



IBBL
Mohammed Monirul Moula, managing director and CEO of Islami Bank Bangladesh, virtually addressed its Business Development Conference recently. Additional managing directors Muhammad Qaisar Ali and Md Omar Faruk Khan and deputy managing directors Abu Reza Md Yeahia, JQM Habibullah, Taher Ahmed Chowdhury and Md Mostafizur Rahman Siddiquee attended the programme.



MIDLAND BANK
Syed Ashiqur Rahman, general manager of Bproperty, and Md Ridwanul Hoque, head of retail distribution division of Midland Bank, recently signed an agreement at the bank's Gulshan-2 head office to provide home loans to Bproperty's clients. Khondokar Rejbeen Ahsan, general manager of Bproperty, and Khondkar Towfique Hossain, head of international division of the bank, were also present.

ECB to announce revamped inflation target, climate role

REUTERS, Frankfurt

The European Central Bank was to announce the outcome on Thursday of an 18-month strategy review, redefining an inflation target seen by some as confusing and laying down what role it can play in the fight against climate change.

The central bank's first strategic review since 2003 has been one of ECB President Christine Lagarde's priorities since she took over from Mario Draghi in late 2019. Its results may

herald the biggest transformation of the hugely powerful but still relatively young institution that shapes monetary policy for the 19 countries that use the euro.

In a move long flagged by policymakers, the bank is likely to set its inflation target at 2 per cent, ditching its current formula of "below but close to 2 per cent", which has created the impression it worried more about price growth above the target than below it.

The target is also likely to be declared

symmetric. But after nearly a decade of undershooting its current goal, investors will be watching for clues to whether the ECB will be willing to let inflation overshoot following bouts of low price growth.

They will also be looking to see if the ECB will follow its US counterpart the Federal Reserve in targeting average inflation over a period to make up for lost price growth.

An explicit reference to tolerating an inflation overshoot is likely to be seen by investors as a commitment to keep monetary policy ultra-easy for an even longer period and would be seen as an assurance that 2 per cent is not a cap, as now perceived.

But such a move could be politically risky, particularly among inflation-wary Germans, and Bundesbank chief Jens Weidmann has long opposed it.

The ECB is also likely to say that its inflation methodology needs to be updated to include costs of owner-occupied housing (OOH). Those are measured by EU statistics body Eurostat, however, and any change is likely to be years away as this would require changes in how some countries collect data.

OOH could lift headline inflation by around 0.2-0.3 per cent points in the current low interest rate environment, analysts say.

On climate change, the ECB looks almost certain to use its bank supervision arm to force companies to make greater climate-related disclosures.

Raising collateral requirements for polluting firms or skewing asset purchases around climate goals have also been on the table, but appear to be generating greater debate among the 25 members of the Governing Council.

The ECB will announce the results of the review at 1100 GMT, followed by a Lagarde news conference at 1230 GMT.



REUTERS/FILE
The headquarters of the European Central Bank (ECB) in Frankfurt, Germany.

US states accuse Google of app store monopoly

AFP, San Francisco

Dozens of US states joined forces in a lawsuit filed Wednesday accusing Google of abusing its power when it comes to getting apps for Android-powered mobile devices.

The litigation aimed at the Play Store online shop for apps and other digital content for Android smartphones comes as the power of Big Tech firms is facing increasing pressure from regulators and lawsuits.

"We are filing this lawsuit to end Google's illegal monopoly power and finally give voice to millions of consumers and business owners," said New York attorney general Letitia James, a leader of the litigation.

"The company has ensured that hundreds of millions of Android users turn to Google, and only Google, for the millions of applications they may choose

to download to their phones and tablets.

"The lawsuit backed by 37 attorneys general accuses Google of using anti-competitive tactics to discourage Android apps from being distributed at shops other than its Play Store, where its payment system collects commissions on transactions.

Google rejected accusations in the suit as meritless, detailing ways that the Play Store has helped app makers thrive while providing security for Android device users.

"Android and Google Play provide openness and choice that other platforms simply don't," Google senior director of public policy Wilson White said in a post.

"The complaint is peppered with inflammatory language designed to distract from the fact that our rules on Android and Google Play benefit consumers." The lawsuit contends that Google has inserted itself as "the middleman" between app developers and consumers.



AFP
Google faces a lawsuit from dozens of US states that accuse the tech giant of abusing its power when it comes to getting apps for Android-powered mobile devices.

Samsung SDI considers building battery cell plant in US

REUTERS, Seoul

South Korea's Samsung SDI Co may build a battery cell plant in the United States to support the auto industry's shift to electrification, a company source with close knowledge of the matter told Reuters on Thursday.

Samsung SDI, an affiliate of Samsung Electronics, has been in talks with automakers including Stellantis, Amazon and Ford Motor-backed electric vehicle startup Rivian to supply batteries manufactured at its potential US factory, the source said.

The South Korean battery maker is considering investing at least 3 trillion won (\$2.62 billion) to manufacture batteries for Stellantis and a minimum of 1 trillion won for batteries to Rivian, according to the source. The source added that Samsung SDI has not yet decided whether they would

launch the US plant as a joint venture with carmakers, or as an independent manufacturing site.

The source said the decision to build in the US reflects the changes on tariff rules in the United States-Mexico-Canada Agreement (USMCA) that took effect last year, replacing the 1994 North American Free Trade Agreement (NAFTA).

The USMCA requires that vehicles have 75 per cent North American content compared with a 62.5 per cent threshold under NAFTA in order to avoid tariffs.

"We have been reviewing our expansion in the United States, but nothing has been decided yet," a Samsung SDI spokesperson said, adding that the company cannot disclose details of talks with customers.

Samsung SDI has EV battery plants in South Korea, China and Hungary, which supply

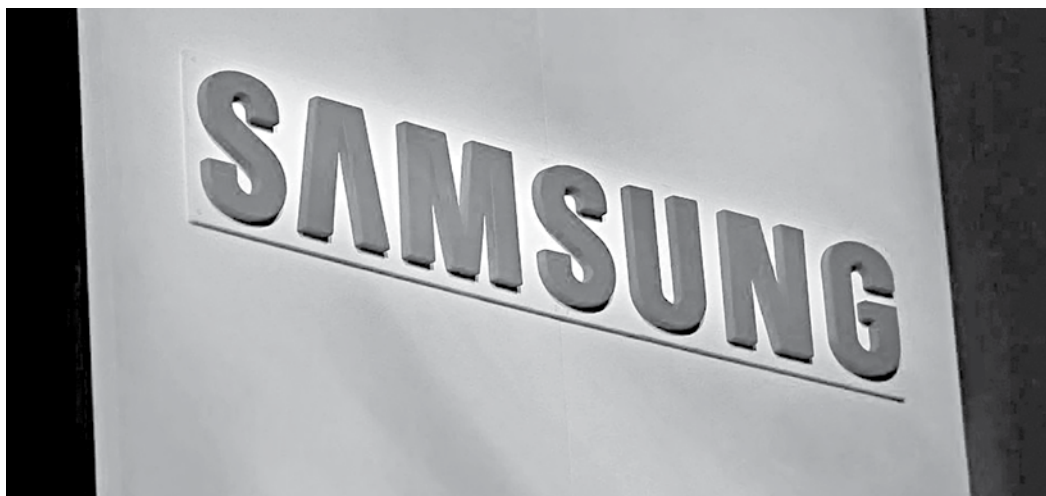
customers such as BMW, Ford, Volvo and Volkswagen.

Samsung SDI's domestic rivals LG Energy Solution and SK Innovation Co Ltd have announced separate plans to manufacture EV battery cells in the US.

Formed in January by the merger of Italian-American group Fiat Chrysler and France's PSA, Stellantis has battery plant projects in France and in Germany, both in a joint venture with a subsidiary of TotalEnergies.

Reuters reported on Wednesday that Stellantis is making progress on finalising a deal to build a battery plant in Italy.

The carmaker has said it would take a decision on additional battery factories in Europe and in the US this year. In April, Rivian said Samsung SDI would supply battery cells for its vehicles.



REUTERS/FILE
The company logo is displayed at the Samsung news conference at the Consumer Electronics Show (CES) in Las Vegas.

Despair mounts for the debt-trapped

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The study, carried out among 1,600 households in February, said 93 per cent of micro, small and medium enterprises (MSMEs) experienced financial hardship due to the pandemic, and their current income was insufficient to cover the current expenditure.

Of the MSMEs, 75 per cent had to borrow to cope with the crisis.

"When earnings opportunity for micro-enterprises becomes unavailable repeatedly, they have no other alternative but to take loans to survive," said Towfique Islam Khan, a senior research fellow of the Centre for Policy Dialogue.

At first they try to borrow from relatives and friends, and then they turn to private lenders, who impose high-interest rates. "Eventually they fall into a debt trap," Khan said.

Another survey conducted by the Power and Participation Research Centre (PPRC) and the Brac Institute of Governance and Development found households taking loans almost doubled compared to the pre-pandemic level.

The amount of credit per household in the cities stood at Tk 42,961 in March, up 86 per cent from February last year. For a rural household, it was Tk 58,101, up 75 per cent from February.

"The savings of the informal sector workers and micro-entrepreneurs depleted, and their debt in comparison to incomes soared because of the economic downturn. If the income of households decreases, their debt must keep going up," said PPRC Executive Chairman Hossain Zillur Rahman.

These people constitute the new poor, and although the government has expanded the social safety net by increasing the old-age allowance, the new poor has remained excluded, he said.

Mohammad Babul, a micro-entrepreneur who sells plastic goods in two small shops in the capital's Adabar and Darussalam, said his debt swelled to Tk 5 lakh in the last one and a half years.

Of the amount, Tk 3 lakh came from a bank and Tk 2 lakh from a private moneylender.

He borrowed the money as he had

expected the business to make a turnaround as the economy reopened largely in June last year.

"As the pandemic situation is worsening, and one after another restriction is being put in place, I am not sure whether I would be able to repay the loans."

He will have to pay Tk 30,000 yearly for every Tk 1 lakh borrowed from the loan shark.

Md Nabinullah, who sells wristwatches in a makeshift shop on Indira Road, said his monthly income declined to Tk 7,000 from Tk 20,000.

As he was unable to bear the family expenses, he took a Tk 1 lakh loan from a microfinance institution. The monthly instalment is Tk 10,500.

"I had thought that the pandemic will be over this year and my business will return to normalcy. But none wants to buy watches now," he said.

Because of the economic distress, the education of his son and daughter has become uncertain.

"I can't buy daily essentials regularly. How can I afford the cost of education for my children?" he asked.

Educational institutions have been closed since the pandemic hit Bangladesh in March last year. Although some students attend classes online, most can't afford it. The schools for primary-level students are not offering any form of education at all.

"I cannot go out begging, but none realises our pain," Nabinullah said.

Lovely Akther, a tea vendor in Tejkunipara, has not been able to pay her house rent for the last three months.

"What will I get from talking to journalists? Will the government give me anything if you write about me? In the last one and a half years, I have got nothing from anyone," she said.

Similarly, the daily income of Omar Mia, who repairs rickshaws in Mirpur, has plunged to Tk 200 from Tk 500 before the pandemic.

"I have been suffering from diabetes and heart and kidney diseases for a long time. I need medicines worth Tk 120 every day," he said.

The 60-year-old could not pay the house

rent in the last three months. "The landlord is continuously putting pressure on me. He often verbally abuses me."

Omar has to look after two granddaughters after the demise of his daughter. He could not ensure nutritious food for them in the last several months.

"I hear so much about government support on the television, but I have received nothing. Now I am eagerly waiting for the Angel of Death to come and take my life."

In January this year, the government allocated Tk 1,500 crore under a stimulus package for small traders, entrepreneurs and farmers to help them tackle the impacts of the economic fallout.

Eight government and semi-government agencies, including the SME Foundation, the Joyeeta Foundation and the Bangladesh Small and Cottage Industries Corporation, have been given the responsibility to disburse the fund.

Of the amount, Tk 570 crore was allocated in the last fiscal year. The rest is expected to be disbursed this fiscal year.

Officials of five agencies such as the SME Foundation and the Joyeeta Foundation said informally-run micro-businesses and hawkers have been left out of the stimulus package as they do not meet the eligibility criteria, which state that the beneficiaries have to have trade licences and permanent establishments to qualify.

Md Mafizur Rahman, managing director of the SME Foundation, said the state agency channelled funds through banks and non-bank financial institutions.

"Discussions on the need of the informal sector are going on at various forums unofficially. Like other sectors, informal businesses have been severely affected. Thousands of people are engaged in the informal sector. This sector should be given support," he said.

Of the total employed workforce, about 85 per cent are in the informal sector.

CPD's Khan called for expanding the social safety net to support the MSMEs.

PPRC's Rahman said the government should bring the new poor under the safety net programmes and increase the stipend amount for primary school students from Tk 100 to Tk 500 per month.