

Trade resumes through Banglabandha land port

OUR CORRESPONDENT, *Thakurgaon*

Trade through the Banglabandha land port resumed on Saturday after remaining suspended for 12 days marking Eid-ul-Azha.

Abul Kalam Azad, in-charge of the port, said all trade resumed in full swing from around 11:00am.

The port had been shut since July 19 marking Eid-ul-Azha, one of the biggest religious festivals of Muslims.

Azad told The Daily Star over the phone that 10 float glass-laden trucks meant for export to Nepal passed through while 216 trucks carrying imports from India and Bhutan came in yesterday.

Of the trucks coming in, 40 were carrying stone, 79 maize, two mustard cakes, three wheat and two wheat bran from India while 90 stone from Bhutan.

Indian billionaire's new airline may give Boeing a chance to regain lost ground

REUTERS

Indian billionaire Rakesh Jhunjhunwala's plan to launch an ultra-low-cost airline could give planemaker Boeing a chance to regain lost ground in India after the fall of one of its biggest customers, Jet Airways, two years ago, industry executives say.

Jhunjhunwala, known as "India's Warren Buffett" for his successful stock investments, plans to team up with former CEOs of IndiGo, the country's biggest carrier, and Jet Airways to tap into demand for domestic air travel.

While Jhunjhunwala's Akasa Air comes at a time when India's aviation industry is reeling from the impact of the pandemic, with airlines losing billions of dollars, the sector's long-term prospect makes it a hot market for planemakers Boeing and Airbus.

"There will be a big fight between Airbus and Boeing," said Nitin Sarin, managing partner at law firm Sarin & Co, which advises lessors and airlines.

"For Boeing this is a great opportunity to step in and up



Rakesh Jhunjhunwala, partner of Rare Enterprises, poses after an interview with Reuters in Mumbai, India.

REUTERS/FILE

their game, considering they don't have any other major operator for their 737 aircraft in India apart from SpiceJet," Sarin said, referring to Boeing's narrowbody aircraft.

One industry source said the new venture was already moving towards what could be one of the biggest deals of the year outside the United States to acquire

purchased or leased 737s.

Boeing did not comment on Akasa's plans, but said it always seeks opportunities and talks to current and potential customers about how it can best support their fleet and operational needs.

Details of the venture, including any decision on plane orders, have not been formally disclosed, but Jhunjhunwala told

Bloomberg he plans to have a 40% stake in Akasa, which will have 70 aircraft of up to 180 seats within four years.

Jhunjhunwala, valued at \$4.6 billion by Forbes, did not respond to an interview request.

Indian skies are dominated by low-cost carriers (LCCs) including IndiGo, SpiceJet, GoFirst and AirAsia India, with the majority of them operating a fleet of Airbus' narrowbody planes.

Boeing dominates India's widebody market of 51 planes but fare wars and high costs have led to casualties among full-service carriers, including Kingfisher Airlines in 2012 and Jet Airways in 2019, making LCCs and Airbus even more dominant.

Boeing's share of India's 570 narrowbody planes fell to 18% after Jet's demise from 35% in 2018, data from consultancy CAPA India shows. Jet was recently rescued from bankruptcy and is expected to fly again.

globally.

"If you have to lease an aircraft there is still a abundance and lessors would be happy to provide competitive rates, even better than pre-Covid times," Sarin said.

He warned, however, that India is still a difficult place to do business, with regulatory hurdles and expensive and under-developed airports making LCCs less efficient than elsewhere.

Even as Akasa faces tough competition in a battered, post-Covid market which has pushed airlines to renegotiate terms with lessors and vendors, raise fresh funds and trim costs, starting with a clean slate and good capital will give it an advantage.

Akasa's other co-founders are Aditya Ghosh, who spent a decade with IndiGo and was credited with its early success, and Vinay Dube, former CEO of Jet who has also worked with Delta.

"It will be a long haul and the new airline will be very severely tested but the capitalisation and the start team gives confidence that it is possible for them to be successful," CAPA India head Kapil Kaul said.



Tajdin Hassan

Daraz appoints new CMO

STAR BUSINESS DESK

Daraz Bangladesh has recently witnessed the appointment of a new chief marketing officer (CMO) in the marketing department.

The appointee, Tajdin Hassan was previously serving The Daily Star as chief strategy and digital transformation officer, says a press release.

Hassan will be responsible for managing and overseeing all the marketing-related matters of Daraz Bangladesh.

"Md Tajdin Hassan is undoubtedly an excellent match for the position and a very strong asset to the marketing department of Daraz. He has gained knowledge and insight in his fourteen years of professional experience at reputed companies and organisations. We are confident that he will deliver great results for us as the Chief Marketing Officer of the platform," said Syed Mostahidul Haq, managing director of Daraz Bangladesh.

"With new opportunities, comes better challenges and more scope for growth. I am very excited about embracing the role of Chief Marketing Officer at Daraz Bangladesh. Daraz needs no introduction when it comes to long-established commitment and the highest quality of customer service. I am pleased to be a part of the company while it revolutionises the e-commerce industry of Bangladesh," CMO Tajdin Hassan said.

Small traders may go bankrupt

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Asaduzzaman Sumon, proprietor of Akhi Fashion Garden in Gausia Market in Dhaka, says shop-owners have to pay salaries to their staff. Besides, shop rent and electricity bills are growing.

"Now, it has become tough for us to survive. So far, we have not got any help from the government," he said, urging the government to take initiatives so that the shop rent and the electricity bill are waived.

Sumon pays Tk 1,000 to each of his seven employees every week. He has borrowed about Tk 20 lakh since the beginning of the pandemic to keep his business alive.

Mahin Hossain, owner of fashion house Brightness at the Aziz Supermarket in Shahbagh, says the business has been in decline for a year.

"We are on the verge of permanent closure given the amount of loss we have been incurring since the start of the pandemic. The situation has reached a point where we can no longer borrow," he said.

Hossain has supplied goods worth Tk 30 lakh on credit. So, if he closes the business, he will not get back the money.

"But I need Tk 15 lakh to run the shop."

Sohel Rana, owner of MV Enterprise, a mobile accessories shop at the Bashundhara City Shopping Complex, questions: "How much of the impacts of the pandemic would we have to bear? Lockdowns are being imposed one after another."

"There is no other solution to the problem other than allowing us to open shops. If we can reopen, there will be some

sales."

Selim Hossain, a clothing wholesaler in Islampur, says traders have not been able to recoup from the losses they incurred at the beginning of Covid-19.

"We sold clothes to many other small businesses on credit. But the money has not been repaid yet. There are no sales. How can I manage shop rent and other expenses?"

He owes Tk 30 lakh, which includes Tk 20 lakh in bank loans.

Ramjan Ali, a roadside hawker on Elephant Road, says his house rent has been unpaid for the last four months.

"I am going to borrow Tk 30,000, although I don't know when I will be able to repay it."

Abu Jafar, who works at a mobile phone repairing shop at Panthapath, says he has run out of savings.

"There is no work and no income. We're going through a very bad time."

His father has cancer and has to go through chemotherapy. The family sold a cow for Tk 60,000 a few days ago to allow Jafar's father to receive the treatment.

Prof Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, suggested the government roll out a support scheme for the marginalised and small businesses.

"In many other countries, governments are giving cash support to the sector. Closed shops, entrepreneurs and employees have received the assistance."

"The same should be done in Bangladesh as shop owners are in trouble."

Enhance skills to plug gaps at managerial level

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"In order to fulfil the gap in all sectors, including training institutes and at the academic level, the DTE has taken necessary initiatives," he added.

Uddin suggested that public-private initiatives should be integrated to help create more skilled workers and managers.

He also mentioned a lack of databases on various institutions, limitations in technical education assessment, and lack of master trainers.

Abul Kasem Khan, chairman of Business Initiative Leading Development, suggested bringing skilled trainers from abroad as needed to build up skilled manpower at the managerial level.

He also said the country's educational curriculum be reshuffled as per industry requirements.

Besides, Bangladesh should use its

demographic dividend to a greater extent to secure more benefits, Khan added.

Golam Moshfi, former Bangladesh ambassador to Saudi Arabia, suggested introducing incentives for students of technical education to give a boost to the sector. Alif Rudaba, member of National Skill Development Authority (NSDA), said proper instructors were needed to provide training.

"The NSDA even decided to allow higher education for advanced skill development of the learners and trainees," she added.

Moderated by Mohammad Mahfuzul Hoque, chief executive officer of the FBCCI, the event was also addressed by Monowara Hakim Ali, president of the Chittagong Women Chamber of Commerce & Industry, and Shamim Ahmed, president of the Bangladesh Plastic Goods Manufacturers & Exporters Association.

e-GP tenders cross 5 lakh

STAR BUSINESS DESK

The number of tenders invited through the e-GP portal crossed 5 lakh yesterday having a total value of about Tk 5,10,499 crore.

This is a landmark achievement of the electronic government procurement (e-GP) system introduced by Central Procurement Technical Unit (CPTU) of the Implementation Monitoring and Evaluation Division under the Ministry of Planning, says a CPTU press release.

The e-GP system has zero downtime, remaining active and functional throughout the Covid pandemic period with a helpdesk open 24/7. The number was at 4 lakh involving over Tk 4,10,000 crore in the same time last year.

There are 1,365 procurement agencies in the country of which a total of 1,362 agencies got registered with the e-GP system until August 1, 2021. The number of bidders registered with e-GP stood at 88,294 on the day.

The release said both the procuring agencies and the tenderers embraced the ICT-based digital procurement system as it has reduced physical hassles.

It also saves time and costs. About 85 per cent of the annual development programme (ADP) and 45 per cent of the national budget are spent on public procurement.

Prime Minister Sheikh Hasina formally launched the e-GP Portal on June 2, 2011 as a part of digitalising public services.

In 2011, the online tendering was piloted in four large procuring agencies such as Local Government Engineering Department, Roads and Highways Department, Bangladesh Water Development Board and Rural Electrification Board.

Building on the success of piloting, the CPTU started implementing e-GP across the government procuring agencies from 2012. The World Bank has been providing support to the government in digitalising public procurement.

Potato prices drop on falling demand

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Both farmers and cold storage owners are frustrated for this, said BCSA President Mosharaf Hossain in a letter to the ministries of agriculture, food, commerce and disaster management, calling for distributing potato under social safety net schemes.

Potato production rose 10 per cent year-on-year to 1.06 crore tonnes in fiscal 2020-21, shows data from the Department of Agricultural Extension and Bangladesh Bureau of Statistics (BBS). The BCSA said annual demand for potato was 90 lakh tonnes, and 55 lakh tonnes of the vegetable have been stored in the cold storages.

The association said only four months remain before the arrival of fresh harvests by the end of this year and 20 lakh tonnes remain as surplus.

A huge amount of potato would remain unsold unless those can be marketed, it said.

BB plans company to watch over e-commerce

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But, the controversy created by Evaly has proved the importance of forming the UES once again. On top of this, the commerce ministry had earlier formulated e-commerce guidelines, in which it suggested the central bank set up the UES.

Banks, non-bank financial institutions, e-commerce platforms, and the central bank's national payment switch will be connected with the UES, such that financial transactions can be settled smoothly.

Customers, banks or e-commerce platforms will not need to spend any money to get service from the platform, meaning that the service is completely free for all stakeholders involved in the e-commerce ecosystem. Despite that, the company will be able to make profit.

The BB official explained that a good portion of money will be available between the period of payments made by clients and products delivered by e-commerce platforms.

For instance, many clients of mobile financial services do not withdraw all their money from accounts immediately, helping the companies to invest the amount in the treasury bills and bonds.

This practice will also be applicable for the PSO and it will be allowed to invest the fund in the government securities, said the central bank official.

A board of directors will govern the company where a high official of the central bank will act as chairman.

Besides, banks that invest funds to form the company will also be allowed to hold directorship in the company.

The central bank official said the ongoing strict restriction on movement had created some barriers in speeding up the process of forming the company.

The official said clients' confidence on e-commerce platforms would increase manifold, which would subsequently increase cashless transactions. Transactions through e-commerce platforms stood at Tk 1,183 crore in May, up 164 per cent year-on-year and 30 per cent from a month ago, showed data from the BB.

The volume of the transactions will certainly expand when the central bank sets up the infrastructure, said the BB official.

This will attract many fintech to invest their funds in the market, which will also increase the number of clients in e-commerce platforms.

China factory activity slows in July

AFP, Beijing

Chinese factory activity weakened in July to its lowest level since the start of the pandemic, data showed Saturday, as manufacturing was impacted by slowing demand, weak exports and extreme weather.

The Purchasing Managers' Index (PMI), a key gauge of manufacturing activity in the world's second-largest economy, dropped to 50.4 in July from June's 50.9, the National Bureau of Statistics said.

A PMI reading of over 50 indicates expansion, while below that figure suggests contraction.

The reading appeared to be levelling out between April and June, and July shows the first marked decline, making it the lowest PMI figure since February 2020, analysts said.

Priority for Colombo-bound ships delaying others

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Early last month a huge quantity of export cargo and export-laden containers had been piling up at different private inland container depots (ICDs), popularly known as off docks.

These exports could not be timely shipped off due to a global shortage of empty containers and a crisis of space in mother vessels at different transshipment ports.

The exporters sat in several meetings with the shipping secretary and CPA chairman to solve the export backlog.

In one July 12 meeting, the CPA took several decisions, including the priority berthing one, on identifying that most of the containers piling up were those bound for Colombo.

The priority berthing ended up increasing the waiting period for vessels bound for Singapore and Malaysia's Port Klang.

Singapore-bound MV SOL Delta arrived at the outer anchorage on July 19.

The CPA at first fixed July 23 for it to berth but cancelled it on that very day and instead allowed a Colombo-

bound vessel to berth.

The CPA also cancelled SOL Delta's berthing schedules two more times on July 24 and July 25 to accommodate two other Colombo-bound vessels.

The vessel was finally able to get berth on July 26 after waiting for seven days at the outer anchorage.

Muntasir Rubayat, head of operations of the ship's local agent GBX Logistics, said the ship's operator had to bear five days of additional charter hire amounting to \$75,000.

Like SOL Delta, four other Singapore-bound vessels SOL Malaysia, Marine Bia and Marine Taraba also had to wait for six days each before getting berths, according to the shipping agents.

Around 77 per cent of the country's total import containers of the last six months till June came through two transshipment ports of Singapore and Port Klang while the rest came through Colombo, according to data from the shipping agents.

Over 56 per cent of the country's total export-laden containers from January to June went through these two transshipment ports and the rest through Colombo.

A total of 436 vessels plied between the Chattogram port and these two transshipment ports in the same period while only 149 vessels plied on the Chattogram-Colombo route.

BSAA Chairman Syed Mohammad Arif told The Daily Star yesterday that the increase in waiting periods would certainly create a major bottleneck for the country's import containers at those two transshipment ports.

Arrival of imported raw materials for the readymade garment sector will suffer delays and subsequently it will hamper timely export of the finished products of those factories, he said.

As the backlog of Colombo-bound export containers has been minimised to a reasonable extent in the past three weeks, the authority should now withdraw the priority and restart the "first come first serve" policy for all container vessels, Arif added.

CPA Secretary Md Omar Faruk said the shipping agents unanimously agreed with the CPA's decision of giving priority berthing to Colombo-bound vessels temporarily to clear the export backlog.

He said they would soon withdraw it upon improvement of the situation.