

BANGLADESH-BOUND CARGO

Over 3,000 containers stuck at Indian port

Berthing permission expires for two ships

DWAIPAYAN BARUA, Ctg

Over 3,000 TEUs (twenty-foot equivalent units) of import-laden containers bound for Bangladesh are stranded at the Indian port of Krishnapatnam as the route's two sole vessels no longer had permission to berth at the Chattogram port.

The permission expired last March and the feeder vessels' operator has not applied for a renewal, said officials of Chittagong Port Authority.

SSL Kochi and SSL Kutch were floated on the Chattogram-Krishnapatnam route in February last year by the Shreyas Shipping and Logistics, a concern of Transworld Feeders.

It came against the backdrop of prospects created through the launching of a Southeast India-Europe Express service by several leading shipping lines on the Krishnapatnam-Chennai-Colombo-Europe route.

Officials of Karnaphuli, the Shreyas' local agent, said they applied to ply the two on the route in October 2019 and got the

CPA's permission in January 2020.

But on March 2, 2020, the CPA in a letter informed the permission was for only two months, a senior official of Karnaphuli told The Daily Star yesterday.

He said in a reply letter they urged extending their permission considering their huge investment.

The CPA officials gave their verbal permission, based on which the vessels had been running for the past 18 months till July this year.

The CPA was yet to give its permission in writing, he said.

Karnaphuli says they ran at least two round trips every month, bringing in 1,000 TEUs and taking away 800 TEUs on an average.

Though there was a lack of cargo at the beginning, the Indian port later became an alternative for many carriers due to acute congestion at the four popular transshipment ports of Colombo, Singapore, Port Klang and Tanjung Pelepas.

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Customer turnout was low at shops, shopping malls and markets which were allowed to reopen yesterday on condition that health guidelines would be maintained. The photo was taken at New Market in the capital.

AMRAN HOSSAIN

Govt to cut import duty on rice



PALASH KHAN

Rice price edged up 4 per cent in July from Tk 42 a kg in June, data from the Department of Agricultural Marketing shows.

STAR BUSINESS REPORT

The revenue authority is likely to slash import tariffs on rice for nearly three months to October 30 to facilitate private purchases from international sources and contain prices of the staple food in the domestic market.

Total import duty may be reduced to around 25 per cent from the existing 62.5 per cent, in line with a recommendation of the food ministry last month.

The ministry has urged the National Board of Revenue (NBR) to slash the import tariff to allow private businesses to buy 10 lakh tonnes of grain from abroad and increase supply to the local market. The aim is to stabilise the prices as they are well above the international rates.

In July, the average price of the coarse grain of Boro harvest was Tk 44 per kilogram (kg), which would be 38 per cent higher than the price of the grain imported from India.

The price edged up 4 per cent in July from Tk 42 a kg in June, data from the Department of Agricultural Marketing showed.

Market operators blamed the slow release of the staple from the saleable holdings by farmers and increased stocking by seasonal

businessmen, traders and millers for the steady hike in prices.

Prices of coarse rice were up 4 per cent at Tk 46-Tk 50 a kg in the markets in Dhaka yesterday, as against Tk 44-Tk 48 a month ago, according to the state-run Trading Corporation of Bangladesh. Under the circumstances, the food ministry decided to grant permissions to the private sector to import in July earlier.

The rising prices raised questions as government agencies earlier claimed a higher yield in the last fiscal year. Food-grain stocks at public warehouses also increased. Bangladesh produced 6 per cent more rice year-on-year at 3.86 crore tonnes in 2020-21, estimates by the Bangladesh Bureau of Statistics and the Department of Agricultural Extension showed.

Officials of the NBR said the revenue authority planned to bring down the regulatory duty and cut customs duty to 15 per cent from 25 per cent currently. In addition, a 5 per cent advance income tax and advance tax will be applied.

The NBR is expected to attach the condition that importers will get the tax benefit upon recommendation from the food ministry.

A notification is likely to be issued soon, an official said.

Thin turnout as shops reopen

STAR BUSINESS REPORT

Malls and markets reopened yesterday after closures for nearly three weeks owing to lockdowns imposed to combat the resurgence of Covid-19 infections.

Customer turnout on the first day had been low. And shop operators say most of the shoppers visited stores to buy essential items.

"We got one-third of the customers we had got during normal business days prior to the lockdowns," said Dewan Aminul Islam Shahin, president of the Dhaka New Market Business Association. On the first day, Abdul Alim, owner of Alim Pushpa Bitan in Shahbag, could sell only Tk 700 worth of flowers since the demand was low.

"The frequency of gatherings and ceremonies has declined because of the pandemic. This has affected our sales," he said. Mosharef Hossain Mojumder, in-charge of Chandrabindu Fashion House in the capital's Mirpur, was mentally prepared that there would not be enough customers on the first day.

"It will take a couple of weeks for the sales to return to normalcy," he said. Only four buyers visited the outlet throughout the day. "They bought clothes for children," he said.

Helal Uddin, president of the Bangladesh Shop Owners Association, said overall sales would be as much as 15 per cent of normal days. There were gatherings at hawkers' shops, he added. Bangladesh has more than 25 lakh wholesale and retail trade units.



GLOBAL BUSINESS

China to fund 21 dev projects of Myanmar



REUTERS/FILE

Myanmar's junta chief Senior General Min Aung Hlaing, who ousted the elected government in a coup on February 1.

REUTERS

China will transfer over \$6 million to Myanmar's government to fund 21 development projects, Myanmar's foreign ministry said, in a sign of cooperation resuming under the junta that overthrew an elected government on February 1.

Unlike Western countries that have condemned the junta for cutting short democracy and the killing and imprisonment of its opponents, China has taken a softer line and said its priorities are stability and not interfering in its neighbour.

A foreign ministry statement said the funds were to be transferred from China for projects within the Mekong-Lancang Cooperation framework.

It said those included animal vaccines, culture, agriculture, science, tourism and disaster prevention.

An agreement was signed on Monday with China's ambassador to Myanmar, the statement said. The Chinese embassy's Facebook page confirmed the signing.

Opponents of Myanmar's junta have accused China of supporting the military takeover, in which elected leader Aung San Suu Kyi was ousted and detained. Beijing has rejected such accusations and said it backs regional diplomacy on the crisis.

Western countries have continued to provide some emergency aid to Myanmar, including \$50 million announced by Washington on Tuesday to support relief groups in Myanmar dealing with the fallout from a surge in Covid-19 infections.

China's influence had grown in Myanmar in recent years, with the opening of oil and gas pipelines that cross the country and plans for economic zones and a major port development.

US Senate approves \$3.5tr spending plan

REUTERS, Washington

The US Senate approved a \$3.5 trillion spending blueprint for President Joe Biden's top priorities early on Wednesday morning in a 50-49 vote along party lines, after lawmakers sparred over the need for huge spending to fight climate change and poverty.

After months of haggling, the Senate on Tuesday passed a \$1 trillion infrastructure bill in a bipartisan 69-30 vote, proposing to make the nation's biggest investment in decades in roads, bridges, airports and waterways.

The measure faces an uncertain future in the House.

Democrats in the Senate then turned to a budget resolution containing spending instructions for the multi-trillion-dollar follow-up package, which includes provisions to create universal preschool, affordable housing and climate-friendly technologies.

The bills have been a top priority for Biden, who has sought to enact sweeping changes during a time when Democrats hold slim majorities in both congressional chambers and where they fear loss of legislative control in the looming 2022 elections.

The Democrats plan to push the package through over the next few months, using a process called "budget reconciliation," which allows them to pass legislation with a simple majority vote.

On Tuesday, the Senate began a "vote-a-rama," a procedure that gave senators the opportunity to propose amendments to the non-binding budget resolution.

It continued early on Wednesday.

Debate can run for days unless party leaders agree to a shorter period.

In the free-wheeling process, senators cast votes on nearly 50 amendments, including ones that would have prevented tax increases on

people making less than \$400,000 a year and barred taxpayer funding of abortions. Both of those votes were approved by the chamber.

Republicans have railed against the \$3.5 trillion spending plan.

Senate Republican leader Mitch McConnell, who voted for the \$1 trillion infrastructure bill, called the larger proposal "radical."

Dozens of Republican senators also signed a pledge not to vote to raise the nation's borrowing capability when it is exhausted in the autumn in a bid to curtail Democrats' spending plans.

"They (Democrats) shouldn't be expecting Republicans to raise the debt ceiling to accommodate their deficit spending," Senator Ron Johnson, a Republican who circulated the pledge, told the Wall Street Journal.

Failure to increase or suspend the statutory debt limit - now at \$28.5 trillion - could trigger a federal government shutdown or a debt default.

Treasury Secretary Janet Yellen this

week urged Congress to raise the debt limit in a bipartisan vote.

On Tuesday, Yellen also endorsed moving forward with the larger spending package, saying the \$1 trillion infrastructure plan should have a sequel.

On Tuesday, Biden lauded the 19 Republicans who voted for the bipartisan \$1 trillion infrastructure measure.

"Here on this bill, we've proven that we can still come together to do big things - important things - for the American people," he said.

But it's unclear how soon the House of Representatives will take up the measure.

House Speaker Nancy Pelosi has repeatedly said her chamber will not take up the infrastructure bill or the larger spending package until both are delivered, which will require the Democratic leadership to hold its narrow majorities in Congress together to get the legislation to Biden's desk.



REUTERS/FILE

Vehicles are parked outside the US Capitol building the morning the Senate returned to session in Washington, DC, US on July 31.

NEWS In Brief

China auto sales tumble for a third straight month

REUTERS, Beijing

China's vehicle sales slid in July for a third consecutive month, hit hard by flooding in some areas of the country, Covid-19 outbreaks in other areas and the global shortage of semiconductors.

The world's biggest auto market saw sales drop 11.9 per cent from the same month a year earlier to 1.86 million vehicles, according to data from the China Association of Automobile Manufacturers (CAAM).

For the first seven months of the year, China's vehicle sales have jumped 19 per cent as the market recovered from pandemic lows. CAAM said that rebound is set to peter out with sales for the rest of 2021 expected to be below relatively high year-ago levels, although the market is still expected to log growth overall on an annual basis.

Chen Shihua, a senior CAAM executive, cautioned that the global chip shortage, which has led to automakers curtailing production, was unlikely to resolve itself soon as the pandemic rages on in many parts of the world.

One bright spot in July was continued strong sales of new energy vehicles, which more than doubled to 271,000. These include battery-powered electric vehicles, plug-in petrol-electric hybrids and hydrogen fuel-cell vehicles.

The government's promotion of greener vehicles to cut pollution has prompted electric car makers such as Nio Inc, Xpeng Inc and BYD Co Ltd to expand manufacturing capacity in China.

Chip shortage prompts production halt at Volvo

REUTERS, Stockholm

Volvo Cars, owned by China's Geely Holding, will temporarily stop production at its Swedish plant in Gothenburg due to the shortage of semiconductor chips, it said on Wednesday.

A global chip shortage has hit manufacturing, with automakers cutting down on production and electronic device makers struggling to keep up with a pandemic-led surge in demand for phones, TVs and gaming consoles.

"Production at Torslanda will be paused temporarily from this evening due to a material shortage linked with the semiconductor issue," Volvo Cars said in an emailed statement. "Production will restart as soon as possible, at the latest before next week," the Swedish carmaker, which in June halted production at its Belgian plant in Ghent for a week, said.

Volvo Cars, which last month reported a return to profit in the first half as demand for electric cars grows, is considering listing on the Nasdaq Stockholm stock exchange this year.