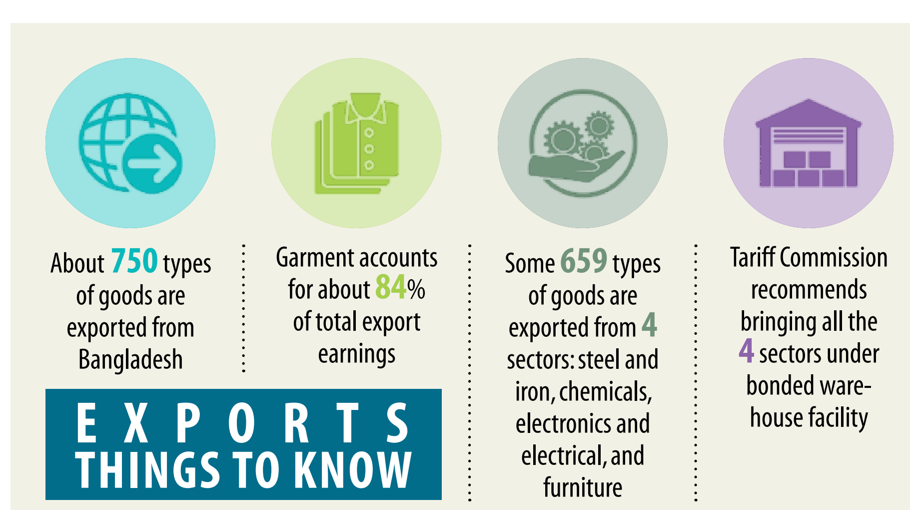
The shipping agents urged Chittagong Port Authority (CPA) to allow some space at the port for storing a portion of export-loaded containers to help the ICDs get rid of the backlog.

READ MORE ON B3

DUTY-FREE RAW MATERIAL IMPORT

Extend the scope to non-RMG as well

Tariff Commission urges commerce ministry



MOHAMMAD SUMAN, *Ctg*

The Bangladesh Trade and Tariff Commission (BTTC) has recommended the government extend the duty-free raw material import facility to the firms that sell a portion of their goods in overseas markets with a view to diversifying exports.

Now, 100 per cent export-oriented manufacturers get the duty-free scope while importing raw materials under the bonded warehouse scheme. Apparel exporters mostly enjoy the facility.

The importers of raw materials in the iron and steel, chemicals, electronics and furniture industries who export a part of their goods do not enjoy the benefit. Instead, they get the duty drawback, which is the refund of duties and taxes paid on inputs or raw materials used for the manufacture of exported goods and services.

But the refund is made after the goods are shipped, so it takes time. As a result, the importers face a capital shortage.

So, the BTTC has now recommended the commerce ministry allow partially export-oriented sectors to import raw materials duty-free under the bonded warehouse facility.

The recommendations were made in a report that was submitted to the commerce ministry on June 25. A copy of the report was obtained from the ministry.

Bangladesh's export earnings have been reliant on the garment industry for the last few decades. In the just-concluded fiscal year, about 85 per cent of the total export receipts amounting to $38.75 billion came from the apparel industry.

In a report, the BTTC said that the export dependence on a single product could be overcome by implementing its recommendations. Bangladesh exports 750 types of products.

Of them, 43 are in the garment industry. The raw materials of 48 types of export-oriented goods are locally available.

READ MORE ON B3

Garment is a success model for Bangladesh's exports but now is the time to focus on other potential sectors like leather, pharmaceuticals and light engineering, an expert says.

PHOTO: STAR/FILE

Plan big to diversify exports

Experts say

STAR BUSINESS DESK

Bangladesh needs to formulate long-term plans on how to enhance its export basket after graduating from the UN's group of Least Developed Countries (LDCs), experts say at a webinar held yesterday.

Related measures could include providing low cost and easy access to finance, adequate policy support along with fiscal and non-fiscal incentives for non-garment export sectors while ensuring equal treatment and skills development, they said.

The webinar, styled "Challenges and way

READ MORE ON B3

DHAKA BANK

Emranul Huq, managing director and CEO of Dhaka Bank, virtually inaugurated a foundation training course for newly recruited management trainee officers at Dhaka Bank Training Institute yesterday. Additional Managing Director Mohammad Abu Jafar and Deputy Managing Director AMM Moyen Uddin attended the programme.

FIRST SECURITY ISLAMI BANK

Mohammed Saiful Alam, chairman of First Security Islami Bank, virtually presided over its 22nd annual general meeting yesterday. The meeting approved 5 per cent cash and 5 per cent stock dividends for 2020. Mohammed Abdul Maleque, vice chairman, and Syed Waseque Md Ali, managing director, were also present.

China to boost steel scrap use by 23pc in next five years

REUTERS, *Beijing*

China plans to increase its use of steel scrap by 23 per cent to 320 million tonnes by 2025 and to increase production of recycled nonferrous metals, in an effort to ensure supplies and to meet the country's climate commitments.

The world's top metals consumer will boost its recycled nonferrous output to 20 million tonnes in the next five years from 14.5 million tonnes in 2020, the National Development and Reform Commission (NDRC) said on Wednesday.

That includes targets of four million tonnes of recycled copper, 11.5 million tonnes of recycled aluminium and 2.9 million tonnes of recycled lead, the state planner said in a statement.

The NDRC also vowed to raise the substitution rate of renewable resources to primary resources and to enhance utilisation of low-grade ores, tailing dams and other resources.

China's steel scrap usage was around 260 million tonnes in 2020, which could replace 410 million tonnes of 62 per cent iron ore input, said the state planner.

The country brought in more than one billion tonnes of iron ore per year, accounting for more than 80 per cent of its total consumption.

Surging global metals prices have driven up producer price inflation in China this year, prompting authorities to take numerous steps to tamp down speculation. Prices for iron ore with 62 per cent iron content for delivery to China have jumped 38 per cent so far in 2021.

"The global supply chain had been seriously shocked by non-economic factors, increasing uncertainty of supplies... had posed a major challenge to China's resource security," said the NDRC.

The plan will also help the country to meet its carbon peak and carbon neutrality goals, according to the statement.

China plans to bring its greenhouse gas emissions to a peak before 2030 and to become "carbon neutral" by 2060. The ferrous sector contributes about 15 per cent to China's total carbon emissions while the nonferrous industry accounts for about 4.7 per cent.

REUTERS/FILE

Workers dismantle scrap metal at a steel plant in Huaian, Jiangsu province, China.

Mariners, HSBC in deal for services abroad

STAR BUSINESS DESK

HSBC Bangladesh and Bangladesh Merchant Marine Officers' Association (BMMOA) have signed a memorandum of understanding enabling the bank's products and services for the association's members away from Bangladesh.

The non-resident Bangladeshis (NRB) will now be able to open accounts, service bonds remotely and avail HSBC's overseas education facilities for their children studying abroad, says a press release.

"I am elated…to support the 10,000 plus families that we have," said BMMOA President Mohammed Anam Chowdhury.

Mariners mobilise over 90 per cent of global trade but spend very little time attending to their personal financial needs, he said.

The bank's global network enables faster and smoother flow of remittances, said Md Mahbub ur Rahman, CEO of the Hongkong and Shanghai Banking Corporation (HSBC) Bangladesh.

Financial regulators attempt to align rules on climate risks

REUTERS, *London*

Global regulators published a blueprint on Wednesday to give a "sense of direction" to proliferating initiatives for tackling climate-related financial risks before they fragment markets.

The Financial Stability Board (FSB), which coordinates financial rules for the G20 group of nations, said its "roadmap" seeks to coordinate approaches to disclosures by companies and plug gaps in the data needed to spot financial stability "vulnerabilities" and develop tools to address them.

The roadmap attempts to align rules still in the planning stage between now and 2023 to avoid more divergences between various measures for the same activity.

A patchwork of disclosure methods has prompted a global regulatory initiative to set up an International Sustainability Standards Board (ISSB) to give cross-border investors consistent information.

"The time has come to take this to the next level and ensure that we avoid harmful market fragmentation," said Randal Quarles, the US Federal Reserve Vice Chair who also chairs the FSB.

It was important to guard against inconsistent requirements that later on will be very hard to correct, he said. Differences in company disclosure approaches are likely to remain, despite pleas from international investors.

The EU, an FSB member, is requiring companies to say not only how climate change will affect their performance but also how companies themselves impact the environment, a step too far for many countries.

The bloc set out further measures this week that could break new ground in measuring risks from climate change.

"This will ensure the European Union remains the global leader in sustainable finance and this will help bring the rest of the world with us," the EU's financial services chief Mairead McGuinness said.

The FSB is asking G20 finance ministers and central bankers meeting in Italy this week to back the roadmap so that all financial risk decisions appropriately take account of climate change. It will report to the G20 each year on progress in coordinating climate-related risks.

Samsung Electronics flags 53pc jump in Q2 profit, tops estimates

REUTERS, *Seoul*

Samsung Electronics Co Ltd on Wednesday reported a likely 53 per cent jump in second-quarter operating profit, beating market estimates on the back of strong chip prices and demand despite lower smartphone sales.

The preliminary result is up 33 per cent from the first quarter and underscores the soaring demand for chips that has depleted stockpiles amid a pandemic-led consumer appetite for electronics and recovering investment in data centres.

The world's largest memory chip and smartphone maker said profit for the quarter ended June 30 was likely 12.5 trillion won (US$11 billion), well above a Refinitiv SmartEstimate of 11.3 trillion won. If confirmed later this month, it would be the tech giant's biggest second-quarter profit since 2018.

"Third-quarter profit is expected to be even higher on strong mobile DRAM memory chip prices, and peak seasons for mobile and display businesses," said Park Sung-soon, analyst at Cape Investment & Securities.

For the second quarter, Samsung's chip division profit likely jumped by a fifth or more from a year earlier, analysts said, helped by strong memory-chip prices and demand for consumer electronics and from data centre customers.

Samsung's memory chip shipments, especially for DRAM chips widely used in servers, mobile phones and other computing devices, were larger than expected, contributing to chip profits that dwarfed a steep quarter-over-quarter fall in smartphone shipments.

Improved yield in cutting-edge 1z nanometre DRAM chip production using ASML's extreme ultraviolet lithography (EUV) machines also likely lessened costs from the first quarter, analysts said. Profits at Samsung's chip contract manufacturing and logic chip design businesses were likely to have improved too as operations at a storm-hit factory in Texas returned to normal, analysts said.

"One of the most-anticipated elements in the earnings call later this month is how much the chip contract manufacturing business has progressed in competitiveness, and the current status of foundry customers and orders," said Lee Won-sik, analyst at Korea Investment & Securities.

"Another is what changes Samsung expects in memory chip profitability, as competitors like Micron are said to be narrowing the technology gap (with Samsung)," Lee added.

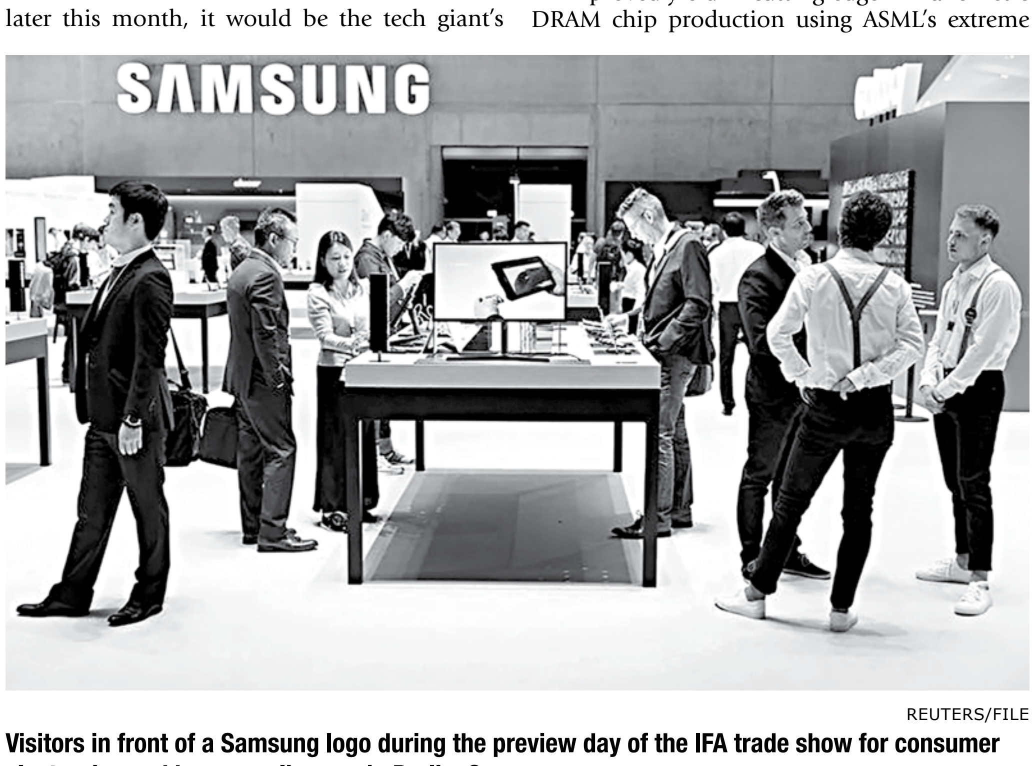
Last month, US memory chip rival Micron Technology Inc reported a quarterly profit that beat Wall Street estimates, and forecast current-quarter revenue above expectations.

Samsung's smartphone shipments fell to about 59 million in April-June from about 76 million in the first quarter, according to Shinyoung Investment & Securities, as sales of its flagship model launched in the first quarter slowed. New Covid-19 outbreaks in regions such as India and Vietnam, as well as constrained supply of mobile processor chips, also hurt smartphone shipments in the quarter, analysts said. These conditions are likely to improve in the second half, they added.

A one-off gain for Samsung's display unit, which analysts said was a compensation from Apple for previously ordering fewer components than agreed upon, was also included in the quarterly profit. Revenue rose an estimated 19 per cent from the same period a year earlier to 63 trillion won, Samsung said.

Samsung shares fell 1 per cent in morning trade, while the wider market fell 0.7 per cent. Samsung shares have traded nearly flat so far this year versus a 15 per cent rise in the benchmark KOSPI.

Samsung released only limited data in Wednesday's regulatory filing ahead of the release of detailed earnings figures later this month.



REUTERS/FILE

Visitors in front of a Samsung logo during the preview day of the IFA trade show for consumer electronics and home appliances, in Berlin, Germany.

UK housing boom cools as prices fall in June

REUTERS, *London*

Britain's housing market boom showed some signs of cooling in June as prices fell in monthly terms for the first time since January ahead of the scaling back of a tax break for buyers, mortgage lender Halifax said on Wednesday.

Prices were 0.5 per cent lower than in May, Halifax said. In annual terms, they stood 8.8 per cent higher than in June 2020 after leaping by the most in 14 years in May when they rose 9.6 per cent.

"It is important to put such a moderate decrease in context, with average prices still more than 21,000 pounds ($29,000) higher than this time last year, following a broadly unprecedented period of gains," Halifax managing director Russell Galley said.

Last week, rival lender Nationwide said its measure of house prices showed a 13.4 per cent leap between June 2020 and June 2021, the biggest increase in over 16 years.

Britain's housing market has been spurred on by finance minister Rishi Sunak's Covid-19 emergency tax break for buyers many of whom were already seeking bigger properties as they increasingly work from home because of the coronavirus pandemic.

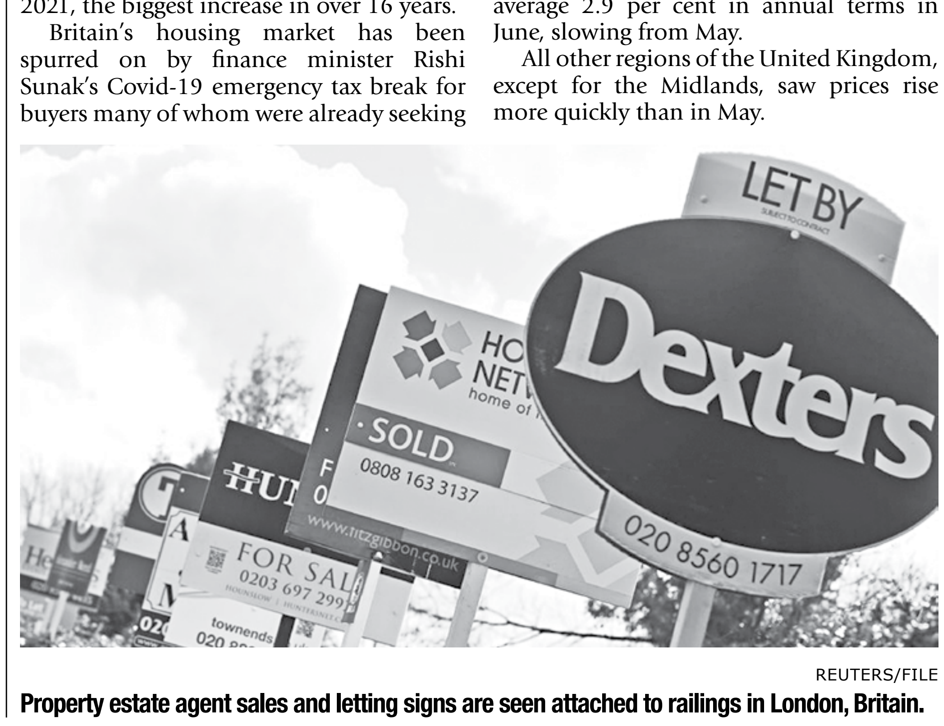
The tax exemption on the first 500,000 pounds of any property purchase in England or Northern Ireland expired at the end of June. A 250,000 pound tax-free allowance will run until the end of September.

Galley said demand from people looking for bigger homes would not fade entirely as the economy recovers and the shortage of properties on the market would also support prices.

"However, we would still expect annual growth to have slowed somewhat more by the end of the year, with unemployment expected to edge higher as job support measures unwind, and the peak of buyer demand now likely to have passed," he said.

Prices in London rose by a below-average 2.9 per cent in annual terms in June, slowing from May.

All other regions of the United Kingdom, except for the Midlands, saw prices rise more quickly than in May.



REUTERS/FILE

Property estate agent sales and letting signs are seen attached to railings in London, Britain.

Genex stocks plunge despite new business deal

Partners with Edotco to offer IOT services

STAR BUSINESS REPORT

Stocks of Genex Infosys dropped yesterday despite news being made public of it entering into a three-year deal with Edotco Bangladesh Company to provide 360 degree internet of things (IOT)-based security solutions, including monitoring and theft protection.

The fall was of 2.70 per cent to Tk 90.20, according to the Dhaka Stock Exchange (DSE).

This is in stark contrast to its 75 per cent rise to Tk 95.8 in the past three months.

The board of directors approved an agreement with the largest multinational telecom tower company in Bangladesh, said a DSE disclosure.

This is the country's first ever IOT based large scale security solution aimed to be deployed throughout the entire geo location of the Edotco in Bangladesh.

This service agreement is expected to generate approximately Tk 24 crore in revenue per year upon full rollout, added the disclosure.

"We will give security of its accessories of all the towers," Company Secretary Md Jewel Rashed Sarker.

"It has many networking accessories which sometime fall victim to theft so we would set CC cameras at all their networks. We will ensure physical presence of personnel to secure the accessories and for each 20 to 22 networks, an engineer would be employed," he added.

Limited capacity, logistics to slow Chinese bitcoin miners' global shift

REUTERS, *Hong Kong/Shanghai*

Large bitcoin miners fleeing China to escape a state crackdown will take many months to start operating again, as data centres from Texas to Siberia scramble to secure space and power for them, while many smaller players may struggle to move at all.

Bitcoin is created or "mined" by high-powered computers usually at data centres in different parts of the world, competing to solve complex mathematical puzzles in a process that makes intensive use of electricity.

The industry in China, which accounted for as much as 70 per cent of the world's capacity, is in disarray after the State Council, or cabinet, announced a crackdown on bitcoin trading and mining in late May targeting financial risks.

Miners in China are now shutting down or looking to move out, seeking tolerant authorities, low temperatures lest machines overheat and cheap electricity - ideally surplus power from hydro plants or oil fields that would be wasted.

The power consumed by bitcoin mining globally in early July equates to an annual consumption almost as large as Austria's, according to estimates from researchers at the University of Cambridge, even after falling 50 per cent since May. While the move is set to fuel the emergence of new mining centres in the longer term, for now the miners are running into limited data centre capacity overseas and logistical challenges.

"None of these guys are getting online in June or July," said Thomas Heller, chief business officer of Compass Mining, explaining miners needed to collect machines scattered around China, test, clean and pack them, ship them abroad, and get through customs before installation.

The logistics are harder for smaller Chinese miners with less cash on hand to pay for shipping, and who are also unfamiliar with operating overseas so may struggle to find hosting centres they can trust, miners say.

Nonetheless Compute North, which runs data centres hosting bitcoin miners in Texas, Nebraska and South Dakota, for example, is accelerating expansion plans slated for next year to meet "a massive influx of inquiries" from China.

"There's no doubt in my mind that we're going to see a lot of computers sitting in warehouses for the next six, nine, 12 months as the infrastructure catches up," said Compute North Chief Executive Dave Perrill. "We are targeting the first and second quarter of 2022 for large scale deployments ... (but) it's not a simple switch, it takes a lot of complex engineering, procurement and construction."

Moscow-based BitRiver, which operates data centres in Siberia hosting bitcoin miners, has accelerated plans to build new facilities and expand existing ones to meet some of the demand from those leaving China. BitRiver estimates demand for space in its facilities will rise to 1.5 million mining machines requiring up to 2.5 gigawatts of power, dwarfing its current three data centres' 125 megawatts.

"We know companies are leaving China because they are running straight to us," BitRiver spokesperson Roman Zabuga said.

China's ban on bitcoin mining may see up to 90 per cent of all mining in the country go offline, according to an estimate by Adam James, a senior editor at OKEx Insights. Some miners are dumping machines in despair.

REUTERS/FILE

A small toy figure and representations of the virtual currency Bitcoin stand on a motherboard in this picture illustration taken on May 20.

Evaly under probe for alleged breach of competition rules

FROM PAGE B1

As a result, Evaly would only be able to deliver products or make refunds to 16.14 per cent of the customers with the current assets, said the letter, citing the BB probe report. It is not possible for the company to settle the rest of the liabilities, it said.

No trace of Tk 338.62 crore taken from customers and merchants could be found, the commerce ministry said.

In this case, there is a possibility of embezzling or illegally transferring Tk 338.62 crore, said the letter, recommending the ACC probe the matter in light of the BB report and take legal actions if any financial irregularities were found.

"It is necessary to identify the gap," said Hafizur Rahman.

"Where has the rest of the money gone? If the rest of the money is not available with the company, then it becomes a big risk for customers."

Mohammad Rassel, chief executive officer of Evaly, could not be reached for comments despite several attempts. He did not reply to mobile phone messages at the time of the filing of the report at 9:30 pm last night.

Approval for Pran Agro's Tk 150cr bond

STAR BUSINESS REPORT

A non-convertible, coupon bearing green bond of Tk 150 crore of Pran Agro was approved at a commission meeting of the Bangladesh Securities and Exchange Commission (BSEC) yesterday.

BSEC Chairman Prof Shibli Rubayat Ul Islam chaired the meeting.

The coupon rate of the bond is 9 per cent. It will be issued to scheduled banks, mutual funds, insurance companies, organisations, trust funds and institutional investors through private placement.

With the bond proceeds, Pran will enhance its liquidity and capital base. Then face value of each bond is Tk 10 lakh.

Its trustee Green Delta Insurance, and its arranger Standard Chartered Bank.

Earlier last May, Pran Agro issued a non-convertible and redeemable bond worth Tk 210 crore, equivalent to $25 million, with 100 per cent credit guarantee from a global company, the first of its kind in the country.

In the commission meeting, the BSEC approved a proposal to form a board of governance for a market stabilisation fund.

The BSEC decided to create the fund worth more than Tk 21,000 crore with unclaimed dividends of listed companies.

As per the data of Dhaka and Chittagong stock exchanges, 335 listed companies have unclaimed cash dividends worth Tk 956 crore and unclaimed or unsettled stock dividends worth Tk 19,986 crore.

Online plastics fair ending today

STAR BUSINESS DESK

The 15th Bangladesh International Plastics, Printing and Packaging Industry Fair (IPF) will end today.

Organised jointly by the Bangladesh Plastic Goods Manufacturers and Exporters Association, and Yorkers Trade and Marketing Service Company, the four-day fair has virtually been held due to the coronavirus situation.

More than 483 companies from 19 countries and regions around the world are participating in the virtual fair to help their business expand in Bangladesh's market.

This online expo is a good way for staying in touch with customers and partners worldwide, presenting products and innovations, networking from knowledge-sharing activities, and an important format for getting access to new contacts.

The fair's overarching goal is to provide a captivating platform for both large and small companies to showcase products and build their brand image as well as forming partnerships.

Suppliers from all over the world interact with local customers and develop new cooperation opportunities through the fair.

According to the press release, IPF is the most trusted platform in the South Asian region, attracting more and more support from high-profile companies and industry associations.

This online expo includes a four-day dialogue opportunities and unlimited business appointments via live chat and video call, and four exclusive days at webinar programme.

Stakeholders call for alternative shippers

FROM PAGE B1

They termed the shortage of empty containers and space in mother vessels a "global crisis" prevailing in the shipping sector due to the pandemic-induced supply chain disruption.

They stressed on the need for coordinated efforts of all stakeholders, including exporters, freight forwarders, shipping agents, ICDs and the Chattogram port authority, to find ways out of the crisis.

Shipping Secretary Mejbah Uddin Chowdhury assured holding such meetings regularly to solve bottlenecks.

Claiming that there was currently no vessel congestion at the Chattogram port, CPA Chairman M Shahjahan said the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and other exporters' associations should take up the issue of alternative MLOs with buyers' forums.

He said of the export-laden containers in the ICD backlog, over 6,000 TEUs were owned solely by one MLO, Maersk Line.

Those could not be shipped timely due to a space shortage in mother vessels connecting from the transhipment ports, he said.

Chittagong Chamber of Commerce and Industry Vice President Syed M Tanvir urged for immediate shipment of the 6,000 TEUs.

He also urged increasing the number of feeder vessels operational from the Chattogram port to China so that the congested transhipment ports of Singapore and Colombo can be avoided.

BGMEA President Faruque Hasan said export laden vehicles from around the country remain waiting outside the ICDs for five to seven days.

This forces exporters to bear high vehicle rent and demurrage for overstay of cargoes in the ICDs, he said.

Bangladesh Knitwear Manufacturers and Exporters Association First Vice President Mohammad Hatem proposed directly running small vessels from the Chattogram port to export destinations in Europe and the US as a long-term solution.

He also emphasised increasing the number of private ICDs to handle the ever-increasing export and import cargoes.

Bangladesh Shipping Agents Association (BSAA) Director Muntasir Rubayat urged the CPA to increase the number of jetties from the existing 10 to 11.

In recent months the port curtailed quota for container vessels to nine jetties from the existing 10, he informed.

BSAA President Syed Md Arif, Bangladesh Freight Forwarders Association President Kabir Ahmed and Bangladesh Inland Container Depots Association President Nurul Qayyum Khan also spoke.

Lockdown may slow recovery

FROM PAGE B1

Exports grew 11 per cent year-on-year to $9.5 billion in the third quarter, the BB report said. In the full fiscal year, overseas sales surged 15.1 per cent to $38.75 billion, data from the Export Promotion Bureau showed.

A broad-based economic recovery helped boost import demand for both consumer and capital goods in the third quarter. Imports rose 32.3 per cent to $1.75 billion, reflecting the strength of aggregate demand.

Remittance continued to be robust riding on the rebounding global economies, fetching $5.65 billion in the quarter, up 29.6 per cent year-on-year.

In FY21, remittance inflow posted 36 per cent growth, the sharpest in 30 years. Receipts totalled $24.78 billion.

Computer and electronic product manufacturing had enjoyed strong growth before the pandemic hit the country. The output plummeted 65 per cent in the March to April period of 2020. The trend continued, and it dropped 18 per cent in the third quarter of the last fiscal year.

"The pandemic halted the foreign investment inflow in the computer and electronic product manufacturing sector, so it was hit hard in the last one and a half years," said Humayun Rashid, managing director of Energypac Power Generation.

Food production saw no growth in the third quarter. Furniture manufacturing surged 34 per cent. Beverage production went up by 37 per cent.

Tobacco manufacturing dropped 5 per cent, paper and paper product output declined 17 per cent and basic metal was down 10 per cent.

Strong growth in electricity generation (12.20 per cent), iron and steel production (11.29 per cent) and cement production (19.16 per cent) signalled a turnaround in economic activities supported by public and private construction projects, the BB said.

The industrial sector is likely to gear up its performance as the government is addressing the challenges against the current wave and lockdown-inflicted damages, ensuring a better business environment and greater financial policy support, it added.

According to the report, many people lost jobs due to the impacts of the pandemic.

Last year, more than 26 lakh people were rendered unemployed, which was 4.3 per cent of the total workforce of 6.4 crore.

The pandemic pounded the service sector as over 11 lakh workers were unemployed. The income of those employed fell 17.6 per cent, and their working hours were squeezed by 21.6 per cent.

Akhtaruzzman Khan, president of the Bangladesh Hotel, Restaurant, Bakery Sromik Union, said a third of 30 lakh people working in the segment were unemployed as of March.

In the agriculture sector, 7.81 lakh people were jobless in 2020. The income of those employed rose 1.2 per cent but their working hours decreased 3.8 per cent.

The number of unemployed in the industrial sector was 6.95 lakh last year, and workers' income dropped 7.1 per cent.

Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue, said: "Although many people have got back their jobs, the lion's share of private-sector workers is not earning enough to meet their daily necessities."

"Their earnings and working hours declined significantly, and people cut down on food expenditure and other expenses."

He recommended the government adopt a medium-term strategy to create jobs.

Looking ahead, the BB report said the broad-based recovery of economic activities was likely to continue in the near future.

The steady remittance inflows and the recovery in export earnings are likely to auger well for external developments in coming quarters.

"The global rollout of Covid-19 vaccination and reopening of business activities in major export destinations are supposed to help maintain the rising trend of export earnings in the near-term."

Moreover, the government's prudent policies and strategies to attract foreign direct investment are expected to boost FDI flows further.

It is expected that foreign reserves would continue its upward trend, underpinned by strong remittance inflows and rising export earnings in the near term.

Plan big to diversify exports

FROM PAGE B1

forward on export diversification of Bangladesh upon LDC graduation", was organised by the Dhaka Chamber of Commerce and Industry (DCCI).

Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue (CPD), said the government should focus more on non-garment sectors with good export potential as diversifying the country's export basket would help address the existing and new challenges after graduation in 2026.

"The garment sector is a success model for us but now is the high time to focus on other potential non-garment sectors like agriculture, pharmaceuticals, light engineering, ICT, leather goods and jute," he added.

At present, 70 per cent of Bangladesh's exports get preferential access to certain markets but to continue enjoying such benefits after graduation, compliance will be a major issue.

"So, we have helped enforce domestic regulations that are WTO compliant as industry readiness is very important," Rahman said.

Besides, the Bangladesh Standards and Testing Institution needs to be strengthened to ensure that local products face international standard testing to secure accreditation. Rahman suggested the country's legal capacity should be increased as well since commercial disputes could increase significantly post-graduation.

DCCI President Rizwan Rahman said that Bangladesh will be deprived of many international support measures following its LDC graduation, such as various tariff and non-tariff related charges.

"To compete in the international export market after graduation, small and medium scale industries like jute, agro processing, leather goods, footwear, pharmaceuticals, light engineering, ICT and other emerging sectors will face all kinds of competition," he added.

AHM Ahsan, vice chairman and chief executive officer of the Export Promotion Bureau, was for focusing on geographical diversification and the services sector alongside traditional cash-cow industries.

"The government is taking the necessary steps for a smooth and sustainable LDC graduation. We need to facilitate more exports to Latin America, Africa, Asian and Middle Eastern countries other than EU and US," he said.Graduating from an LDC will give Bangladesh more negotiating power, according to Md Saiful Islam, president of the Leather goods and Footwear Manufacturers and Exporters Association of Bangladesh.

The authorities need to identify the benefits of signing free trade agreements (FTAs) or preferential trade agreements (PTAs) other than just considering the potential revenue gains, Islam added.

At present, Bangladesh earns as much as $1 billion from the jute sector but considering global climate change and increasing international commitment to sustainable development, the industry could fetch as much as $5 billion to $10 billion, said Mohammed Mahbubur Rahman Patwari, managing director of Sonali Aansh Industries.

"Jute is now used in various products and has become the second most sought after natural fibre in the world. So, we need to do value addition in this sector to be competitive after graduation," Patwari added.

FH Ansarey, managing director and chief executive officer of ACI Mobility, Plastic and Agribusinesses, said some 70 per cent of the total arable land in Bangladesh is used for rice production, which engages about 40 per cent of the country's labour force.

"We have to increase technology adaptation, enhance private sector research and innovation, follow good agricultural practices, develop the country's post-harvest capacity and brand," he added.

The local ICT sector earns about $1 billion dollars annually but due to a lack of payment mechanisms such as digital wallet or PayPal, not everything is reported in time, according to Syed Almas Kabir, president of the Bangladesh Association of Software & Information Services.

Md Abdur Razzaque, president of the Bangladesh Engineering Industry Owners Association said light engineering is a cross cutting sector, where investment is below the expected level.

"That's why we have to create a low cost fund for ensuring non-traditional access to finance to grow this sector," he added.

Naimul Huda, general manager of Incepta Pharmaceuticals said some 80 per cent of the drugs exported from Bangladesh are off-patent.

"So, after LDC graduation, we have to be compliant with global standards though the off-patent facility will be available up to 2033," he added.

Extend the scope to non-RMG as well

FROM PAGE B1

The rest 659 types of products come from four sectors, namely steel and iron, chemicals, electronics and electrical, and furniture.

But the bonded warehouse facility is not available for the entrepreneurs in the four sectors, although about 80-90 per cent of the raw materials used by them are imported.

As a result, the entrepreneurs in these sectors pay 30 per cent to 65 per cent duty at the import stage, the commission report said.

"This inequality is a major obstacle to the diversification of export products."

It called for permitting these sectors to bring in raw materials duty-free under the bonded warehouse facility.

According to the report, entrepreneurs in Vietnam have been enjoying such benefits for a long time. There is no alternative to achieving the $60-billion export target without the diversification of exports, it said.

The commission suggested imposing conditions so that users could not misuse the facility.

One of the conditions will stipulate that the beneficiary keeps a bank guarantee equal to the duty levied on the imported raw materials. This aims at preventing revenue evasion through encashment of the guarantee in case the importer fails to export or misuses the facility.

The beneficiary companies will submit a report on the import-export data every six months.

The facility might be scrapped if a company fails to ship at least 40 per cent of the goods produced from the imported raw materials within 12 months of availing of the duty-free import opportunity.

Alongside the customs houses, the local VAT offices and the BTTC may be given the task to monitor the use of the bonded warehouse facility, the commission recommended.

Saiful Islam, chairman of SKB Stainless Steel Mills Ltd, told The Daily Star, "We have urged the commerce ministry on several occasions to extend the duty-free raw material import facility to diversify exports. But our demand has not been met."

He has been exporting steel products to more than 10 countries for the last four years. He did not receive the duty drawback on time.

"We have to pay duty at the import stage. As a result, 30-40 per cent of our capital gets stuck. It discourages many exporters to export."

Islam hopes the government would come forward to implement the BTTC's proposals.

Easy access to finance and adequate policy support, including fiscal and non-fiscal incentives to the non-garment potential sectors are necessary to diversify exports after the country's graduation from the group of the least-developed countries, said experts at a virtual dialogue organised by the Dhaka Chamber of Commerce & Industry yesterday.

Stocks continue to fall amid profit taking

But firms with subpar performance remain bullish

STAR BUSINESS REPORT

The stock market continued to fall for a second consecutive day yesterday owing to a profit booking tendency prevailing among investors.

Despite this, companies whose performances were not up to the mark remained bullish.

Meanwhile, the Bangladesh Securities and Exchange Commission (BSEC) decided to extend trading hours by an hour to 2:00pm from today in tune with that of banks.

Trade on a normal day ends at 2:30pm.

From today, the pre-opening session begins at 9:45am and the post-closing session ends at 2:15pm, said a BSEC press release.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), nosedived 19.35 points, or 0.31 per cent to 6,177.21.

Investors are raking in profits from the market as the prime index had risen to its highest point in three-and-a-half years, said a merchant banker.

Last Monday, the DSE's index soared to 6,219. When the market opened on a rising trend yesterday, many people started availing profits and the rising trend proves that investors had confidence on the market, he said.

If such confidence continues to prevail, the market will remain healthy, said the merchant banker, adding that the rise of companies whose performance was not that good was not a good sign.

Among the top 10 gainers, only two were from the "A" category, meaning they had provided more than 10 per cent dividends last year.

Another four were from the "Z" category, meaning they had either failed to provide dividends or closed production.

Three more were from the "B" category, meaning their dividend payout was less than 10 per cent.

The remaining one was a newly listed company. Investors should be cautious because companies whose performances were not that good could end up eroding their investments, added the merchant banker.

Turnover, another important indicator of the market, dropped 11 per cent to Tk 1,577 crore while it was Tk 1,789 crore a day earlier.

At the DSE, 142 stocks advanced, 205 declined and 25 remained unchanged.

The Paper Processing and Packaging topped the gainers' list, rising 10 per cent, followed by Bangladesh Industrial Finance Company, Tamijuddin Textile Mills, Information Services Network, and Sonali Life Insurance.

Stock of Beximco were traded the most, worth Tk 162 crore, followed by LafargeHolcim Bangladesh, Beximco Pharmaceuticals, National Feed Mills and Keya Cosmetics.

Alltex Industry shed the most, falling 7.80 per cent, followed by Desh Garments, FAR Chemical Industries, First Finance and Tallu Spinning Mills.

The port city bourse also fell today. The CASPI, the general index of Chittagong Stock Exchange, nosedived 74 points, or 0.41 per cent, to 17,881. Among 307 stocks to witness trade, 110 advanced, 170 dropped and 27 remained unchanged.

TOP GAINERS IN DSE

COMPANY	CATEGORY	RISE (in %)
Paper Processing	Z	10
BIFC	Z	10
Tamijuddin Textile	Z	9.87
ISN Ltd	B	9.74
Sonali Life Insurance	N	9.77
Matin Spinning	A	9.6
Fu-Wang Ceramic	B	9.45
International Leasing	B	9.33
Fareast Finance	Z	9.09
Sonali Paper	A	8.73

Cattle farming offers some respite amid Covid fallouts

MD AMINUL ISLAM, Mymensingh

COLLECTED

Using organic feed is cheaper than artificial products, while the cattle raised organically have good demand despite their higher prices.

DISTRICTS IN FOCUS

Arshad Uddin fell into a deep crisis when his indenting business in Dhaka took a turn for the worse soon after the coronavirus outbreak began in March last year.

Having completed his HSC in 1995, Uddin joined an indenting company in the capital in early 1996 before going on to start his own firm in 2020.

But after realising that the economic downturn would last for a while, Uddin moved his family back to their hometown of Rouha Niamotpur village in Karimganj upazila of Kishoreganj.

"Once home, I thought about my childhood devotion for cattle farming as I grew up in rural areas," he said.

"I started using an organic method of rearing after buying 20 cattle for Tk 30 lakh in the initial stage," Uddin added.

Now, his farm is home to 250 cattle, including 50 buffalo and 45 milking cows.

Besides, he has about 140 cows that are ready for sale as sacrificial animals in the upcoming Eid-ul-Azha.

Each cow will be priced between Tk 1.5 lakh and Tk 4 lakh, generating revenue of about Tk 5 crore in total.

Uddin has already sold some of his cattle this year, including his precious "Black Diamond", which sold for Tk 4 lakh to a buyer in Dhaka.

"Buyers from Dhaka and Chattogram visit the farm, named JC Agro, every day," Uddin said.

During his time working in the indenting business, Uddin travelled to some 15 countries in the EU and Asia, including Japan, Belgium, Malaysia, Korea, Singapore and Italy.

"I saw how organic feed is used for cattle farming in Japan and decided to apply it at my own farm," he said.

Using organic feed is comparatively cheaper than artificial products. Besides, the cattle raised organically have good demand despite their higher prices.

Natural animal feed products like grass, silage, straw, wheat bran, rice bran, molasses, bean bran, oilcake, and salt are considered organic.

"My venture was to rear cattle using organic food instead of different quick-fattening methods," he added.

Around one-and-a-half tonnes of cow dung is regularly produced at the farm and so, Uddin is now considering going for vegetable and crop cultivation using this organic fertiliser.

This presents him with an opportunity to farm on the vast tracts of lands in haor areas.

"My wife Umme Hani Akter Chadni, who also hails from a rural area, has a similar devotion for cattle farming and it is a great inspiration for me", he said.

Uddin has so far invested about Tk 5 crore with a long-term mission in cattle farming.

"I have to pay around Tk 5 lakh per month as salary for 30 employees and have a target to employ more workers if the farm gets larger," the 43-year-old added.

The success of his cattle farm has given him a much-needed back up amid the ongoing coronavirus crisis.

It is also a matter of satisfaction for locals that Uddin has created job opportunities for them at a time when the pandemic has left thousands of people out of work, said Shamsuddin Ahmed, a retired school teacher.

Praising Uddin's venture, Dr Shapan Chandra Banik, livestock officer of Karimganj upazila, said rearing cattle with organic food was profitable, low cost and healthy.

Of the farm employees, 15 were trained by the local livestock department.

"His venture will surely inspire many educated youths to go for cattle farming to be self-reliant and to enrich the country's livestock sector as well," Banik said.

GLOBAL BUSINESS

Boost to clean energy investment could drive 10m new green jobs

REUTERS, Barcelona

From offshore wind farms in Britain to floating solar power plants in Vietnam, about 13,000 renewable energy projects in nearly 50 countries are waiting for finance - and could create up to 10 million green jobs, consultancy EY-Parthenon said on Wednesday.

In a report, EY said the projects offered $2 trillion in investment opportunities that would generate jobs locally and in supply chains, and would help slash climate-heating emissions and secure a green recovery from the pandemic.

Serge Colle, EY's global energy advisor, said the research showed there was "huge potential to accelerate private-sector renewables investment" with the right government policies and regulation around the world.

If the projects identified were implemented in the next three years, they would more than double the rate of global renewables deployment, while delivering 22 per cent of emissions reductions promised this decade by the 47 countries covered in the research, which include G20 nations, the report said.

That would amount to 9 per cent of the emissions cuts needed by 2030 to keep planetary warming to the most ambitious global target of 1.5 degrees Celsius above pre-industrial times, added the report commissioned by the European Climate Foundation (ECF). The biggest potential benefits for workers are in China and the United States, where the projects could create about 2 million and 1.8 million jobs respectively.

India, Australia, Brazil, Britain and Canada also could generate hundreds of thousands of jobs each from boosting offshore and onshore wind, solar and hydropower capacity.

The jobs range from lower-skilled work in construction, installation and manufacturing to professional jobs in things like engineering and project management.

In Britain, greater investment in green energy could support sustained job creation and economic growth especially in the former coal-mining region of northern England and oil-and-gas producer Scotland, where large wind farms are being developed, the research said.

The UK pipeline of projects seeking finance includes 540 mainly solar and wind power proposals, with the potential for close to 439,000 new jobs, the report said. It noted total jobs could rise to about 625,000 when power storage, transmission and distribution are added.

That would mitigate 90 per cent of job losses from the Covid-19 pandemic, the ECF said. Tim Lord, a net-zero expert with the UK-based Tony Blair Institute for Global Change, cautioned that in many places globally workforces do not yet have the skills to redeploy into clean technologies and their supply chains.

"This transition is not as simple as you take an offshore oil and gas worker and retrain them to operate a wind turbine, and everyone is happy. Clearly there will be some disconnect," said Lord, who was not involved in the EY report.

Coordination between governments and companies will be essential to develop the local infrastructure and skills needed to expand generation and use of renewable energy, which would in turn help attract necessary investment, he said.

The challenge will be even greater in developing countries where large swathes of the population lack access to electric power and strong markets have yet to be fostered, he told the Thomson Reuters Foundation.

November's COP26 climate summit in Scotland will be key to providing the incentives for emerging economies to shift away from fossil fuels and into cleaner power - but that will happen only if richer nations show a clear commitment to decarbonising, Lord said.

REUTERS/FILE

A technician of French gas and power group Engie inspects a wind turbine during a press visit at Engie windfarm in Brittany, France.

IMF chief sees risk of sustained rise in US inflation

REUTERS, Washington

The International Monetary Fund on Wednesday said further fiscal support in the United States could fuel inflationary pressures and warned that the risk of a sustained rise in prices could require raising interest rates earlier-than-expected.

Higher US interest rates, in turn, could lead to a sharp tightening of global financial conditions and significant capital outflows from emerging and developing economies, IMF Managing Director Kristalina Georgieva said in a blog published Wednesday with the IMF's surveillance note for G20 countries.

The IMF's assessment of US inflation risks comes amid sharp criticism by Republican lawmakers of President Joe Biden's multi-trillion-dollar plans to boost spending on infrastructure, child care, community college tuition and expanded coverage of home care for the elderly and disabled.

Georgieva said an accelerated recovery from the Covid-19 pandemic in the United States, where growth is seen reaching 7 per cent in 2021, would benefit many countries through increased trade, but rising inflation could be more sustained than expected. The IMF forecasts global growth of 6 per cent.

KRISTALINA GEORGIEVA
IMF Managing Director

Other countries face rising commodity and food prices, which are now at their highest level since 2014, putting millions of people at risk of food insecurity, the IMF said in its report. Market expectations suggested commodity prices would remain contained over the next few years, but inflation developments varied within advanced economies and were picking up more rapidly in Britain, the United States and the euro area, while remaining subdued in others, like Japan.

EU urges UK to accept Swiss-style deal to end agri-food standoff

REUTERS, Brussels

The European Union urged London on Tuesday to consider a Swiss-style veterinary agreement with Brussels on agri-foods to end a post-Brexit 'sausage war' row over certain goods moving between Britain and its province of Northern Ireland.

Tension has mounted over trade arrangements for Northern Ireland, particularly for chilled meats, because the province's open border with EU member Ireland is Britain's only land frontier with the EU and its vast single market.

European Commissioner Maros Sefcovic, the EU executive's chief interlocutor with Britain since it completed its exit from the bloc last year, said the biggest challenge for Brussels was how to rebuild trust and realign its relationship with London.

"To build trust in each other requires first working together cooperatively and refraining from surprises," he said, referring to Britain's unilateral extension of grace periods for some food imports to Northern Ireland.

"In response, we were forced to launch an infringement procedure (legal action), and without satisfactory steps by the UK to remedy these measures we will have no choice but to step up these legal proceedings," he told a conference.

MAROS SEFCOVIC
European Commissioner

Trading arrangements for the province are governed by the Northern Ireland protocol, part of the Brexit divorce deal Britain agreed with the bloc.

It seeks to find a delicate balance between keeping open the border to protect the 1998 Good Friday peace deal that ended three decades of sectarian conflict in Northern Ireland and stopping goods flowing unchecked into the EU.