NCC BANK

SM Abu Mohsin, chairman of the National Credit and Commerce (NCC) Bank, virtually presided over its 36th annual general meeting yesterday. The bank approved 7.5 per cent cash and 7.5 per cent stock dividends for 2020. Vice Chairman Md Abul Bashar, Executive Committee Chairman Abdus Salam, Risk Management Committee Chairman Md Nurun Newaz Salim and Managing Director and CEO Mohammad Mamdudur Rashid attended the meeting.

GREEN DELTA SECURITIES

Shaikh Shamsuddin Ahmed, commissioner of the Bangladesh Securities and Exchange Commission, has virtually inaugurated Green Delta Securities' (GDS) first digital booth at Dhanmondi in Dhaka. Asif Ibrahim, chairman of Chittagong Stock Exchange (CSE), Mamun-Ur-Rashid, managing director of the CSE, Nasiruddin Ahmad Chowdhury, chairman of the GDS, Farzanah Chowdhury, director of the GDS, and Wafi Shafique Menhaz Khan, managing director and CEO of the GDS, were present.

In China's Silicon Valley, Covid curbs pinch hardware startups

REUTERS, *Shenzhen*

From an office in Shenzhen's sprawling electronics district, an engineering team is prototyping a bioreactor that will one day produce "cultivated meat", discussing component sizes in a video call with scientists sitting in kitchens and bedrooms in the UK.

It's a complicated conversation about precision parts that would ordinarily need a hands-on meeting in Shenzhen, the hardware centre of the world where product makers can buy and tinker with any gear they need.

Hax, the firm backing the bioreactor, invests in more than 30 such hardware startups from overseas each year and would typically fly them to Shenzhen to build their products.

But China's Covid-19 border closures have paralysed this movement of talent, throwing a spanner in the rapid cycles of product development that power Shenzhen, a free-wheeling tech hub built on the country's early efforts to open itself to the world.

"We'd normally just jam with teams under one roof, rolling up our sleeves and getting involved in the electronics and chemicals, but we had to find a different way of working with teams," said Ke Ji, a China-born mechanical engineer and Canadian citizen who is Hax's programme director.

Without that international bustle, it is now mostly domestic staff and startups using the immersion tanks, humidity chambers and other obscure items in Hax's spacious office in Shenzhen's Huaqiangbei, the world's largest electronics market.

Hax's engineers now spend afternoons and evenings in calls with teams in North America and Europe, scrambling to source components to ship across the world, instead of teaching their startups how to do it.

While Hax leadership says the challenges of remote design are not insurmountable, they have presented clear roadblocks for others.

Henk Werner worked 14-hour days for several months to find a new model for his design space Trouble Maker, which helps small-scale hardware makers from overseas navigate Shenzhen.

In February, he was forced to vacate his shared office when his partner could no longer afford it.

"We were in a coworking space as a partnership, and that coworking space couldn't survive with the closed borders - even the local Chinese companies were leaving."

Now, Werner is preparing an incubator at a new location with Chinese partners in hopes of bringing in local startups and expanding when borders finally reopen.

He remains optimistic. "People are lining up to come back," he said.

China's low case numbers have helped its economy recover briskly from the outbreak, but the shutdown of most inbound travel has devastated businesses such as international schools in need of teachers, e-commerce consultants and supply chain managers.

The airport in Guangzhou, about 100km from Shenzhen, saw just 56,000 international arrivals and departures in June, very few of them foreigners and well down from 1.5 million in January 2020, before lockdowns began.

With the fresh outbreak of the Delta variant, China is now widely expected to maintain the strict border policies that have seen it shut off from the world since early last year.

In Guangdong, where Shenzhen is located and generally regarded as a pragmatic, business-minded province, authorities are keen to get on with overseas trade.

Guangzhou, the provincial capital, is planning a 5,000-capacity quarantine centre to ease the burden on regular hotels, which many hope will allow more foreigners to enter China.

But any plans to reopen will depend in part on conditions beyond China's control.

"If the pandemic is not well controlled in other countries, then the gates can never be opened," said epidemiologist Zhong Nanshan at a press conference announcing the quarantine centre in June.

That would be a hard blow for Shenzhen, which, just across the border from Hong Kong, has built a cosmopolitan economy on the international movement of goods, talent and money and was praised by President Xi Jinping as a model Chinese city.

Sabrina Qi opened her bar Gecko in December in Shenzhen's Shekou area, popular with expatriates, gambling on a low rent offer after the virus hit traffic.

Across the street sits a shuttered Indian restaurant next to a locked-up Irish bar plastered with notices about labour disputes with unpaid staff.

"We've found many foreigners have left. We've made losses for the first six months," said Qi.

For foreign consulates that once brought in business delegations, much of the work has moved online and focuses on helping companies already in China.

"But the pipeline of bringing people out, having an exploratory visit and meeting a few contacts, coming back and setting up an office, it's that middle section that you're not getting," said a diplomat based in southern China.

REUTERS/FILE

Hax's engineers discuss a prototype with the team from Unicorn Bio over a video call amid the global coronavirus disease pandemic, from their office at Huaqiangbei electronics market in Shenzhen, Guangdong province, China on July 16.

Oil drops towards $70

REUTERS, *London*

Oil prices declined towards $70 a barrel on Thursday as more countries imposed fresh movement restrictions to counter a surge in Covid-19 cases, though Middle East tensions offered support.

Japan is poised to expand emergency restrictions to more prefectures while China, the world's second-largest oil consumer, has imposed restrictions in some cities and cancelled flights, threatening fuel demand.

Brent crude oil futures dropped by 38 cents, or 0.54 per cent, to $70 a barrel by 0837 GMT after dipping below that threshold for the first time since July 21.

US West Texas Intermediate (WTI) crude futures fell by 34 cents, or 0.5 per cent, to $67.81. Both benchmarks fell by more than $2 a barrel on Wednesday.

"China is now facing its most challenging Covid-19 crisis since the initial outbreak was brought under control," analysts at consultancy FGE said in a note on Thursday.

"The Covid-19 resurgence and the reimposition of restrictions will have negative repercussions on domestic transport fuel demand in the near term," they said, adding that FGE expects gasoline demand to average ab

out 80,000 barrels per day (bpd) less in August than in July.

In the United States, the world's biggest oil consumer, Covid-19 cases hit a six-month high with more than 100,000 infections reported on Wednesday, according to a Reuters tally.

Also weighing on prices was a surprise 3.6 million barrel build in US crude stockpiles last week in data from the US Energy Information Administration (EIA).

Tensions in the Middle East kept price declines in check, however.

Israeli aircraft struck what the country's military said were rocket launch sites in south Lebanon early on Thursday in response to earlier projectile fire towards Israel.

The exchange came after an attack on a tanker off the coast of Oman last Thursday, which Israel blamed on Iran. Two crew members, a Briton and a Romanian, were killed. Iran denied any involvement.

"With tensions brewing amongst Iran and world powers over last week's drone attack, it seems nuclear deal talks will be lengthy and unlikely to provide imminent sanction relief for Iran," said Edward Moya, senior analyst at OANDA.

Biden to set target for 50pc EVs by 2030

REUTERS, *Washington*

US President Joe Biden was scheduled to sign an executive order on Thursday setting a target to make half of all new vehicles sold in 2030 zero-emissions vehicles and propose new vehicle emissions rules to cut pollution through 2026, the White House said.

Biden's goal, which is not legally binding, won the support of major US and foreign automakers who warned it would require billions of dollars in government funding.

General Motors Co, Ford Motor Co and Chrysler-parent Stellantis NV confirmed in a joint statement that they aspire "to achieve sales of 40-50 per cent of annual US volumes of electric vehicles... by 2030." Reuters reported the planned automaker announcement on Tuesday.

Biden's 50 per cent goal and the automakers' 40-50 per cent aspiration includes battery electric, fuel cell and plug-in hybrid vehicles that also have a gasoline-engine.

Biden has repeatedly resisted calls from many Democrats to set a binding requirement for EV adoption or to follow California and some countries in setting 2035 as a date to phase out the sale of new gasoline-powered light duty vehicles in the face of opposition by the United Auto Workers (UAW) union.

UAW President Ray Curry noted the EV goal but said "the UAW focus is not on hard deadlines or percentages, but on preserving the wages and benefits that have been the heart and soul of the American middle class."

US President Joe Biden

Biden's new executive order sets a new schedule for developing new emissions standards through at least 2030 for light duty vehicles and as early as 2027 for larger vehicles.

Dan Becker, director of the Safe Climate Transport Campaign, said the plan "relies on unenforceable voluntary commitments from unreliable car makers....Voluntary pledges by auto companies make a New Year's weight-loss resolution look like a legally binding contract."

Biden plans a White House event with automakers on Thursday.

The Detroit 3 automakers said the aggressive EV sales goals can only be met with billions of dollars in government incentives including consumer subsidies, EV charging networks as well as "investments in R&D, and incentives to expand the electric vehicle manufacturing and supply chains in the United States."

Hyundai said it supports the 2030 40-50 per cent EV sales goal. Toyota said in a statement the goal was "great for the environment" and added "you can count on Toyota to do our part."

US regulators plan to propose revising former President Donald Trump's March 2020 rollback of fuel economy standards. Trump required 1.5 per cent annual increases in efficiency through 2026, well below the 5 per cent yearly boosts set in 2012 by President Barack Obama's administration.

Biden's proposed rules, which cover 2023-2026, are expected to be similar in overall vehicle emissions reductions to California's 2019 deal with some automakers that aims to improve fuel economy 3.7 per cent annually through 2026, sources told Reuters.

BMW, Honda, Volkswagen, Ford and Volvo Cars -- which previously struck the California deal -- -- said in a joint statement they support the "administration's goal of reaching an electric vehicle future" but also said "bold action from our partners in the federal government is crucial to build consumer demand for electric vehicles."

UK construction PMI slumps to lowest since Feb

REUTERS, *London*

Activity in Britain's construction industry grew last month at its weakest pace since February due to shortages of building materials and contractors, adding to signs of post-Covid bottlenecks in the economy.

The IHS Markit/CIPS construction Purchasing Managers' Index (PMI) fell from June's 24-year high of 66.3 to 58.7 in July. This was the PMI's lowest reading since February and the sharpest single-month drop since April 2020, Britain's first full month of Covid lockdown.

While the PMI still points to solid growth in the sector, economists polled by Reuters had expected a much smaller slowdown to a reading of 64.0.

"Long lead times for materials and shrinking sub-contractor availability were cited as factors holding back work on site," IHS Markit's economics director, Tim Moore, said.

Some construction firms also reported that a spike in demand when lockdown restrictions first eased earlier in 2021 was now beginning to wane.

Separate data released overnight by the Royal Institution of Chartered Surveyors painted a similar picture of supply constraints, including growing shortages of bricklayers, carpenters and quantity surveyors.

Britain's economy is bouncing back rapidly this year after suffering its biggest fall in output in more than three centuries in 2020.

But there has been a sharp rise in inflation pressures due to a mix of higher oil prices and supply-chain bottlenecks as the world economy emerges from months of lockdowns.

The Bank of England is expected to revise up its forecasts for inflation later on Thursday, and some economists see British inflation - currently 2.5 per cent - hitting a 10-year high of about 4 per cent around the turn of the year.

The BoE, like most other central banks, expects this spike in inflation to ease next year once the initial effects of lifting lockdowns have passed.

The construction PMI pointed to big inflation pressures in the pipeline, as construction firms' costs grew only slightly less fast than the 24-year high recorded in June.

"Supply imbalances were amplified by a lack of transport availability, port congestion, and Brexit trade frictions," IHS Markit said.

REUTERS/FILE

Construction workers build a new house in Berkhamsted, Britain.