

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday STANDARD CHARTERED BANK			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.91%	▲ 1.01%	\$1,780.87 (per ounce)	\$65.18 (per barrel)	▼ 0.54%	▼ 0.98%	▲ 0.51%	▼ 1.10%	BUY TK 84.10	97.07	114.38	12.70
6,760.62	11,820.52			55,329.32	27,013.25	3,102.75	3,427.33	SELL TK 85.10	100.87	118.18	13.36



BUSINESS

DHAKA SUNDAY AUGUST 22, 2021, BHADRA 7, 1428 BS • starbusiness@thedailystar.net



Demand for trucks and covered vans has risen in keeping with the rebounding global shipment, which, coupled with the container congestion at Chattogram port, has sent transport cost to abnormally high levels. The photo was taken from Patenga area of the port city recently.

CAR PURCHASE FOR GOVT OFFICIALS

Austerity saves Tk 12,000cr

REJAUJ KARIM BYRON and ARANDA MUHAMMAD JAHID

The government has saved about Tk 12,000 crore by embracing austerity in purchasing cars for its officials since the pandemic struck Bangladesh, a development that offers the scope to look into how to cut costs.

Tk 7,322 crore was spent on buying vehicles for the officials in the fiscal year of 2019-20. This was down by Tk 1,145 crore from a year ago as the pandemic forced the government to cut down on non-essential expenditures amid a sharp drop in revenue generation.

The austerity measure continued in the

The allocation for the transport purchase was Tk 6,595 crore in the revised budget for 2020-21. Around Tk 1,000 crore was spent at the end of the last fiscal year, allowing the government to save around Tk 5,500 crore, officials of the finance ministry said.

The government has allocated Tk 9,408 crore to procure vehicles in the current fiscal year. In July, the finance ministry said only half of the fund could be spent.

This means about Tk 12,000 crore has been saved in the sector since the Covid-19 pandemic hit the country in March last year.

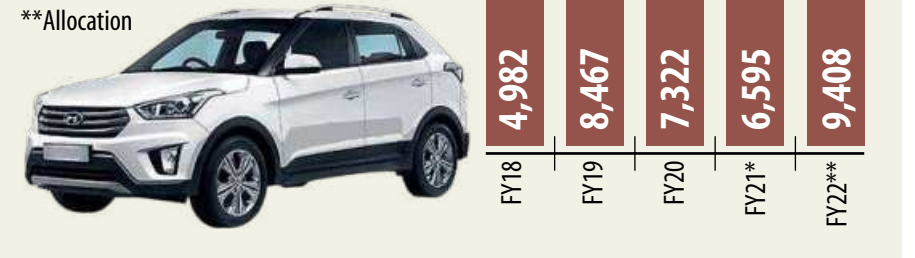
Zaid Bakht, a former research director of the Bangladesh Institute of Development Studies, said Covid-19 had automatically

GOVT SPENDING ON CAR PURCHASE

In crore taka; SOURCE: FINANCE MINISTRY

*Revised

**Allocation



following fiscal years as well.

After the budget for the last fiscal year was passed, the finance ministry banned vehicle purchases under both development and revenue expenditures.

However, in the second half of the fiscal year, it revised the circular, saying vehicles could be purchased if necessary and after taking permission from the ministry.

reduced the expenses in the car purchase and fuel sectors.

"Even though the expenditure has gone down, the country continues to operate. So, the government has the opportunity to reduce the expenses further in the future," said Bakht, also a former member of the public expenditure review committee.

READ MORE ON B3

High transport costs bear down on RMG exporters

REFAYET ULLAH MIRDHA

Garment exporters are feeling the pinch of exorbitant transport fares as the rebound in the shipment of goods thanks to the reopening global economy has raised the demand for trucks and covered vans.

Truck and covered vans with a capacity to carry six to seven tonnes of goods are charging as much as Tk 20,000 and Tk 25,000 respectively to take apparel items from Dhaka and its adjacent areas to the Chattogram port.

The cost even went up to Tk 30,000 and Tk 40,000 before Eid festivals when there was a rush to ship goods.

In normal times, the fare ranges from Tk 10,000 to Tk 12,000.

Because of the abnormal hike in carrying costs, apparel exporters, especially small and medium enterprises, are in big trouble as it adds an additional financial burden.

Garment exporters say at a time when the cost of production has gone up, the excess transport fares have added further woes.

But international retailers and brands are not paying increased prices for the goods exported.

"Over the last three months, the fare has been very unstable because of lockdowns, Eid vacation and shortage of containers in the port," said Ahmed Fazlur Rahman, chairman of Kappa Fashion Wear Ltd. As a result, the demand for trucks and covered vans was unusually high.

"For instance, I sent goods in a truck spending Tk 60,000 because of emergency shipment before Eid," Rahman said.

Before the Eid festival, the demand for covered vans went up, and the transport companies exploited the situation, Rahman said.

Bakhtiar Uddin Ahmed, chief operating officer of Fakir Apparels Ltd, said after the Eid vacation, he spent Tk 30,000 to Tk 35,000 to move goods from his Narayanganj-based factory to the port.

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Soaring freight rates fuel commodity prices

MOHAMMAD SUMAN, Ctg

Essential commodities such as edible oil, wheat and sugar have become costlier in Bangladesh as their prices rose in the international markets because of the supply crunch and increased shipping costs, hitting the pocketbooks of consumers.

Importers and traders say the cost and time of transporting goods have more than doubled as almost all ports in the world are facing ship and container congestion because of the pandemic.

The increase in the cost of transportation has had an impact on imported goods.

Prices of non-branded soybean oil rose up to 5 per cent, or Tk 6 to Tk 8 per kilogram, in the domestic market in the past month.

Now the loose soybean oil sells for Tk 140 a kg, super oil Tk 135, and palm oil Tk 127.

Similarly, branded oil saw a price hike of Tk 3 to Tk 4 per litre. The price of bottled edible oil is Tk 150 per litre, up from Tk 142-Tk 145 a month ago.

Md Hasem, the proprietor of Fultaz Super Shop in Chattogram city, said wholesalers and importers raised the price of edible oil since the demand increased after the end of lockdown.



Some traders said wholesalers and importers raised the price of edible oil since the demand increased after the end of lockdown.

RAJIB RAIHAN

"They claim that the price has gone up because of the reduced supplies owing to an import crisis and rising prices in the international market."

Data from the National Board of Revenue (NBR) showed that oil refiners imported crude soybean oil at Tk 116,350 per tonne in July, up 12 per cent, or Tk 12,772, from June.

Sugar and wheat prices also went

up owing to the supply shortage and increased shipping fares because of the port congestion in the exporting countries.

Traders at the Khatunganj wholesale market, one of the largest wholesale commodity hubs in Bangladesh, said that sugar prices had risen by Tk 400 per maund to Tk 2,680-Tk 2,700.

READ MORE ON B3

No scope for lowering yarn price: BTMA

STAR BUSINESS REPORT

Spinners have kept yarn prices unchanged since August 10 and there is no scope for a reduction as cotton prices are high in the global market, said Mohammad Ali Khokon, president of Bangladesh Textile Mills Association (BTMA), yesterday.

Since December last year, international cotton prices rose by 47 per cent, demand for cotton yarn by 22 per cent and cotton yarn prices by 37 per cent, he said.

All these happened because of increased demand for comfortable knitwear, which are made from the cotton fibre, from the end consumers staying home for long periods, he

said at a press meet at Pan Pacific Sonargaon Dhaka.

Since August 10, spinners have been selling the widely consumed 30-carded yarn in the range of \$4.20 to \$4.30 per kilogramme (kg), said Khokon.

He said to have sent letters to spinners requesting not to increase yarn prices any more as the local customers of yarn such as knitters, weavers and terry towel makers have been voicing their disapproval.

Usually, manmade fibres remain more in demand than cotton fibres in international markets. But nowadays, demand for cotton fibres has increased for the preference of the end users, he said.

People prefer knit items like t-shirts and home textiles more than woven items. The demand for woven items, meaning attires that do not change form with body movements, is not increasing that much as formal events have become rare since the pandemic surfaced, he said.

Regarding the import of yarn through different land ports, Khokon said the entry points were open for the shipments, particularly from India.

However, of the Benapole, Sonamasjid and Bhomra land ports, only the former has adequate infrastructures to handle the import of yarn, he said.

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Sikder Md Shehabuddin, head of Islami Bank Bangladesh's Sylhet zone operations, presided over a webinar it organised recently on compliance to Shariah in banking operations. Md Quamrul Hasan, director, Muhammad Qaisar Ali, additional managing director, Md Ruhul Amin Rabbani, additional secretary of Shariah Supervisory Committee, and Md Shamsuddoha, executive vice president, were present. ISLAMI BANK BANGLADESH



Khondoker Rashed Maqsood, managing director and CEO of Standard Bank, and Md Serajul Islam, CEO of ERA-InfoTech, signed an agreement recently over an "Islamic Core Banking Solution (Hikmah)" to provide Shariah-based Islamic banking services. Md Touhidul Alam Khan, the bank's additional managing director, Mohammad Rafiqul Islam, deputy managing director, Sufi Tofail Ahamed, executive vice president, and Tauhidul Hoque, the IT company's chief technology officer, were present. STANDARD BANK

EV boom is pay-dirt for factory machinery makers

REUTERS, Detroit
The investment surge by both new and established automakers in the electric vehicle market is a bonanza for factory equipment manufacturers that supply the highly automated picks and shovels for the prospectors in the EV gold rush.
The good times for the makers of robots and other factory equipment

reflect the broader recovery in US manufacturing. After falling post-Covid to \$361.8 million in April 2020, new orders surged to almost \$506 million in June, according to the US Census Bureau.
Growth in the EV sector, propelled by the success of Tesla Inc TSLA.O, comes on top of the normal work manufacturing equipment makers do to support production of gasoline-powered

vehicles.
Automakers will invest over \$37 billion in North American plants from 2019 to 2025, with 15 of 17 new plants in the United States, according to LMC Automotive. Over 77 per cent of that spending will be directed at SUV or EV projects.
Equipment providers are in no rush to add to their nearly full capacity.
"There's still a pipeline

with projects from new EV manufacturers," said Mathias Christen, a spokesman for Durr AG DUEG.DE, which specializes in paint shop equipment and saw its EV business surge about 65 per cent last year. "This is why we don't see the peak yet."
Orders received by Kuka AG, a manufacturing automation company owned by China's Midea Group, rose 52 per cent in the first half of 2021 to just under 1.9 billion euros (\$2.23 billion) - the second-highest level for a 6-month period in the company's history, due to strong demand in North America and Asia.



Robot technician Justin McPhail prepares a manufacturing robot for shipping to a customer in a FANUC American facility in Auburn Hills, Michigan, US on August 11. REUTERS/FILE

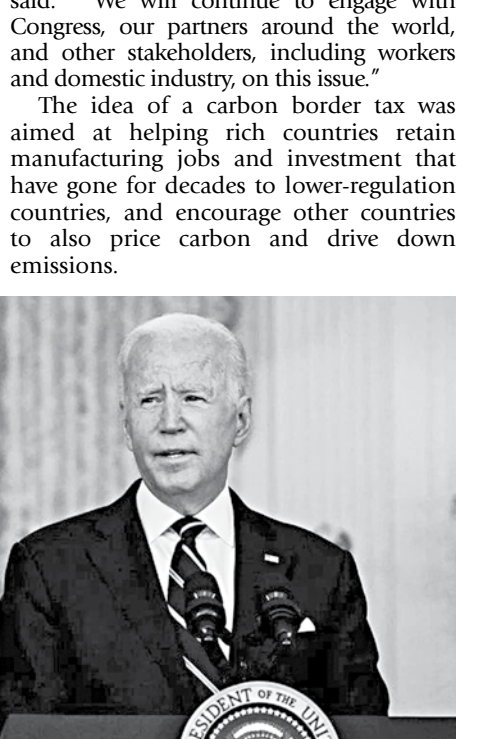
"We ran out of capacity for any additional work about a year and a half ago," said Mike LaRose, CEO of Kuka's auto group in the Americas. "Everyone's so busy, there's no floor space."
"We built a facility and have like 5,000 robots on shelves stacked 200 feet high, almost as far as the eye can see," said Dueueke, who noted Fanuc America set sales and market share records last year.
Covid has also caused issues and delays for some automakers trying to tool up.
RJ Scaringe, CEO of EV startup Rivian, said in a letter to customers last month that "everything from facility construction, to equipment installation, to vehicle component supply (especially semiconductors) has been impacted by the pandemic."
However, established, long-time customers like GM and parts supplier and contract manufacturer Magna International said they have not experienced delays in receiving equipment.

White House withholds support of Democratic carbon border tax

REUTERS
The White House is withholding support for a Democratic proposal to impose a pollution tax on imports from China and other countries, casting doubt on whether Democrats will be able to deploy what environmentalists consider one of the greatest weapons to tackle global climate change in a massive spending bill this year.
The United States is the closest it has ever been to imposing a carbon border tax - which seeks to level the playing field between US companies which face environmental regulations at home and foreign competitors with less rigorous standards - after Democrats included the proposal in their \$3.5 trillion reconciliation package last week that they hope to pass along party lines by mid-September.

attacks that his policies are driving up inflation, they say.
The White House plans to withhold support as the US Treasury and other administration officials try to coordinate tax policy with trading allies like the European Union, which recently announced its own carbon border tax.
"We believe that carbon border adjustments in relation to carbon-intensive goods represent a potential, useful tool. We do not have a comment on any specific proposals at this time," a White House official said. "We will continue to engage with Congress, our partners around the world, and other stakeholders, including workers and domestic industry, on this issue."
The idea of a carbon border tax was aimed at helping rich countries retain manufacturing jobs and investment that have gone for decades to lower-regulation countries, and encourage other countries to also price carbon and drive down emissions.

US President Joe Biden and top members of his administration have said publicly they support a carbon border tax as a tool to advance climate goals, but the White House has not endorsed the Democratic proposal, spearheaded by longtime Biden ally Senator Chris Coons.
The tax, as outlined by lawmakers, would raise billions by levying a tariff on carbon-intensive imports, but leaves specific details up to the Biden administration.
The White House is concerned the Democrats' proposal will raise prices on a host of consumer goods, from cars to appliances, and conflict with Biden's pledge not to tax any American earning less than \$400,000 per year, according to two sources familiar with the discussions.
The White House is also worried any tax that raises prices could fuel Republican



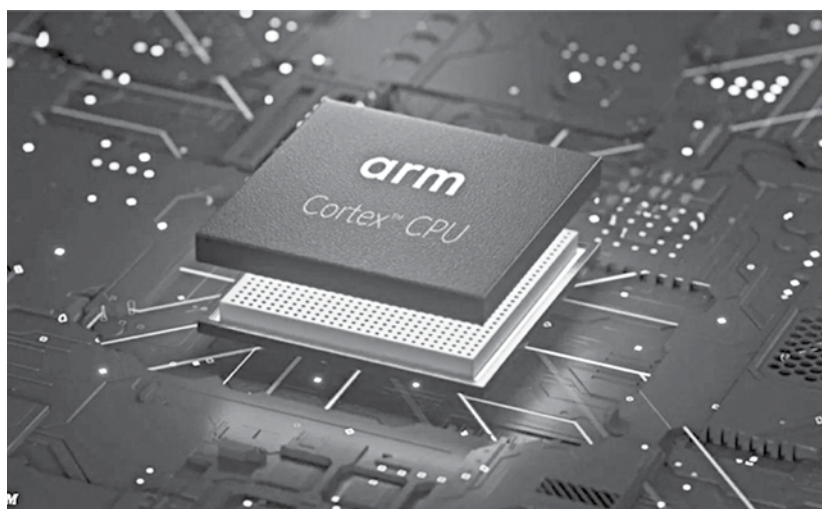
US President Joe Biden delivers remarks on the coronavirus disease response and vaccination programme during a speech in the East Room at the White House in Washington, US on August 18. REUTERS/FILE

UK raises concerns on mega takeover of chip designer

AFP, London
Britain on Friday said a planned takeover of chip designer Arm by US firm Nvidia raises "serious competition concerns", while the deal may still be probed on security grounds.
Japan's SoftBank Group revealed almost a year ago that it was selling Britain-based Arm for up to \$40 billion (34 billion euros) in a deal it hoped to complete in early 2022 following competition reviews in several jurisdictions.
Following its own investigation, Britain's Competition and Markets Authority highlighted concerns that included possible price rises to semiconductors, already facing a global shortage because of the pandemic and impacting in particular the auto sector.
"We're concerned that Nvidia controlling Arm could create real problems for Nvidia's rivals by limiting their access to key technologies, and ultimately stifling innovation across a number of important and growing markets," CMA Chief Executive Andrea Coscelli said in a statement.
He noted that the chip technology industry was "vital" to everyday products.
"This includes the critical data processing and data centre technology that supports digital businesses across the economy, and the future development of artificial intelligence technologies that will be important to growth industries like robotics and self-driving cars," Coscelli said.

The CMA said it had reported its takeover concerns to the UK government department charged with digital industry matters and arguing that "an in-depth investigation into the deal... is warranted on competition grounds". The watchdog meanwhile confirmed that the takeover could still face an in-depth UK probe on national security grounds.
It comes as Britain this week ordered an investigation into the takeover of UK defence technology firm Ultra Electronics by US-owned Cobham in order to assess risks to security.
In a statement on Friday, Nvidia said it looked forward to the

opportunity to address "the CMA's initial views and resolve any concerns the government may have", adding it remained confident the deal "will be beneficial to Arm, its licensees, competition, and the UK".
Founded in 1990, Arm specialises in microprocessors and dominates the global smartphone market. But its chips are also found in sensors, smart devices and cloud services.
Nvidia, known for graphics cards favoured in the video game industry, has seen sales skyrocket during the coronavirus crisis, with gaming a popular pastime in lockdown. SoftBank bought Arm in 2016 for \$32 billion.



Nvidia controlling Arm could create real problems for Nvidia's rivals by limiting their access to key technologies, and ultimately stifling innovation across a number of important and growing markets. AFP/FILE

Delta, Fed dominate economic conversation as stocks jump

REUTERS, Washington
Stocks recovered ground on Friday despite concerns about economic growth amid rising Covid-19 cases, which continued to take its toll on oil prices.
The Dow Jones Industrial Average ended up 0.65 per cent, while the S&P 500 gained 0.81 per cent and the Nasdaq Composite added 1.19 per cent.
However, all three indices ended with weekly losses following a steep mid-week sell-off after Federal Reserve meeting minutes underlined the US central bank's plans to pare back stimulus by year's end.
The MSCI world equity index, which tracks shares in 45 nations, rose 0.43 per cent.
"We are seeing a relief rally in European and US assets today," said Phil Guarco, global investment specialist at JP Morgan Private Bank.
The Fed is likely to dominate the economic conversation next week as well with an annual meeting of central bankers at Jackson Hole, Wyoming.
Markets will be watching for any clearer indication on plans for a Fed taper of monthly bond purchases, which minutes showed officials believed would happen this year if the economy recovers as expected.
Fed Chairman Jerome Powell will deliver remarks on the economic outlook next Friday.
Economic uncertainty also helped boost safe-haven investments this week, although most ended Friday flat or declining.
The US dollar touched highs not

seen in 9-1/2 months Friday before ending the day slightly down.
The dollar index, which tracks the greenback versus a basket of six currencies, fell 0.13 per cent.
Gold was up slightly, with spot gold prices climbing 0.07 per cent to \$1,781.51 an ounce.
Benchmark 10-year yields rose two basis points on the day to 1.260 per cent, but are down from 1.283 per cent last week.
The concern that rising Covid-19 cases globally could handcuff travel demand continued to weigh down oil markets, which fell for the seventh straight session.
Brent crude ended the week down 2.17 per cent at \$65.01 a barrel, while US crude fell 2.26 per cent at \$62.25

per barrel.
Overall, oil faced its biggest week of losses in more than nine months.
Rabobank analysts said in a note they believed much of the downturn was due to systemic selling rather than a fundamental reorientation of market expectations.
"We are attributing a large portion of the recent fall in oil prices to the herd-like behavior of systematic funds rather than to any material shift in the fundamental outlook for oil markets," Ryan Fitzmaurice, Rabobank's senior commodity strategist, wrote in a note.
"We expect oil balances to remain tight and for prices to stabilize and grind higher as soon as the aggressive systematic selling we have been witnessing starts to wane."



Signage hangs over the trading floor at the New York Stock Exchange in Manhattan, New York City, US on August 19. REUTERS

Business sustainability depends on relationship with stakeholders: experts

STAR BUSINESS REPORT

The sustainability of a company depends on relationships among its employees, suppliers, customers and the community, said speakers at an ICAB webinar yesterday.

They said entrepreneurs were taking steps to ensure business growth through reporting corporate social responsibility (CSR) activities focusing, for instance, healthcare and education and raising awareness about environmental threats and climate change among employees.

The webinar styled "Environmental, Social, and Corporate Governance (ESG)-Global Perspective" was organised by the Institute of Chartered Accountants of Bangladesh (ICAB).

Resilience against environmental and social threats will ensure more productivity and enhance employees' contribution to the economy's development, they also said.

Md Tazul Islam, minister for local government,

rural development and co-operatives, said governance was a system of rules, regulations, practices and processes by which a company was directed, operated, monitored, controlled and balanced in the interest of its stakeholders.

"Successful businesspeople attain sustainable business growth by taking along corporates, stakeholders, the public and environment. While doing so, the roles of auditors are commendable, as they act as a link between corporates and the public," he said.

"The CAs (chartered accountants) are doing very critical jobs, especially in the field of auditing. Auditing is essential to corporations and society because it is a medium to build a good relationship between corporations and stakeholders," he added.

Mahmudul Hasan Khushru, president of the ICAB, said investors, regulators, consumers and the media see how a company uses energy, manages its waste and pollution, deals with

environmental risks and acts in the wake of disasters.

Citing examples from Europe and America regarding legal requirements and regulatory frameworks of the CSR, he said noncompliance to the CSR policies were often legally deemed punishable offences in those countries.

Their laws enforce that corporations take decisions based on long term sustainability rather than on profits and dividends alone, he said.

"The practice of the CSR in Bangladesh is rather of negative impact, as structural approaches through which the CSR is administered and regulated - often lacked practical applicability," he said.

"Chartered accountants, as information providers to the top management and stakeholders, should take into consideration environmental, social and corporate governance rules while they plan future oversight functions of the company for business," he added.

Mexico wants talks with US over auto content rules

REUTERS, Mexico City

Mexico sought formal consultation with the United States on Friday over the interpretation and application of tougher content rules for vehicles set out in the USMCA trade pact.

In May, Mexico voiced disagreement over the issue in a three-way online virtual meeting when it cited differences with the United States' methods. Canada and Mexico use more flexible interpretations.

"Mexico has identified a divergent position between our governments on the interpretation of... provisions on rules of origin for the automotive sector," Economy Minister Tatiana Clouthier said in a letter.

In her letter on Friday to US Trade Representative Katherine Tai, Clouthier said Mexico wanted to avoid or resolve a possible dispute.

The United States-Mexico-Canada Agreement, the successor to the North American Free Trade Agreement, requires 75 per cent North American content for a vehicle to be considered as being from North America.

The same percentage will apply for so-called essential parts from July 1, 2023, up from 69 per cent now, and compared with 62.5 per cent under the previous trade pact.

But once the level of essential parts hits 75 per cent it is considered 100 per cent and should be counted as such towards the overall value of the automobile, Mexico says.



M Shamsul Arefin SBAC Bank appoints new AMD

STAR BUSINESS DESK

The South Bangla Agriculture & Commerce (SBAC) Bank has recently witnessed the appointment of a new additional managing director.

The appointee, M Shamsul Arefin, was previously serving National Credit and Commerce Bank as managing director and chief risk officer, said a press release.

He started his banking career with Eastern Bank as a probationary officer in 1994 and subsequently worked at One Bank, Shahjalal Islami Bank, Jamuna Bank and Premier Bank.

He obtained a BBA degree from Aligarh Muslim University and MBA degrees in finance, one from the University of Dhaka and another from North South University.

Nvidia's \$40b deal for ARM dealt blow

REUTERS, London

Nvidia Corp's planned \$40 billion acquisition of British chip designer ARM hit a major hurdle on Friday after a UK regulator found it could damage competition and weaken rivals, and required a further lengthy investigation.

The deal for Britain's most important technology company by the world's biggest maker of graphics and AI chips sparked a swift backlash from politicians, rivals and customers.

On Friday, Britain's competition regulator added to the pressure, saying the merged entity could reduce competition in markets around the world.

US oil and gas rigs rise for third week

REUTERS

US energy firms this week added oil and natural gas rigs for a third week in a row, as a recovery in oil prices prompted some drillers to return to the wellpad over the past year.

The oil and gas rig count, an early indicator of future output, rose three to 503 in the week to Aug. 20, its highest since April 2020, energy services firm Baker Hughes Co said in its closely followed report on Friday.

That puts the total rig count nearly double from the same period last year, when rig count was 254.

US oil rigs rose eight to 405 this week, their highest since April 2020, while gas rigs fell five to 97, registering their biggest weekly decline in 16 months.

US crude futures were trading around \$63 a barrel on Friday, sliding for a seventh straight session towards three-month lows due to surging Covid-19 Delta variant cases that is hitting travel.

With oil prices up about 29 per cent so far this year, several energy firms have said they plan to raise spending, which however, remains small as most firms continue to focus on boosting cash flow, reducing debt and increasing shareholder returns.

In fact, many analysts do not expect that extra spending to boost output at all. Instead, they think it will only replace natural declines in well production.

US shale oil output is expected to rise to 8.1 million barrels per day (bpd) in September, the highest since April 2020, according to the Energy Information Administration's



An oil pump is seen at sunset outside Vaudoy-en-Brie, near Paris, France.

monthly drilling productivity report on Monday.

Total oil production, however, is expected to slide to 11.1 million bpd in 2021 from 11.3 million bpd in 2020, before rising to 11.8 million bpd in 2022, according to government projections. That compares with the all-time annual high of 12.3 million bpd in 2019.

Crypto exchange Binance tightens money-laundering checks

REUTERS, Frankfurt

Cryptocurrency exchange Binance said on Friday it would demand stricter background checks on customers to bolster efforts against money laundering, with immediate effect, a move that comes after weeks of pressure by regulators globally.

Binance, the world's biggest crypto platform, has faced warnings and business curbs from financial watchdogs from Britain and Germany to Japan, who are concerned over the use of crypto in money laundering and risks to consumers.

The exchange, whose holding company is registered in the Cayman Islands, has scaled back its product offerings and said it wants to improve relations with regulators.

US Treasury Secretary Janet Yellen and European Central Bank President Christine Lagarde were among those this year to voice concerns over crypto money laundering, with other regulators growing concerned with Binance in particular.

The Dutch central bank on Monday said the platform, which processed spot trades worth \$455 million in July, was not in compliance with its anti-money laundering and anti-terrorist financing laws.

Binance users will have to complete a verification process to access its products and services, it said on its website.

Those who have not done so will only be able to withdraw funds, cancel orders and close positions.

The move represents a major shift by

Binance.

Until now, it only asked for ID checks for users seeking higher limits on trading. Now, users must provide an ID card, driver's licence or passport, it said.

Standards vary across exchanges. Many large platforms, including Coinbase Global Inc and Gemini, also require users to submit ID documents, yet Kraken, another US exchange, only requires personal information for limited access to trades.

Binance CEO Changpeng Zhao, a Canadian known by his nickname "CZ," said in a tweet linking to the Binance announcement that "actions speak louder than words".

"We aim to work more collaboratively with policy-makers to improve global standards and discourage bad actors," he added in a separate statement.

Binance said this week it had appointed a former US Treasury criminal investigator as its global money laundering reporting officer. Still, some lawyers were sceptical over whether Friday's move to tighten checks would placate regulators.

Financial watchdogs would need to know which of Binances local entities run the know-your-customer process to audit and check if it complies with local laws, said Alireza Siadat, partner at law firm Annterton in Frankfurt.

"It is a nice marketing statement, but from the regulators' perspective, this is not enough," he said.

Soaring freight rates fuel commodity prices

FROM PAGE B1

Canadian wheat variety is selling at Tk 1,270 per maund in the wholesale market in the port city, which was Tk 1,000-Tk 1,020 in the previous month. The price of Indian wheat was up by Tk 100 to Tk 1,120 per maund.

The hike has affected the prices of flour (atta) and refined flour in the wholesale and retail markets.

In the wholesale market, atta was selling at Tk 1,380 per maund on Friday, up from Tk 1,120 a month ago, and the refined flour at Tk 1,850, which was Tk 1,600 a month earlier.

Importers say the purchase of wheat from international sources declined 15 per cent year-on-year in fiscal 2020-21 as prices soared in the international market and demand declined in the local market due to the pandemic-induced consumption fall.

Some 54.43 lakh tonnes of wheat were imported in FY21, down from 64.34 lakh tonnes in FY20, according to data from the Bangladesh Bureau of Statistics.

Traders imported wheat at Tk 32,318 per tonne in July, an increase of 14 per cent

from June.

Similarly, the sugar price has increased by 19 per cent to Tk 41,757 per tonne within a month.

Biswajit Saha, director for corporate and regulatory affairs at City Group, a consumer goods company, said freight charges had almost doubled in the last one month.

"This is the main reason why the price of products is increasing in the international market."

Shahed Sarwar, deputy managing director of K-Line Bangladesh Ltd, a shipping agent, said transportation was taking longer due to the congestion in almost all ports in the world, including in China, Singapore, Brazil, and Argentina.

"It takes an additional eight to 12 days to get the delivery of a consignment of goods. This has an effect on the shipping cost."

Abul Bashar, chairman of BSM Group, one of the top commodity importers in Bangladesh, said wheat production declined in almost all exporting nations.

"Besides, the exporting countries have imposed additional tariffs. So, the price of wheat has increased," he said, adding that trade supply chains were yet to normalise.

Austerity saves Tk 12,000cr

FROM PAGE B1

Usually, a portion of the allocation is spent for car purchases under the development budget. And at the end of a project, the vehicles are supposed to return to the transport pool of the government. But the officials continue to use them even after the completion of the project.

On the other hand, senior government officials starting from deputy secretaries are entitled to subsidised car loans. But even after purchasing a car using the credit facility, they still use the vehicles bought for a project.

This has prompted the government to recently introduce a new rule, saying deputy secretaries would be eligible for car loans after working in the position for three years.

This means they would continue using the cars potentially from the transport pool of the government.

Economists say the public expenditure in the sector could be reduced further if the vehicles are used through proper management. When a new project begins, the old cars can be re-used. State Minister for Planning Shamsul Alam said there was a project evaluation committee (PEC) under the planning ministry.

"The rationality and necessity of every item, including vehicles, should be evaluated during the meeting of the PEC because it is public money," he said, adding that he would discuss the issue with the planning minister.

An economist says reducing expenses is necessary, especially during the pandemic, as the government has been spending a considerable amount to fight the economic fallout induced by the crisis.

In order to vaccinate the entire population, the government will need around Tk 32,000 crore, according to an official estimate. Besides, the government has unveiled various stimulus packages.

No scope for lowering yarn price: BTMA

FROM PAGE B1

If the partial shipment of yarn is allowed, there is a chance of misuse of bond facility and excessive import by a section of traders, which would destroy the local industry while the government would lose a big amount of revenue.

Last week, leaders of the BGMEA and BTTLMEA sent letters asking the government to allow import of yarn, including partial shipments, through the Sonamasjid and Bhomra land ports.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Terry Towel and Linen Manufacturers and Exporters Association (BTTLMEA) have been lobbying with the government for the permission mainly to bring about an impact on yarn prices.

But currently partial shipments are allowed only through the Chattogram sea port while Benapole is the only land port through which yarn import is allowed.

Khokon said the widely consumed 30-carded yarn was sold at \$4 per kg in March, \$4.20 per kg in April and \$4.15 per kg in June.

Moreover, yarn prices have been increasing since September last year with the gradual reopening of the global supply

chain. So the upward trend did not come out of the blue, he said.

Cotton production has been lower this year because of excessive rainfall in the US and India, two major sources of cotton for Bangladesh since the country itself does not produce it.

Faruque Hassan, president of the BGMEA, said the local knitters, garment makers and terry towel exporters were the main customers of yarn.

"We have a lot of work orders from our international retailers and brands and now we need yarn at competitive prices to retain our business relations with our buyers," he said.

"If we cannot serve our retailers and brands, we may lose our buyers," he added.

"We also want the local yarn as we have some advantage on use of it. But the price is too high for us. We cannot afford the price level. The government should also think about us," Hassan said.

Leaders of the BTMA, BGMEA, Bangladesh Knitwear Manufacturers and Exporters Association and BTTLMEA were scheduled to sit for another round of meeting last night, when this report was filed, to discuss the latest price and demand situation of yarn in the domestic markets.

High transport costs bear down on RMG exporters

FROM PAGE B1

Usually, the fares vary between Tk 12,000 and Tk 15,000, he added.

Abdul Hannan, a manager of Edo Mia Transport Agency, admitted that the transport fares surged because of the increasing demand.

Moreover, there was a congestion of vessels in the port a few weeks ago. As a result, many covered vans and trucks were stuck in the port areas for some days.

"Sometimes, goods-laden trucks and covered vans remain stuck for four or five days due to the congestion."

Most of the increase in the fares occurred after Eid-ul-Fitr, said Hannan, adding that the fare reached Tk 30,000 per covered van from Tk 14,000.

He blamed the abnormal traffic congestion in the port areas for the higher transport cost.

Sometimes, the fare declines when the unloading of goods at the port slows in line with a lower import of goods, he added.

AM Transport now charges between

Tk 20,000 and Tk 25,000 per covered van for transporting goods from Dhaka to Chattogram port, up from Tk 13,500 to Tk 14,000 before the latest lockdowns, according to its owner Mohammad Jasim Uddin.

Some 70,000 cargo-carrying trucks and covered vans ply between Dhaka and Chattogram.

"When the demand rises, we charge a higher fare. The fares are mainly dependent on the volume of import and export of goods," said Mokbl Ahmed, president of the Bangladesh Truck Van Transport Agency Owners Association.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said the cost of production had gone by up to 30 per cent over the last eight years for various reasons.

"Now the higher transport costs have added to the woes of the garment exporters."

Both import and export costs have risen as the sea freight rate remains elevated because of an acute shortage

of empty containers and a rise in demand globally.

The freight charge between Chattogram port and Shanghai port has risen by 400 per cent. As a result, most freighters are charging between \$4,000 and \$4,200 for a 40-foot container, which was \$1,000 and \$1,200 previously, according to Syed Nurul Islam, a director of the Bangladesh Textile Mills Association.

"The cost of shipping has risen abnormally as demand has gone up because of the rebound of the global economy."

Mostofa Azad Chowdhury Babu, senior vice-president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said nobody had informed the apex trade body about the unusual transport fare hike.

"If anybody lodges complaints with the FBCCI, we will call a meeting to discuss the issue to resolve it," he said, adding that the fares were coming down gradually because of the withdrawal of the lockdown.

Sylhet tourism on road to recovery

FROM PAGE B4

There are about 100 hotels, motels, resorts, and cottages in Sreemangal upazila of Moulvibazar district.

SK Das Sumon, owner of Green Leaf Guest House, said he built the resort on his own initiative.

And even though the government collects a lot of revenue from his business through taxes, Sumon did not get any support amid the ongoing coronavirus crisis.

"We owe several crore taka to banks and don't know how we can repay them," he said.

Shamsul Haque, owner of Nishorgo Eco Resort, told this correspondent that he built the resort with foreign clientele in mind.

"But lately, only local guests come in small numbers due to Covid-19," Haque said.

Still though, the industry is doing comparatively better now, bringing much-needed relief to the related businesses as well.

From roadside tea vendors to CNG-

run auto-rickshaw drivers, everyone is benefiting from the return of tourism as thousands of people in the region depend on the industry for an income, he added.

Musa, also director of Sreemangal Tea Heaven Resort, said tourists from all over the country used to flock to the area during major holidays during the pre-pandemic era.

"But the coronavirus has forced us to start all over again," he said, adding that although restrictions on public movement have been lifted, Covid-19 still remains a very real threat for the tourism industry.

According to Musa, the industry can continue as usual as long as everyone abides by health safety rules.

"Lately though, Sreemangal town has been facing traffic congestions and this upsets tourists. So, the local administration needs to take an urgent initiative in this regard," he said.

Mir Nahid Ahsan, deputy commissioner of Moulvibazar, said the district was an important part

of Bangladesh's overall tourism industry.

"We have already provided financial assistance to 200 resort, cottage and hotel employees on behalf of the district administration," he added.

Abu Tahir Muhammad Zaber, director (marketing, planning & public relation) and joint secretary to Bangladesh Tourism Board, said the tourism sector should be reopened but run at half its capacity to accommodate tourists to help maintain health safety guidelines.

"We have given some instructions to all the deputy commissioners, especially the deputy commissioners of the Sylhet and Chattogram divisions in this regard," he said.

Besides, mobile courts have been set up to monitor for breaches in safety regulations.

"Everything will be opened 100 per cent by monitoring all the circumstances. The losses will be made up for gradually," Zaber added.

Policy framed to recognise farm sector icons

STAR BUSINESS REPORT

The agriculture ministry has framed a policy to recognise for the first time contributions of agriculture producers, entrepreneurs and scientists towards the development of the farm sector.

Under the policy, issued at the end of last week, the government would annually recognise 45 persons with an "Agricultural Important Person" (AIP) title for their contributions to agriculture, fisheries, livestock and forests.

Under the policy, the government would annually recognise 45 persons with an "Agricultural Important Person" title for their contribution to agriculture, fisheries, livestock and forests

The AIP will be bestowed on Bangladeshi farmers, agricultural scientists, entrepreneurs, commercial agro-farm owners, agro-processors and agricultural organisers under five categories.

Of the 45, 10 will be for agricultural innovation, 15 for encouraging establishment of commercial farms and agro-processing industries and 10 for production of exportable agricultural products.

Another five will go to agricultural organisations while five to Bangabandhu National Agriculture Award winners.

The title will be valid for one year. During this time, an AIP will get a pass enabling entry to Bangladesh Secretariat, be invited to national ceremonies and get priority in booking air and train tickets alongside cabins in public hospitals for family members.

"This will inspire people to work for innovation and for development of the agriculture sector. We saw a massive positive change in this sector in the last decade," said Mesbahul Islam, senior secretary to the ministry. The government currently recognises businesspeople with a "Commercially Important Person" (CIP) title recognising their roles in the enhancement of industrialisation and exports.

The policy stated some non-eligibility criteria for the AIP, such as those convicted at court, loan defaulters and anyone farming alien and invasive species.

Banglabandha land port sees record revenue

OUR CORRESPONDENT, Thakurgaon

The Banglabandha land port in Rangpur's Panchagarh district collected a record-high amount of revenue in fiscal 2020-21.

About Tk 61 crore was collected at the port, exceeding its Tk 33-crore target for the year by 83 per cent.

This is the highest amount of revenue collected at the port in the last 10 years, according to officials.

The Banglabandha land port has become a gateway to three neighbouring countries -- India, Nepal and Bhutan.

As a result, the port's potential to conduct trade activities is increasing each year, and so is the government's revenue collection, they said.

Besides, businesspeople are becoming more inclined to using the port since it

has good communication facilities and a friendly trading atmosphere, they added.

The lowest revenue collected at the port in the last ten years was Tk 7 crore in fiscal 2011-12.

Nasimul Hasan, a C&F agent of the port, said adequate warehouses, yards and sheds would make the port more operational and help increase the government's revenue collection.

Mobin-ul-Islam, assistant customs commissioner of Banglabandha land port, said mainly stones are imported through the port.

In the previous fiscal though, a remarkable quantity of rice was imported through the port, raising the revenue collection despite ongoing Covid-19 pandemic, he added.

Sylhet tourism on road to recovery



Madhabpur Lake, a popular tourist destination in Kamalganj upazila of Moulvibazar district. Local businesses that depend on tourists for a source of income hope the number of visitors will soon increase if the Covid-19 crisis subsides. The photo was taken recently.

COLLECTED

MINTU DESHWARA

Sylhet division is littered with numerous haors, waterfalls, swamp, hills, and tea gardens that make it an attractive tourist destination.

But soon after the Covid-19 outbreak in March 2020, the local tourism industry and all other related businesses were shut down in a bid to keep the deadly virus at bay.

And although the region was reopened for tourists on August 19 this year, the prolonged closure has cast doubt on whether these businesses can recover their losses.

That being said, it was seen during a recent visit to the area that tourist attractions such as Jafong, Shahjalal Majar, and Madhabkunda Falls, to name a few, were once again packed with people.

Pranesh Goala, chairman of Kalighat Union Parishad in Sreemangal upazila, said the regional tourism sector lost several crore taka due to recurring lockdowns and restrictions on

DISTRICTS IN FOCUS

public movement.

"It will be difficult to make up for the loss now," he added.

In the past, around 8,000 people would visit Moulvibazar district every day and although restrictions have been lifted, people are less willing on spending money vacationing due to the economic uncertainty brought on by Covid-19.

Satrojit Acharjee, the manager of a three-star hotel called Rest Inn, said he hopes the number of visitors would increase with time.

Even five-star hotels and resorts such as the DuSai Resort and Spa, Grand Sultan Tea Resort & Golf, and Lemon Garden Resort now hope to swiftly overcome their losses.

Many of these businesses laid off up to 80 per cent of their staff in order to cut costs during the

lockdown.

Some of the staff have already been reinstated while the rest will be brought back in phases depending on the situation, according to industry insiders.

Abu Siddique Musa, president of Sreemangal Parjatan Sheba Sangstha, an association of hotel, motel and resort owners, said they were providing various offers, such as discounts, to attract more customers.

"We have been getting a good response so far and if this continues, we will be able to make up for the losses," he added.

But even with the return of domestic tourists, some hotels and resorts that depend on foreign visitors for a bulk of their income are finding it difficult to survive.

"It will be tough to recover from our loss without foreign tourists," said Arman Khan, assistant general manager of the Grand Sultan Tea Resort & Golf in Sreemangal upazila.

READ MORE ON B3

GLOBAL BUSINESS

China passes tough new online privacy law

AFP, Beijing

China passed a sweeping privacy law aimed at preventing businesses from collecting sensitive personal data Friday, as the country faces an uptick in internet scams and Beijing targets tech giants hoovering up personal data.

Under the new rules passed by China's top legislative body, state and private entities handling personal information will be required to reduce data collection and obtain user consent.

The Chinese state security apparatus will maintain access to swathes of personal data, however.

Beijing has long been accused of harnessing big tech to accelerate repression in the northwestern Xinjiang province and elsewhere.

The new rules are also expected to further rattle China's tech sector, with companies like ride hailing giant Didi and gaming behemoth Tencent in regulators' crosshairs in recent months over misuse of personal data.

China's tech stocks including Alibaba and Tencent dipped after Friday morning's announcement.

The law aims to protect those who "feel strongly about personal data being used for user profiling and by recommendation algorithms or the use of big data in setting



The Chinese national flag is seen in Beijing. Under the new rules, state and private entities handling personal information will be required to reduce data collection and obtain user consent.

AFP/FILE

[unfair] prices," a spokesman for the National People's Congress told state news agency Xinhua earlier this week.

It will prevent companies from setting different prices for the same service based on clients' shopping history.

Tens of thousands of consumers have

complained about having to pay more for hailing a taxi using an iPhone than a cheaper mobile phone model or for tickets if they are profiled as a business traveller, China's consumer protection watchdog said.

The law is modelled after the European

Union's General Data Protection Regulation, one of the world's strictest online privacy protection laws.

"China's new privacy regime is one of the toughest in the world," said Kendra Schaefer, a partner at Beijing-based consulting firm Trivium China. "China is not really looking at the short term with this law."

"Instead, she said, it aims "to establish the foundations for the digital economy over the next 40 or 50 years."

"The law, which comes into effect on November 1, also stipulates that the personal data of Chinese nationals cannot be transferred to countries with lower standards of data security than China -- rules which may present problems for foreign businesses.

Companies that fail to comply can face fines of up to 50 million yuan (\$7.6 million) or five percent of their annual turnover.

The law says sensitive personal data includes information which if leaked can lead to "discrimination... or seriously threaten the safety of individuals" including race, ethnicity, religion, biometric data or a person's whereabouts.

But Chinese cities across the country are peppered with surveillance cameras, some outfitted for facial recognition, collecting biometric information daily.

US moves to prolong jobless aid

AFP, Washington

President Joe Biden's administration announced steps on Thursday to allow US states to continue expanded unemployment benefits as the country grapples with a surge in the Delta variant of Covid-19, even as data showed jobless claims declining for a fourth straight week.

Congress approved a massive expansion of the unemployment safety net as the pandemic began last year, but after repeated extensions the programs are due to expire nationwide early next month.

States will be able to use money left over from the \$1.9 trillion American Rescue Plan approved in March to continue some of the jobless programs, Treasury Secretary Janet Yellen and Labor Secretary Marty Walsh said in a letter to top lawmakers.

"There are some states where it may make sense for unemployed workers to continue receiving additional assistance for a longer period of time, allowing residents of those states more time to find a job in areas where unemployment remains high," the officials wrote.



A 'We're Hiring!' sign is posted at a Starbucks outlet in Los Angeles, California on August 6.

AFP/FILE

The pandemic aid boosted benefit payments and helped the long-term unemployed and freelance workers not normally eligible for regular state benefits, but many states cut them off early amid criticism the programs encouraged people not to work, even as employers struggle to fill open positions.

The US job market has improved since it suffered mass layoffs as business shut down or curtailed operations in March 2020, and the unemployment rate fell in July to 5.4 per cent from a pandemic peak of 14.8 per cent in April of last year.

New applications for unemployment benefits declined to another post-pandemic low last week, the Labor Department reported Thursday.

Initial jobless claims fell to 348,000, seasonally adjusted, in the week ended August 14, according to the data, 29,000 fewer than the previous week and less than analysts had expected.

However in a sign of the ground yet to be recovered, the report said more than 11.7 million people were receiving unemployment benefits under all programs as of July 31, including expanded federal aid.

VW reins in production for chip shortage

AFP, Frankfurt

German car giant Volkswagen will slash production at its main plant due to ongoing problems with the global supply of computer chips, a spokesman told AFP on Friday.

Following the summer holidays for workers in Germany, work on the assembly line at the company's facility in Wolfsburg will be "limited" and will have to "adapt to the supply situation", the spokesman said.

Next week, cars will only be produced during the early shift at the factory, while the rest of production will be halted.

Shortages of semiconductors are set to continue, according to the carmaker.

The renewed scarcity is in part the result of "outbreaks of Covid-19, particularly in Malaysia, which have led to factory closures for semiconductor producers", Volkswagen said.

However, the company said it hoped "as far as possible" to make up the setbacks in production over the course of the second half of the year.

Hong Kong quarantine threatens financial hub status: businesses

AFP, Hong Kong

European business leaders have warned that Hong Kong's stringent quarantine measures have left its residents "indefinitely trapped" in the city, threatening its status as an international business centre.

In a rare open letter to chief executive Carrie Lam on Thursday, the European Chamber of Commerce in Hong Kong said the city's most recent hardening of measures for inbound travellers were "out of proportion" and a "significant setback".

The Chinese financial hub maintains some of the strictest quarantine rules in the world, an

approach that has kept virus cases low but left most residents cut off from the rest of the world for the past 18 months. Arrivals from high-risk countries have to stay in hotel quarantine for 21 days, while for lower-risk countries that drops to seven days followed by another seven days of self-monitoring.

Last week, the authorities announced that a brief flirtation with relaxing some of these rules had to be scrapped. The decision threw travel plans of many into disarray towards the end of the summer holidays, sparked a shortage of hotel rooms and caused growing frustration

within the business community.

"We are of the view that Hong Kong must open itself sooner rather than later or this new quarantine regime could lead many in the international community to question if they want to remain indefinitely trapped in Hong Kong when the rest of the world is moving on," Frederik Gollob, chairman of the chamber's board of directors wrote in the letter.

"This concern amongst the international business community could pose, undoubtedly, a growing threat to Hong Kong's status as an international business centre."