STOCKS	Week-on-week
DSEX	CSCX
▲ 1.57%	▲ 1.63%
6,699.39	11,702.06

COMMODITIES	As of Friday
Gold ▲	Oil ▲
$1,779.15	$70.59
(per ounce)	(per barrel)

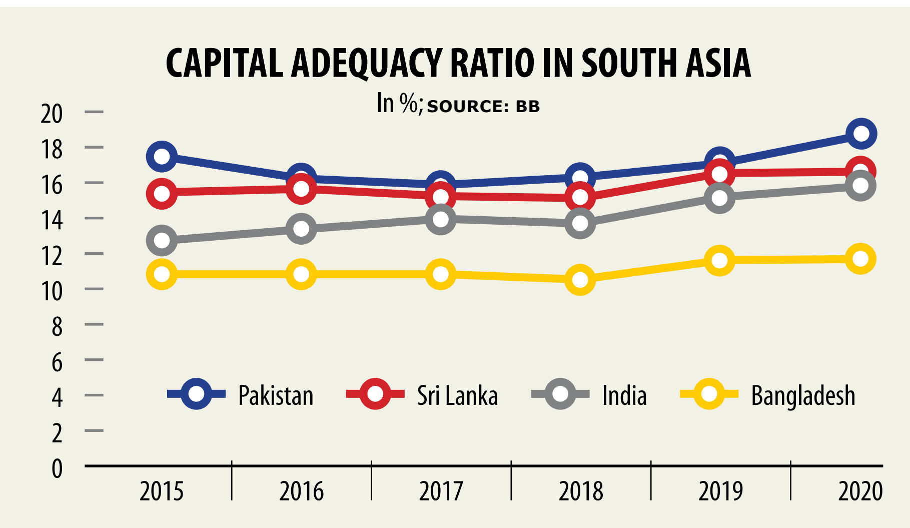
ASIAN MARKETS			Friday Closings
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.08%	▼ 0.14%	▼ 0.54%	▼ 0.24%
55,437.29	27,977.15	3,165.49	3,516.30

CURRENCIES	As on Thursday STANDARD CHARTERED BANK			
	$ USD	€ EUR	£ GBP	¥ CNY
BUY TK	83.95	97.29	115.17	12.71
SELL TK	84.95	101.09	118.97	13.37

Star BUSINESS

DHAKA MONDAY AUGUST 16, 2021, *BHADRA 1, 1428 BS* starbusiness@thedailystar.net

Banks' capital base weaker than regional peers



AKM Zamir Uddin

The capital base of the banking industry in Bangladesh is much weaker than its peer countries in South Asia, which indicates their fragile financial health and poor brand image in the outside world.

Banks maintained a capital adequacy ratio (CAR) of 11.60 per cent last year, way less than 18.6 per cent in Pakistan, 16.5 per cent in Sri Lanka, and 15.8 per cent in India.

This means the financial health of local banks is weaker than the lenders in the South Asian nations.

The CAR, also known as the capital to risk-weighted assets ratio, measures a bank's financial strength by using its capital and assets. It is used to protect depositors and promote the stability and efficiency of financial systems around the world.

It also reflects the ratio of defaulted loans, the capability to keep provisioning against regular and classified loans, and the actual corporate governance situation.

A Bangladesh Bank official says that the banking sector is going through a difficult time due to the ongoing business slowdown. So, the local banks need to fortify their capital base to minimise the downside risks.

The CAR reflects the overall financial health of lenders and is the topmost component of the CAMELS rating for banks, said Salehuddin Ahmed, a former governor of the central bank.

READ MORE ON B3

6 YEARS OF GI RECOGNITION

No global gain yet for Jamdani

Though 66 Jamdani weavers have been provided Geographical Indication (GI) certificates by Bangladesh Small and Cottage Industries Corporation (BSCIC) six years back, they have been provided with no guideline, training or instructions on the use of the tags in production and marketing. The photo was taken at BSCIC Jamdani Industrial City in Rupganj of Narayanganj recently.

PHOTO: AMRAN HOSSAIN

Sukanta Halder

Bangladesh is yet to see any big gains in the global market five years past recognising Jamdani as its first Geographical Indication (GI) product.

No guideline has come about from the state-run Bangladesh Small and Cottage Industries Corporation (BSCIC), the first to apply for the certification.

At that time, the BSCIC had stated that it was attempting to facilitate weavers to brand the indigenous cloth in a better way at home and abroad.

The GI is a name or sign used on some particular products to certify that they possess certain qualities enabled by the environment, weather and culture of a country.

This in effect facilitates branding highlighting traditions and reputations in the global market and creates a separate demand for the product.

The path to commercial production, marketing rights and legal protection is paved. GI-tagged products fetch higher prices compared to similar products in other countries.

The BSCIC applied for the GI certificate, which is a form of intellectual property rights, on September 1, 2015.

The Department of Patents, Design and Trademarks (DPDT), which is under the Ministry of Industries, provided it on November 17, 2016.

As per World Intellectual Property Organization (WIPO) rules, the DPDT gives this certificate in accordance with the Geographical Indicative Products (Registration and Protection) Act, 2013.

Naturally it was expected for the BSCIC to create a framework for commercial planning and training, production and marketing for weavers.

But it has no specific plans to this end till date.

The sole visible development brought about by the organisation was arranging for weavers to participate in two internationally organised fairs.

But that has come to little use as the BSCIC does not have any data on relevant issues such as the number of tagged products sold till date, the countries where the products were exported, the level of satisfaction it had on buyers, whether they would recommend it to others and so on.

Following the recognition, 66 weavers were registered so that they could use the GI certificate in their trade.

READ MORE ON B3

Credit card use hits record high

Mahmudul Hasan

Spending through credit cards hit an all-time high in June thanks to the acceleration of digital payments on e-commerce platforms amid the ongoing coronavirus pandemic.

Customers also spent more online ahead of Eid this year.

Credit card transactions collectively stood at Tk 1,934 crore in June, up 13.25 per cent from a month earlier and 115.46 per cent year-on-year, data from the central bank showed.

During the first

READ MORE ON B3

Ease conditions for raw material import: BGMEA

Refayet Ullah Mirdha

Local garment manufacturers have demanded that the government ease conditions for importing yarn, cotton and fabrics as work orders were pouring in from international clothing retailers and brands.

"We have a lot of work orders…We need ready raw materials like yarn, cotton and fabrics," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The quantity of work orders is so high that local raw material suppliers are also facing difficulties in ensuring the timely supply of goods, said Hassan.

Hassan sent a letter to Commerce Minister Tipu Munshi on Saturday demanding easing the rules for importing yarn from India by removing different non-tariff barriers and improving infrastructures at the land port areas.

He demanded that the government allow the import of yarn, cotton fabrics and other raw materials particularly through the Bhumra and Sunamasjid land ports

under bonded warehouse facility.

Currently, importers can import yarn, cotton and fabrics from India under the bonded warehouse facility only through the Benapole Land Port as it had storage and warehouse facilities.

The BGMEA also demanded that the government allow partial shipment facilities through the land ports, including the Benapole land port.

Partial import of garment raw materials is now allowed only through the country's premier sea port at Chattogram.

READ MORE ON B3

Bank, NBFI, cement stocks gaining ground

Overvalued insurance sector on the decline

Ahsan Habib

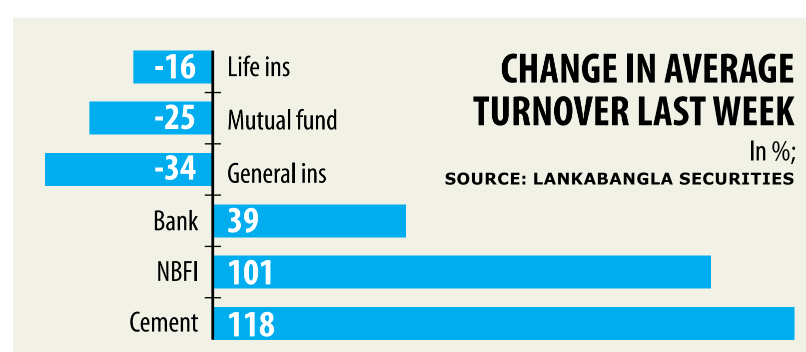
Investor participation in the local stock market's banking, non-bank financial institution (NBFI), and cement sectors soared last week while the insurance sector was lacklustre in attracting funds.

"Since these three had a lower price-earnings ratio compared to other sectors, people were more attracted to them," a market analyst said.

"On the other hand, investors have become aware that the insurance sector is overvalued and so, people are losing interest in it," he added.

The cement sector's daily average turnover more than doubled to Tk 76 crore in the last week compared to the week before, according to the weekly market statistics of LankaBangla Securities.

Similarly, turnover in the NBFI sector soared 101 per cent to Tk 228



crore while that of the banking sector increased 39 per cent to Tk 218 crore.

"People became cautious about the insurance sector after its turnover fell but they should keep up this attitude since the sector remains quite overvalued," an asset manager said.

Turnover in the general insurance sector dropped 34 per cent to Tk 104 crore while that of the life insurance sector fell 16 per cent to Tk 28 crore, market data shows.

"Bank stocks still have lower prices and so, investors are more interested in them even though the sector has the lowest price-earnings ratio of all," he added.

READ MORE ON B3

People unloading a truck at an inland container depot in Chattogram recently. In a bid to ease an acute container congestion, the National Board of Revenue on July 25 ordered shifting all import-laden containers from the country's premier port to 19 private ICDs for delivery. RAJIB RAIHAN

Apparel makers seek direct delivery from port

Allege ICDs overcharging, making delays; ICD operators deny

Dwaipayan Barua, *Ctg*

Garment manufacturers no longer want to take delivery of import consignments from private inland container depots (ICDs) alleging it took up too much time while the charges were exorbitant.

Preferring to take deliveries directly from Chattogram port, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in a recent letter to the Chattogram customs commissioner urged for full restoration of direct port deliveries.

However, Bangladesh Inland Container Depots Association (Bicda) in a letter to the commissioner denied the allegations.

An acute container congestion was prevailing at the port for poor deliveries amid the Eid holidays and countrywide lockdown.

Attempting to alleviate the situation, the National Board of Revenue (NBR) in an office order on July 25 directed to shift all import-laden containers from the port to the 19 private ICDs.

The aim was to unpack the goods from the containers and provide deliveries from there for a temporary period till August 31.

Usually, containers carrying only 37 types of imported goods are taken to the ICDs from the port for delivery.

The NBR's decision helped to rapidly ease container congestion at the port since over 15,000 TEUs (twenty-foot equivalent units) of import-laden containers could be shifted to the ICDs in a span of one week.

The apparel makers, however, have been opposing shifting imported raw materials for manufacturing garments to the ICDs from the beginning. They kept taking deliveries of their imports from the port directly.

BGMEA First Vice President Syed Nazrul Islam on August 12 in a letter to the commissioner of Chittagong Customs House stated that it was taking an additional six to seven days to take deliveries from the ICDs.

READ MORE ON B3

Debt in a warm climate: coronavirus and carbon set scene for default

REUTERS

Where Covid-19 has precipitated unprecedented debt, the climate crisis could trigger defaults across a planet that a UN panel says is dangerously close to runaway warming.

To avert disaster, countries are committing to cut carbon emissions. However, these will be costly and will most likely add to a global debt pile that asset manager Janus Henderson estimates ballooned to $62.5 trillion (R924.99 trillion) by the end of last year.

With floods and wildfires wreaking havoc across the globe, estimates vary on how much damage the crisis will inflict on economies.

A report earlier this year from the Bank of America put it at $54 trillion to $69 trillion by 2100, which compares with a valuation of the entire global economy at about $80 trillion.

The financial repercussions could manifest themselves in less than 10 years, warns a study by index provider FTSE Russell.

The first climate-linked credit rating downgrades are set to hit countries soon, adds the report's co-author and FTSE Russell's senior sustainable investment manager, Julien Moussavi.

In a worst-case "hothouse world" scenario, developing countries such as Malaysia, South Africa and Mexico, and even wealthier economies like Italy could default on debt by 2050.

In another, where governments are initially slow to react, countries including Australia, Poland, Japan and Israel would be at risk of default and rating downgrades too, notes the study.

While developing countries are inherently more vulnerable to rising sea levels and drought, richer ones will not escape the climate crisis fallout, such studies show.

REUTERS/FILE

A house hit by a landslide is seen after heavy rain caused flooding in towns surrounding Lake Como in northern Italy on July 27.

"You can talk about climate change and its impact and it won't be long before someone talks about Barbados, Fiji or the Maldives," says Moritz Kraemer, chief economist at Countryrisk.io and former head of sovereign ratings at S&P Global.

"What was a surprise to me was the impact on higher-rated, richer countries," he adds.

Another study by a group of universities, including Cambridge in the UK, concludes that 63 countries – roughly half the number rated by S&P Global, Moody's Investors Service and Fitch Ratings – could see credit ratings cut by 2030.

China, Chile, Malaysia and Mexico would be the hardest hit, with six notches of downgrades by the end of the century, it said, while the US, Germany, Canada, Australia, India and Peru could see about four. The corresponding increase in borrowing costs would add $137 billion to $205 billion to countries' combined annual debt service payments by 2100, the study estimates.

Ratings downgrades typically raise borrowing costs, especially if they cause countries to be ejected from bond indexes tracked by funds managing trillions of dollars.

Developed countries are increasing spending to temper climate damage, with Germany creating a €30 billion (R522.22 billion) recovery fund after recent floods, and Singapore budgeting the equivalent of $72 billion to protect against rising sea levels in the next century.

For emerging economies already scarred by Covid-19, the climate crisis will create even more pressure.

The International Monetary Fund warns that a 10 percentage point rise in climate change vulnerability, as measured by the Notre Dame Global Adaptation Initiative index, is associated with an increase of more than 150 basis points in long-term government bond spreads for developing nations. The average rise across all countries was 30 basis points.

The UN environmental programme estimates that in developing countries, annual adaptation costs will be as much as $300 billion in 2030, rising to $500 billion by 2050.

As a percentage of GDP, sovereign debt is still about 60 per cent in emerging economies, according to data from the Institute of International Finance, versus 100 per cent or so in the US and the UK, and 200 per cent in Japan.

The rise from pre-pandemic levels of about 52 per cent is of particular concern. European, US and Japanese central banks are essentially underwriting state borrowing, but this is not possible in poor countries, which must ultimately repay debt.

"How do you enable the sort of funding that's required, given the high debt levels and the importance of the ratings frameworks?" asks Sonja Gibbs, director for global capital markets at the institute.

Droughts shrink hydropower

REUTERS, *Brasilia/Shanghai*

Severe droughts are drying up rivers and reservoirs vital for the production of zero-emissions hydropower in several countries around the globe, in some cases leading governments to rely more heavily on fossil fuels.

The emerging problems with hydropower production in places like the United States, China and Brazil represent what scientists and energy experts say is going to be a long-term issue for the industry as climate change triggers more erratic weather and makes water access less reliable.

They also could pose a threat to international ambitions to fight global warming by hindering one of the leading forms of existing clean power. Hydropower is the world's top source of clean energy and makes up close to 16 per cent of world electricity generation, according to the International Energy Agency (IEA).

This year, climate-driven droughts have triggered the biggest disruptions in hydropower generation in decades in places like the western United States and Brazil. China is still recovering from the effects of last year's severe drought on hydro production in Yunnan province in the southwestern part of the country.

Elsewhere, too much water is the problem. Last year in Malawi, for example, flooding and debris from megastorms forced two power stations to go offline, reducing hydropower capacity from 320 megawatts (MW) to 50 MW, according to the IEA.

Those effects have forced power grid operators to rely more heavily on thermal power plants, often fired by natural gas or coal, and to ask businesses to curtail electricity use to prevent outages, according to Reuters interviews with grid operators and regulators.

"When we're talking about hydropower we're really talking about making sure we have enough water to get electricity," said Kristen Averyt, a research professor focusing on climate resilience at the University of Nevada in Las Vegas. "What does that hydro generation get replaced with?"

In California, the State Water Project was forced to shut down a 750-MW hydroelectric power plant at Lake Oroville this month for the first time since it was built in 1967 because of low water levels. In good years, the plant can power half a million homes.

Dollar dominance back on agenda in DR Congo

AFP, *Kinshasa*

DR Congo has revived a long-standing dream of promoting the national currency and sidelining the dollar to regain control over key economic levers.

The Democratic Republic of Congo's economy became informally "dollarised" several decades ago under the dictatorship of Marshal Mobutu Sese Seko, whose chaotic rule bred four-digit inflation.

Today, the Congolese franc and the US dollar co-exist, but the greenback remains massively dominant.

The dollar is used in major contracts, business transactions and the bank accounts of the well-heeled, and even accepted by shopkeepers and in cash machines.

"The US dollar is the common currency, just as English is the common language," said a vendor in "Le Chateau", the nickname for a small street in Kinshasa's business district studded with the umbrellas of money-changers.

The use of the dollar tamed hyperinflation, but also sapped the government's room to shape fiscal policy and spending, which are the basic tools of economic management.

Foreign currencies are believed to account for more than 90 per cent of the money supply in this sprawling country of more than 2.3 million square kilometres (888,000 square miles).

Now, the authorities are once again mulling how to boost the standing of the Congolese franc, although thinking is still at an early stage.

AFP/FILE

President Felix Tshisekedi, who came to power in 2019, has launched a push to widen use of the Congolese franc.

President Felix Tshisekedi has called on the government to carry out "deep reflection on making the Congolese franc a strong and stable currency", according to minutes of a cabinet meeting on August 6.

Strengthening the franc would improve the public's purchasing power and help to "accelerate the de-dollarisation process," the report said.

The way of achieving this would be through "a series of measures aimed at using the Congolese franc as the unit of account for all transactions," the report said.Several attempts at "de-dollarisation" have been made before.

Measures forced through at the end of the 1990s fell short because of a recession linked to war in the east of the country and a flourishing black market in foreign exchange.

Conflict in the east, pitting armed groups against each other and the army, persists to this day.Another bid was launched in 2012, when the government had high hopes for growth and new high-denomination bills of Congolese francs.

But that too failed.Almost 10 years later, the government and the new head of the country's central bank, Malangu Kabedi-Mbuyi -- a former International Monetary Fund official (IMF) -- are under orders to find a new solution.

Stocks make modest gains after days of records

AFP, *New York*

US and European stock markets made modest gains on Friday after days of records as concerns about the pandemic sparked a surprise collapse in US consumer confidence.

On Wall Street, the Dow and S&P 500 eked out a fourth consecutive record close and modest gains for the week amid thin summer trading.

European equities edged higher to cap the week, with Frankfurt's DAX 30 momentarily breaching the 16,000-point mark for the first time and Paris briefly reaching a 21-year high.

US shares drifted higher at the open, but retreated after the University of Michigan reported its consumer sentiment index plunged to its lowest level in a decade as the Delta variant of Covid-19 continues to spread.

"There is little doubt that the pandemic's resurgence due to the Delta variant has been met with a mixture of reason and emotion" from consumers, the survey's chief economist, Richard Curtin said.

The index fell 13.5 per cent -- one of the largest declines ever recorded -- to 70.2 due to "dashed hopes that the pandemic would soon end," and the correct assessment that the economy will suffer, he added. Earnings season is winding down but strong quarterly results have helped buoy markets on both sides of the Atlantic.

"This has been a common feature of the markets recently, small and steady gains that have seen European stocks push into record territory," said Craig Erlam, senior market analyst at OANDA.

The gains in Europe also have been driven by strong Covid vaccine programs that have enabled countries to loosen restrictions, Erlam said.

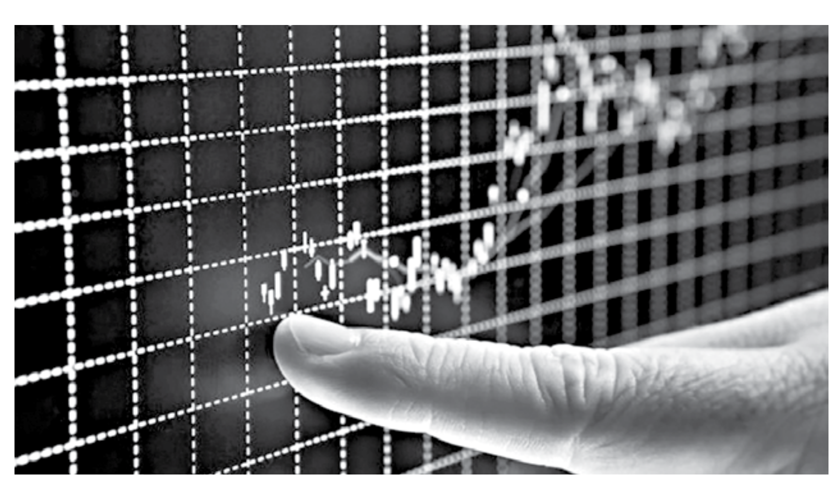
But rising US infections from the Delta variant and mixed inflation data will turn attention to economic data next week, notably retail sales, for a better read on the prospects for the world's largest economy.

Further evidence of inflation pressures after mixed data this week, would likely prompt the Federal Reserve to start to roll back its massive stimulus program sooner than expected.

Fed chief Jerome Powell is due to address the annual central banking conference in Jackson Hole, Wyoming later this month, which could be the occasion for the first promised advance notice of a plan to taper the monthly pace of bond buying.

The worry is that tapering, along with an interest rate increase to contain inflation, could hamper the recovery.

"Global investors are assessing the implications of the spread of the Delta virus, the possible tapering by the Fed, and China's clampdown," said Geir Lode, of Federated Hermes.



Ford counterattacks in 'cruise' dispute with GM

REUTERS, *Detroit*

Ford Motor Co said late on Friday it will ask the US Patent Office to rescind trademarks obtained by rival General Motors Co for the terms "Cruise" and "Super Cruise," escalating a brawl GM began by suing Ford over its use of "Blue Cruise" for an automated driving system.

The legal fight between the two Detroit automakers turns on whether "cruise" is a generic term for technology that allows the car to take over some share of driving tasks from a human motorist.

The clash underscores the intensity of competition among established automakers to be seen as leaders in automated driving technology, competitive with Silicon Valley rivals Tesla Inc, Alphabet Inc 's Waymo unit and others.

GM filed a federal suit against Ford on July 24, accusing Ford of violating GM trademarks by using the name "Blue Cruise" for a system that enables hands-free driving. GM had previously trademarked "Super Cruise" for its hands-free, partially automated driving technology. It also has trademarked "Cruise," the name of its robo-taxi unit in San Francisco. Ford reiterated on Friday its position that GM's suit is frivolous. The effort to nullify GM's trademarks for the use of the word "cruise" takes the fight to a new level.

"To defend itself, Ford has no choice but to ask the US Patent and Trademark Office to rescind both of GM's "Cruise" and "Super Cruise" trademark registrations that should have never been registered in the first place," Ford said. "Any number of companies use the word 'cruise' in connection with driver assist technology."

Among the examples Ford cited: "Predictive Cruise," marketed by Mack Trucks; "Smart Cruise Control" marketed by Hyundai Motor Co, and Autocruise, used by auto supplier ZF Friedrichshafen AG.

Multi-billion-dollar reconstruction projects await post-war Libya

AFP, *Tripoli*

A decade after Libya descended into chaos, a host of countries are eyeing potential multi-billion-dollar infrastructure projects in the oil-rich nation if stability is assured.

Economist Kamal Mansouri expects Libya's reconstruction drive to be one of the biggest in the Middle East and North Africa.He estimates "more than 100 billion dollars" are needed to rebuild Libya, which has been gripped by violence and political turmoil since dictator Moamer Kadhafi was toppled in a 2011 uprising.

Former colonial power Italy, neighbouring Egypt and Turkey are tipped to be awarded the lion's share of reconstruction deals.

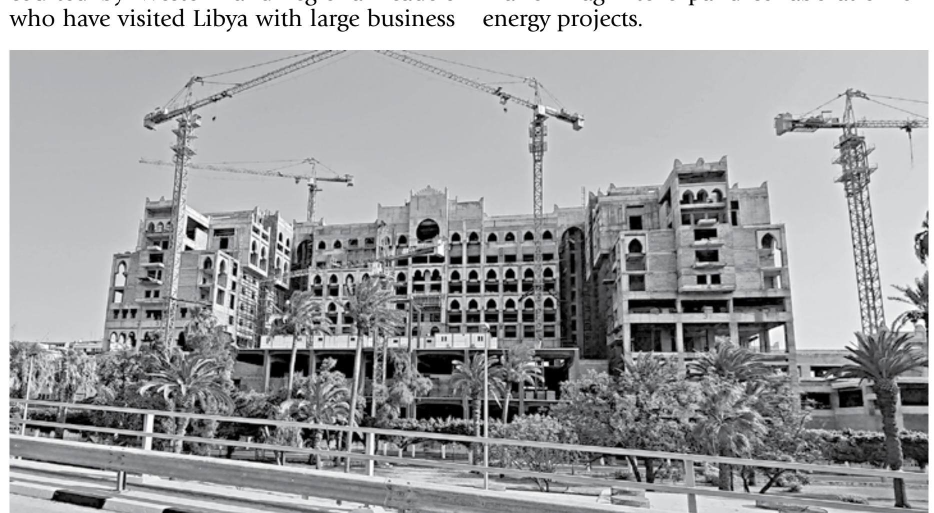
In the capital Tripoli, dozens of rusted cranes and unfinished buildings dot the seafront, testimony to hundreds of abandoned projects worth billions of dollars launched between 2000 and 2010. After Kadhafi's overthrow, Libya fell under the control of a complex, ever-shifting patchwork of militias and foreign mercenaries backing rival administrations.

While Turkey has supported the Tripoli government, eastern-based strongman Khalifa Haftar, who battled but failed to seize the capital, has had the backing of Russia, the United Arab Emirates and Egypt. But a UN-backed ceasefire was agreed last October, paving the way for the establishment in March of an interim administration.

The new government led by Prime Minister Abdulhamid Dbeibah is tasked with organising presidential and parliamentary elections in December if a legal framework is agreed on time.

The new administration has been courted by Western and regional leaders who have visited Libya with large business delegations in tow.

Italy's Foreign Minister Luigi Di Maio was accompanied by the chief of Italian energy giant ENI. In May, Dbeibah, an engineer and businessman, visited Rome and agreed with his Italian counterpart Mario Draghi to expand collaboration on energy projects.



AFP/FILE

This unfinished Tripoli hotel is one of many construction projects that were halted by the turmoil that has gripped Libya since the 2011 uprising that toppled longtime dictator Muammar Gaddafi.

Italy aims to defend its commercial interests in the nation with Africa's largest oil reserves, an energy sector where Eni has been the leading foreign player since 1959.

The firm reportedly proposes building a photovoltaic solar plant in southern Libya. In June, Spanish Prime Minister Pedro Sanchez also visited with a business team, while Dbeibah has travelled to Paris.

As Dbeibah's administration takes part in several business forums, Turkey, Egypt, Tunisia and Algeria are also in the running for lucrative contracts.A delegation from Russia's energy group Tatneft visited Tripoli in June to study oil exploration projects.

"Libya hasn't built a thing in 10 years," said Global Initiative senior fellow and Libya expert Jalel Harchaoui.

"It's a rich country which hasn't maintained its infrastructure.

"A decade of violence has ravaged its airports, roads and the electricity network. While there is no shortage of major projects and international suitors, questions remain over funding and whether instability will return.

Divisions have devastated Libya's economy and complicated management of its oil revenues, weakening its foreign currency reserves.

On the political and economic fronts, a 2021 budget has yet to be approved and UN-led efforts to organise elections appear to be floundering.

MyGP app completes 5th year

Star Business Desk

"MyGP app" has completed its 5 year journey enabling digital inclusion.

The app has played a pivotal role in supporting digital inclusion with access to information, accessible technology, and digital literacy, says a press release.

It has facilitated over 32 million Grameenphone users with basic self-service for their mobile connection, alongside enhancing their lives with various assorted entertainment and lifestyle solutions since its inception on August 9, 2016.

Enabling manifold possibilities through a single platform, Grameenphone's dedicated one-stop solution app, MyGP, quickly won the hearts of 1 million monthly active users by the end of 2016, setting the foundation of building a much larger base.

With the vision to build a digital ecosystem which caters to the evolving digital lifestyle and demands of mass and progression towards a more digital savvy future, MyGP set out to build a platform for all to get things done in a simple, faster manner on the go.

A total of 110 versions were released since inception, and with each update, Grameenphone opted to increase the efficacy of the app to retain possibilities at the tip of the users' fingers in their relentless efforts to stay relevant to customers' demands.

"As a connectivity partner to Digital Bangladesh Grameenphone has always been on the forefront with innovation. One of the key benefits of digitization is that it empowers the end users and provides transparency," said Solaiman Alam, chief digital and strategy officer of Grameenphone.

"MyGP is Grameenphone's flagship app, and it gives the customers the ability to avail almost all GP services through just a touch. The app has come a long way, bringing simpler, faster & more personalised experiences. MyGP app is also the place to get the best deals on Grameenphone services and innovative customer friendly features that are not available anywhere else," he said.

"Over the past 5 years MyGP has evolved into one of the largest digital distribution app that has given the users not only access to GP services but quite a few essential things like news, education, live sports etc. With the widespread popularity of platforms like this, more people are crossing the digital divide and using the internet to fulfill their daily needs.

The constant love and feedback that we receive from our MyGP users inspire us to make this even better," he added.

Big Tech rolls on as investors shrug off regulatory pressure

Afp, *Washington*

Pressure is rising on Big Tech firms, signaling tougher regulation in Washington and elsewhere that could lead to the breakup of the largest platforms.

But you'd hardly know by looking at their share prices.

Shares in Apple, Facebook, Amazon and Google parent Alphabet have hovered near record highs in recent weeks, lifted by pandemic-fueled surges in sales and profits that have helped the big firms extend their dominance of key economic sectors.

The Biden administration has given signs of more aggressive regulation with appointments of Big Tech critics at the Federal Trade Commission.

But that has failed to dent the momentum of the largest tech firms, despite tough talk and antitrust litigation in the United States and Europe, with US lawmakers eyeing moves to make antitrust enforcement easier.

Big Tech critics in the United States and the EU want Apple and Google to loosen the grip of their online app marketplaces; more competition in a digital advertising market dominated by Google and Facebook; and better access to Amazon's e-commerce platform by third-party sellers.

One lawsuit tossed out by a judge but in the process of being refiled could force Facebook to spin off its Instagram and WhatsApp platforms, and some activists and lawmakers are pressing for breakups of the four tech giants. All four have hit market valuations above $1 trillion, with Apple over $2 trillion.

Alphabet shares are up some 80 percent from a year ago, with Facebook up nearly 40 per cent and Apple almost 30 per cent.

Amazon shares are roughly on par with last year's level after breaking records in July.Microsoft, with a $2 trillion valuation, has largely escaped antitrust scrutiny, even as it has benefitted from the cloud computing trend. The surging growth has stoked complaints that the strongest firms are extending their dominance and squeezing out rivals.

Yet analysts say any aggressive actions, in the legal or legislative arena, could take years to play out and face challenges.

"Breakup is going to be nearly impossible," said analyst Daniel Newman at Futurum Research, citing the need for controversial legislative changes to antitrust laws.

Shirin Akhter

Shirin MD of current charge at Krishi Bank

Star Business Desk

Shirin Akhter has been appointed managing director (current charge) of Bangladesh Krishi Bank in place of Md Ali Hossain Prodhania, who recently went into retirement.

Her new charge has come into effect from July 31, 2021, said a press release.

Akhter has been serving the bank as deputy managing director since September 16, 2019.

She started her professional career as a banker with Agrani Bank in 1988 through Bankers' Recruitment Committee.

She obtained honours and master's degrees in political science from the University of Dhaka. She later attained an MBA degree from Stamford University in Dhaka.

Ease conditions for raw material import: BGMEA

FROM PAGE B1

Partial shipment refers to allowing importing and unloading a portion of a consignment ordered under letters of credit (LCs).

Businesspeople choose partial shipments mainly for timely use of raw materials and to reduce storage and warehousing costs of imported goods. For instance, imagine an importer opening an LC for importing 100 tonnes of yarn but currently having a capacity to use 50 tonnes.

In that case, he opts for bringing over 50 tonnes for the time being and importing the remaining 50 tonnes later at his convenience.

However, in case of raw material imports not being made through Chattogram port, importers do not have the scope for partial shipments.

So, the importers have to import the whole consignment at one go if those are not unloaded at Chattogram port. "Partial shipment is very much needed for us as we also need to reduce the cost of storage and warehousing," said Hassan.

"The government should also construct more warehouse facilities in the land port areas so that goods can be properly stored," he told The Daily Star over the phone.

The BGMEA also sought improvements of the infrastructure at the land port areas so that transport congestion can be avoided there in case of importing raw materials in bulk quantities from India.

Local garment manufacturers have been trying to import yarn and fabrics from India in bulk quantities as demand has soared with a rise in work orders while prices of yarn have gone up in the local markets.

The local garment manufacturers and exporters and spinners were at loggerheads recently for instabilities in the supply of yarn and for unusual price fluctuations of yarn in local markets.

Last week scrapping separate press conferences, leaders of the BGMEA, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), terry towel association and Bangladesh Textile Mills Association (BTMA) sat together in a meeting, where they decided not to increase the prices of yarn in local markets.

Monsoor Ahmed, chief executive officer of the BTMA, opted against allowing partial shipments through the land ports, reasoning that it would create scopes for irregularities.

The government has stopped partial shipments many years ago to stop the irregularities, Ahmed told The Daily Star over the phone.

The BGMEA in its letter could not state whether they would get yarn at lower prices from any country, Ahmed said.

Yarn prices in the local markets increased mainly for associated rises in freight charge and cotton price in the international markets. The same reasons are applicable for garment manufacturers and exporters, Ahmed said.

"It is not possible to import yarn without bond. The local industry will face challenges if all ports are opened up and the government will lose a lot of revenue. So it is not possible to import yarn without bond," said BTMA President Mohammad Ali Khokon,.

The garment manufacturers want to import yarn without bond which is very dangerous for the local industry, he added.

Last fiscal year, Bangladesh imported 8.2 million bales of cotton and 326,539 tonnes of yarn, according to data from the BTMA.

The spinners say they can supply 3,500 million kilogrammes of yarn a year.

The BGMEA in the letter said the cost of production has increased by 30.10 per cent over the last eight years, although the prices of clothing items declined 3.7 per cent last year manly because of the fallouts of Covid-19.

The freight charge went up anywhere from 100 per cent to 300 per cent during the pandemic. Over the last one and a half years, the local garment exporters have catered to work orders accepting losses.

But now they are expecting to make a profit as the international retailers and brands have been placing a lot of work orders. However, high yarn prices are becoming a major concern for them, the BGMEA said in the letter.

Banks' capital base weaker than regional peers

FROM PAGE B1

CAMELS, which stands for capital adequacy, asset quality, management, earnings, liquidity and sensitivity, is a recognised international rating system used to scale financial institutions using the six indicators represented by its acronym.

"The weak capital base points to the weak financial health of banks," Ahmed said.

In the past, only state-run banks used to experience a lower capital position. But the problem has recently spread to private banks due to a lack of corporate governance and poor management.

"Some 10-12 banks now perform well. But other banks are facing various problems," Ahmed said.

He blamed the high volume of defaulted loans for the lower CAR.

The NPLs in the banking sector stood at Tk 95,085 crore as of March, up 7.1 per cent from three months earlier and 2.8 per cent year-on-year.

Banks have to set aside a large amount of provisioning against the defaulted loans that ultimately hit the capital base.

This has also tarnished the sector's image and external lenders will show reluctance in doing business with local banks as well, according to Ahmed.

For instance, many local banks cannot open letters of credit (LCs) directly with banks in other countries due to their poor health. First, they have to secure an additional guarantee, known as "add confirmation", from other banks having a global presence.

So, local banks have to pay a hefty amount in charges and commissions to the confirming banks, adversely impacting the LC issuers' banks, Ahmed said.

In order to strengthen the capital base, the BB took initiatives to implement the Basel III guidelines by 2019.

Basel III is an internationally agreed set of measures developed by the Basel Committee on Banking Supervision in response to the global financial crisis of 2007-09 to improve regulations, supervisions and risk management within the banking sector.

As per a roadmap unveiled by the BB in 2014, banks were supposed to push up the minimum CAR to 12.5 per cent by December 2019 from 10 per cent then. But, the sector is far away from the benchmark.

"The global community does not know about the financial sector of Bangladesh. It usually knows the banks with large business volumes. Besides, the lower CAR has given a negative signal to them," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

He said local banks had not been able to expand their services to keep up with the changing time. Instead, their financial health had deteriorated.

Mansur, also a former official of the International Monetary fund, said the central bank had allowed some new banks to commence operation, and their capital base was still small.

"Corruption is another reason for the lower capital base."

Apparel makers seek direct delivery from port

FROM PAGE B1

He reasoned that the ICDs lacked adequate space, equipment and manpower.

Islam told The Daily Star that taking deliveries from the port usually took three to four days while currently it was taking eight to 12 days to take deliveries from the ICDs.

In his letter, the BGMEA leader also alleged that the ICDs charge a total of Tk 13,755 for handling and delivery of a 20-foot import-laden container whereas the port charged only Tk 4,277.

The charges include package delivery charge worth Tk 7,930, lift charge of Tk 1,000, river dues of Tk 408 and an extra movement charge of $51.97 or around Tk 4,400.

For a 40-foot import-laden container, the ICDs charged Tk 18,092 whereas the port only Tk 5,988, it stated.

Islam said garment factory owners were facing financial losses due to such extra costs and additional time.

He said due to the BGMEA's repeated steps, its members have increased taking deliveries from the port as congestion there had almost cleared. Meanwhile, Bicda President Nurul Qayyum Khan in a letter to the customs commissioner on August 14 denied the allegations.

The ICD did not charge as much as claimed by the BGMEA leader, said Khan.

The ICDs charge only Tk 7,930 for a 20-foot import load container and Tk 9,150 for 40-foot container and there is no additional lift charge and river due, he said.

The ICDs imposed a package delivery charge for shifting containers from the port to the ICDs, for lifting it on and off from vehicles for placement and for the use of labour, he said.

The extra movement charge worth $42.60 or around Tk 3,600 for a 20-foot container is not a regular charge, he said.

It is taken in case of appraisement, sampling and fumigation of select containers of consignments, he mentioned in the letter, adding that Chittagong Port Authority (CPA) also imposed such extra movement charge for particular cases.

BICDA Secretary Ruhul Amin Sikder told The Daily Star that the CPA imposed the charge for every single container of a consignment.

Mentioning that they received no complaint of delays in import delivery from any importer, Sikder said no ICD prefers prolonged stays of import containers inside their yards since the market was very competitive.

Bank, NBFI, cement stocks gaining ground

FROM PAGE B1

The banking sector's price-earnings ratio was 8.1 last week.

However, the asset manager went on to say that the bank stocks regularly pay dividends, making them an easy choice for investors.

Still though, the banking sector has concerns about its asset quality and provisioning.

So, investors should take this into consideration also, he said.

"Investors are similarly interested in the cement sector since it has performed better amid the ongoing coronavirus pandemic compared to other sectors," the asset manager added.

Besides, a relaxed policy for loan classification was announced for more than one year to bring confidence to local entrepreneurs.

"And thanks to this relaxed policy, the amount of classified loans has reduced alongside provisions, which ultimately boosts the lenders' profits," said a top merchant banker.

"This means that the real scenario may emerge soon after the normal policy for classified loans is implemented," he added.

Some prudent banks have already kept aside a huge provision in anticipation of the upcoming risk and so, these are exceptions.

"But overall banking profits may fall," he said, adding that their profits might be reduced by the lower interest rate regime.

From April 1, 2020, the banking sector has been following single digit interest rates for deposits and lending.

No global gain yet for Jamdani

FROM PAGE B1

Shockingly, they know nothing about how this works. They were provided with no guideline, training or instructions for use of the tags in production and marketing. Weavers also claimed that there has been no state monitoring.

Apparently all the certificate did was adorn the walls of their homes.

Billal Hossain is one of the 66.

"I got a GI certificate in 2018. I've got the certificate only. I didn't get anything else," he told The Daily Star.

"It is very valuable. There is such a valuable thing (GI certificate) in the room (of his house). I'm still working in the same way I used to make and sell Jamdani earlier. There are no additional benefits," he said.

The reporter spoke to 5 of the 66, each of whom echoed the sentiment.

The BSCIC sources said the number of weavers to be registered on use of the tag has not increased since then. No initiative was taken up to attract weavers.

"These products are sent to different countries of the world when there are fairs for branding in the global market," said Akhil Ranjan Tarafder, general manager, marketing department, BSCIC.

"It will be difficult to say how many expos were reached in the last five years. They were in China, India and another fair have been attended," he said.

"We have no statistics on how much Jamdani products have been sold with GI tags," he said.

"Jamdani is yet to reap the benefits of the GI tag. But we are trying to reap the benefits. Meanwhile, there was a manpower crisis in our team," he said.

Tarafder refused to accept the fact that the weavers had not gained any benefit.

"It's not right that they didn't benefit after getting the GI tag. But we are working with weavers," he said.

"The BSCIC has been entrusted with the responsibility of preserving intellectual property rights," said DPDT Registrar Md Abdus Sattar.

"It is also its responsibility to increase branding, marketing and sales by highlighting the tradition and reputation of Jamdani products in the international market," he said.

According to a 2015 study by Bangladesh Foreign Trade Institute (BFTI), there is good demand worldwide for geographical indication products.

Buyers in different countries are willing to pay up to 30 per cent more. More importantly, GI products draw foreign investment.

"We still don't understand the importance of GI recognition. It's such a big thing; you have to work with your own zeal," said Prof Md Abul Kalam Azad of the marketing department at the University of Dhaka.

"But the people concerned did not pay proper attention…the BSCIC has failed to fulfil its duties," he said.

"But time has not run out. The commerce ministry and embassies will have to take initiatives to increase the sale of Jamdani products in the international market," he said.

Jamdani prices can range anywhere from Tk3,000 and Tk 2.5 lakh based on the intricacy of their designs and the time spent behind them.

According to BSCIC Jamdani Industrial City in Rupganj of Narayanganj, they annually produce and sell about 60,000 Jamdani products, earning around Tk 36 crore.

However, outside the industrial city, there is a market for Jamdani products, traders of which say is worth Tk 5 crore to Tk 6 crore a year.

There are more than 2,000 weavers in the BSCIC Jamdani Industrial City. All in all, there are currently about 5,000 weavers in Bangladesh.

Credit card use hits record high

FROM PAGE B1

three months after the Covid-19 outbreak in March 2020, credit card payments nosedived as spending on travel, tourism, and lifestyle products dropped.

A fair number of nations had either partially or fully halted international flights since February last year in order to stem the spread of the virus.

Flights across the globe collectively earned around $35 billion in the pre-pandemic era. But clients were unable to fly due to countrywide lockdowns after the Covid-19 crisis began, according to the International Air Transport Association.

The industry started to rebound in July last year as many returned to work and borders were reopened.

In the last fiscal year, credit card transactions totalled about Tk 18,450 crore, up 45.84 per cent, year-on-year.

"Credit card transactions accelerated in June this year due to advanced purchases for Eid-ul-Azha and increased payments on e-commerce platforms," said Syed Mohammad Kamal, country manager of MasterCard Bangladesh.

"May and June were both good months for credit cards as some segments such as restaurant, lifestyle, and electronics performed well," he added.

Debit and credit card transactions increased 76 per cent year-on-year to Tk 23,633 crore in June.

Transactions through debit cards stood at Tk 21,698 crore in June, up 73 per cent from a year ago and down 3 per cent from a month ago, according to data from the Bangladesh Bank.

Transactions through internet banking increased 40.84 per cent year-on-year to Tk 10,452 crore in the same month thanks to the prolonged pandemic, which made clients accustomed to banking through digital means to avoid branch visits.

In May, internet banking touched an all-time high of Tk 11,384 crore. In February 2020, internet banking transactions were only Tk 6,298 crore.

The number of debit cards stood at 2.34 crore, credit cards 17.73 lakh and prepaid cards 9.34 lakh as of June this year.

Prepaid card transactions stood at around Tk 192 crore in June, down from about Tk 211 crore a month earlier.

"Card spending has been increasing over the years, and the pandemic pushed it to a new level as people are now heavily reliant on digital purchases," said Md Ahsan uz Zaman, managing director and chief executive officer of Midland Bank.

"Digitalisation and an increased tendency to do online transactions rather than handle cash is pushing card transitions higher," he added.

According to Zaman, the Bangladesh Bank's move to place a cap on the interest rate on credit card loans has also contributed to the rise in card transactions.

In September last year, the central bank capped the interest rate on credit card loans at 20 per cent, which came as a relief for clients as they would get rid of the burden of higher interest.

Banks used to charge between 25 and 27 per cent interest on credit card loans, way higher than the 9 per cent interest rate ceiling applicable for all loan products in Bangladesh.

"However, credit card transactions are very low in Bangladesh compared to overall transactions," Zaman said.

Agent banking going places

Transactions more than double in FY21

COLLECTED

Bangladesh Bank has awarded 28 agent banking licences with the aim to provide a secure alternative delivery channel of banking services to the underprivileged and under-served population who live in remote locations.

MD FAZLUR RAHMAN

Transactions through agent banking more than doubled to Tk 393,932 crore in the last fiscal year as the new window has taken financial services to the doorsteps of people.

The volume rose 106 per cent in FY2020-21, data from the Bangladesh Bank showed, against Tk 191,225 crore in the previous fiscal year.

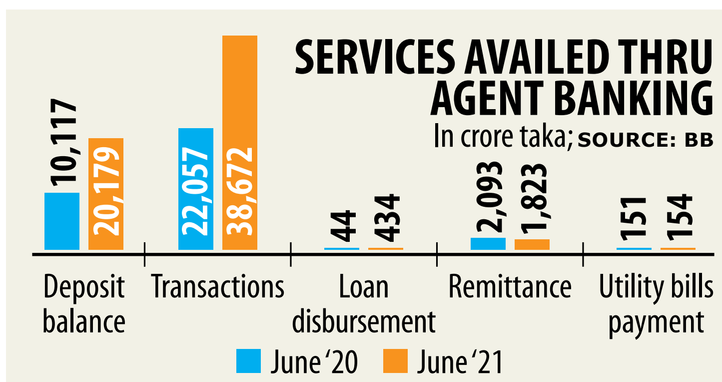
In June, transactions surged 75 per cent to Tk 38,672 crore, the highest on record. It stood at Tk 22,057 crore in June last year.

The volume of deposits was Tk 20,179 crore as of June, doubling from Tk 10,117 crore in the same month last year.

The central bank has awarded 28 agent banking licences since 2013.

The aim is to provide a secure alternative delivery channel of banking services to the underprivileged, under-served population who live in remote locations that are beyond the reach of the traditional banking network.

Twenty-four banks have rolled out the service as of September last year.



The banks with a notable presence include Bank Asia, Islami Bank Bangladesh Ltd, Dutch-Bangla Bank Ltd, Brac Bank, City Bank, Mutual Trust Bank, Al-Arafah Islami Bank, Agrani Bank, NRB Commercial Bank, and Modhumoti Bank.

Loan disbursement through the agent banking window rose 444 per cent to Tk 2,659 crore in FY21, which was Tk 488 crore in FY20.

Transfer of incoming foreign remittance rose 112 per cent to Tk 27,524 crore in the last fiscal year.

In Bangladesh, agent banking accounts totalled 1.22 crore at the end of FY21, up 65 per cent compared to 73.57 lakh at the end of FY20.

Male customers owned 65.98 lakh accounts and female clients 51.54 lakh accounts.

There were 12,995 agents at the end of June, up from 8,812 agents a year ago, an increase of 47.5 per cent, BB data showed. The number of outlets stood at 17,215.

Expert and bankers say agent banking has emerged as an alternative to the branch-based banking model in the areas where setting up full-fledged offices is not commercially viable because of lower business volume.

The window is allowing banks to mobilise deposits at lower costs, he said.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said a significant portion of remittance was channelled through agent banking during the pandemic.

"This has given a boost to the transaction volume."

Agent banking is helping banks expand their reach in remote areas, he said.

"It costs a lot if we set up a full-fledged branch in remote areas in keeping with our standard. But agents are helping us expand the footprint and bring the costs down."

Agent banking is already playing a crucial role in accelerating financial inclusion in Bangladesh, said Zahid Hussain, an economist.

Invest in Bangladesh

Tipu Munshi urges foreign investors, NRBs at US event

STAR BUSINESS REPORT

TIPU MUNSHI
COMMERCE MINISTER

Speakers at a seminar in the US called upon foreign investors and non-resident Bangladeshis (NRBs) to invest in Bangladesh.

Startup Bangladesh Limited hosted the seminar titled "Bangladesh the Next Investment Frontier for Foreign Investors and Expatriates" at Silicon Valley in California on Saturday morning.

The seminar was organised for US-based NRBs, potential investors and representatives from the business community in Los Angeles in collaboration with the commerce ministry of Bangladesh and the consulate general in LA.

Addressing the programme as chief guest, Commerce Minister Tipu Munshi called upon the NRBs to get involved in Bangladesh anyway they can, and to give back to the country.

> *People of Bangladesh will benefit from the experience and engagement of the vast NRB talents, the minister said*

The people of Bangladesh will benefit from the experience and engagement of the vast NRB talents, he said.

The programme was participated by numerous globally prominent business leaders in the US technology sector, startup founders, venture fund founders, distinguished professionals from globally prominent companies in Silicon Valley of the NRB community and government high-ups.

The participants also included academics from the University of California, Berkeley.

Hasan Arif, chief investment officer of Startup Bangladesh, conducted the event.

Tina Jabeen, managing director and CEO of Startup Bangladesh Limited, facilitated an experience sharing session among the special guests, academics and NRBs.

She discussed the current state of foreign direct investment and strategies to encourage US investment partnerships with Bangladeshi startups.

The event partner was Bioscoke Film LLC.

GLOBAL BUSINESS

India will soon unveil $1.35tr infrastructure plan

REUTERS

Indian Prime Minister Narendra Modi addresses the nation during Independence Day celebrations at the historic Red Fort in Delhi, India yesterday.

REUTERS, *New Delhi*

India will launch a 100 trillion rupee ($1.35 trillion) national infrastructure plan that will help generate jobs and encourage use of cleaner fuels to achieve the country's climate goals, Prime Minister Narendra Modi said on Sunday.

The infrastructure programme, called "Gati Shakti", will help boost productivity of industries and boost the economy, Modi said during his speech at the Independence Day celebrations in New Delhi.

"We will launch a masterplan for Gati Shakti, a big programme ... (it) will create job opportunities for hundreds of thousands," Modi said from the ramparts of the historic Red Fort in the capital city.

While Modi did not announce details of the plan, he said the plan will help local manufacturers compete globally and create new avenues of future economic growth.

Boosting infrastructure in Asia's third largest economy is at the heart of the Modi's plan to pull back the country from a sharp economic decline worsened by the Covid-19 pandemic.

In the last fiscal year, India's economic output fell by a record 7.3 per cent and a second wave of Covid-19 has delayed economic recovery.

> *"We will launch a masterplan for Gati Shakti, a big programme ... (it) will create job opportunities for hundreds of thousands," Narendra Modi said*

The prime minister also set a target to become energy independent by 2047, saying the goal can be achieved through a mix of electric mobility, moving to a gas-based economy and making the country a hub for hydrogen production.

Modi said the country spends more than 12 trillion rupees annually on energy imports and becoming energy independent was critical, as he also announced the launch of a National Hydrogen Mission to boost the government's clean energy plans.

"India is moving fast towards achieving its climate goals," he said.

Taliban gains give investors cause for concern beyond Afghanistan

REUTERS, *London*

The Taliban's rapid advance towards Kabul is not only causing concern about Afghanistan's future but also about the impact on other countries in the region and their economies.

Iran and then Iraq lie to the west of Afghanistan. Tajikistan, Turkmenistan and Uzbekistan are to the north. But the immediate focus for financial markets and investors is Pakistan to the east.

Pakistan has a large public debt, a sizeable public equity market and is dependent on a $6-billion IMF programme. The prospect of years of violence and waves of refugees will add pressure to its fiscal repair plans. "It is a very troubling situation and unfortunately has set the region back many years," said Shamaila Khan, head of emerging market debt at AllianceBernstein.

"I think the neighbouring countries will have to deal with an influx of refugees in the coming months/years".

The United Nations refugee agency UNHCR estimates 400,000 Afghans have fled their homes this year. Only a few hundred of these displaced persons are known to have fled Afghanistan but the UNHCR estimates there are 2.6 million Afghan refugees worldwide, with 1.4 million in Pakistan and 1 million in Iran.

Pakistan's bond prices have already fallen nearly 8 per cent this year, though many financial analysts think this has probably had more to do with delays in it obtaining its latest tranche of IMF money than with the security situation.

Nearly 10,000 Pakistani civilians were killed in attacks between 2010 and 2015 South Asia Terrorism Portal figures show. Those numbers have fallen since then but there are concerns they will now rise again.

"Another influx of refugees and the spillover of violent groups motivated to destabilise urban areas and infrastructure, particularly, on the western side of Pakistan... could set Pakistan's recovery and reform story back," said Hasnain Malik, an analyst at research firm Tellimer.

He suggested risk might be reduced if the Taliban were included in the Afghan government.

Pakistan's IMF programme is its thirteenth in 30 years and is needed to help the government tackle a public debt of about 90 per cent of GDP. Any Taliban attacks inside Pakistan could raise security concerns and make it harder for Islamabad to meet targets set by the IMF. At the same time, some investors say, they could increase Pakistan's strategic important for the West.

People wait to cross into Afghanistan, at the Friendship Gate crossing point at the Pakistan-Afghanistan border town of Chaman, Pakistan on August 13.

REUTERS/FILE

Fired Alibaba employee suspected of 'forcible indecency'

REUTERS, *Shanghai*

A former male employee of Chinese e-commerce giant Alibaba Group Holding Ltd is suspected of committing "forcible indecency" against a female colleague, but not rape, according to Chinese police probing the assault.

The investigation is still ongoing, the police bureau of eastern China's Jinan city, where the incident occurred, said in a statement via Weibo.

The police update came after a female employee went public with an 11-page account on Alibaba's intranet saying her manager and a client sexually assaulted her during a business trip, and that superiors and human resources did not take her report seriously.

The scandal led to fierce public backlash against Alibaba, which later fired the male employee.

The male Alibaba employee, whom police only identify by his surname Wang, entered the hotel room of the victim, surnamed Zhou, four times while she was drunk after a business dinner on July 27 and committed "forcible indecency" during one of these visits, according to the police statement.

The client had also committed the act against Zhou on two occasions during the trip, they said.

The police said that they had not found enough evidence that Zhou was forced to drink alcohol during a banquet that evening attended by the suspects, as she had claimed.

Alibaba did not immediately respond to a request for comment. Reuters was unable to reach the two suspects or Zhou for comment.