

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.31%	▼ 0.32%	\$1,800.38	\$74.39	▼ 0.23%	▲ 1.04%	▼ 0.57%	▼ 2.34%	83.95	97.80	114.50	12.71
6,404.03	11,180.10	(per ounce)	(per barrel)	52,852.27	27,833.29	3,138.97	3,467.44	BUY TK	84.95	101.60	118.30
								SELL TK	84.95	101.60	118.30

Star BUSINESS

DHAKA TUESDAY JULY 27, 2021, SRABAN 12, 1428 BS • starbusiness@thedailystar.net

Pandemic proves a boon for IT freelancers

More and more global companies choose to outsource; individual freelancers demand 10pc incentive

MAHMUDUL HASAN

Like a million others, Ridoy Saha was rendered unemployed within weeks after Bangladesh introduced a nationwide lockdown in March last year to limit the spread of coronavirus.

He returned to his village home as his employer, an ad agency, was closed. But unlike many others, he soon got back to work to make a living as the tasks he specialises in have not lost their demand globally.

He started working at Upwork, an American freelancing platform. What is more, his monthly income surged more than four times compared to the Tk 30,000 he used to take home while working for the ad agency.

"I am doing the same thing that I used to do for the agency -- graphics and animation. The first few weeks of the freelance work were challenging. Then I got some clients who liked my work and started giving me work regularly," Saha said.

AT A GLANCE

- Total freelancers in Bangladesh: **6 lakh**
- Annual earnings: **\$500m**
- Pandemic saw over **1 lakh** new freelancers
- A freelancer can bring home **\$10,000** per transaction
- Individual freelancers demand **10%** incentive from govt
- Freelancers can now bring money through MFS



Saha is not the lone freelancer who has been able to keep working during the pandemic. Globally, Covid-19 has brought cheers for the freelancers as the crisis has highlighted the comfort of remote work. More companies across the globe are hiring them to cut payroll expenses.

This outsourcing trend has created a gold rush for many, especially youth and the people

who lost their jobs due to the pandemic-induced economic slump.

Bangladesh has six lakh IT service exporters or freelancers, and the number of team-based freelancing companies hovers around 1,600. Together they fetch roughly \$500 million annually, according to industry people.

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Shoe-makers' profits hammered by Covid

Dividend payout also drops

AHSAN HABIB

Profits of listed shoe-makers of Bangladesh dropped in 2020 despite the drastic fall in the price of rawhides as the sales of the finished products crashed because of the economic slump caused by the pandemic.

Among the six listed companies in the tannery industry, the dividends of all firms also declined last year compared to 2019.

Bata Shoe, a multinational shoe and leather product manufacturer, incurred losses for the first time in its 59-year history in Bangladesh.

It lost Tk 132 crore last year after logging profits of Tk 49 crore a year earlier. The losing trend continued in the January-March period of 2021 as well.

Apex Tannery also reported a loss while Apex Footwear, Fortune Shoes, Legacy Footwear, and Samata Leather posted lower profits.

Apex Tannery's loss stood at Tk 1.81 crore in 2019-20 against a profit of Tk 2.15 crore a year ago. As a result, its dividend payout fell. The situation has remained unchanged in the current fiscal year.

"People now prefer products made from synthetics, non-leather and artificial leather," said Arfanul Hoque, head of retail at Bata.

"Their taste has changed a lot." So, shoe-makers use a product mix. For instance, people now wear sneakers where there is no element of leather.

Even in a leather shoe, many parts are not made from leather, and leather accounts for 20 to 25 per cent of the cost.

"So, profits don't depend on the price of rawhides anymore," Hoque said.

"Whatever impact was expected from the low price of rawhides on our profits, it was not seen due to the pandemic."

The earnings took a hit as retail businesses crashed during major festivals such as Eid-ul-Fitr, Eid-ul-Azha, Puja,

DIVIDEND OF LISTED FOOTWEAR MAKERS AND TANNERIES

COMPANY	2018	2019	2020
Apex Footwear	55	55	25
Apex Tannery	40	35	12
Bata Shoe	345	125	25
Fortune Shoe	15	20	10
Legacy Footwear	20	5	0
Samata Leather	0	2	0

SOURCE: DSE

and Pahela Baishakh in 2020 due to the countrywide lockdown, said Bata Shoe in its financial report.

An estimated 77 per cent of rural business leaders such as dealers and wholesalers were particularly impacted by Covid-19, which inflicted a loss on them, it said.

Eid festivals account for about 35 per cent of the shoe and leather business in Bangladesh.

A top official of Apex Footwear said the sales in the domestic market were depressed because of the economic slowdown.

Profits of Apex Footwear halved to Tk 6 crore in 2019-20 from Tk 12 crore a year earlier. In the first nine months of the just-concluded fiscal year, the profit narrowed to Tk 5 crore from Tk 7 crore in the same period a year ago.

The global crisis also hurt the export market. Receipts from the shipment of leather and leather products plunged 21.79 per cent to \$797 million in 2019-20, according to the Export Promotion Bureau.

It, however, recovered in the last fiscal year, growing 18.6 per cent to \$941.67 million.

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Now non-banks' MDs need BB nod for foreign trips

STAR BUSINESS REPORT

In an effort to curb frequent foreign trips, Bangladesh Bank yesterday asked managing directors of non-bank financial institutions (NBFIs) to take its prior approval.

The permission must be taken 15 working days in advance of the travel date, according to a central bank notice issued yesterday.

The application will have to be endorsed by the respective board of directors.

The momentum of the operational works at NBFIs may be hampered if managing directors (MDs) stay abroad for long, be it official purposes or personal reasons.

"This will create financial losses for the NBFIs, which is not expected at all," said the notice.

The central bank advised the MDs to shun the foreign trips, which is avoidable.

The MDs will have to inform the central bank about designated officials who will take on the role of acting MDs during their absence.

A central bank official said the MDs of the NBFIs frequently went abroad which were not on official tasks, which did not bring about anything positive for the institutions.

The majority of the NBFIs now faced different crisis, including incurring net losses in recent years.

Against this backdrop, the new decision will help the NBFIs reduce their operational expenses.

The circular will come into effect immediately, said the central bank.

The central bank had earlier taken the same measure for the MDs of banks.

Stocks drop on profit booking

Investors take cautious stance as BB asks banks to curb flow of stimulus funds to unproductive sectors

STAR BUSINESS REPORT

The stock market dropped yesterday owing to a profit booking tendency, with investors prompted to go for sales by a Bangladesh Bank directive on banks to curb channelling of stimulus funds to unproductive sectors, including the share market.

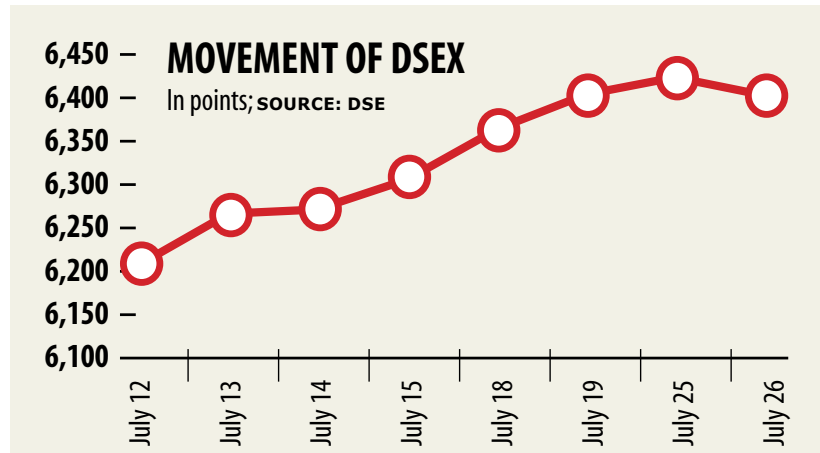
The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), dropped 20.18 points, or 0.31 per cent, to 6,404 from the previous day.

The central bank on Sunday directed the country's lenders to increase monitoring on how loans from the stimulus packages were being used. It said to have found some cheap funds being channelled into unproductive sectors, like the stock market.

The market index is now at its historical highest, so there is already a fear that a correction could occur anytime, said a merchant banker, preferring anonymity.

Moreover, the central bank directive may push up sales, so many investors are booking profits, he said.

The market, however, should not depend on "seasonal money" and it



should stand on the real investors' funds, he added.

If any fund had come from stimulus packages, it is not expected, he said, adding that investors should give thought into investing in stocks based on their fundamentals.

"The stock market is risky and a place for long term investments, so we don't want to see any artificial funds here," said an asset manager.

Because such funds may lead to a ballooning of the market and then its bursting, both of which are not expected, he said, adding that there were many potentials for real funds to be drawn to the stock market.

The interest rate in the banking sector is now low, at 5 per cent to 6 per cent, so people are preferring the stock market, he said.

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Marico's sales rise despite second wave

STAR BUSINESS REPORT

Marico Bangladesh posted 11 per cent growth in sales in the April-June quarter despite the second wave of coronavirus infections on the back of hair oils and baby care portfolios.

The local subsidiary of the Indian fast-moving consumer goods company saw its revenue grow to Tk 334.4 crore in the first quarter of 2021, up from Tk 301.1 crore year-on-year, according to the company.

During the same period, Marico's profits rose 8.4 per cent to Tk 108 crore. The board of directors yesterday recommended a 200 per cent interim cash dividend for shareholders for the three-month period.

"The revenue growth was driven by the higher sales in the hair oils and baby care portfolios," said Christabel Randolph, company secretary of Marico Bangladesh.

During the quarter, the company launched three new products -- Red King Cooling Oil, Nihar Naturals Lovely, and Parachute Naturale Hijab Fresh shampoo.

READ MORE ON B3



Boats lined up for sale at Salutikor Bazar in Gowainghat upazila of Sylhet district. Sellers from far and near congregate every Saturday and Tuesday with vessels priced in the range of Tk 3,000 to Tk 8,000. Out of around 500 put on display, some 300 get sold each day, especially during the monsoon. This is because boats are the sole mode for transportation in haor areas of Sylhet's Gowainghat, Compangany, Sylhet Sadar, Bishwanath and Sunamganj's Chhatak upazilas. The photo was taken recently.

SHEIKH NASIR

Improve competitiveness for smooth LDC graduation

Speakers say at ICAB webinar

STAR BUSINESS DESK

Local businesses need to become more competitive at the international level so that Bangladesh can enjoy a smooth graduation from the UN's group of least developed countries (LDCs) in 2026, speakers said at a webinar yesterday.

To do so, productivity needs to be increased while reducing production costs, improving the business climate and infrastructure as well as the trade system, they said.

Besides, linkage industries should be encouraged alongside the establishment of special economic zones, fashion designing institutes and active pharmaceutical ingredient (API) parks, they said.

They went on to say that making a permanent exit from LDC status would be a real recognition of the country's development even though it would result in Bangladesh facing many challenges.

The country has developed significant

trade-related capacities and adaptabilities despite the withdrawal of the GSP facility by the US, said the speakers.

Moreover, a disaster prediction in the garment sector when a Multifibre Arrangement was phased out through a separate deal on textiles and clothing did not come about to be true, they said.

This is because Bangladesh successfully steered clear of the global financial crisis with little or no impact on exports, they added.

The webinar, styled "LDC graduation: Challenges and Opportunities", was organised by the Institute of Chartered Accountants of Bangladesh (ICAB).

"Our LDC graduation will bring a mixed set of new realities and the country will lose a wide variety of preferences and privileges in global trade," said Planning Minister MA Mannan.

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DSE gets new managing director



Tarique Amin Bhuiyan

STAR BUSINESS DESK

A new managing director has been appointed at Dhaka Stock Exchange on Sunday.

The appointee, Tarique Amin Bhuiyan, is the founder and CEO of Australia-based Hashkload and was an IT consultant of Friendship NGO, says a press release.

Bhuiyan started off his 25 years' professional career as a trainee of ANZ Grindlays

Bank, Bangladesh and worked in ING, St George, Westpac, TCS, Accenture and Infosys.

He was also the chief information officer at Brac Bank and founding chief executive officer of bKash.

Bhuiyan obtained an MBA degree from the Institute of Business Administration at the University of Dhaka, a master's degree in commerce in information systems and technology from Macquarie University and graduated in management from the Australian Institute of Business.



Eastern Bank signed a memorandum of understanding with Brac at its Dhaka head office recently to provide Tk 4.10 crore of corporate social responsibility funds to a "Community Fort" project. The project covers 35 districts to reach 77 million people with masks, healthcare support and vaccination assistance. This fund will also be used for food assistance and cash support to daily wage earners and extreme poor, says a press release. The lender has so far contributed Tk 1.60 crore as financial aid in the fight against the pandemic.

COLLECTED

ZXY inks partnership deal with HeiQ

STAR BUSINESS DESK

Textile manufacturer ZXY International has recently announced a new partnership agreement with textile innovator HeiQ enabling trading with brands and mills and connect as per requirements with innovative technologies.

The partnership is to bring a one-stop solution for international brands and retailers to enhance and support business requirements, says a press release.

Sourcing across Bangladesh, Turkey, Egypt, India, and Pakistan, ZXY has already partnered with sports and athleisure brands Champion, Diadora, Diesel, Admiral, Kappa and Umbro, high street fashion Primark and lifestyle brands within the UK, Europe, US and Latin America.

The company has established direct supply partnerships with local garment factories and has been collaborating with innovation and industry-leading development partners.

Marico launches 'Red King Men's Cooling Oil'

STAR BUSINESS DESK

Marico Bangladesh has recently launched a new "Red King Men's Cooling Oil".

A press release says regular use of the non-sticky and aromatic oil enables sound sleep, energises and provides relief from stress, fatigue and headaches.

The bottle is said to have a "Power Tube" with "Cooling Crystals™" having 18 ingredients, including natural herb extracts. The oil comes in 100ml and 200ml bottles and a 2.5ml sachet costing Tk 110, Tk 210 and Tk 2 respectively.

Marico also manufactures Parachute Advanced, Nihar Naturals, Parachute Skinpure, Mediker, and Studio X.

Markets volatile as Asian stocks tumble, bitcoin soars

AFP, London

Financial markets kicked off the week with fresh volatility on Monday, as Asian stocks tumbled, bitcoin soared and the dollar retreated.

Hong Kong stocks led the losses after Beijing at the weekend cracked down further on China's tech firms, while education companies were hammered as the government unveiled sweeping reforms of the sector.

Broad Asian and European equity losses came also as traders continued to fret over the fast spread of the Delta coronavirus variant, which has sent infections spiking and forced some governments to reimpose economically painful lockdowns or other containment measures.

China's new private tutoring rules put billions of dollars at stake

REUTERS

China's sweeping new rules in private tutoring has left private education firms facing a significant business impact as Beijing steps up regulatory oversight of a \$120 billion industry that investors had bet billions of dollars on in recent years.

The new rules released on Friday bars for-profit tutoring in core school subjects in an effort to boost the country's birth rate by lowering family living costs.

The news sent shockwaves through the sector and parents struggled to understand how exactly the move would impact their children in a highly competitive education system.

Under the new rules, all institutions offering tutoring on the school curriculum will be registered as non-profit organisations, and no new licences will be granted, according to an official document.

The rule changes, which are much tougher than previously expected, have put at risk billions of dollars of public and private capital ploughed into the sector over the last few years on hopes for continued demand in the world's most

populous country.

The move triggered a massive fall on Friday in the Hong Kong and New York-listed shares of Chinese private education companies, and the selloff continued on

Monday with some of the stock plummeting between 30 per cent and 40 per cent.

China's education industry sub-index dropped as much as 14 per cent on Monday. US-listed TAL Education Group said



REUTERS/FILE

People pick up children from a school in Beijing, China on April 6.

on Sunday it expected the new rules to have "material adverse impact on its after-school tutoring services ... which in turn may adversely affect" its operations and prospects. It did not elaborate.

Gaotu Techedu, New Oriental Education & Technology Group, Koolearn Technology Holding, Scholar Education Group, and China Beststudy Education Group made similar statements on Monday.

The new rules will result in existing online tutoring firms being subjected to extra scrutiny and after-school tutoring will be prohibited during weekends, public holidays and school vacations, the document said.

Curriculum-based tutoring institutions would also be barred from raising money through listings or other capital-related activities, while listed companies would be banned from investing in such institutions, it said.

Scholar Education said that authorities had yet to provide details around the implementation of the rules and there were uncertainties as to when and how such rules will become specifically applicable to the group.

China says EU's planned carbon border tax violates trade principles

REUTERS, Beijing

China said on Monday the European Union's plan to impose the world's first carbon border tax will expand climate issues into trade in violation of international principles and hurt prospects for economic growth.

The European Commission this month outlined plans to impose a Carbon Border Adjustment Mechanism (CBAM), or CO2 tariff, on polluting goods from 2026, forcing some companies importing into the European Union to pay carbon costs at the border on carbon-intensive products such as steel.

"CBAM is essentially a unilateral measure to extend the climate change issue to the trade sector. It violates WTO principles ... and (will) seriously undermine mutual trust in the global community and the prospects for economic growth," said Liu Youbin, a

spokesman of the Ministry of Ecology and Environment said at a media briefing.

He reiterated China's stance that each country's response to climate

change should take into account its level of economic development, and said the CO2 tariff would severely harm the willingness and capability of countries to tackle the issue.

As the world's top manufacturer of industrial raw materials such as steel and cement, China could suffer the most from the border tariffs scheme, researchers at Tsinghua University's Centre for Industrial Development and Environmental Governance said in a paper published in May.

However, they said the impact would fade over time and there was no evidence the tariff would have a long-term adverse impact on China's development.

Guotai Junan Futures said in a note the border tax could encourage China to base carbon prices in its national emissions trading scheme on EU benchmark prices.

Since it was launched on July 16, China's long-awaited scheme has recorded trading volumes of 4.83 million tonnes, at an average price of 51.7 yuan (6.8 euros) per tonne.

That compares with an average of more than 50 euros in the EU's carbon market.



An employee monitors molten iron being poured into a container at a steel plant in Hefei, Anhui province.

REUTERS/FILE

Dockyard & Engineering Works Ltd.
Bangladesh Navy
Sonakanda, Bandar, Narayanganj
Mobile No. 01769719880, Fax: 8802223303501
E-mail: commercial@dewbn.gov.bd, www.dewbn.gov.bd
Ref: 06.02.6758.165.07.193.21.107 Dated: 26 July 2021

Amended Invitation for International Tender

Ref:

A. DEW Ltd Tender No. 06.02.6758.165.07.193.21.2091 Dated 23 June 2021.

1. Please be informed that we have amended the following Invitation for International Tender for procuring of CNC Plasma and Flame Cutting Machine, 01 (One) Complete set DEW Ltd Tender No. 06.02.6758.165.07.193.21.2091 Dated 23 June 2021:

SL	Procuring entity name	For	Read
01	Tender Clause No. 05, Tender document last selling date	23 June 2021 Time: 16:00pm	08 August 2021 Time: 16:00pm
02	Tender Clause No. 06, Tender closing date and time	29 July 2021 Time: 12:15pm	09 August 2021 Time: 12:15pm
03	Tender Clause No. 07, Tender opening date and time	29 July 2021 Time: 12:30pm	09 August 2021 Time: 12:30pm

2. All other terms and conditions will remain unchanged.

GD-1375 For Managing Director

Abu Dhabi slashes business registration costs by 90pc

AFP, Abu Dhabi

Abu Dhabi will slash the cost of establishing new businesses by "more than 90 percent" from Tuesday to increase the "competitiveness regionally and internationally" of the emirate, already a magnet for commerce.

In recent weeks authorities have ramped up efforts to woo new business to Abu Dhabi, one of seven emirates that make up the United Arab Emirates. Corporate taxes are practically zero in the UAE as it seeks to diversify its previously oil-based economy.

"Business setup fees in Abu Dhabi emirate have been reduced to AED1,000 (\$272) -- a reduction of more than 90 per cent," the Abu Dhabi Government Media Office said in a statement late Sunday.

The new tariff will see the scrapping of some fees that were previously payable to different public bodies and the reduction of others, and will come into force from Tuesday July 27, it added. "The move will significantly enhance ease of doing business in the emirate and increase Abu Dhabi's competitiveness regionally and internationally," the statement said.

According to the Organisation for Economic Co-operation and Development, the United Arab Emirates is among "jurisdictions with no or insignificant taxes".

However, the UAE on Monday welcomed the historic deal to overhaul the way multinational companies are taxed, saying it supports the global consensus to combat tax avoidance and profit shifting.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

সিভিল সার্জন এর কার্যালয়, চাঁপাইনবাবগঞ্জ
E-mail: chapainawabganj@cs.dgsh.gov.bd

স্মারক নং-সিএস-চাঁপাইনবাবগঞ্জ-৭/দরপত্র/পথ্য/চাঁপাইনবাবগঞ্জ/২০২১-২০২২/২৫৮ তারিখঃ ২৬/০৭/২০২১ইং

দরপত্র বিজ্ঞপ্তি

চাঁপাইনবাবগঞ্জ জেলার স্বাস্থ্য বিভাগীয় নিম্নোক্ত অফিসসমূহের ২০২১-২০২২ অর্থ বৎসরের জন্য রোগীদের পথ্য সরবরাহ, কাপড় খোলাই ও ষ্টেশনারী মালামাল সরবরাহের নিমিত্তে প্রকৃত ব্যবসায়ী/পথ্য সরবরাহকারী/ষ্টেশনারী ও লাক্সি দোকান মালিকগণের নিকট হইতে প্রতিটি স্বাস্থ্য প্রতিষ্ঠানের জন্য পৃথক পৃথকভাবে সীলমোহরযুক্ত খামে দরপত্র আহবান করা যাইতেছে।

ক্র নং	প্রতিষ্ঠানের নাম	কাজের ধরণ	দরপত্র সিডিউলের মূল্য (অফেরতযোগ্য)	জামানতের পরিমাণ (ফেরতযোগ্য)	মন্তব্য
০১	উপজেলা স্বাস্থ্য কমপ্লেক্স, শিবগঞ্জ/গোমস্তাপুর/নাচোল/ভোলাহাট, চাঁপাইনবাবগঞ্জ।	পথ্য সরবরাহ	=৪০০/-	=৫০,০০০/-	
০২	সিভিল সার্জন অফিস/ উপজেলা স্বাস্থ্য কমপ্লেক্স, সদর, শিবগঞ্জ/গোমস্তাপুর/নাচোল/ভোলাহাট/বক্ষব্যধি ক্লিনিক, চাঁপাইনবাবগঞ্জ।	ষ্টেশনারী মালামাল সরবরাহ	=৪০০/-	=২৫,০০০/-	
০৩	উপজেলা স্বাস্থ্য কমপ্লেক্স, শিবগঞ্জ/গোমস্তাপুর/নাচোল/ভোলাহাট, চাঁপাইনবাবগঞ্জ।	কাপড় খোলাই	=৪০০/-	=২৫,০০০/-	

শর্তাবলীঃ

- ১৬/০৮/২০২১ইং তারিখ পর্যন্ত প্রতিটি দরপত্র সিডিউল (শর্তাবলীসহ) নগদ অফেরতযোগ্য নির্ধারিত মূল্যে সংশ্লিষ্ট স্বাস্থ্য প্রতিষ্ঠান এবং অত্রাফিস হইতে অফিস চলাকালীন সময়ে সংগ্রহ করা যাইবে।
- পথ্য সামগ্রী দরপত্রের সহিত টিআইএন নম্বরসহ ২০২০-২০২১ অর্থ বৎসরের আয়কর পরিশোধের সনদপত্র ও ২০২১-২০২২ইং অর্থ বছরের সংশ্লিষ্ট ব্যবসার ট্রেড লাইসেন্স, বণিক সমিতির সদস্যভুক্ত হালনাগাদ সনদপত্র এবং নির্ধারিত অংকের ব্যাংক ড্রাফট ও আর্থিক স্বচ্ছলতার সনদপত্র সংযুক্ত করিতে হইবে।
- পথ্য দরপত্রের সহিত ভ্যাট রেজিস্ট্রেশন সনদপত্র (বিন নম্বর) সহ সনদপত্র ও ২০২০-২০২১ইং অর্থ বৎসরের ব্যাংক লেনদেনের বিবরণসহ আর্থিক স্বচ্ছলতার সনদপত্র সংযুক্ত করিতে হইবে।
- ষ্টেশনারী ও কাপড় খোলাই দরপত্রের সহিত ২০২১-২০২২ইং সনের সংশ্লিষ্ট ব্যবসার ট্রেড লাইসেন্স সংযুক্ত করিতে হইবে।
- ষ্টেশনারী দরপত্রদাতাগণকে দোকানের মালিক/সরবরাহকারী (ষ্টেশনারী মালামাল সরবরাহের অভিজ্ঞতার প্রত্যয়নপত্র) সংযুক্ত করিতে হইবে।
- দরপত্র সিডিউল যথাযথভাবে পূরণপূর্বক খামের উপর প্রতিষ্ঠানের নাম উল্লেখ করিয়া ১৮/০৮/২০২১ইং তারিখ দুপুর ১২-০০ ঘটিকা পর্যন্ত অত্রাফিসে রক্ষিত দরপত্র বাজে ফেলা যাইবে এবং ঐ দিনই বেলা ১২-৩০ ঘটিকার সময় নিম্নস্বাক্ষরকারীর অফিস কক্ষে দরপত্রদাতাগণের উপস্থিতিতে (যদি কেহ উপস্থিত থাকেন) দরপত্র মূল্যয়ন কমিটি কর্তৃক খোলা ও বাছাই করা হইবে।
- বর্তমান বাজার দরের সহিত সামঞ্জস্যপূর্ণ দর প্রদান করিতে হইবে। অসামঞ্জস্যপূর্ণ দরপত্রদাতার দাখিলকৃত দর বাতিল বলিয়া গণ্য হইবে।
- কর্তৃপক্ষ কোন কারণ দর্শানো ব্যতিরেকে যে কোন দরপত্র/সকল দরপত্র গ্রহণ বা বাতিল করার ক্ষমতা সংরক্ষণ করেন।
- পথ্য সরবরাহের ০৩ বৎসরের অভিজ্ঞতা সনদ অবশ্যই থাকিতে হইবে।
- বিস্তারিত তথ্য অফিস চলাকালীন সময়ে অত্রাফিসের হিসাব শাখা হইতে জানা যাইবে।

ডাঃ জাহিদ নজরুল চৌধুরী
সিভিল সার্জন, চাঁপাইনবাবগঞ্জ
ফোন নং-০৭৮১-৫২৩১৪

জিডি-১৩৭০

Indonesia's easing of Covid-19 curbs seen driven by economics

UK looks to remove China's CGN from nuclear power projects

REUTERS
Indonesia's decision to relax some Covid-19 curbs this week, despite reporting record-high deaths in recent days, is being driven by social and economic concerns rather than epidemiological advice, public health experts said on Monday.

As the country grapples with the worst coronavirus outbreak in Asia, President Joko Widodo announced on Sunday that while overall curbs in place since July would be extended for a week, some measures would be eased.

Businesses, including salons, garages, traditional markets and restaurants with outdoor areas will now be allowed to conditionally reopen, while malls will be permitted to operate at 25 per cent capacity outside of designated higher-risk "red zones".

"The decision doesn't seem to be related to the pandemic, but to economics," said Pandu Riono, an epidemiologist at the University of Indonesia, urging people to maintain health protocols.

Hospitals have been filled with patients in the past month, particularly on the densely populated island of Java and in Bali, but the president on Sunday said infections and hospital occupancy had declined, without specifying by how much.

The move to ease some curbs comes as the government has faced pressure from business groups to act to avoid mass layoffs, and with several relatively small-scale street demonstrations last week.

"The problem is that compared to last year the impact of the pandemic, not just on the health sector, but on socio-economic and political aspects is getting bigger by the day because of the Delta variant," said Dicky Budiman, an epidemiologist at Queensland's Griffith University.

As the Delta variant, first identified in India, has spread across Indonesia cases have surged to the highest levels since the start of the pandemic.

Southeast Asia's biggest economy posted a record of more than 56,000 daily cases in mid-July, and while reported case numbers have dipped slightly Indonesia registered record-high Covid-19 deaths on four days last week.

But with more than 50 per cent of Indonesians employed in the informal sector and with limited financial support and mounting pandemic fatigue, the government has few choices, says Dr Dicky.

"Is it the correct decision? Based on the epidemiological situation, no. But then the government doesn't have any option because of the complexity of the situation."

REUTERS, London
Britain is exploring ways to remove China's state-owned nuclear energy company China General Nuclear Power Group (CGN) from all future power projects in the UK, the Financial Times reported, citing people familiar with the plans.



Construction takes place at the Hinkley Point C nuclear power station site, near Bridgwater, UK.

The change in Britain's stance could affect the Sizewell C nuclear energy project in Suffolk, eastern England, that France's EDF is scheduled to build with backing from CGN, and proposals for a new plant on the east coast at Bradwell-on-Sea in Essex, the newspaper said.

A spokesperson for China's foreign ministry, Zhao Lijian, said on Monday that "The British should earnestly provide an open, fair and non-discriminatory business environment for Chinese companies." China and Britain are important trade and investment partners for each other, he added.

"It is in the interests of both sides to conduct practical cooperation in the spirit of mutual benefit and a win-win result," Zhao said.

Britain has already announced plans to remove kit made by China's Huawei from its 5G telecoms network by the end of 2027.

Britain's Department for Business, Energy and Industrial Strategy (BEIS) declined direct comment on the FT report.

"Nuclear power has an important role to play in the UK's low-carbon energy future, as we work towards our world-leading target to eliminate our contribution to climate change by 2050," a BEIS spokesperson said.

"All nuclear projects in the UK are conducted under robust and independent regulation to meet the UK's rigorous legal, regulatory and national security requirements, ensuring our interests are protected," the spokesperson added.

EDF declined to comment, while CGN had not responded to a request for comment.

The French company last month called on the British government to deliver the legislation that would underpin the financing of Sizewell C, saying it was now essential.

Improve competitiveness for smooth LDC graduation

FROM PAGE B1
"As the duty-free benefits we enjoy under the World Trade Organization (WTO) regime will no longer be effective, our exports will face new challenges," he said.

In addition, tariffs on Bangladesh's products in major international markets and its debt servicing liabilities will increase due to the cessation of concessional finance, he said.

"So, we need to create a proper enabling business environment in the country," Mannan said, adding that the government has taken many initiatives, including the signing of free trade or preferential trade agreements, to increase Bangladesh's overall competitiveness in trade and commerce.

ICAB President Mahmudul Hasan Khusru said both the private and public sectors should prepare to face the post-graduation challenges.

The government is developing 100 special economic zones and more than two dozen hi-tech parks in order to meet the demand of investors, he said.

Bangladesh Investment Development Authority has also come forward to provide one-stop services to investors, he said. "And to maintain the current export momentum, Bangladesh should opt for bilateral free trade deals," he added.

Keynote speaker Shubhashish Bose, CEO of the ICAB, made a number of recommendations to help face the post-graduation challenges while minimising its negative impacts on trade.

This includes securing the European Union's GSP plus facility, enhancing market access for local products and services through trade agreements, and diversifying products and markets.

He also suggested exploring any areas of untapped potential due to structural constraints, either at the production level or management if required.

Sharifa Khan, secretary to the industry and energy division of the Planning Commission, Md Humayun Kabir, a former ICAB president, Mostafa Abid Khan, member of Bangladesh Tariff Commission, Ali Hussain Akber Ali, chairman of Bangladesh Steel Re-Rolling Mills, Syed Nasim Manzur, managing director of Apex, and Monzur Ahmed, adviser of the Federation of Bangladesh Chambers of Commerce and Industries, also spoke.

Shoe-makers' profits hammered by Covid

FROM PAGE B1
Pahela Baishakh marks the beginning of the most important sales season for fashion retailers in the apparel and footwear sectors in Bangladesh.

"This year, right after that, we also had Ramadan from the end of April to the end of May, which would have accounted for almost 40-50 per cent of our total annual sales," said Apex Footwear in the annual report for 2019-20.

"Instead, due to the general holiday and restrictions on shop opening and physical gatherings, we failed to achieve even 10 per cent of our planned sales."

Riaz Uddin Bhuiya, company secretary of Fortune Shoes, said his company didn't use leather in its shoe products usually.

"So, the lower price of the rawhide has no impact on our profitability."

Shares of Apex Footwear closed 3.32 per cent lower at Tk 227 on the Dhaka Stock Exchange yesterday. Apex Tannery shed 1.64 per cent, Bata Shoe 1.30 per cent, Legacy Footwear 3.14 per cent, and Samata Leather 3.98 per cent. Shares of Fortune Shoes were up 1.55 per cent.

Stocks drop on profit booking

FROM PAGE B1
Turnover, an important indicator of the market, rose 5.4 per cent to Tk 1,428 crore yesterday compared to the previous day.

At the DSE, 111 stocks advanced, 229 fell and 34 remained unchanged.

Baraka Patenga Power topped the gainers' list, rising 9.93 per cent, followed by Global Heavy Chemicals, Sonali Paper & Board Mills, Familytex (BD) and Central Insurance.

Stocks of Baraka Patenga Power were traded the most, worth Tk 75 crore, followed by SAIF Powertec, British American Tobacco Bangladesh, Beximco and Fu-Wang Ceramics.

ICB AMCL Second Mutual Fund shed the most, falling 5.7 per cent, followed by Shinepukur Ceramics, Index Agro Industries, Usmania Glass Sheet Factory and Purabi General Insurance Company.

Insurance brokers Aon, Willis Towers Watson scrap \$30b merger

REUTERS
Insurance brokers Aon Plc and Willis Towers Watson Plc said on Monday they had agreed to terminate their \$30 billion merger agreement and end their litigation with the US Department of Justice.

The deal would have put London-headquartered Aon ahead of the world's largest insurance broker Marsh & McLennan Cos Inc.

"Despite regulatory momentum around the world, including the recent approval of our combination by the European Commission, we reached an impasse with the US Department of Justice," Aon Chief Executive Officer Greg Case said in a statement.

Aon will pay \$1 billion as termination fee to Willis, it said.

In June, the Department of Justice

(DOJ) had sued to block the deal, saying it would reduce competition and could lead to higher prices.

The DOJ had alleged that combining the two large insurance brokers would harm competition in reinsurance broking, retirement and pension planning and private retiree multicarrier healthcare exchanges.

A federal judge had narrowed the scope of the lawsuit last week, which came after Aon and Willis agreed to divestitures to win approval in the United States and Europe after discussions with regulators.

The divestitures included Aon's US retirement unit, US retiree healthcare exchange and retirement business in Germany. Also included was Willis Towers Watson's global reinsurance business. EU antitrust regulators approved the merger earlier this

month conditioned on some of the sales.

Aon ranks second and Willis fifth among US commercial insurance brokers in the US market, according to a survey by Business Insurance magazine.

The other largest brokers in the United States are Marsh & McLennan, Arthur J Gallagher & Co and Alliant Insurance Services Inc.

In April, insurance company Chubb Ltd said it was no longer looking at buying smaller rival, the Hartford Financial Services Group Inc, after the latter rebuffed Chubb's takeover bids post declining to engage in talks on the \$23.24 billion buyout proposal.

Aon's shares were up 4 per cent at \$242, while Willis Tower's stock was down 3.5 per cent at \$218 in pre-market trading.

Cash-hungry emerging markets arrive late to the SPAC party

REUTERS, London
Emerging markets have so far been on the fringes of a fundraising boom using so-called SPACs or special-purpose acquisition companies, which could potentially unlock a vital new source of cash for entrepreneurs in developing regions.

But the take-off of SPAC fundraisings in these markets hinges in part on the success of a few recently-delayed landmark deals, reflecting wider global investor caution about this funding tool.

SPACs allow investors to list a shell company on public markets before they have identified a business to buy, which provides a speedier route to an initial public offering.

In excess of \$115.6 billion has

been raised via more than 400 SPACs or blank-check companies this year, mainly on Wall Street where SPACs make up two thirds of all Initial Public Offerings (IPOs), although activity has slowed as regulatory and valuation concerns have increased.

In contrast, a total of \$1.18 billion has been raised this year via six SPACs by emerging market issuers, including two apiece from Israel and China. This is just a fraction of the \$96.3 billion raised via traditional IPOs from emerging markets, based on Refinitiv data.

But SPACs are expected to feature more prominently in future fundraisings for emerging market entrepreneurs, opening up more capital and operational expertise.

Just this month, SPACs formed by Abu Dhabi's Mubadala Capital and

Singapore's Fat Projects Spac filed with the U.S. Securities and Exchange Commission to raise up to \$300 million in IPOs.

The former is targeting media and entertainment, highlighting growth opportunities in emerging markets such as India and China, while the latter's focus includes businesses cashing in on Southeast Asia's booming consumer market.

For investors, emerging market SPACs can offer high returns, but also greater potential risks related to transparency and disclosure. All eyes are on the fate of the emerging market deals already underway. Singapore's Grab, going public through a SPAC merger worth \$40 billion, said last month it expected to complete the deal during the fourth quarter.

Pandemic proves a boon for IT freelancers

FROM PAGE B1
Nahid Hasan, a freelancer, said the boom in e-commerce and the demand for online tools had created more business opportunities for freelancers. Besides, global businesses were trying to minimise costs.

He started his journey as a freelancer in 2010. Within a week, he hired one and established Bizcope.

In 2012, Hasan set up his first physical office and moved to a bigger one four years later. His team now consists of a workforce of 27 people.

Bizcope provides services such as search engine optimisation, digital marketing, web design and development, content writing, and digital content production.

"We serve both global and local markets," he said.

Suman Saha, who lives in Dhaka, began freelancing with Upwork while working at a private company in 2012.

At that time, he used to do website development and design and earned \$5 per hour. Soon, he moved to projects that develop mobile and software quality assurance.

Now, his hourly income has shot to \$25. His income went up by 25 to 30 per cent during the pandemic.

"If I am flooded with extra work, I transfer some of them to juniors working

with me in a virtual team." Freelancers who have not redesigned their services in line with the demand have suffered during the pandemic. For example, the travel and tourism-related IT service providers were hit significantly because of the slump in the sector, according to industry people.

Individual freelancers, however, continue to face difficulties in bringing home payments made by their international employers. Before 2012, outsourcing income was transferred primarily through illegal channels. Although some of the money came through bank-to-bank wire transfer, it was costly.

That year, the Bangladesh Bank issued a notice, enabling freelancers to receive payments to their bank accounts via online payment gateway service providers (OPGSP).

A few months later, Bank Asia became the first lender in Bangladesh to take initiatives to channel freelancer's income in partnership with Paiza Pay, an OPGSP.

Since Paiza has not established good connections with freelancing platforms, independent online workers could not repatriate much.

Later, the bank partnered with Payoneer, the second-largest OPGSP in the world, and launched its service in March 2015.

Bank Asia channels half of the funds that come through formal channels, according to freelancers and a BB official.

Freelancers have fetched \$519 million through Bank Asia since 2014, according to Md Zia Arfin, the bank's head of the international division.

The inflow of payments through the private commercial bank increased more than 40 per cent year-on-year to \$140 million in 2020.

In 2018, in partnership with the Bangladesh Association of Software and Information Services (BASIS) and Mastercard, Bank Asia announced the launch of the 'Shadhin' card, the first-ever freelancer card in Bangladesh.

The card allows freelancers to receive payments directly from international employers.

Brac Bank, Dutch-Bangla Bank Ltd and Sonali Bank also channel payments for freelancers.

The BB issued a notice in February, making it possible for IT freelancers to bring home small-value earnings through mobile financial services.

"Although there have been many options to bring money, the absence of the largest OPGSP, PayPal, has been a setback for freelancers as many clients prefer the platform," said Mahfuzur Rahman, general

South Africa's Mango Airlines to enter business rescue, says SAA interim CEO

REUTERS, Johannesburg
South African Airways (SAA) subsidiary Mango Airlines will enter into a local form of bankruptcy protection known as business rescue, SAA's interim chief executive Thomas Kgokolo told eNCA television on Monday.

SAA, which itself exited business rescue in April, is one of a handful of South African state companies that depended on government bailouts, placing the national budget under huge strain.

"What we can say is that the board and shareholders have agreed that Mango will go into business rescue," Kgokolo said in an interview with eNCA.

"We are currently in consultation with our key stakeholders in terms how we can manage that particular process."

The government announced in June that it was selling a 51 per cent stake in SAA to the Takatso consortium to give the airline a new lease of life.

SAA had been under a form of bankruptcy protection since December 2019, but its fortunes worsened during the Covid-19 pandemic and all its operations were mothballed in September 2020 when funds ran low.

Marico's sales rise despite second wave

FROM PAGE B1
With Bangladesh battling a severe second wave of the pandemic, Marico is prioritising the health, safety and security of its members and operations, said Randolph.

While supply chain disruptions are expected due to the lockdown, the company, with the aid and permission of the authorities, will continue production and supply of its Mediker SafeLife hygiene range of products, comprising hand-wash, hand sanitizer, germ-protection soap, veggie wash, Saffola Active edible oil and Saffola honey to ensure consumers have access to essential hygiene products and immunity aids, she added.

Shares of Marico closed 0.92 per cent higher at Tk 2,391 on the Dhaka Stock Exchange yesterday.

The company's dividend payout has been rising over the years.

Last year, it gave away 950 per cent in cash dividends. It was 650 per cent, 600 per cent, 500 per cent, 450 per cent and 425 per cent in the preceding five years, data from the DSE showed.

secretary of the Bangladesh Freelancers Development Society (BFDS).

INCENTIVE ISSUE
The government has been providing a 10 per cent cash assistance against the export of ICT products or services since 2018. But, only institutional IT and freelancing companies having membership with the BASIS are eligible.

In order to extend the facility to individual freelancers, a meeting was held in February in participation with the BASIS, the BFDS, Bank Asia, the finance ministry, the commerce ministry and the ICT ministry.

However, there has not been any concrete measure so far.

"The annual remittance of freelancers now stands at more than \$500 million, and it will soon cross the \$1-billion mark. Our foreign exchange earnings will increase if the incentive is given," said State Minister for ICT Zunaid Ahmed Palak.

In June, he wrote a letter to Commerce Minister Tipu Munshi, requesting him to consider the incentive for individual freelancers.

"The incentive will also boost employment for the youth," Palak added.

Last year, he urged the central bank to extend the incentive to individual freelancers.

Tk 20cr imported fabrics seized for duty evasion

Seals and signatures were forged to make documents

MOHAMMAD SUMAN, Cg

Custom House, Chattogram seized 50 tonnes of fabrics worth Tk 20 crore last week on finding evidence of it being imported forging seals and signatures of Customs Bond Commissionerate, Dhaka.

It filed two cases with Bandar Police Station accusing five persons of evading duty worth Tk 2.30 crore.

One person has been arrested, an employee of clearing and forwarding (C&F) agent Lira International, confirmed Officer-in-Charge Nazim Uddin.

"We are trying to arrest the rest," he added.

The accused are Permess South East Asia, a sister concern of Newtux Group, Chairman Evert Jan Beren Pass, Managing Director Md Aftab Khan and Director Risat Khan and Lira International's Proprietor Nasir Ullah and employee Riton Chowdhury.

The Permess, facilitated by the Lira, imported the fabric submitting fake documents to avail duty-free benefit worth Tk 2.30 crore under bonded warehouse facility.

Customs officials said the facility was meant only for 100 per cent export-oriented industries and that a certificate from bond offices concerned needed to be provided for the release of the imported goods from the port.

The company was not eligible for the facility as it had exported nothing for the past couple of years, they said.

Contacted, the Permess General Manager (production) MD Kibria said, "The C&F agent submitted the fake documents to customs without our permission."

"We were not able to collect the certificate from the bond office on time due to the Covid-19 pandemic," he said.

He claimed that they had submitted an application at the bond office for a certificate.

Nasir Ullah of Lira International did not pick up his phone.

AKM Sultan Mahamud, deputy commissioner of the custom house, said the importer was required to submit a certificate

Permess, facilitated by Lira International, imported the fabrics submitting fake documents to avail duty-free benefit worth Tk 2.30 crore under bonded warehouse

from Customs Bond Commissionerate, Dhaka for availing the duty-free privilege.

The importer forged the seal and signature of the officer concerned and submitted a fake certificate for the release of the consignments, he added.

"Investigation is ongoing over whether any similar product had been released in the past," he added.

The certificate bore signatures of Deputy Commissioner Kanchan Rani Dutta and states to have been issued by the bond commissionerate, all of which were later found to be fake by customs officials who contacted the deputy commissioner.

According to customs, 31 departmental and nine criminal cases have been filed against 62 importers and C&F agents over attempts at releasing goods though signature forgery and fake websites between June 2015 and June 2021.

The signatures being forged are of officials of the commerce ministry, the Department of Livestock, Atomic Energy Commission, Eastern Refinery and the Department of Agricultural Extension.

Lockdown takes a toll on jackfruit traders

MINU DESHWARA

An age-old "Kathaler Haat", or jackfruit market, in Brahmanbazar area of Moulvibazar's Kulaura upazila is seeing poor sales this year as recent restrictions on public movement aimed at containing the spread of Covid-19 have kept buyers at bay.

Fewer customers have been able to visit the market due to a lack of transportation amid the recurring nationwide lockdowns, according to local traders.

The government enforced strict measures from the beginning of July to tame the rapid rise in coronavirus infections across the country. However, these restrictions were eased for eight days ahead of Eid-ul-Azha.

The lockdown was then reinstated last Friday, with August 5 set as the end date.

In a time-honoured tradition that has endured longer than anyone can recall, the market would open twice a week on Mondays and Thursdays.

When the market bustled with activity during the pre-pandemic era, it almost seemed like a bi-weekly homage to the market's grand heritage.

"My father has seen this market active since his childhood," said Moimul Islam, a resident of Brahmanbazar.

The market has grown over the years since it is now much easier to travel to the area thanks to improved connectivity.

Besides, it is currently the peak season for jackfruit sales but the pandemic has severely slowed business, he added.

In the pre-Covid times, thousands of people would turn up at the market to buy and sell jackfruits for Tk 30 to Tk 80 depending on its size.

"I earned a living by selling jackfruits here for the past few years but now I am in a crisis due to Covid-19," said Jasim Uddin of Dhamuli village in Kulaura upazila.

Another trader, Motiar Rahman, said the production rate at his orchard has improved since last season.



Bangladesh bagged 10.17 lakh tonnes of jackfruit from 40,900 acres of land in fiscal 2019-20, down slightly from 10.35 lakh tonnes the previous year, as per data from the Bangladesh Bureau of Statistics. The photo was taken last week from Brahmanbazar area of Moulvibazar's Kulaura upazila.

MINU DESHWARA

"I have 200 jackfruit trees in my orchard but customer turnout has been very low amid the pandemic," he added.

The market is quite profitable for wholesale buyers as one has to spend just Tk 3,000 to Tk 6,000 for a minimum purchase size of 100 jackfruits, according to trader Nazmul Hasan.

Following in his father's footsteps, Hasan has regularly visited the market for the past five years.

"Since the rate is cheap here, jackfruits bought in bulk can be sold for more money in other parts of the country," he said.

"But Covid has badly affected our business this year," Hasan added.

An average of up to 40,000 jackfruits were sold daily at the market depending on the time of the season, said Brahmanbazar local Mohammad Ali.

During the pre-Covid era, thousands of people arrived each day to buy jackfruits of all shapes and sizes.

This also benefited other nearby businesses, such as a tea stall owned by Saber Mia.

"Those days were great for business as tea sales would triple during the peak season," Mia said, adding that he would wait all year for these profitable months.

According to Md Abdul Momin, an officer of the local agricultural department in Kulaura, there has been bumper jackfruit production across the upazila due to favourable weather conditions this year.

"Jackfruit cultivation is becoming increasingly popular and our department is supporting the industry's growth," he said.

Other than bearing delicious fruit, the jackfruit trees can be used to produce quality furniture.

So, there is no doubt that it is

a profitable tree for farmers as it brings extra income at minimal expense, said Dilip Kumar Adhikari, additional director of the agricultural department in Sylhet. Jackfruit orchards are a traditional endeavour for many families in the area that has been passed down through the generations.

That being the case, it can be expected that Brahmanbazar's iconic "Kathaler Haat" will remain a celebrated, thriving part of the local landscape for many years to come, he added.

Bangladesh bagged 10.17 lakh tonnes of jackfruit from 40,900 acres of land in fiscal 2019-20, down slightly from 10.35 lakh tonnes the previous year, as per data from the Bangladesh Bureau of Statistics.

Dhaka and Mymensingh are two main jackfruit growing divisions followed by Khulna and Chattogram.



GLOBAL BUSINESS

With \$4b in losses, Heathrow tells UK: open up travel

REUTERS, London

London's Heathrow Airport urged Britain to open up travel to vaccinated passengers after its recovery fell behind hubs elsewhere in Europe, pushing its cumulative pandemic losses to \$4 billion.

Heathrow, which before the pandemic was Europe's busiest airport, said Britain's travel restrictions were suppressing trade volumes and traveller demand, and government action was needed quickly or jobs would be lost.

Passenger levels at Heathrow were about 20-25 per cent of their pre-pandemic levels, while European airports are already back to about 50 per cent, said Heathrow Chief Executive John Holland-Kaye. "Without the passenger planes going to global markets like the US, UK exports aren't getting out of the country, and the UK will fall behind and that will cost jobs, unless we open up," he told Reuters on Monday.

Heathrow wants Britain to allow fully vaccinated people from the United States and the European Union to be able to travel into Britain without needing to quarantine for 10 days, and says that level of opening up would help fuel a stronger recovery.

"Europeans have already opened up unilaterally with the United States, and got the benefits of doing it. There's no reason why the UK shouldn't do the same," he said, adding he believed it could happen as soon as this week.

For the whole of 2021, Heathrow forecast 21.5 million passengers would travel through its terminals, a big jump from 4 million in the first six months of the year as restrictions ease and travel demand grows, but a long way off the 81 million who used its facilities in 2019.

Holland-Kaye said he was encouraged by a recent pickup as school holidays started. Separately Ryanair said it was seeing strong summer bookings.

Yet high levels of Covid-19 cases in the UK and the government's track record of ultra-cautious rules for travel - and last-minute changes to quarantine requirements - mean uncertainty continues to plague the travel sector.

Heathrow said worries over bringing in new restrictions or other countries barring UK travellers, had pushed it to seek a waiver of its Heathrow Finance ICR covenant for 2021 to cover it in case passenger numbers significantly miss its 21 million forecast.

For the six months to June 30, Heathrow posted an adjusted loss before tax of 787 million pounds (\$1.1 billion), compared with a 471 million loss for the same period last year which was only half affected by the pandemic.

German business morale down on supply shortages, virus fears



The skyline with the financial district is photographed during sunset in Frankfurt, Germany as the spread of the coronavirus disease continues.

REUTERS/FILE

REUTERS, Berlin

German business morale fell unexpectedly in July on continuing supply chain worries and amid rising coronavirus infections, a survey showed on Monday, the first decline since January.

The Ifo institute said its business climate index fell to 100.8 from a revised figure of 101.7 in June and versus a Reuters poll forecast of 102.1.

"Supply bottlenecks for preliminary materials and concerns regarding a renewed rise in (coronavirus) infection numbers are weighing on the German economy," Ifo President Clemens Fuest said in a statement.

Companies gave a slightly better assessment of their current situation but optimism with regard to the coming months waned.

The Ifo expectations index fell to 101.2 from 103.7 in June, while the current conditions index rose to 100.4 from 99.7.

Almost 64 per cent of industrial firms in Europe's biggest economy complained about bottlenecks in

supply chains, while 60 per cent of wholesalers and 42.5 per cent of retailers also reported shortages, according to the institute.

"Nerves are on edge again," said Andreas Scheuerle, economist at Dekabank. "The first drop in the Ifo business climate came faster than feared."

Events including the Covid-19 pandemic, natural disasters in China and Germany and cyber attacks have conspired to drive global supply chains towards a breaking point, threatening the flow of raw materials, parts and consumer goods.

"The expected straight-line economic recovery in the second half of 2021 is not a foregone conclusion," Bankhaus Lampe chief economist Alexander Krueger said.

Supply chain disruptions are likely to persist and economic recovery will continue to depend on the pandemic, Krueger added.

Germany's car industry - featuring powerful brands like Volkswagen, Daimler and BMW and accounting for an estimated 5 per cent of the

economic output and more than 800,000 jobs - this month slashed its forecast for 2021 production growth in response to the insecurities.

The flooding in western Germany two weeks ago is likely to add to the problems, and road transportation of goods has slowed significantly. In the week of July 11, as the disaster unfolded, the volume of late shipments rose by 15 per cent from the week before, according to data from supply-chain tracking platform FourKites.

In Germany's tourism and hospitality sectors, among the worst hit by lockdowns, euphoria has also ebbed, with many fearing a fourth wave of the coronavirus, Ifo economist Klaus Wohlrabe said.

After more than two months of steady decline, Covid-19 cases have been rising since early July, due mainly to the spread of the more infectious Delta variant.

Roughly 60 per cent of Germany's 83 million people have had a first shot of a Covid-19 vaccine and about half are fully vaccinated.

NEWS In Brief

Philips beats earnings forecast

REUTERS

Dutch health technology company Philips on Monday beat analysts' expectations with a jump in second-quarter core earnings to 532 million euros (\$626 million), boosted by its personal health and diagnosis businesses.

Analysts had expected adjusted earnings before interest, taxes and amortisation (EBITA) to rise to 519 million euros, up from 390 million euros a year earlier. The group also announced a 1.5 billion euro share buyback set to start in the third quarter and take up to three years.

Comparable sales increased 9 per cent, beating an average expectation of a 7.3 per cent rise, though its sales were dragged by its sleep and respiratory care business.

The company booked an additional provision of 250 million euros as it works to repair and replace up to 4 million breathing devices and ventilators it recalled in June, bringing the total provision to 500 million euros.

Philips recalled the devices because of a foam part that might degrade and become toxic, potentially causing cancer. The US Food and Drug Administration (FDA) last week classified the recall of Philips' breathing devices and ventilators as the most serious type of recall, noting that over 1,200 complaints and 100 injuries had been reported.

Singapore's GIC invests \$240m in Arctic Green Energy

REUTERS

Singapore sovereign wealth fund GIC will invest \$240 million in Arctic Green Energy to support the renewable energy firm's expansion in Asia and Europe, the companies said on Monday.

Arctic Green Energy focuses on the decarbonisation of the building sector and has a geothermal partnership with China's state-owned oil giant China Petroleum & Chemical Corp.

The funds would help Singapore-based Arctic Green Energy launch new projects and ramp up its capability in geothermal energy, which is derived from hot underground springs and is a greener alternative to using fossil fuels for heating and cooling.

JP Morgan acted as the sole placing agent for the deal.



The logo for Singapore sovereign wealth fund GIC Pte Ltd is seen on a building in Singapore.

REUTERS/FILE