STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	CNY
0.92%	0.95%	$1,813.30 (per ounce)	$75.30 (per barrel)	0.76%	0.52%	0.63%	0.53%	BUY TK	83.95	98.56	115.75	12.74
6,266.01	10,932.71			52,769.73	28,718.24	3,166.81	3,566.52	SELL TK	84.95	102.36	119.55	13.40

Star BUSINESS

DHAKA WEDNESDAY JULY 14, 2021, *ASHAR 30, 1428 BS* starbusiness@thedailystar.net

Long holidays to derail garment export recovery

Say exporters as govt plans two-week shutdown after Eid

REFAYET ULLAH MIRDHA

Garment shipment will suffer a serious setback if production is suspended in July and August as it is the prime season for apparel manufacturers since sales rise in the Western market because of winter and Christmas, exporters said.

Of the total apparel items shipped from Bangladesh, 40 per cent are exported in July and August.

Exporters are worried about losing business as the government has decided to keep industries closed during the 14-day countrywide lockdown from July 23 to contain the spread of deadly Covid-19.

The garment industry will go on a three-day holiday from July 19 on the occasion of Eid-ul-Azha. However, it will turn into a three-week holiday if factories remain closed until August 5.

"It is a peak time for us to book new work orders and ship the goods for the next winter and Christmas. So, it is not logical to suspend the production of garment factories during this period," said Fazlul Hoque, managing director of Narayanganj-based Plummy Fashions Ltd, a local garment exporter.

The new production suspension plan comes when garment exporters are witnessing a strong recovery.

READ MORE ON B3

Rice prices rise despite bumper yield

Govt to allow traders to import 10 lakh tonnes at 25pc duty

SOHEL PARVEZ *and* AKANDA MUHAMMAD JAHID

Despite a bumper yield of Boro paddy in the just concluded season, rice prices are going up, putting increasing pressure on low-income people, many of whom are suffering from income losses for the lockdown and pandemic-induced slowdown of economic activities.

The spike raised questions among consumers as the government agencies earlier claimed increased production of the staple grain in the last three crop seasons: Aus, Aman and Boro.

Market players linked the hike to a slow release by farmers from holdings and stocking by a section of middlemen and millers as uncertainty over the Covid-19 crisis lingers.

Estimates by the Bangladesh Bureau of Statistics (BBS) and Department of Agricultural Extension (DAE) showed that Bangladesh produced 6 per cent more rice year-on-year to 3.86 crore tonnes in fiscal 2020-21.

Of the output last fiscal year, the DAE estimates Boro production to be at over 2 crore tonnes.

On the other hand, the Directorate General of Food is sitting on 15.50 lakh tonnes of food grains thanks to imports and increased procurement from domestic production.

READ MORE ON B3

AT A GLANCE

Public stock of food grains as of July 11:

Rice: **12.65** lakh tonnes

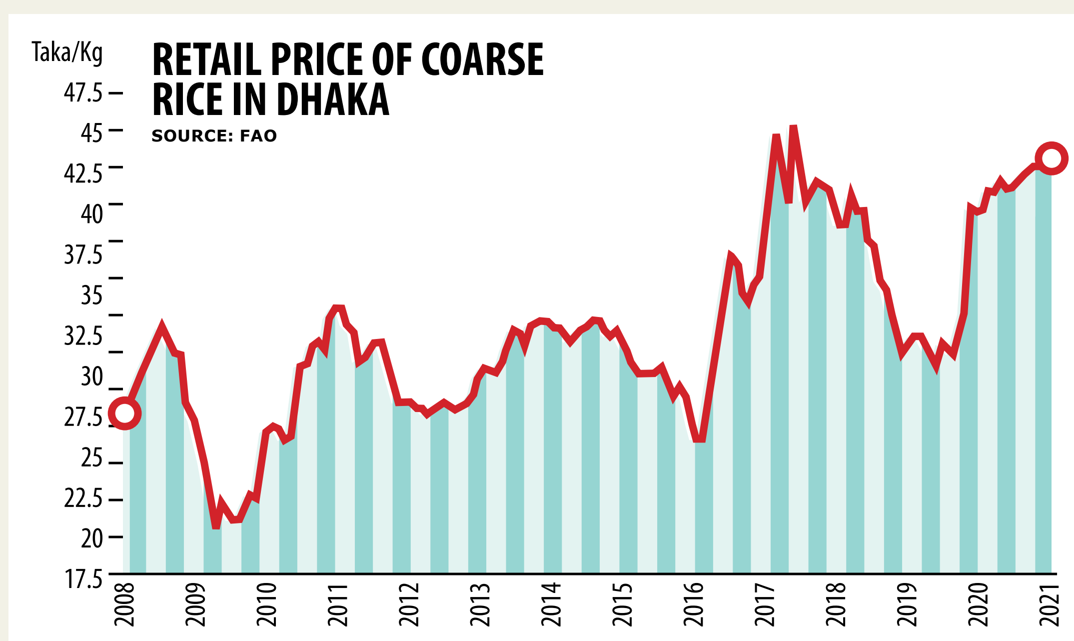
Wheat: **2.84** lakh tonnes

Total: **15.49** lakh tonnes

Import of rice in fiscal 2020-21:

Public: **5.7** lakh tonnes

Private: **7.85** lakh tonnes



Govt launches digital cattle haat

STAR BUSINESS REPORT

The government yesterday launched a digital platform that allows customers from across the country to purchase sacrificial animals in a bid to maintain public health guidelines on Eid-ul-Azha amid the ongoing coronavirus pandemic.

Customers and sellers can now buy and sell qurbani cattle online by visiting the online portal: www.digitalhaat.net.

The platform features all the online cattle selling platforms from the district and upazila levels and a buyer can see the cattle before making a purchase from any part of the country.

An escrow payment system has also been introduced so that the customers' money will be sent to the buyers account only after meeting all the conditions.

The facility of the digital haat will also be available at www.ekshop.gov.bd and www.foodfornation.gov.bd.

The joint initiative, featuring the Ministry of Fisheries and Livestock, Information and Communication Technology (ICT) Division, and e-Commerce Association of Bangladesh (e-CAB), was launched with the technical assistance of the A2I.

READ MORE ON B3

Clear RMG workers' payment by July 19

State minister urges owners

STAR BUSINESS REPORT

State Minister for Labour and Employment Begum Monnujan Sufian yesterday urged garment factory owners to clear their workers' salaries and bonuses by July 19.

"Stern action will be taken as per the labour law in case of failure to clear the payments within the stipulated time," she said at a press conference at Shromo Bhavan in Dhaka.

She also urged the factory owners to take into consideration the due leaves of the workers and then give the go-ahead to them for Eid holidays.

The government has relaxed countrywide restrictions from July 15 to July 22 and the state minister has urged the general masses to avoid moving from one place to another during the period.

However, the cabinet division has recently issued a notification imposing strict lockdown countrywide from July 23 to August 5.

"If possible, celebrate Eid in Dhaka. I understand that it is very difficult for the workers to celebrate Eid

READ MORE ON B3

HC throws a lifeline to troubled People's Leasing

NBFI avoids liquidation

ASHUTOSH SARKAR

The High Court has thrown a lifeline to People's Leasing and Financial Services Ltd (PLFSL) as it constituted a 10-member board to run the troubled non-bank financial institution, thus saving it from potential liquidation.

On June 28, the HC bench of Justice Muhammad Khurshid Alam Sarkar said it would pass an order to revive PLFSL instead of winding it up as its 201 depositors collectively filed an application seeking restructuring of the company.

In the full text of the order released on Monday, the court also issued several directives on the board, borrowers, and the Anti-Corruption Commission (ACC) to smoothly run the company.

PLFSL, which commenced its operation in 1996, faced a wide range of financial scams from 2004, which forced the central bank to appoint an observer in 2015.

In addition, the central bank removed five directors of the NBFI in 2015 for their alleged involvement in the embezzlement of Tk 358 crore.

Despite that, the central bank failed to restore corporate governance in PLFSL. In the meantime, the financial health of the NBFI continued to worsen.

The liquidation process began after the board of PLFSL informed the BB in April 2019 about its inability to pay back the depositors' money despite the maturity of the deposits.

Now, the HC has appointed Kamal-Ul-Alam, a senior lawyer of the Supreme Court, as PLFSL chairman and Mohammad Jalaluddin, a former managing director of Ansar VDP Unnayan Bank, as managing director.

Other eight directors of the board are Anwarul Islam Sikder, a former secretary of the government; Hasan Shaheed Ferdous, a retired senior district and sessions judge; Abdul Halim Chowdhury, a former managing director of Pubali Bank; Brigadier General (retired) Kazi Taufiqul Islam; Noor-E-Khoda Abdul Mobin, a chartered accountant; Mowla Mohammad, also a chartered

READ MORE ON B3

Govt plans compliance platforms like Accord, Alliance: Salman

STAR BUSINESS REPORT

The government is planning to form inspection and remediation platforms like Accord and Alliance to strengthen workplace safety in industrial units which produce goods for the domestic markets, said Salman F Rahman, adviser to the prime minister on private industries and investment.

The Accord and Alliance, two foreign inspection and remediation platforms, were formed to strengthen workplace safety in the garment sector after the Rana Plaza building collapse in April 2013.

However, the safety standard of the non-RMG factories and industries is still poor as those units have not been inspected by any credible agency and the Hashem Foods fire incident has exposed the scenario.

Compliances to international standards and safety measures in the domestic industries are largely ignored as there is no pressure from the international communities like that in the garment sector.

"We will involve the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) on formation of the inspection and remediation platforms," said Rahman.

He was addressing a webinar on "reviving the leather sector in the aftermath of Covid 19", jointly organised by Economic Reporters Forum (ERF), The Asia Foundation (TAF) and RAPID.

READ MORE ON B3

Banks to operate at regular hours before Eid

STAR BUSINESS REPORT

Bangladesh Bank yesterday said that clients would enjoy regular banking hours before the start of the Eid-ul-Azha vacation so that they can celebrate the religious festival with joy.

But the limited banking hours will have to be followed by banks after the vacation, according to a notice from the central bank.

Banking hours will be 10:00am to 4:00pm from July 15 to July 19 and 10:00am to 1:30pm from July 25 to August 5.

However, the doors of bank branches will remain open for garment factories in Dhaka, Ashulia, Tongi, Gazipur, Savar, Bhaluka, Narayanganj and Chattogram from 10:00am to 2:00pm every day from July 17 to July 20.

On the days, the clearing system of Bangladesh Bank will continue but no

READ MORE ON B3

Ctg customs revenue goes past Tk 50,000cr

MOHAMMAD SUMAN, *Ctg*

The Customs House, Chattogram (CHC) clocked 23.23 per cent higher year-on-year revenue growth in the just-concluded fiscal year, fetching home Tk 51,577 crore.

This was the first time the revenue generated by the customs house, a wing of the National Board of Revenue, shot past the Tk 50,000-crore mark.

The record earnings were the result of strengthening of surveillance to prevent irregularities and the amendment of the Customs Act-1969 in June 2020 that allowed the authorities to fix a minimum fine for the false declaration of imported goods.

Revenue receipts stood at Tk 41,854 crore in the fiscal year of 2019-20.

A total of 9.71 crore tonnes of goods worth Tk 331,039 crore were imported in FY21, up from 8.29 crore tonnes valued at Tk 293,773 crore in FY20, data from the customs house showed.

Tk 16,256 crore of revenue was generated through the imports of 10 products, including high-speed diesel, furnace oil, liquefied natural gas, cement clinkers, palm oil, broken or crushed stone, crude oil, apple, petroleum oils, and polyvinyl chloride.

They together accounted for Tk 11,260 crore in revenue in FY20. About 5,130 types of goods are usually brought in though Chattogram Port.

Customs officials said the imports of the items went up riding on the increased demand in the energy, power and construction sectors. They topped the list of the imported goods in the past decade.

READ MORE ON B3

Semi-finished jeans being stocked at Alam Market in Keraniganj with traders hoping that the relaxation of lockdown restrictions prior to the upcoming Eid-ul-Azha would help them log some sales. The photo was taken recently.

AMRAN HOSSAIN

IBBL

Mohammed Monirul Moula, managing director and CEO of Islami Bank Bangladesh, virtually addressed its Business Development Conference yesterday. Deputy managing directors Abu Reza Md Yeahia and Md Mostafizur Rahman Siddiquee and senior executive vice presidents Mohammad Jamal Uddin Mazumder, Salim Anwar, Muhammad Sayeed Ullah and G M Mohammad Gias Uddin Quader also attended the conference.

Nokia plans to raise full-year outlook, citing strong quarter

REUTERS, *Stockholm*

Finland's Nokia said on Tuesday it planned to raise its full-year outlook as business picked up pace in the second quarter, sending the telecom equipment maker's shares up more than 6 per cent.

The company, which will provide the new outlook on July 29 while reporting second-quarter results, had earlier projected 2021 net sales of 20.6 billion to 21.8 billion euros ($24.4-$25.85 billion).

Nokia had been struggling against Nordic rival Ericsson as product missteps in the early stages of 5G hampered growth and led to changes in its top management.

But under the management of Pekka Lundmark, Nokia has been regaining lost ground by making changes in its operating model, cutting costs, laying off thousands of employees and forging new partnerships with technology and telecom companies.

"Our first half performance has shown evidence of this in good cost control and also benefited from strength in a number of our end markets," CEO Lundmark said in a statement.

A spokeswoman declined to give further details.

Nokia, which in April posted better-than-expected quarterly results, had also forecast operating margin of between 7 per cent and 10 per cent.

"The market is already close to the top of the guidance in both revenue and margin," said OP analyst Kimmo Stenvall.

"Nokia has just hosted a capital markets day and issued long-term targets/guidance and now had two very strong quarters."

US to warn its companies of risks of operating in Hong Kong

REUTERS

The US government will this week warn companies of increasing risks of operating in Hong Kong and also update a previously issued warning on Xinjiang, the Financial Times reported on Tuesday.

The report said that US companies face threats including the Chinese government's ability to gain access to data that foreign companies store in Hong Kong.

The risks also included the new law that allows Beijing to impose sanctions against individuals or entities involved in making or implementing discriminatory measures against Chinese citizens or entities, the FT said, citing three people familiar with the matter.

On Tuesday, the United States will update a warning that former President Donald Trump's administration issued on Xinjiang last year, FT said, adding that it will stress on the legal risks that companies face unless they ensure that their supply chains are not implicated in forced labour in Xinjiang.

This warning is "typical political manipulation and double standards" by Washington, Chinese foreign ministry spokesman Zhao Lijian told a press briefing in Beijing on Tuesday.

He said the rights of foreign investors in Hong Kong are clearly protected by Hong Kong's laws, including the Basic Law, its mini constitution.

The FT report also said that the United States will impose more sanctions this week in response to China's crackdown on pro-democracy protests in Hong Kong and alleged human rights abuses in Xinjiang.

China dismisses accusations of genocide and forced labor in Xinjiang and says its policies are necessary to stamp out separatists and religious extremists who plotted attacks and stirred up tension between mostly Muslim ethnic Uyghurs and Han, China's largest ethnic group.

US President Joe Biden meets with his Attorney General Merrick Garland, law enforcement officials, and community leaders to discuss gun violence reduction strategies at the White House in Washington, US on July 12. REUTERS/FILE

Digital rivals? Central bank e-cash plans prompt lenders to wade in

REUTERS, *London*

As central banks dabble with digital currencies, commercial lenders are ramping up efforts to influence policy and technical plans, according to more than half a dozen industry executives and public filings.

Worried that the explosion in cryptocurrencies could weaken their grasp on the economy, monetary policymakers from Washington to Beijing are exploring issuing their own central bank digital currencies, or CBDCs.

Although a widely used digital dollar, euro or yuan may still be years away, such projects threaten to disrupt the financial services industry - galvanizing banks into action.

"CBDCs start a debate on the very essence of money that could have a big impact in almost everything we do, from securities processing to settlement," said Swen Werner, managing director for digital assets at State Street.

Depending on the design, CBDCs might see central banks and tech players compete in the retail banking space while giving incumbents opportunities to cut costs and improve services.

Unlike cryptocurrencies which are typically run by private actors, or the electronic money used in billions of transactions daily that is mostly created by commercial banks, some CBDCs would be equivalent to cash, issued and backed by central banks.

State Street, Goldman Sachs Group Inc, JPMorgan, Societe Generale and HSBC are among banks keen to shape and benefit from CBDC technology.

Lenders are funding research, teaming up with tech companies and central banks on pilot projects, and stepping up lobbying, according to executives and public records.

They are also working on the issue through trade groups like the European Banking Federation (EBF) and the US Chamber of Commerce, and via private talks with policymakers.

The implications of CBDCs are "concerning", the EBF said in an email, adding: "Given the potentially far-reaching impact of the digital euro, the EBF is keen to see a more structured dialogue with the European Central Bank and the European banks to work closely together on this project."

Ultimately, such projects could allow companies to safely make payments across jurisdictions in real time.

HSBC CEO Noel Quinn told Reuters in May that CBDCs could simplify global payments, cut costs and boost transparency. HSBC is talking to governments including Britain, China and Canada about use CBDCs for wholesale cross-border payments, currently a lengthy process involving multiple intermediaries. Citi and JPMorgan are among banks involved in a similar effort in Singapore.

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

CBDCs could take one of two basic forms, wholesale or retail. Wholesale digital coins could be used to make payments between banks or other entities with central bank accounts, using distributed ledger technology to make the process simpler and cheaper.

HSBC and Standard Chartered are already working with central banks in Hong Kong, Thailand and the United Arab Emirates to their digital cash initiatives, he said.

CBDCs could also make settling securities trades - which can take days, with several parties involved - more efficient, said executives. A CBDC could be programmed with instructions to deliver the security instantly upon receipt of the digital cash.

London-based Fnality, a startup backed by 15 financial firms, is awaiting regulatory approval for a blockchain-based system that would streamline settlement between financial institutions.

And in a first, Goldman Sachs said last month it had settled a repo trade on JPMorgan's private blockchain network.

Incumbents are concerned, though, about a prospective retail CBDC, with digital coins issued directly to consumers.

Advocates say that could allow millions of people shut out of the financial system to receive, spend and save money via a digital wallet.

Retail CBDCs could improve government services and reduce fraud. Pandemic aid, for example, could have been issued faster and more cheaply as a retail CBDC useable only for eligible expenditures.

But such a model risks cannibalizing banks' deposit bases, a key source of cheap funding, and related fees. Morgan Stanley said last month a digital euro could suck up 8 per cent of euro zone banks' customer deposits.

The Bank of England has also warned that a major shift to digital currencies, including CBDCs, would push up funding costs and raise the interest rates banks charge.

"If central banks position themselves in competition on the money people can hold, it could mean less deposits with commercial banks," said Isabelle Martz, deputy director of retail payments at Societe Generale.

"It could have an impact on the ability to finance the economy."

The EBF has urged central banks to avoid CBDCs that would compete with deposits by serving as savings and investment instruments. The US Chamber of Commerce has also warned against crowding out private sector innovation.

But that scenario is seen as extreme, and central bankers have said they want to preserve the role of commercial banks.

France fines Google 500m euros over copyright row

REUTERS, *Paris*

France's antitrust watchdog slapped a 500 million euro ($593 million) fine on Alphabet's Google on Tuesday for failing to comply with the regulator's orders on how to conduct talks with the country's news publishers in a row over copyright.

The fine comes amid increasing international pressure on online platforms such as Google and Facebook to share more revenue with news outlets.

The US tech group must now come up with proposals within the next two months on how it would compensate news agencies and other publishers for the use of their news. If it does not do that, the company would face additional fines of up to 900,000 euros per day.

Google said it was very disappointed with the decision but would comply.

"Our objective remains the same: we want to turn the page with a definitive agreement. We will take the French Competition Authority's feedback into consideration and adapt our offers," the US tech giant said.

A Google spokesperson added: "We have acted in good faith throughout the entire process. The fine ignores our efforts to reach an agreement, and the reality of how news works on our platforms."

News publishers APIG, SEPM and AFP accuse the tech company of having failed to hold talks in good faith with them to find common ground for the remuneration of news content online, under a recent European Union directive that creates so-called "neighbouring rights".

The case itself focused on whether Google breached temporary orders issued by the antitrust authority, which demanded such talks take place within three months with any news publishers that ask for them.

"When the authority decrees an obligation for a company, it must comply scrupulously, both in the spirit and letter (of the decision). Here, this was unfortunately not the case," the antitrust body's chief, Isabelle de Silva, said in a statement. She also said the regulator considered that Google had not acted in good faith in its negotiations with the publishers.

APIG, which represents most major French print news publishers including Le Figaro and Le Monde, remains one of the plaintiffs, even though it signed a framework agreement with Google earlier this year, sources have told Reuters. This framework deal has been put on hold pending the antitrust decision, the sources said.

The framework agreement, which many other French media outlets criticised, was one of the highest-profile deals under Google's "News Showcase" programme to provide compensation for news snippets used in search results, and the first of its kind in Europe.

Google agreed to pay $76 million over three years to a group of 121 French news publishers to end the copyright row, documents seen by Reuters showed.

It followed months of bargaining between Google, French publishers and news agencies over how to apply the revamped EU copyright rules, which allow publishers to demand a fee from online platforms showing extracts of their news.

A sign is seen at the entrance to the Google retail store in the Chelsea neighborhood of New York City, US on June 17. REUTERS/FILE

US output surging amid pandemic due to digitisation: Goldman

REUTERS

The Covid-19 pandemic has prompted businesses to rapidly digitize their operations, leading to a surge in productivity in the United States, Goldman Sachs analysts said.

Since the health crisis began, annualized growth in output per hour has risen 3.1 per cent, a big jump from the 1.4 per cent growth recorded in the previous business cycle, the analysts said.

"Stronger productivity growth has been one of the silver linings of the pandemic," economist Jan Hatzius wrote in a note dated Monday. "Higher-frequency measures indicate further gains in the middle of the year."

The gains are more evident in the information technology sector, followed by professional services, product development and retail sector, the note said.

Industries which have been able to carry on with virtual meetings and reduce expenditure on in-person facilities like travel and entertainment have seen improvements despite the partial re-openings, the analysts said.

Rapid vaccinations have opened parts of the economy this year, but economist Hatzius believes the reopening of offices and the face-to-face economy should not be linked to a pause or reversal of the trend as gains from workplace digitization are sustainable.

A man wearing a mask works on his laptop as the state of Texas prepares to lift its mask mandate and reopen businesses to full capacity during the coronavirus disease pandemic in Houston, Texas, US on March 9. REUTERS/FILE

Kazi Ahsan Khalil

Premier Bank gets new DMD

STAR BUSINESS DESK

Premier Bank recently witnessed the appointment of its new deputy managing director and chief business officer.

The appointee, Kazi Ahsan Khalil, was previously serving Modhumoti Bank as deputy managing director and chief business officer, says a press release.

Khalil started his banking career in National Bank as a probationary officer in 1988.

He worked for NRBC Bank, Social Islami Bank, Shahjalal Islami Bank, First Security Islami Bank, Prime Bank and National Bank.

He obtained his masters and honour's degrees from the University of Dhaka.

US small business optimism rises despite labour shortage, inflation worries

REUTERS

Confidence among small businesses in the United States improved slightly in June after declining in May, despite owners worrying about a labor shortage and inflation, according to a survey released on Tuesday.

The National Federation of Independent Business (NFIB) Optimism Index rose 2.9 points to a reading of 102.5 in June. Seven of the 10 index components improved and three declined.

"Small businesses' optimism is rising as the economy opens up, yet a record number of employers continue to report that there are few or no qualified applicants for open positions," NFIB Chief Economist Bill Dunkelberg said in a statement.

"Owners are also having a hard time keeping their inventory stocks up with strong sales and supply chain problems."

A net 28 per cent of businesses plan to create new jobs in the next three months, up one point from May and a record high.

Earlier this month, the trade group said in its monthly jobs report that 46 per cent of small business owners reported unfilled job openings in June on a seasonally adjusted basis, down from 48 per cent in May.

The quality of labor ranked as businesses' "single most important problem," with 26 per cent of respondents selecting it among 10 issues, near the survey high of 27 per cent. Some 56 per cent of respondents said they had few or no qualified applicants for open jobs in June, down from 57 per cent in May.

The NFIB survey comes as the number of Americans filing new claims for unemployment benefits slightly rose last week while continuing claims declined.

Additionally, hiring appears to have strengthened in June as US companies hired the most workers in 10 months.

Businesses in the NFIB survey also flagged inflation as a worry, and a record 44 per cent plan to increase prices in the next three months.

People make their way in a local street of Chinatown in the Manhattan borough of New York City, New York, US on March 25. REUTERS/FILE

Long holidays to derail garment export recovery

FROM PAGE B1

Western retailers and brands have started reopening their outlets following the vaccination of the majority of the people in Europe and the US.

Suppliers now fear that the orders might shift from Bangladesh to other countries because of the long holidays.

In the last fiscal year, the earnings from the garment export grew 12.55 per cent year-on-year to $31.45 billion, according to data from the Export Promotion Bureau. However, the receipts were $3 billion shy of the level posted before the pandemic.

The woven garment returned to the positive territory towards the end of the fiscal year. Knitwear was performing well.

"We are expecting a boom in work orders for the next year as many buyers are shifting orders to Bangladesh from other countries. If we go for a long holiday and shutdown, we will not be able to attract those orders, which will be very painful for us," Hoque said.

Besides, many factory owners will face difficulties in paying workers in the beginning of next month if they cannot make timely shipments, said the former president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

Md Shahidullah Azim, vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the sector would face a massive loss if the garment factories are kept shut for a long time.

The BGMEA leaders are scheduled to sit in an emergency meeting today to discuss the issue of lockdown and its impacts on the garment sector.

"We want the garment factories to continue their operation during the lockdown like they are doing now," Azim said. If the workers are allowed to go for a long holiday, they might even catch the virus, he said, adding that workers are safe in the factories as they follow the health guidelines properly.

Mohammad Hatem, first vice-president of the BKMEA, said garment exporters are recovering from the losses they had incurred over the last one and a half years year. "We have supplied products at prices that are lower than the production cost with a hope to make a profit in the future. Now is the time to make the profit as many of our suppliers are overbooked with fresh orders."

"We will lose our business aimed at the sales during next winter and Christmas. We will also lose plenty of orders for the next summer if a long lockdown is imposed."

Clear RMG workers' payment by July 19

FROM PAGE B1

However, labour leaders Sirajul Islam Rony and Nazma Akter refused to accept the claim and said some factories are yet to pay their workers. Labour Secretary KM Abdus Salam and Inspector General of the Department of Factory and Establishment Inspection Nasir Uddin Ahmed were also present at the meeting.

Govt launches digital cattle haat

FROM PAGE B1

SM Rezaul Karim, minister for fisheries and livestock, inaugurated the digital haat at a virtual event.

"Through the digital qurbani haat, the sellers of sacrificial animals will get a fair price and the buyers will get the assurance of buying the right animal," Karim said.

Zunaid Ahmed Palak, state minister for ICT, said information technology was now being used in education, healthcare, agriculture, trade, administration and even judicial activities.

"This digital haat is a safe and environmentally friendly platform, where customers can buy affordable cattle for sacrifice," he added.

The state minister for ICT went on to say that Bangladesh has transformed its physical haats into digital haats this year.

"In 2020, we were able to bring some city corporations, districts and a small number of upazilas on the digital platform," he said.

"But this time, as a result of preparation in advance, the initiative has been taken for the farmers to present their animals in the digital market from all the districts, upazilas and even villages," Palak added.

Around 241 hats were connected to the platform through 1,843 online shops including marginal ones.

More than 19 lakh people have visited the digital haat so far and a call center has also been set up to deal with various complaints about the online market.

During the inauguration, Palak purchased a sacrificial cow for Tk 70,000, which was later donated to an organisation called Manab Seba, run by e-Cab, for distribution among the needy.

It took him about three minutes and six seconds to complete the whole process of buying a cow online.

But in addition to online cattle markets for the upcoming Eid-ul-Azha, in-person cattle markets will be set up across the country in accordance with proper hygiene rules and other government guidelines, said the Local Government and Rural Development (LGRD) Minister Md Tajul Islam in a separate event yesterday.

Ctg customs revenue goes past Tk 50,000cr

FROM PAGE B1

Other top revenue-generating products were oranges, cars, car parts, finished ceramics, betel nuts, milk powder, scrap ships, and electronics items.

CHC Commissioner M Fakhrul Alam attributed the higher revenue generation to the prevention of false declarations and ensuring of good governance.

"We have strengthened the surveillance to stop irregularities during imports. Emphasis has also been laid on determining the tariffs based on the actual prices of goods."

The customs house tried to make the assessment and clearance quicker to facilitate trade throughout the year, he said.

"We were not closed for a single hour during the pandemic. We have been providing the service round-the-clock."

The revenue collection also rose due to the speedy auction process, collection of arrears, and disposal of cases, Alam said.

"These initiatives have cut the tendency among the dishonest traders to commit irregularities."

Customs officials said that the doubling of fines after the detection of irregularities increased the tendency among the traders to declare the names of the accurate products and prices.

On June 2020, the NBR fixed a minimum fine for false declaration which is twice the amount of revenue dodged. Earlier, there was no minimum fine.

Mahbubul Alam, president of the Chattogram Chamber of Commerce and Industry, credited the nonstop service provided by the customs house during the pandemic for the higher revenue generation.

Pandemic halts once high-flying Jobike

FROM PAGE B4

"We are trying to raise funds. We have confirmed an investment, which is in the pipeline and will help us to introduce more bicycles in our city," Reza added.

Now, the company has 35,000 registered users from Gulshan and 6,000 registered users in Mirpur DOHS.

They had 1,000-1,500 rides per day at Gulshan and 600 rides per day in Mirpur DOHS in the pre-pandemic times.

After releasing the app in the Google Play Store on April 29, 2018, at least one million people installed it as of July 12 this year.

Users are usually charged Tk 3 for every five minutes in campuses and Tk 1 per minute in other areas.

According to Reza, the use of Jobike's services has saved over 875,000 pounds of Co2 from entering the atmosphere in the last two-and-a-half years.

This is equivalent to roughly 45,370 gallons of gas that was not burned in car engines, the absorption capacity of an additional 74,537 trees on the planet, or taking 100 passenger vehicles off the road for a year, he said.

"The pandemic has prompted people to think more about the welfare of the mother-Earth. So, we think Jobike will rebound strongly when the pandemic situation eases as users frequently ask us when we will start our service at full throttle again."

Banks to operate at regular hours before Eid

FROM PAGE B1

services will be provided outside the areas for the sake of proper management of the clearing system, the circular said.

During the upcoming restrictions for Covid-19 from July 25 to August 5, the banks will conduct their activities on a limited scale from 10:00am to 1:30 pm except for holidays.

To conduct their regular procedures, the branches will remain open until 3:00pm.

Maintaining the hygiene rules, the important departments of the headquarters of the banks and required number of their branches can be kept open with a limited number of manpower, the central bank said in its notice.

Card transactions and internet banking services should be kept running and ATM booths open round the clock with an adequate supply of notes.

Bank officials and employees must carry identity cards while travelling to the office during the restrictions, it added.

Rice prices rise despite bumper yield

FROM PAGE B1

Overall imports of rice also soared to 13.56 lakh tonnes in fiscal 2020-21, up from a meagre 4,000 tonnes the previous year.

Yet prices of Boro rice increased.

Coarse grain was traded at Tk 45.86 per kilogramme (kg) in Dhaka in June, up 2 per cent from a month ago, said data of the Department of Agriculture Marketing (DAM), which is used by the Food and Agriculture Organization.

The June prices of coarse grain were the highest since October 2017.

"It costs at least Tk 50 to buy one kg of coarse rice. As there is no income during the lockdown, it is not possible to bear all the expenses of my five-member family," said Abdus Salam, a driver of a CNG-run three-wheeler, yesterday.

He drives the three-wheeler between Mohammadpur, Nababganj and Dohar route.

Staple food marks a price spike at a time when queues of people behind mobile trucks and stores for subsidised rice and essential foods provided by Directorate General of Food are getting longer.

The countrywide lockdown since the beginning of the month destroyed income opportunities for a large number of the population, including micro and small businesses, hawkers, transport workers, rickshaw pullers, daily labourers and restaurant workers.

Salam said there was always long lines in front of the TCB's vehicles.

"If you are behind in line, you may find stocks of commodities run out by the time your turn comes.

To whom should I go and share my despair," said Salam, who also stood in a queue to buy commodities including edible oil at less than market rates from the TCB's mobile truck.

Abdul Mutaleb, a consumer, said it was very unfortunate that the price of rice was skyrocketing when millions of pandemic-hit low-income and marginal people were struggling to make ends meet. Sonahar Ali, a paddy trader, said the paddy price of this year was around 20 per cent higher than that of last year.

As of Saturday, the medium-high quality varieties of paddy, such as BRRI Dhan 28 and BRRI Dhan 29, were being sold at Tk 1,050 to Tk 1,150 per maund.

Meanwhile the paddy varieties from which high-quality minicut rice is produced was at around Tk 1,350 per maund at local markets, according to traders.

Due to uncertainty amid the Covid-19 pandemic, farmers are unwilling to sell paddy right now, unless they are being compelled to do it, said multiple farmers.

"In other years, we sell the paddy when we get a good price. But we did not sell this year because the days ahead might be more difficult due to Covid-19," said Mozammel Haque, a farmer in Jamalpur, a northeastern district.

Many farmers said the current prices of paddy are reasonable. If the prices of paddy go down below Tk 1,050 per maund, they will have to count losses, they added.

Chitta Majumder, managing director of the Mazumder Group of Industries which operates rice mills, said many farmers were releasing paddy from their stock slowly on expectation that prices of grain would go up this year too.

"Seasonal traders and stockists have also stocked a good amount of rice and paddy this year to profit from the lean season. As a result, the supply of paddy at wholesale markets has been very low," he said.

A number of traders however alleged that some millers stocked paddy to make higher profits as the next big crop Aman would be harvested in the November-December period.

Against this backdrop of spiralling prices, the food ministry decided to allow private importers to import 10 lakh tonnes of rice at 25 per cent customs duty in order to increase supply of the cereal in the domestic market to contain the prices. Presently, customs tariff to import rice is 62.5 per cent.

"We have taken the decision so that consumers do not suffer for high prices of rice," said Food Secretary Mosammat Nazmanara Khanum.

She said initially, import permission to bring 10 lakh tonnes would be given.

"There is no doubt that we have bumper production. But prices have risen for various factors, problems of transport and labour to handle the grains during the coronavirus crisis. Besides, many also maintained increased stock of rice in their homes amid the pandemic," she said.

The demand for rice is also increasing for population and non-human consumption, she added.

In order to allow the import of rice by private traders, the food ministry requested the National Board of Revenue (NBR) on July 6 to reduce import tariffs for non-basmati and non-scented rice.

Contacted, a senior official of the NBR said they were going over the issue.

Ghulam Rahman, president of the Consumers Association of Bangladesh (CAB), urged the government to increase the distribution of rice under social safety net programmes to ease the pressure on them. This will also increase rice supply in the market and help stabilise prices, he said.

Govt plans compliance platforms like Accord, Alliance: Salman

FROM PAGE B1

Regarding the construction of a central effluent treatment plant (CETP) at the Savar Tannery Industrial Estate (STIE), Rahman said despite having a wrong design, it was somewhat operational now.

Hinting at a Balancing Modernisation Rehabilitation and Expansion under public-private partnership, he said the Bangladesh University of Engineering and Technology was involved in improving the CETP but it let the CETP and the country down.

Syed Manzur Elahi, chairman of Apex Footwear, spoke on forming a powerful taskforce to address challenges in the leather sector.

"The time has come for an action plan. A taskforce should be formed with representation from different stakeholders," he said.

A lot of discussions and seminars have been held on development of the leather sector and CETP over many years but still very little has been done, said Elahi, also an adviser to a former caretaker government.

The taskforce will hold at least one meeting a month to formulate a roadmap for the leather sector," he said.

This is because if Bangladesh wants to export more leather and leather goods, the country will have to ensure compliance, said Elahi, an experienced entrepreneur in the leather sector.

As business of leather and leather goods for Bangladesh gains momentum, export is increasing even during the time of the pandemic, said Syed Nasim Manzur, managing director of Apex Footwear.

However, compliance is needed if Bangladesh wants to do business, he said, adding that global trade declined by 10 per cent but the trade of leather and leather goods has declined by 22 per cent.

Leather and leather goods export from Bangladesh increased by more than 18 per cent year-on-year to $941 million last fiscal year.

However, a nearly 300 per cent rise in freight charge and crisis of container vessels have been hurting the shipment of goods from Bangladesh, he said, adding that it took more than three weeks to send a shipment from Dhaka to the US even by air.

Every day the trade of leather and leather goods across the world amounts to $1 billion and Bangladesh is becoming a potential supplier in this trade, he said.

The annual trade of leather and leather goods business will reach $530 billion by 2027, Manzur also said.

Bangladesh needs a Leather Working Group (LWG) certification for grabbing a bigger market share of the global leather and leather goods business, he said.

While presenting one of three keynote papers, MA Razzaque, chairman of the Research Policy Integration for Development (RAPID) said global brands like Nike, Puma and Adidas have been shifting work orders from China to other countries and Bangladesh could take up this opportunity to generate business.

Shaheen Ahmed, president of the Bangladesh Tanners Association, sought completion of the construction of the CETP as soon as possible.

He also sought a handsome amount of bank loans to be made available for the purchase of rawhide during the upcoming Eid-ul-Azha.

Commerce Secretary Tapan Kanti Ghosh said the CETP was supposed to be completed by December 2019 but unfortunately it was not done yet.

"It would have been good if we could construct a CETP of European standard for the leather and leather goods sector," he said.

ERF President Sharmeen Rinvy chaired the event while ERF General Secretary SM Rashidul Islam moderated the event.

HC throws a lifeline to troubled People's Leasing

FROM PAGE B1

accountant; Nashid Kamal, representative of the depositors; and Nurul Kabir, chairman of the finance department of North South University.

The HC has ordered the managing director to take over all the movable and immovable properties, cash in hand, shares, debentures, fixed deposit receipts, receivables, equipment, keys, documents, cars, and other objects provisional liquidator (now defunct).

The chairman of the ACC has been directed to deal with the criminal cases in connection with the transactions or businesses of PLFSL and must extend all-out cooperation to the board for its smooth functioning, the order said.

The court directed all the borrowers to contact the head office of PLFSL to have their loans rescheduled as per laws by making a down-payment within 30 days.

If they fail to start making payments, they will be under an obligation to appear before the court in person to explain their position, the order said.

The HC directed the board chairman to call, hold, and conduct the board's first meeting as per the convenience of all the members and the provisional liquidator Md Asaduzzaman Khan.

With the help of Khan, the chairman must temporarily appoint a company secretary from the present officers and ensure that a copy of the audit report prepared by ACNABIN, a chartered accountancy firm, has been disseminated to each director for their perusal and consideration before the first meeting.

On August 25, 2019, the HC bench appointed ACNABIN to conduct a special audit into all types of transactions and activities of PLFSL.

The managing director shall appoint the necessary workforce as quickly as possible, the order said.

The MD shall consider reappointing the previous officers and employees with good standing and who were not associated with PK Halder, his cohorts and other defaulter directors, it said.

Khan's lawyer Mejbahur Rahman told The Daily Star that the HC appointed the board and delivered the orders under the relevant provisions of the Companies Act, 1994.

Stock index hits 3.5yrs high

STAR BUSINESS REPORT

The prime index of the stock market jumped to a three-and-a-half-year high yesterday thanks to increased participation from investors.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 57 points, or 0.92 per cent, to 6,266. This is highest since that of January 7, 2018, when the index was at 6,268.

Investors are motivated to invest more after the government's decision to launch a new incentive package and reopen the economy ahead of the upcoming Eid-ul-Azha, said a top official of a leading stock brokerage firm.

Prime Minister Sheikh Hasina announced five new stimulus packages of Tk 3,200 crore for low-income people, who have been hit hard by the ongoing restrictions imposed due to the coronavirus, according to a government circular.

These decisions gave a positive momentum to stock investors because it will impact the demand side of the economy positively, said the broker.

As the government also decided to open all economic activities from July 15, it will also be a relief for listed companies' business, he said.

But an alarming issue was that investors were still rushing towards junk stocks and the regulator should take strong steps against any rumour-based price volatility and manipulation, the broker added.

RN Spinning Mills topped the gainers' list, rising 10 per cent, at the DSE followed by Zeal Bangla, Tamijuddin Textiles, Paper Processing & Packaging, and Fine Foods.

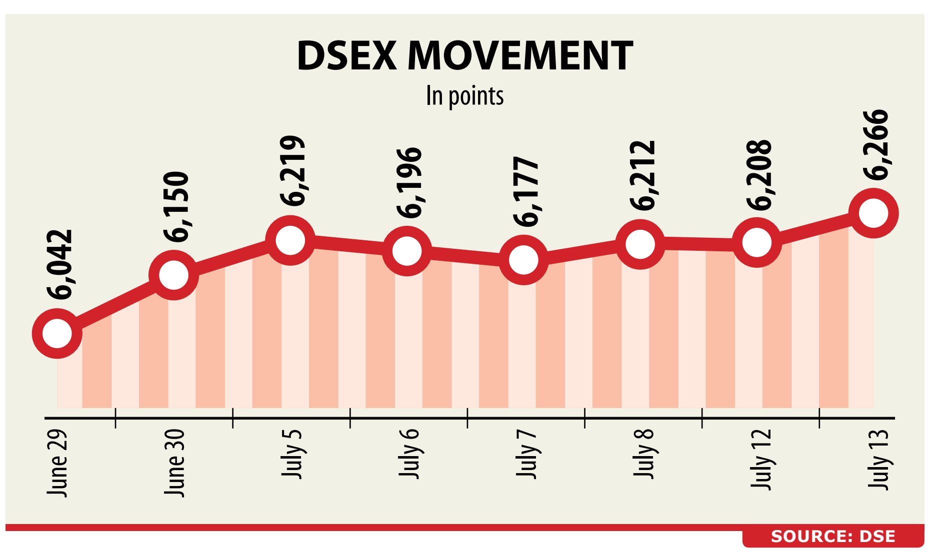
People are motivated to invest more after the government's decision to launch a new incentive package and reopen the economy ahead of Eid

Among the top five, four are from junk category and one was of B category stock, showed the DSE data.

Turnover, an important indicator of the market, soared 4.31 per cent to Tk 1,668 crore. At the DSE, 212 stocks advanced, 129 fell and 32 remained unchanged.

Stocks of Beximco were traded the highest, worth Tk 181 crore, followed by Power Grid Company, LafargeHolcim Bangladesh, Southeast Bank and LankaBangla Finance. Sonali Life Insurance shed the most, losing 6.35 per cent, followed by Desh Garments, Envoy Textiles, Hwa Well Textiles, and Aziz Pipes.

Chittagong Stock Exchange (CSE) also surged yesterday. The CASPI, the general index of the port city bourse, rose 179 points, or 0.99 per cent, to 18,220. Among the 310 stocks to witness trade, 165 rose, 118 fell and 27 remained unchanged.



Pandemic halts once high-flying Jobike

ASIFUR RAHMAN and SUKANTA HALDER

Jobike has been left crippled by the ongoing Covid-19 pandemic as the on-demand bicycle rental service provider had to shutter a majority of its operations in the country.

The company was forced to close four of its six operational areas in March last year after the Covid-19 outbreak in Bangladesh.

The service allows users to book a bicycle for short trips within covered areas through its mobile application.

And with the recurring lockdowns and restrictions on public movement imposed in a bid to curb the spread of coronavirus, Jobike saw a steep fall in revenue.

After its launch, the company had quickly gained popularity, especially among university students, for its cheap, healthy and environment-friendly alternative to traditional modes of transport.

"The number of bikes and our operation were expanding as the app was getting popular, but the pandemic forced us to pause now," Mehedi Reza, founder and chief executive officer of Jobike, told The Daily Star.

These types of ride-hailing or sharing services were first launched in Bangladesh in mid-2016, when Pathao rolled out its first fleet of motorcycles.

A few months later, global giant Uber hit the streets of Dhaka.

Bangladesh has also seen the launch of Obhai, another ride-sharing service.

To survive the current crisis, Jobike had to lay off 75 per cent of its workforce. Before the pandemic, the company had 55 employees but that number has since shrivelled to just 12.

"We are revising our business model as well as bringing more innovative products to introduce to our market to keep operations going amid the pandemic," he said.

Jobike now focuses more on residential areas rather than university campuses, he said.

Reza left his job at Chinese e-commerce giant Alibaba in February 2018 to start Jobike.

On June 18 that year, the company's app was launched in Cox's Bazar as a pilot project...

PHOTO: COLLECTED

A man is spraying disinfectants over some bicycles of Jobike.

On June 18 that year, the company's app was launched in Cox's Bazar as part of its plan to champion two-wheelers as one of the main modes of transport in congested cities.

Months after beginning operations with only 20 bicycles, Jobike rolled out its app in Jahangirnagar University and eventually Dhaka.

By June 2020, the first-ever bike rental service of Bangladesh expanded its footprint to six areas in the capital, including Mirpur DOHS, Dhaka University, Shahjalal University of Science and Technology and Chittagong University with a fleet of more than 300 bicycles.

During the pre-pandemic era, the company had plans to continue expanding.

"It saved time, money and was convenient to use," said Sunjida Islam Srabony, a student of Dhaka University.

"Our hall was a little outside of the main campus, so we used Jobike as much as twice a day, reducing our dependence on rickshaws."

According to Jobike, the company now operates in just two locations -- Mirpur DOHS and Gulshan.

But during a recent visit to the Gulshan area, this correspondent could not find any sign of Jobikes being used anywhere, even in the spot designated as a "refill point" on the app.

A few residents told The Daily Star that they have not seen anyone using the Jobike service in the past few weeks.

Two residents of Mirpur DOHS echoed the same.

When contacted, the Jobike CEO said they partially shut their Gulshan operations amid the recent upsurge in Covid-19 infections.

The pandemic's continued onslaught has also left many of the bicycles damaged or rusted.

"Around 140 bicycles were damaged because most of them were left on campus grounds without any maintenance during the coronavirus outbreak."

During its heyday, Jobike registered one lakh rides per month.

When the company first rolled out its service in Dhaka University back in October 2019, it was already close to its break-even point.

"Because of the pandemic, we had to shut down our operation from universities and Cox's Bazar, which ended up with no business at all."

To survive the coronavirus fallout, it started the "Jodelivery" service to ensure last mile delivery solutions. The service ran for six months but it was finally closed because of no considerable success.

READ MORE ON B3

GLOBAL BUSINESS

China's export growth quickens

Global vaccinations, easing lockdowns lift demand

REUTERS, Beijing

China's exports grew much faster than expected in June, as solid global demand led by easing lockdown measures and vaccination drives worldwide eclipsed virus outbreaks and port delays.

But overall trade growth in the world's second-biggest economy may slow in the second half of 2021, a customs official warned on Tuesday, partly reflecting the Covid-19 pandemic uncertainties as the Delta virus variant wreaks havoc in some countries.

Overall imports also beat expectations, though the pace of gains eased from May, with the values boosted by high raw material prices, customs data showed.

Thanks to Beijing's efforts in largely containing the pandemic earlier than its trading partners, the world's biggest exporter has managed a solid economic revival from the coronavirus-induced slump in the first few months of 2020.

Exports in dollar terms rose 32.2 per cent in June from a year earlier, compared with 27.9 per cent growth in May. The analysts polled by Reuters had forecasted a 23.1 per cent increase.

"Exports surprised on the upside in June, shrugging off the impact of the temporary Shenzhen port closure and other supply chain bottlenecks," said Louis Kuijs, head of Asia economics at Oxford Economics.

"The headline US$ numbers suggest that in real, sequential terms shipments held up in June, after having moderated earlier on from the record levels of end-2020." China's trade performance has seen some pressure in recent months, mainly due to a global semiconductor shortage, logistics bottlenecks, and higher raw material and freight costs.

All the same, the global easings in Covid-19 lockdown measures and vaccination drives appeared to underpin a strong uptick in worldwide demand for Chinese goods.

Germany, for example, which was at first sluggish in its vaccination drive, said this month it had caught up with the United States in terms of the proportion of the population having had one shot of Covid-19 vaccine.

A worker drives a truck carrying a container at a logistics centre near Tianjin port, in Tianjin, China.

REUTERS/FILE

Work from home fuelling cyber attacks: global watchdog

REUTERS, London

Financial firms may need to bolster their defences in the face of rocketing cyber-attacks after employees began working from home, the Financial Stability Board (FSB) said on Tuesday.

The FSB, which coordinates financial rules for the G20 group of nations, said remote working since economies went into lockdown to fight Covid-19 opened up new possibilities for cyber attacks. Working from home (WFH) is expected to stay in some form across the financial services industry and beyond.

"Most cyber frameworks did not envisage a scenario of near-universal remote working and the exploitation of such a situation by cyber threat actors," the FSB said in a report to G20 ministers and central banks.

The report is a first take on lessons learned from the pandemic's impact on financial stability.

US regulator focuses on bank fee conflicts

REUTERS, Washington

The US securities regulator has ramped-up its inquiry on Wall Street's blank check acquisition frenzy, homing in on potential conflicts of interest created when banks act as underwriters and advisers on the same deal, three people with direct knowledge of the matter told Reuters.

The Securities and Exchange Commission is exploring whether certain fee structures may incentivise underwriters on special purpose acquisition company, or SPAC, listings to secure unsuitable deals when also advising on the later stage merger, potentially putting investors at risk, the people said.

Banks that have received SEC requests for information include top SPAC underwriters Citigroup, Credit Suisse Group, Morgan Stanley and Goldman Sachs, they said.

Spokespeople for the banks declined to comment.

SPACs are listed shell companies used to take private companies public, sidestepping the more traditional and lengthy initial public offering (IPO) process.

Reuters reported in March that the SEC's enforcement division had opened an inquiry on Wall Street banks' SPAC dealings, sending letters to several institutions seeking information on deal risks and internal controls.

Since March, the SEC has focused its inquiry on a group of banks, law firms and SPAC sponsors involved in troubled deals and has sought more information about the deals and interviewed executives concerned, according to two of the three sources. The SEC is particularly interested in the fees banks have earned when playing several roles on a deal, all three sources said. They declined to say which deals were under scrutiny.

"The big issue for the SEC is to understand if the advisers are conflicted," said one of the people.

A spokesperson for the SEC did not respond to requests for comment.

SPAC sponsors typically pay banks a 5.5% fee for underwriting the IPO, part of which is paid up front, with the rest paid upon completion of the merger.

Underwriting banks can earn more fees if they also go on to represent the merger target and help the SPAC sponsor raise additional cash from private investors to finance the takeover.

The SEC is examining potential conflicts in such situations when a bank works for both sides of the transaction and stands to earn a chunk of fees when the merger goes through.

Critics say such arrangements could incentivise banks to talk up targets or play down potential problems, which could harm investors if the target company's earnings underperform, or other regulatory or legal issues emerge following the merger.

People exit the headquarters of the US Securities and Exchange Commission in Washington, DC, US on May 12.

REUTERS/FILE

China central bank says macro policy will depend on domestic conditions

REUTERS, Beijing

China will base the pace and intensity of monetary policy on the domestic economy and inflation trends in the second half of the year, a central bank official said on Tuesday, following a surprise cut in bank reserves to bolster the economic recovery.

Sun Guofeng, head of the monetary policy department at the People's Bank of China (PBOC), said China's policy will prioritise stability and focus on domestic conditions, adding that possible tightening by the US Federal Reserve would have a limited impact on China's monetary policy.

"It's normal for the United States and China to have different operations of their monetary policy," Sun said. "China's stance of prudent monetary policy has not been altered."

The PBOC announced on Friday it would cut the amount of cash banks must hold as reserves, releasing around 1 trillion yuan ($154.67 billion) in long-term liquidity to underpin its post-Covid economic recovery that is starting to lose momentum.

The PBOC last cut the RRR in April last year, when the Chinese economy was still badly affected by the coronavirus crisis.

Small firms are bearing the brunt of a recent surge in raw material prices as they are unable to pass on the higher costs to consumers.

The producer price index (PPI), which is already near its highest in more than a decade, is likely to continue to hover at an elevated level in the third quarter, before falling back in the fourth quarter and next year, Sun said.