



**Officials of NRB Bank cut a cake marking its 8th founding anniversary with a slogan "Together Towards a Better Future" at the bank's corporate head office in Dhaka recently. The bank's directors Tateyama Kabir and Mohammed Jamil Iqbal, Managing Director and CEO Mamoon Mahmood Shah, Adviser Md Mukhter Hossain and deputy managing directors Md Abdul Wadud and Md Shakir Amin Chowdhury were present.**

## New Zealand plans border reopening amid labour shortage

REUTERS, Wellington

Under pressure from businesses and public sectors facing a worker shortage that policymakers fear will fuel inflation, New Zealand Prime Minister Jacinda Ardern is due to unveil plans this week to reopen the country's borders.

Ardern garnered global praise for containing local transmission of Covid-19 via an elimination strategy, imposing tough lockdowns and slamming New Zealand's international border shut in March 2020.

However, that tactic is now straining an economy heavily reliant on an immigrant workforce, leading to higher costs and lower output. The dairy, horticulture, housing, services, health and broader public sector have all reported acute staff shortages, and called on

the government to raise border blocks.

The pressures were visible on Monday when around 1,500 hospital midwives walked off the job, citing overwork due to "critical shortages". More than 30,000 nurses are due to strike later this month for the second time since June, seeking better pay and working conditions amid the staff shortages.

"We rely on internationally qualified nurses to meet our staffing needs but with the borders closed we are not getting any," said New Zealand Nurses Organisation industrial services manager Glenda Alexander.

"Kiwis are not coming into nursing as they are put off by the workload and the low pay," she added. "Nurses are burning out, they are getting sick themselves and are constantly worried that they will make mistakes that could affect their patients."

## BB not sticking to its words

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The surplus fund has been maintaining an upward trend since March last year after the central bank took several measures to inject money into the market to offset the business slowdown brought on by the coronavirus pandemic.

Mansur also criticised the central bank's stance, saying that fixing the interest rate on deposits in context to inflation was not a solution as it opposed the ideal system of the open market economy.

The BB on August 8 asked banks not to set interest rates on fixed term deposits below the inflation rate in order to protect depositors from negative returns.

The weighted average interest rate on deposits stood at 4.13 per cent in June while the average inflation rate was 5.56 per cent, showed data from Bangladesh Bank and the Bangladesh Bureau of Statistics.

As a result, depositors are facing a negative return on savings, discouraging people from parking their savings in banks. But banks with good performance records may not receive deposits on offering such high interest rates, Mansur said.

Against this backdrop, depositors may be prompted to invest their funds in risky zones like the capital market or the informal financial sector to enjoy a better rate, he said.

The latest central bank notice will create a distortion in the financial sector, weakening the interest of depositors, he said.

He urge the central bank to speed up its ongoing money withdrawal process, even if it required offering a high yield rate.

The BB officials, who are working on controlling the liquidity in the market, said decisions on such issues were usually taken by the central bank high-ups.

They said the BB should allow banks to invest their funds in the BB Bill by way of increasing the cut of yield on the instrument, otherwise the main goal of withdrawing money from lenders would not be fulfilled.

Md Arfan Ali, managing director of Bank Asia, said the BB Bill was a monetary tool, whose main purpose was to keep the financial sector stable.

But the rates offered by the central bank at yesterday's auction were too low, which may discourage lenders from taking part in the process in the coming days, he said.

A total of nine auctions for the BB Bill will be organised throughout this month.

"Banks have to provide an interest rate on deposits based on the inflation rate. But the rate offered by the central bank at the auction is not comfortable for banks," Ali said.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said many banks were now observing the auctions of the BB Bill.

He said banks would feel comfort if the cut of yield of the instrument went up. On the decision for inflation-based fixing of deposit interest, he said the central bank should have first observed the market for at least one month after reintroducing the BB Bill.

## Computer services export on the rise

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For example, Brain Station 23, one of the top software exporters in Bangladesh, witnessed at least 5 per cent growth.

"Most global companies are moving towards digitalisation, so they need more software now," said Raisul Kabir, chief executive officer of the firm.

"Brain Station 23 is the number one company for developing software for e-commerce platforms. During the pandemic, start-ups have been our main customers," he said.

There were also plunges in installation, maintenance and repair of computers and peripheral equipment services as it plummeted 51.60 per cent year-on-year to \$5.29 million in the 11 months of FY21.

Computer services export has been rising since FY2018-19 when local IT companies earned \$225 million, up 23 per cent from the previous fiscal year. In FY2019-20, it grew more than 22.67 per cent to \$276 million.

Bangladeshi companies are now focusing a lot on the international market.

More than 225 companies export software to over 80 countries, according to Rashad Kabir, managing director of Dream71 Bangladesh, a software developer.

"We have qualified engineers, but what we are lacking are the country's branding and marketing," he said.

The BASIS has set up a BASIS Japan Desk, which has created a good impact among the Japanese, said Kabir, also a director of the association.

## Regular banking hours from tomorrow

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In line with banks, trading hours at the stock exchanges were also reduced.

From last week, the Bangladesh Securities and Exchange Commission allowed the full session of trading to run for four and a half hours from 10:00am to 2:30pm.

Banks were shut on Sunday to contain the latest wave of the pandemic and so was the stock market.

The government will be easing restrictions from tomorrow to allow public transportation to run for the first time in four months.

In its directive, Bangladesh Bank asked banks to provide services by maintaining social distancing, health guidelines and ensuring that masks were worn.

## How sustainable are sovereign wealth funds?

REUTERS, London

Risks don't come much longer term than climate change, so you might expect sovereign wealth funds to be all over it, as investment giants with decades in their sights.

Yet the world's biggest SWFs are making only patchy progress in adapting investment plans to account for environmental, social and governance factors, according to data on energy investments, an ESG analysis of the equity holdings of some of the funds, plus a survey of the players.

Such data provide snapshots into the complex and often opaque world of sovereign funds, which collectively hold nearly \$8 trillion in assets.

The industry has invested \$7.2 billion in renewable energy since 2015, for example, less than a third of the amount poured into oil and gas, data from the International Forum of Sovereign Wealth Funds (IFSWF) showed.

The Antipodean funds, which publicly disclose their investments, scored highly in the ESG analysis of major corporate holdings. New Zealand also said it planned to cut the emissions intensity of its overall portfolio by 40 per cent by 2025, referring to a measure of emissions proportional to revenue.

Middle Eastern funds face a tougher task to decarbonise their portfolios, given their economies' longstanding reliance on fossil fuels. They did not disclose climate targets,

although most are planning to beef up their ESG focus.

The Reuters survey showed a divergence in funds' broad approaches to companies with poor ESG ratings; Hong Kong Monetary Authority's fund (HKMA) and Singapore's GIC prefer to try to drive change from within, while the Antipodean and Norwegian funds are more prepared to twin that approach with excluding stocks.

Any failure or lag in future-proofing portfolios could threaten the long-term performance of SWFs, established to safeguard wealth for generations to come and to buttress state revenues, according to many investment specialists.

And given the funds are some of the world's biggest investors, their ESG positions can affect how quickly corporations put their businesses on a more sustainable footing, the experts say.

"Sovereign wealth funds are the long-term investment capital of the world, so how they respond to climate change and ESG is the purest case study of how a long-term asset allocator should and does think about these issues, or doesn't," said Aniket Shah, Jefferies' global head of ESG and sustainability research.

"They are the one investor where the term of investment and the term of the scale of these issues are aligned with one another, more than with pension funds."

There is broad acknowledgement of the need to change.



**A general view of the Norwegian central bank, where Norway's sovereign wealth fund is situated, in Oslo, Norway.**

REUTERS/FILE

Several funds, including those from Abu Dhabi, New Zealand, Norway, Kuwait, Qatar and Saudi Arabia, have signed up to the One Planet Initiative, a drive to integrate climate risks into the management of large pools of capital.

More than 30 funds are also members of the Santiago Principles, a voluntary set of goals aimed at promoting good governance, accountability, transparency and prudence.

Yet progress has been halting for these investment behemoths, who play a role in setting the pace of the global shift away from carbon.

The SWF industry has spent more on oil and gas deals than renewable energy in almost every year since 2015, including 2021 so far, according to the data compiled for Reuters by the IFSWF wealth fund industry group. The one exception was 2016.



**Abdus Samad Labu, chairman of Al-Arafah Islami Bank, virtually presided over its 26th annual general meeting yesterday. The meeting approved 15 per cent cash dividend for 2020. The bank Vice Chairman Md Abdus Salam, Managing Director M Kamaluddin Chowdhury and Chief Executive Officer Farman R Chowdhury were present.**

AL-ARAFAH ISLAMI BANK

## Govt to build Tk 1,511cr solar power plant

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Currently, 766.51 megawatts are generated from renewable sources, accounting for 3.3 per cent of the total electricity produced.

The Renewable Energy Policy 2008 had set a goal for renewable sources to account for 5 per cent of the electricity generated by 2015 and 10 per cent by 2020.

In the Eighth Five Year Plan, the target has been revised for the 10 per cent to be attained by 2025.

Meanwhile, the second largest solar plant in the public sector will be set up at Sonagazi in Feni district by

the Electricity Generation Company of Bangladesh at a cost of \$89.17 million. Of the amount, around \$74.15 million will come from World Bank as project assistance.

According to industry people, Bangladesh's main source of renewable energy was the sun but the sticking point here was a lack of land.

However, the Jamalpur solar power plant will be built on a char of the Jamuna river and the land is non-agricultural, said Rahman of Rural Power Company, who is also the project director of the solar plant.

There will be a 6.5-kilometre (km)

embankment to protect the land, he added.

The project's main activities are the plant's engineering, procurement and construction, development of 325 acres of land and construction of a 47 km 132 KV power evacuation line and infrastructure connecting Ghatail Grid Substation.

Other tasks include construction of office building, workshop, warehouse and Ansar barracks and construction of homes for 88 landless families and necessary infrastructure for their rehabilitation and adoption of long term settlement of the land.

## Green chilli being imported from India

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Due to a lack of rain, the yield of chilli has decreased by more than half in Lalmonirhat, reports our correspondent from the northwest district.

Md Asadullah, director general of Department of Agricultural Extension (DAE), said green chilli is mainly produced in the winter season. Summer season accounts for around one-fourth of the total green chilli produced in a year, data by DAE showed.

Farmers produced 3.45 lakh tonnes of green chilli in fiscal 2019-20 and winter chilli was three-fourth of the

total production, according to the DAE.

Officials said the government earlier also allowed the import of the vegetable to contain rising prices.

Yesterday, local company JK Enterprise imported two trucks of green chilli from India through Bhumra Land Port, according to a statement from the commerce ministry.

Some 12 green chilli-laden trucks are now waiting to enter Bangladesh from India through different land ports, the statement said.

Besides, three importing companies

are bringing in some 650 tonnes of green chilli from the neighbouring nation through Sonamasjid Land Port.

Of this amount, BH Trading and Company will import 150 tonnes, Golden Enterprise 200 tonnes and Sazzad Enterprises 300 tonnes.

The shipments are expected to reach Bangladesh today, it added.

Traders and farmers said the domestic production of green chilli has fallen to some extent because of lower rainfall in the chilli growing districts in northern and southern parts of the country.

## Global stocks tread water

REUTERS, London

Global shares treaded water on Monday as sharp falls in gold and oil prices briefly spooked sentiment, while the US dollar reached four-month highs on the euro after an upbeat US jobs report lifted bond yields.

European shares were mixed in early trading, as a fall in commodity prices weighed on Britain's blue-chip index, while other regional indexes stayed near recent highs with earnings season winding down.

The FTSE Eurofirst 300 index was trading flat, Britain's FTSE 100 index dipped 0.3 per cent and Germany's DAX 30 fell 0.3 per cent.

MSCI's All Country World Index, which tracks shares across 49 countries was flat on the day.

Markets were shaken early by a sudden dive in gold as a break of US\$1,750 triggered stop loss sales to take it as low as US\$1,684 an ounce. It was last down 1 per cent at US\$1,745. Brent also sank 2 per cent on concerns the spread of the Delta variant of the coronavirus would temper travel demand.

## Tk 2,140cr project to revive Teletalk

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Teletalk has 5,400 base transceiver stations, which facilitate wireless communication between user equipment and a network. Of them, 3,300 BTSs have 4G connections. The number of BTSs was about 3,000 in 2019.

Market leader Grameenphone has more than 16,000 BTSs with 8.20 crore subscribers. Second-placed Robi Axiata has about 13,500 4G BTS, serving 5.18 crore subscribers, and Banglalink has 9,500 4G BTSs with 3.65 crore customers.

With 59.8 lakh customers as of June, Teletalk holds 3.35 per cent share of the country's 17.64-crore mobile phone subscriber base.

In February last year, the Ecnc, however, scrapped a Tk 3,279.05 crore project of Teletalk that had planned to build towers and network. The project was not approved as it went against the telecom rules.

Shahab Uddin said Teletalk was expanding its network in the remote areas at a faster pace, so its customer base was widening in rural and haor areas.

The operator has added more than 10 lakh new customers this year. "We are looking forward to raising our client base to one crore by 2022," he said.

The government plans to introduce 5G by 2023.

"We want to launch 5G at least on a trial basis by the time, if not commercially," the top official of Teletalk said.

However, industry people and experts say Teletalk should solely focus on the expansion of 4G.

"If Teletalk focuses on improving its 4G services, the money of the taxpayers will be utilised properly," said Abu Saeed Khan, senior policy fellow at LIRNEasia, a Colombo-based digital policy research organisation.

"5G is still an immature technology. For developing countries like us, it hasn't brought any significant application so far."

He said the government was unnecessarily politicising 5G as it had no business case at all. "This is not fair," he said. Teletalk is an unprofitable entity. Its latest figure on profit or loss was not available.

The operator last made a profit in the fiscal year of 2013-14 and incurred losses in the following five fiscal years. In its FY2019-20 annual report, the Post and Telecommunication Division (PTD) did not give any revenue and expenditure data of Teletalk.

The main activities of the project are to set up 500 own BTS sites, and 2,500 shared tower sites, enhance the capacity of existing 2,000 BTS sites, install 200 mobile BTS sites, and upgrade the existing 1,000 2G and 3G BTS sites to 4G sites.