Policy framed to give CIP status to recruiting agents

Star Business Report

The expatriate welfare and overseas employment ministry has framed a policy to recognise recruiting agents as commercially important persons (CIPs) for their contribution to overseas employment.

The ministry issued a gazette notification in this regard on August 25.

As per the policy, the government would annually recognise 20 recruiting agents as CIPs for two years in recognition of their significant contribution to the country's economy through safe, regular, quality and responsible immigration activities.

Of them, three CIPs will be reserved for women entrepreneurs. Besides, the incumbent president and secretary of the Bangladesh Association of International Recruiting Agencies (Baira) will be selected as CIP ex-officio member.

For the selection of a recruiting agent as a CIP, their activities for the previous two years will be evaluated.

Ali Haider Chowdhury, former secretary general of Baira, said it was their long-standing demand.

"We are now feeling honoured. Now those who work in this sector will be encouraged. They will go for more ethical competition," he said.

The last time the CIP status was given in this sector was in 2001, he added.

ELIGIBILITY FOR CIP STATUS

In the case of a proprietary organisation, the proprietor of the organisation will apply for CIP status and in the case of a limited company, the company chairman or managing director will apply following approval from the board of directors of said company.

The applicant recruiting agent must send a minimum of 2,000 employees, both male and female, in the relevant period and manage employment for them abroad.

At least 200 workers will have to be sent abroad through demand letters and a minimum of 300 expatriate workers will have to be trained by their respective agents.

Interested applicants can apply within the prescribed date mentioned in the advertisement directly or online.

Govt will annually recognise 20 recruiting agents as CIPs for two years in recognition of their contribution to the economy through safe and responsible immigration activities

The Ministry of Expatriate Welfare and Overseas Employment will form two committees to select the CIPs.

BENEFITS OF THE STATUS

CIPs will get a government-approved identity card from the ministry, can enter the secretariat and be included as a member in the policy making committee of the ministry.

They will be invited to attend important national and international events, including Victory Day and Independence Day, Eid-ul-Fitr, Eid-ul-Azha, Martyr's Day, International Mother Language Day, the birthday of the father of the nation Bangabandhu Sheikh Mujibur Rahman, May Day, National Mourning Day, and International Migrants Day.

The CIPs will get priority in the reservation of seats in air, rail, road and watercraft transport and they will get cabin facilities at government hospitals for the treatment of their wife, son, daughter or themselves.

READ MORE ON B3

Hoarders, exporters dominate jute markets

Small mills lag behind

DISTRICTS IN FOCUS

EAM Asaduzzaman, Nilphamari

Allured by the high price of raw jute at the fag end of last year, a section of traders and seasonal buyers are now rushing to stockpile the product.

Each maund (37 kilogrammes) of jute sold for as much as Tk 6,500 at the time while it was just Tk 1,800 not long before, bringing up to three times the profit for sellers.

As such, certain traders and buyers who expect a similar scenario to play out this year have started to hoard the fibrous material.

Besides, a mad dash among exporters to buy jute coupled with the reluctance among farmers to sell the product right now in hopes of better prices in the future has led to a shortage in local markets.

Jute was cultivated on 6.80 lakh hectares to produce 77.25 lakh bales in FY2020-21, down from 6.79 lakh hectares and 80.45 lakh bales the previous year, according to data from the Department of Agricultural Extension (DAE) and Bangladesh Bureau of Statistics.

Major jute exporters and other buyers purchase the product either directly from the farmers or as soon as they reach the market.

As a result, many small jute mills lag behind in collecting their required amounts of raw jute as big buyers create an unhealthy competition that leads to higher production costs as well.

Mahamudar Rahman, a jute trader based in Nilphamari district, said that this year's situation is unlike the past, when jute mills under the Bangladesh Jute Mills Corporation explored the area to source raw jute each season.

"Initially we were confused as to who would purchase raw jute in their absence but the emergence of hoarders, exporters and seasonal buyers gave a new and dynamic shape to the jute market," he added.

Piles of jute are seen being readied for shipment as a section of traders and buyers are rushing to stock up on the product in hopes of securing profits similar to that of last year, when raw jute sold for as much as Tk 6,500. The photo was taken recently.

PHOTO: STAR

Siddiqul Alam, owner of Eque Jute Process in Saidpur upazila, said they managed to buy just 200-300 maunds of jute from the market even though they would get as much as 2,000-3,000 maunds in previous years.

"This is insufficient to run the mill," he added.

Exporters pay their local agents in advance to buy jute at higher prices. The product ultimately leaves the country in the name of export, hindering the development of local mills, Alam said.

During a visit to jute markets in the Jaldhaka and Saidpur upazilas, this correspondent found that buyers were purchasing jute from farmers almost as fast as it was being harvested.

However, the competitive market is a blessing for farmers as each maund now sells for between Tk 2,500 and Tk 3,200 depending on quality.

DAE officials in Nilphamari informed that farmers cultivated jute on 7,000 hectares of land in the district this year while it was 6,800 hectares in 2020, when 15,000 tonnes of the product were collected from the region.

Abdul Gani, a farmer of Sadar upazila's Dolua Dogasi village, said it costs about Tk 10,000 to cultivate jute of ordinary quality on one bigha of land, which produces 8 to 10 maunds of the product.

"The jute can then be sold for a total of about Tk 20,000, bringing farmers double their investment," he added.

GLOBAL BUSINESS

Australia considering new laws for Apple, Google, WeChat digital wallets

Reuters, Canberra

The Australian government is considering new laws that would tighten the regulation of digital payment services by tech giants such as Apple and Alphabet's Google.

Treasurer Josh Frydenberg said he would "carefully consider" that and other recommendations from a government-commissioned report into whether the payments system had kept pace with advances in technology and changes in consumer demand.

Services such as Apple Pay, Google Pay and China's WeChat Pay, which have grown rapidly in recent years, are not currently designated as payment systems, putting them outside the regulatory system.

A smartphone with the Apple Pay logo is placed on a displayed Google Pay logo in this illustration taken on July 14.

REUTERS/FILE

"Ultimately, if we do nothing to reform the current framework, it will be Silicon Valley alone that determines the future of our payments system, a critical piece of our economic infrastructure," Frydenberg said in an opinion piece published in the Australian Financial Review newspaper.

The Bank for International Settlements (BIS) earlier this month called for global financial watchdogs to urgently get to grips with the growing influence of 'Big Tech', and the huge amounts of data controlled by groups such as Google, Facebook, Amazon and Alibaba.

The Australian report recommended the government be given the power to designate tech companies as payment providers, clarifying the regulatory status of digital wallets.

It also recommended the government and industry together establish a strategic plan for the wider payments ecosystem and that a single, integrated licensing framework for payment systems be developed.

The Reserve Bank of Australia, which is currently in charge of designating who is a payment services provider, reported that payments through digital wallets had grown to 8 per cent of in-person card transactions in 2019, up from 2 per cent in 2016.

The Commonwealth Bank of Australia, which has estimated digital wallet transactions more than doubled in the year to March to 2.1 billion Australian dollars, has urged regulators to address "competition issues" and consider the safety implications of their use.

China August factory activity seen growing at slower pace

Reuters, Beijing

Growth in China's factory activity likely cooled further in August, a Reuters poll showed on Monday, as Covid-related restrictions and high raw material prices continued to pressure manufacturers and the economy lost momentum.

The official manufacturing Purchasing Manager's Index (PMI)is expected to slip to 50.2 in August from 50.4 in July, a fifth month of slowing growth, according to the median forecast of 33 economists polled by Reuters.

A reading above 50 indicates expansion from the previous month.

PMIs for manufacturing and services will likely moderate in August due to Covid-19 outbreaks of the more infectious Delta variant and ensuing lockdown measures, said analysts at Barclays in a note.

"With slowing growth momentum and dovish signals (from China's central bank) we expect more easing, but still at a measured pace as policymakers eye headwinds in 2022."

The world's second-largest economy staged an impressive recovery from a coronavirus-battered slump, but growth has recently shown signs of losing steam due to domestic Covid-19 outbreaks, slowing exports, tighter measures to tame hot property prices and a campaign to reduce carbon emissions.

A man wearing a face mask works on a production line manufacturing bicycle steel rim at a factory, as the country is hit by the novel coronavirus outbreak, in Hangzhou, Zhejiang province, China.

REUTERS/FILE

To bolster the economy, the People's Bank of China(PBOC) in mid-July cut the amount of cash banks must hold as reserves, releasing around 1 trillion yuan (US$6.47 trillion) in long-term liquidity.

Many analysts expect another cut later in the year.

China's latest coronavirus outbreaks appear to have been largely brought under control, with zero locally transmitted cases reported on Aug 29., for the second day in a row.

But it spurred authorities across the country to impose counter-epidemic measures including mass testing for millions of people as well as travel restrictions of varying degrees and port shutdowns.

Meishan terminal at China's Ningbo port resumed operations in late August after shutting down for two weeks due to a Covid-19 case.

The closure caused logjams at ports across the country's coastal regions and further strained global supply chains amid a resurgence of consumer spending and a shortage of container vessels.

Higher raw material prices, especially of metals andsemiconductors, have also pressured profits. Earnings at China's industrial firms in July slowed for the fifth straight month.

The official PMI, which largely focuses on big andstate-owned firms, and its sister survey on the services sector, will both be released on Tuesday.

The private Caixin manufacturing PMI will be published onWednesday. Analysts expect the headline reading will slip to 50.2 from July's 50.3.

Singapore must remain open as anxiety over job competition grows: PM

Reuters, Singapore

Singapore must stay open to preserve its status as a global business hub, its prime minister said on Sunday, even as the country continues to tighten its foreign worker policies and addresses anxieties among locals over competition for jobs.

Foreign labour has long been a hot button issue in Singapore, but uncertainties due to the Covid-19 pandemic have increased employment worries among locals as the city state recovers from last year's record recession. "We must make it crystal clear to the world that Singapore is determined to stay open, in order to earn a living for ourselves," Lee Hsien Loong said in his National Day Rally speech.

He said the country must not give the impression that Singapore is becoming xenophobic and hostile to foreigners. "It would gravely damage our reputation as an international hub. It would cost us investments, jobs and opportunities. It would be disastrous for us."

While Singapore will continue to tighten its foreign worker policies, it will only do so gradually so as not to hurt businesses, Lee said. The government will also pass a law to ensure fair hiring, he said.

Lee's government has been tightening foreign worker policies for several years while taking steps to promote local hiring, including by raising the salary threshold for issuing work permits. Just under 30 per cent of Singapore's 5.7 million population are non-residents, up from around 10 per cent in 1990, according to government statistics.

On Sunday, Singapore hit a key milestone of fully vaccinating 80 per cent of its population against Covid-19, setting the stage for further reopening of the economy as the country gets ready to live with the virus as endemic. "We may have to tap on the brakes from time to time, but we want to avoid having to slam on the brakes," Lee said.

"So in the next phase, we will move step by step not in one big bang like some countries but cautiously and progressively, feeling our way forward," Lee added.

France's Covid relief spending hits 240b euros

AFP, Paris

The French government has extended 240 billion euros ($283 billion) in financial aid to businesses hammered by the coronavirus pandemic since March 2020, mainly in the form of state-guaranteed loans, Finance Minister Bruno Le Maire announced Monday.

President Emmanuel Macron vowed to protect French companies and their employees "whatever the cost" after many were forced to close during three nationwide lockdowns since the outbreak began.

"The bill for 'whatever the cost' stands at 80 billion euros in subsidies, and 160 billion euros in loans," Le Maire told France Inter radio.

The aid will now be limited to only the hardest-hit sectors such as tourism and leisure, whose representatives are to meet with Le Maire and other officials later Monday.

The government expects economic growth to hit six per cent this year after France and other countries plunged into recession last year. France's recovery "is going to continue," Le Maire said, in large part thanks to higher consumer spending that is helping the economy operate "at 99 per cent of its capacities."