

## Cross-border trade resumes after Eid holidays

OUR CORRESPONDENT, *Dinajpur*

Cross-border trade through the Hili and Radhikapur land ports in Dinajpur and Sonahat land port in Kurigram resumed yesterday, marking the end of Eid-ul-Azha celebrations.

However, trade through the Banglabandha land port in Panchagarh will resume from Friday.

All import and export activities through Hili Land Port were halted for six days during the Eid holiday, which began on July 19 as decided by traders from both India and Bangladesh, according to Harun Ur Rashid, president of the port's Importers and Exporters Group.

Sarkar Rakib Ahmed, president of the Clearing and Forwarding Agents Association of Sonahat land port, said that the port had remained closed for five days to celebrate the religious festival.

"Trade through the port resumed on Sunday," he added.

Kudrat-e-Khuda Milon, secretary of the Clearing and Forwarding Agents Association of Banglabandha Land Port, said the port went into a ten-day holiday on July 19 that will end on Thursday.

"Trade will start from Friday," Milon added.

However, immigration services at all these ports remain open.

## UK will be exposed to paying pandemic cost risks for decades

REUTERS, *London*

The British government will be exposed to financial risks from its 372-billion-pound pandemic spending for decades, according to lawmakers' reports on Sunday that also said more than 2 billion pounds had been spent on unusable protective equipment.

In two reports on the response by Prime Minister Boris Johnson's government to the Covid-19 pandemic, parliament's Public Accounts Committee (PAC) said lessons needed to be learned before a promised public inquiry due to be held in 2022.

"With eye-watering sums of money spent on Covid measures so far the government needs to be clear, now, how this will be managed going forward, and over what period of time," Meg Hillier, the PAC chair, said.

"The ongoing risk to the taxpayer will run for 20 years on things like arts and culture recovery loans, let alone the other new risks that



REUTERS/FILE

**A woman stands inside an almost deserted underground train, amid the coronavirus disease outbreak, in London, Britain on January 5.**

## UK financial watchdog warns consumers over CoinBurp crypto launch

REUTERS, *London*

Crypto broker CoinBurp has no authorisation for a planned launch of its \$BURP token and initial exchange offering on Monday, July 26, Britain's Financial Conduct Authority (FCA) said on Sunday in the latest crack down on crypto trading.

CoinBurp said last week it had raised \$6 million to build a platform for buying and selling non-fungible tokens (NFTs), digital assets that are attracting interest from some investors but also scrutiny from regulators worried about the risks.

"The firm does not yet hold full FCA

registration under the money laundering, terrorist financing and transfer of funds (information on the payer) regulations ... but has submitted an application for the FCA for registration," the FCA said in a statement.

Although CoinBurp is listed on the FCA's temporary registration register, this does not allow any firm to claim to be registered or authorised by the FCA, the watchdog said.

"Whilst firms with this status can continue to trade, such firms and their personnel have not yet been assessed as fit and proper, and we have not yet determined their application for the purposes of the money laundering

regulations," the FCA said.

CoinBurp, which could not be immediately reached for comment, says on its website that "\$BURP is coming! Be the first to know when we launch our very own utility and governance token."

"Building this product means that CoinBurp - as a regulated broker - will have NFTs listed on the market and can be made available for investors in large and small quantities," it said in a press statement on Friday.

The FCA statement is the latest in the watchdog's warnings to consumers they could lose all money in crypto assets.

## Hefty incentives for state bank employees

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This was not the first time the BB has attempted to stop the financially weak state banks from doling out incentive bonuses.

On several occasions in recent years, the central bank said, in its annual inspection reports, the state banks should not give out any incentive bonus.

June's recommendation from the BB came as the four banks faced either a shortage of required provisioning or capital.

For instance, Sonali Bank faced a capital shortfall of Tk 3,064 crore last year. It did not face any provision shortfall last year and logged a net profit of Tk 338 crore.

But it should have avoided paying the incentive given the large capital shortfall, a BB official said.

The provisioning shortfall at Agrani stood at Tk 1,319 crore and Rupali Bank at Tk 822 crore.

A provision shortfall occurs when a financial obligation exceeds the amount of cash available. It can be temporary, arising out of a unique set of circumstances, or persistent, indicating poor financial management practices.

Janata Bank witnessed a net loss amounting to Tk 5,054 crore last year when its capital shortfall surged to Tk 5,475 crore.

The central bank enacted a guideline on incentive bonuses for state-run banks in 2014, and it was subsequently sent to the finance ministry.

According to the guideline,

employees are entitled to an incentive bonus based on the net profit posted.

It also said that banks would be permitted to disburse incentives if they could manage a net profit after keeping required provisioning against the classified loans and other assets.

Default loans at Sonali, Janata, Agrani and Rupali collectively stood at Tk 34,175 crore last year, accounting for 49 per cent of the total non-performing loans in the banking sector.

Depending on the gravity of sour assets, the provisioning ranges from 0.50 per cent to 100 per cent.

The four banks would have faced a net loss worth Tk 18,500 crore in 2019 had their provisioning shortfall been considered. They collectively disbursed Tk 437 crore in the form of incentives in the year. The figure for 2020 was not immediately available.

The central bank letter said that any commercial bank would conduct its operations to clock profit, and the incentive bonus was important to encourage employees such that they feel cheered to do their job efficiently.

But, it is not expected from those that incur a loss, the BB official said.

Md Ashadul Islam, senior secretary of the FID, declined to comment over the mobile phone.

Md Abdus Salam Azad, managing director of Janata Bank, said that an adverse impact would be created among the employees if the tradition

departments across government must quickly learn to manage."

The PAC highlighted an estimated loss of 26 billion pounds through fraud and repayment default from loans handed to businesses to help cope with the pandemic as an example of the ongoing financial risk.

In a second report, the committee said there had also been "unacceptably high" levels of wasteful spending, with 2.1 billion items of unsuitable personal protective equipment (PPE) purchased, equating to more than 2 billion pounds of public money.

The government said only 0.84 per cent of all PPE had been found to be unusable, and it had plans to repurpose that which could not be used in the health service.

"There are robust processes in place to ensure that government spending always provides value for money for the taxpayer," a Department of Health spokesperson said.

## China's Tencent ordered to give up exclusive music rights

AFP, *Beijing*

Chinese tech giant Tencent must relinquish its exclusive music label rights, the market regulator said Saturday, after finding that the firm had violated antitrust laws.

The ruling is the latest in a crackdown on China's tech sector after years of runaway growth, as Beijing frets over the companies' growing influence as well as the security of troves of sensitive consumer data.

Tencent acquired a majority stake in rival China Music Group in 2016, effectively controlling more than 80 percent of exclusively held music streaming rights in the domestic market, the State Administration for Market Regulation said in a statement.

This gave the firm's music arm the ability to urge labels to "reach more exclusive copyright agreements, or require better trading conditions compared to (Tencent's) competitors," the regulator said, calling the case an

"illegal concentration of business operators." Tencent's music arm was also fined 500,000 yuan (\$77,144), SAMR said.

Chinese music streaming firms have in recent years fought to snatch up exclusive rights to play labels' tracks in the country after regulators tightened rules against piracy.

The biggest players in China's tech sector -- after years of growth thanks to lax regulation -- are now facing increased scrutiny.

## Stimulus going to unproductive sectors

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In order to provide businesses much needed liquidity support to combat the havoc created by Covid-induced losses, the government began to offer low-cost loan support since the end of March last year, when the pandemic first hit the country.

Until now, the government has rolled out 23 stimulus packages involving Tk 128,440 crore, which is 4.6 per cent of Bangladesh's gross domestic product. Of the sum, the central bank has set a target to inject around Tk 97,000 crore.

Bangladesh Bank had earlier directed banks not to allow the adjustment of any credit of the borrowers through the use of loans granted from stimulus packages.

It also reminded bankers of a suggestion to form a special cell to monitor proper implementation of stimulus schemes. In yesterday's directive, Bangladesh Bank also asked lenders to release loans sanctioned in a timely manner.

It also asked lenders to engage internal audit divisions in ensuring that money was not going to unproductive sectors.

## BB questions 3 non-banks' fierce SMS marketing

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All of them are sending SMS to clients, describing features of different deposit products, including the three schemes.

The central bank officials said the interest rate on deposits has recently declined to a large extent as the country's banking sector was now flooded with excess liquidity. But the NBFIs are still offering high interest rates, said the officials.

Despite repeated attempts, Md Ahsan Kabir Khan, managing director of Prime Finance and Investment, and Mohammed Mosharaf Hossain, managing director of First Finance, could not be reached over the phone.

## Stocks continue to reach new heights

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Stocks of SAIF Powertec traded the most with Tk 68 crore followed by British American Tobacco Bangladesh, Beximco Limited, BD Finance, and Fu-Wang Ceramics.

Familytex BD shed the most, falling 9.43 per cent, followed by Tung Hai Knitting, RN Spinning Mills, C&A Textiles, and Fareast Finance.

The port city bourse also rose yesterday as the CASPI, the general index of the Chittagong Stock Exchange, advanced 130 points, or 0.55 per cent, to 18,673.

Among 305 traded stocks, 105 advanced, 178 dropped, and 22 remained unchanged.

## Container delivery hits rock bottom

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On Saturday and Sunday, 933 TEUs (twenty-foot equivalent units) of import containers were released, way lower than 3,500 TEUs delivered on a normal day.

As the port authorities kept open loading and unloading during the Eid holidays except for a few hours on Wednesdays, the port yards are now choking with containers received from the vessels.

Before the Eid holiday began on July 20, the number of containers lying at the port was 37,819 TEUs against the port's capacity of 49,018 TEUs. As of yesterday morning, it rose to 43,574 TEUs.

The scenario is most alarming for the yards dedicated to storing import load containers.

As of yesterday, 40,741 TEUs of import containers were lying at the port, exceeding the capacity of 39,518 TEUs.

Before Eid-ul-Azha, the CPA sent letters to various stakeholders, including business associations such as the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the Bangladesh

Knitwear Manufacturers and Exporters Association, the Federation of Bangladesh Chambers of Commerce and Industry, and shipping agents, urging them to continue receiving imports immediately after Eid day.

Since the letter made little impact, the CPA, on Saturday, again wrote to the BGMEA, the Chittagong Chamber of Commerce and Industry, the Bangladesh Fresh Fruit Importers Association, the Chattogram Fruit Traders Association, the Chattogram Customs Clearing and Forwarding Association and others to take the delivery during the weekend.

It also warned them of imposing a penalty on the store rent if the delivery does not speed up.

A major portion of the goods is mainly the raw materials used by garment factories.

Contacted, BGMEA First Vice-president Syed Nazrul Islam said though the port, customs and banks remained open, the importers were failing to have the goods released since factories had been shut due to the lockdown.

"Officials of our commercial sections and C&F agents need to

come to process the delivery activities. But it is not possible because of the lockdown."

CPA Chairman M Shahjahan, however, told The Daily Star yesterday, "If we can shift a good number of import load containers to the ICDs, and the goods can be delivered from there, it will free up space in the port yards."

A total of 53,864 TEUs containers, including import load, export load and empty containers, were at the private ICDs yesterday against their combined capacity of 78,700 TEUs.

Bangladesh Inland Container Depots Association Secretary Ruhul Amin Sikder said the ICDs were already burdened with a backlog of 12,993 TEUs of export-laden containers.

"These containers need to be cleared to a large extent. Otherwise, it would be difficult for the ICDs to act in line with the NBR order."

"We have already advised the ICDs to engage their best logistics to shift containers from the port, and the transfer will commence in the evening," he said in the afternoon yesterday.

## Berger to launch fire retardant products

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In the wake of a deadly fire incident at the Hashem Foods factory in Narayanganj on July 8, fire prevention has become a major concern for local industries.

"These products can help hold up a steel structure for around two hours during a fire, allowing fire services enough time to extinguish it," he said.

Berger Paints will become equipped with the means to locally produce these products through a technology transfer while other goods that have less demand will be imported.

The company plans to roll out its new line of fire retardant products from next January as some preparations are

needed before production can begin.

"We will also work to raise fire safety awareness as people are not aware enough about fire protective solutions," said Chowdhury, adding that they will work with the government in a bid to provide these products at competitive prices.

The listed paint maker disclosed this information through the Dhaka Stock Exchange website yesterday.

As per the agreement, Berger Paints will be an importer and distributor of Promat's products in Bangladesh. Jensen & Nicholson (Bangladesh), a wholly owned subsidiary of Berger Paints, shall be the exclusive indenting agent of Promat in the country, the disclosure said.

On the same day, the company disclosed its financial information for the year that ended on March 31, 2021.

It also declared 375 per cent cash dividends for the year, when the company's earnings per share rose 11 per cent to Tk 58 compared to the previous fiscal year.

However, the share price of Berger Paints dropped 5 per cent to Tk 1,780 yesterday.

Its net revenue rose to Tk 1,667 crore in FY2020-21 while it was Tk 1,621 crore a year earlier.

During the same period, the company logged profits of Tk 254 crore while it was Tk 229 crore the previous year.

## AstraZeneca scours supply chain for more vaccine doses for Thailand, SE Asia

REUTERS, *Bangkok*

AstraZeneca Plc is "scouring" its global supply chain to try and boost Covid-19 vaccine supplies to Thailand and Southeast Asia, its representative for the country said on Saturday, amidst speculations of local production shortfalls.

The comments come after leaked letters showed last week that the drugmaker had offered to supply 5-6 million vaccine doses a month to Thailand, contradicting assertions by Thai officials that the government is owed 10 million a month and 61 million doses by end-2021.

AstraZeneca is "scouring the 20+ supply chains in our worldwide manufacturing network to find additional vaccines for Southeast Asia, including Thailand", James Teague, managing director of AstraZeneca Thailand, said in a statement. "We are hopeful of importing additional doses in the months ahead," he added.

The drugmaker had previously said vaccine doses for Thailand and Southeast Asia would come from a plant of its Thai partner Siam Bioscience, owned by Thailand's king and a first-time vaccine maker.

## Profits at India's Reliance fall on Covid impact

AFP, *Mumbai*

Profits at Indian conglomerate Reliance Industries dropped sharply between April and June this year, the company said Friday, as Asia's third-largest economy battled a vicious second wave of Covid-19.

The oil-to-telecoms giant, which is owned by Asia's richest man Mukesh Ambani, reported a consolidated net profit of 122.73 billion rupees (\$1.65 billion) in the quarter ending June 30, a 7.25 per cent fall compared to the same period last year.

Even though its quarterly revenues jumped by 58 percent year-on-year to 1.44 trillion rupees, aided by its flagship oil and gas businesses, its retail arm took a hit as a spike in infections prompted shop closures.

"Covid-related restrictions on store operations during the quarter impacted our retail business operations and profitability. This is a temporary phenomenon," Ambani said in a statement.

"I am happy that our company has delivered robust growth despite facing a highly challenging operating environment caused by the second wave of the Covid pandemic," he added.