

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.68%	▲ 0.79%	\$1,816.26	\$70.62	▼ 0.37%	▲ 1.29%	▲ 1.07%	▲ 0.65%	BUY TK 84.25	98.32	114.71	12.76
6,916.38	12,081.06	(per ounce)	(per barrel)	57,338.21	28,451.02	3,087.84	3,567.10	SELL TK 85.25	102.12	118.51	13.41

# star BUSINESS

DHAKA THURSDAY SEPTEMBER 2, 2021, BHADRA 18, 1428 BS • starbusiness@thedailystar.net

## Weighed down by high production costs

Garment exporters grapple with soaring yarn prices and freight charges

REFAYET ULLAH MIRDHA

Garment exporters have been feeling the pinch of an unusual rise in the cost of production fuelled by hikes in yarn prices and freight charges in the wake of a recovery in export during this time of Covid-19.

Entrepreneurs said the cost per unit soared by as much as 30 per cent from that a year ago as Bangladesh was fully dependent on imported goods for making readymade garments (RMG).

Cotton prices have climbed to 93 cents per pound in international futures markets. Prices varied between 70 cents and 74 cents per pound even in January and March.

Higher cotton prices pushed up yarn prices in local markets. With yarn prices affecting profitability of the garment sector, garment exporters and spinners are engaged in a war of words.

Finally last week, the widely consumed 30 carded cotton-made yarn was fixed at \$4.20 per kilogramme (kg) in consultation with garment manufacturers and spinners.

It was decided that spinners would increase yarn prices if



cotton prices crossed \$1 per pound in international markets and go for a reduction if it went below 85 cents.

Rates of \$4.20 and \$4.35 per kg were the highest to be reached by local yarn prices from previous rates between \$3.50 and \$3.60 per kg a year earlier.

"The per unit cost of production increased between 20 and 30 per

cent depending on the product for different reasons," said Kutubuddin Ahmed, chairman of Envoy Group, a leading garment exporter.

"We have a lot of work orders from international retailers and brands. We are overbooked...up to October this year. The garment sector in Bangladesh is rebounding strongly," he said.

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## State banks not keen on Padma's merger request

AKM ZAMIR UDDIN

Managements of the state-owned banks are in a state of discomfort after being informed about the Padma Bank's wish to get merged with a state lender.

If Padma Bank is merged with any state bank, the financial health of the lender will worsen more in the days ahead, said managing directors and senior officials of the lenders.

Padma Bank, the erstwhile Farmers Bank, in a letter to the finance ministry on August 8, said it intends to merge with any state lender in order to avoid a "potential catastrophe".

The beleaguered lender requested the government for allowing it to be merged with any state bank - Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank and Bangladesh Development Bank.

Default loans in the five banks stood at Tk 35,850 crore as of June this year, which is 18.12 per cent of their total outstanding loans, according to data from the central bank.

Md Abdus Salam Azad, managing director of Janata Bank, said his bank was already facing different types of problems.

"The financial indicator of the state bank will worsen if Padma is merged with the lender," he said.

Janata Bank will have to take over all loans of Padma Bank if it merges with the latter, he said.

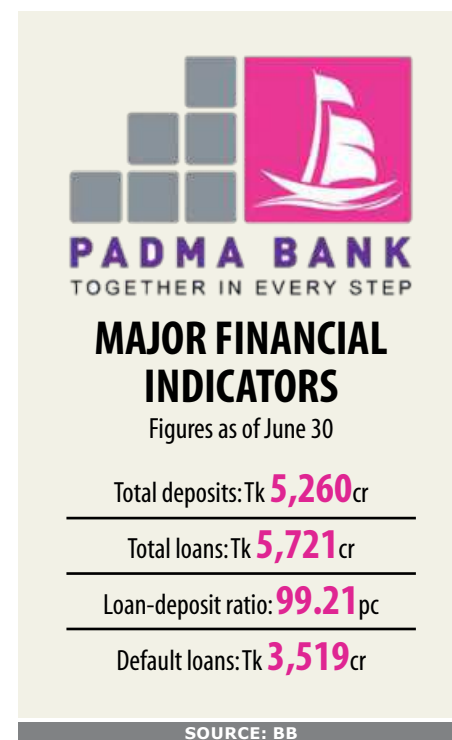
As of June this year, non-performing loans in Padma Bank stood at Tk 3,519 crore, or 61.65 per cent of its outstanding loans.

"Such a large amount of default loans of Padma will put an adverse impact on Janata," he said.

Mohammad Shams-Ul Islam, managing director of Agrani Bank, said he was not aware of the merger proposal.

"I am a director of the Padma Bank board but I did not get to know anything about the merger process. The proposal has not even got approval from the Padma's board," he said.

As per a government decision, the



Investment Corporation of Bangladesh (ICB), Sonali, Janata, Agrani and Rupali together injected Tk 715 crore in the form of capital in 2018 into Padma in order to bolster its financial health.

Managing directors of the four lenders and the ICB have been serving as board members of the Padma since then.

Islam, however, said his bank would take a decision to this end as per government instructions.

The Daily Star talked to a good number of high officials of the rest of the state lenders regarding the issue.

All of them expressed dissatisfaction over the proposal as merging with Padma Bank would not bring any good for them.

The finance ministry yesterday forwarded the letter to Bangladesh Bank, requesting it to take a decision.

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## Junk stocks rule the roost again

DSEX continues record climb

STAR BUSINESS REPORT

Junk stocks took prominent positions in the gainers' list yesterday, when the prime index of Dhaka Stock Exchange (DSE) hit a record high.

The DSEX, the benchmark index of the country's premier bourse, maintained its upward trend for the second day in a row to surge by 47 points, or 0.68 per cent, to 6,916.

This is the highest level the index has ever reached since its inception in 2013. The blue chip stock index, DS-30, edged up 20 points to 2,474 while the Shariah index, DSES, rose 5 points to 1,495.

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TOP TEN GAINERS IN DSE		
COMPANY	CATEGORY	RISE (IN %)
Mithun Knitting	Z	10
Rangpur Foundry	A	9.99
Eastern Insurance	A	9.98
Bangladesh National Ins	A	9.96
Tamijuddin Textiles	Z	9.91
GPH Ispat	A	9.78
Tallu Spinning	Z	9.60
RSRM Steel	A	9.56
CVO Petrochemical	B	8.70
Meghna Condensed Milk	Z	8.59

SOURCE: DSE

## Remittance slips to 6-month low

STAR BUSINESS REPORT

Remittance inflow declined 8 per cent year-on-year in August to \$1.8 billion, the lowest in the past six months, as money transfers through informal channels such as "hundi" have increased, according to various experts.

August was the third consecutive month when remittance showed a downward trend.

With the latest decline, the total remittance inflow, which plays a major role in strengthening the country's foreign exchange reserves, fell 19 per cent to \$3.68 billion in fiscal 2021-22 from \$4.56 billion the year before, showed data from Bangladesh Bank.

In Bangladesh, a lot of money changes hands through informal channels, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

Due to recurring government restrictions at home and abroad to curb the spread of Covid-19, the flow of funds through these informal channels took a hit, which is one of the reasons why inward remittance had increased.

"Because everything was closed at the time," Rahman said.

Inward remittance hit its highest point of around \$25 billion in



Migrant workers stand in a queue for taking vaccines on the premises of Dhaka Medical College and Hospital. Remittances sent by migrant workers play a major role in strengthening the country's foreign exchange reserves.

the previous fiscal with analysts suggesting that the surging inflow was a result of a transfer of savings by returnee migrant workers and a reduction in illegal money transfers.

But the flow of remittances

through formal channels has decreased as the informal money transfer market is back up and running, he added.

"We had an exceptional period last year," said another banker

who works at one of the largest remittance recipient banks.

He linked the drop in remittance inflow to declining jobs abroad compared to the pre-pandemic period.

STAR/FILE

## Breather for NBFIs borrowers

STAR BUSINESS REPORT

Bangladesh Bank yesterday said borrowers of non-bank financial institutions (NBFI) would not become defaulters until December if they pay 50 per cent of their loans' instalment.

The central bank took this decision given the ongoing business slowdown brought on by Covid-19.

Borrowers will have to pay the rest of the amount of instalments within one year after completion of the repayment tenure of the loans. NBFI will not be allowed to transfer their unrealised interest or profit to their income segment during the given period mentioned by Bangladesh Bank.

This means only the interest amount, which is recovered from clients, can be added to the income segment, the notice said.

A central bank official said that a good number of clients in the NBFIs sector were now facing a bad state of affairs due to the ongoing economic slowdown. The latest instruction aims to help borrowers get a remedy for the crisis, he added.

## Banglalink revenue rises in Q2

STAR BUSINESS REPORT

Banglalink, the third largest mobile operator in Bangladesh, witnessed a 6.9 per cent rise in revenue year-on-year in the second quarter of 2021, driven by an increase in data revenue alongside the number of customers of this segment.

In currency, Tk 1,184 crore was generated as revenue which was Tk 1,108 crore a year earlier, according to a financial statement of parent entity Veon.

Banglalink has succeeded in keeping up its growth trajectory in the second quarter with solid

performances in all segments, said CEO Erik Aas.

It was "driven by a growth in our data revenue and growth in our service revenue", he said.

The data revenue surge was of 15 per cent to Tk 337 crore while the number of customers using data 8.9 per cent to 2.12 crore, showed the data.

Most significantly data use increased by 43.7 per cent in the second quarter while customer base and data customer base by 7 per cent and 8.9 per cent respectively.

"As a result of our efforts to encourage more customers to



embrace digital facilities, Toffee saw a significant surge in popularity," said Aas.

Video streaming app "Toffee" gained 1.6 million additional active

users during the second quarter, resulting in its monthly active user base reaching 50 lakh while average view duration increasing by 36.9 per cent year-on-year to 23 minutes.

Despite the countrywide lockdown in April 2021, Banglalink recorded growth in revenue for adjustments made to business, including a greater use of digital channels to engage with customers, said the report.

Its profits before interest, taxes, depreciation and amortisation rose 4 per cent year-on-year to Tk 477 crore in the second quarter.

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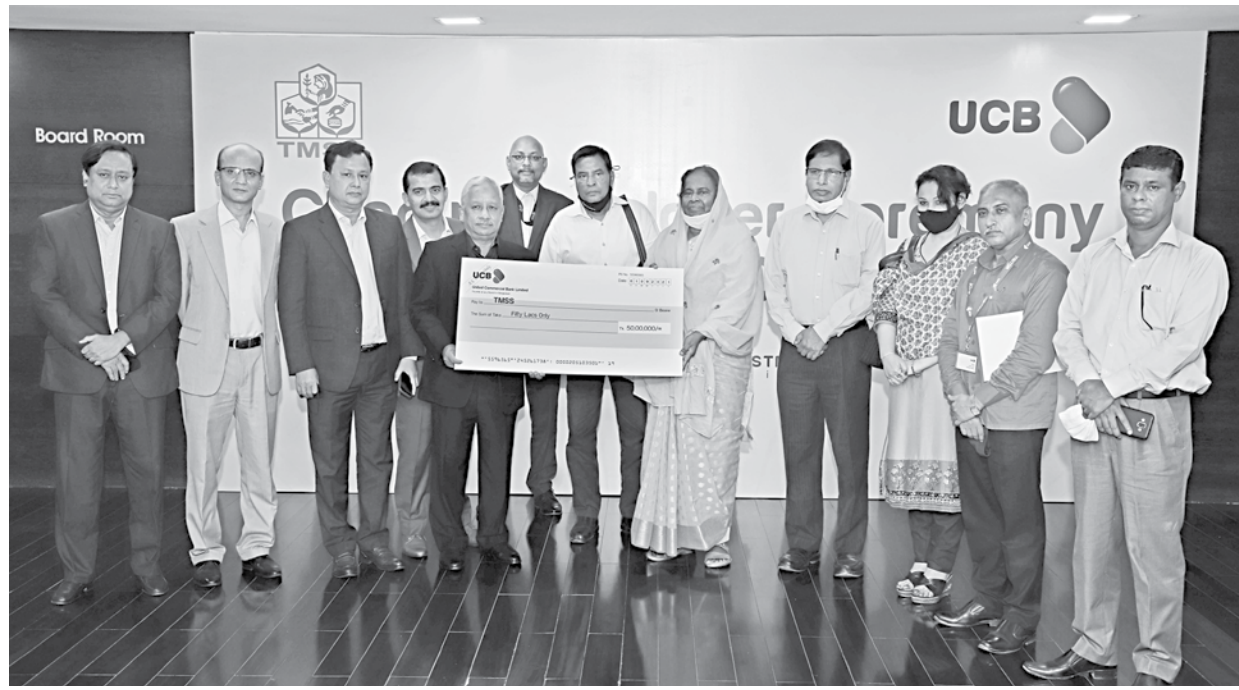
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FASTEST GROWING LEADER OF BANGLADESH 2020-21  
FASTEST GROWING BRAND OF BANGLADESH 2020-21

ASSURE GROUP, the leading Real Estate Company in Bangladesh, has recently been recognized as one of the "Fastest Growing Brand 2020-21" in Bangladesh for its significant contribution in the Real Estate Industry of Bangladesh and Mr. Md. Sheikh Shadi, the Founder & Chairman of ASSURE GROUP, has been recognized as the "Fastest Growing Leader 2020-21" by the renowned international magazine AsiaOne.

ASSURE Family is expressing warmest congratulations on this achievement.





**Arif Quadri, acting managing director of United Commercial Bank, handed over a cheque worth Tk 50 lakh to Hosne-Ara Begum, executive director of microcredit non-governmental organisation Thengamara Mohila Sabuj Sangha, at the bank's corporate head office as a part of its corporate social responsibility. Abul Alam Ferdous, deputy managing director of the bank, and Md Abdullah Al Mamoon, Mohammed Habibur Rahman and ATM Tahmiduzzamand, deputy managing directors, were present.**



**Nasimul Alam Chowdhury (Nazrul), representing Cumilla 8 constituency in parliament, inaugurated a Barura sub-branch of South Bangla Agriculture & Commerce (SBAC) Bank at Barura Uttarbazar in Cumilla yesterday. Mosleh Uddin Ahmed, managing director and CEO of the bank, M Shamsul Arefin, additional managing director, Shafiuddin Ahmed, deputy managing director, and Md Kamal Uddin, head of legal & recovery, and Md Abdullah, heads of division, virtually attended the programme.**

**MTB, Novoair, UnionPay platinum credit card launched**

**STAR BUSINESS DESK**  
Mutual Trust Bank and Novoair has launched a co-branded UnionPay platinum credit card for the latter's "SMILES" frequent flyers programme at MTB Centre recently.  
Cardholders will enjoy benefits like discounts on all domestic and international route fares, bonus SMILES miles and free access to the bank's air lounges.  
The event was attended by Mofizur Rahman, managing director of Novoair, Syed Mahbubur Rahman, managing director and CEO of the bank, and Masud Raihan, manager of UnionPay International Bangladesh, said a press release.

**Google extends remote work option due to pandemic**

**AFP, San Francisco**  
Google on Tuesday extended the option for its employees to work from home into next year due to the pandemic.  
Returning to Google campuses will remain voluntary globally through January 10, with local offices given the discretion to decide when to require employees to return to their desks, according to chief executive Sundar Pichai.  
"I'm happy to say that a large number of offices globally are already open for business, and we are welcoming back tens of thousands of Googlers on a voluntary basis," Pichai said.  
"The road ahead may be a little longer and bumpier than we hoped, yet I remain optimistic that we will get through it together."  
"He promised Google workers 30 days' notice before they would have to return to their offices, and announced they would be able to take off an extra



**Commuters outside the Google offices in the King's Cross Central development in London, UK.**  
in an effort to limit the spread of Covid-19.  
Tech firms have also instituted vaccine and mask requirements to make offices safer as the Delta variant surges in the US and other countries.

**China energy regulator pledges to improve after scathing govt audit**

**REUTERS, Shanghai**  
China's energy regulator has promised to learn from its mistakes and improve its planning and policy making after a central government inspection team said it had failed to meet state environmental protection requirements.  
The National Energy Administration (NEA) was accused by an inspection team in January this year of prioritising energy supply as well as the profits of energy enterprises over the protection of the environment.  
The inspectors said the NEA had failed to control new coal-fired power capacity or complete new power transmission projects designed to curb pollution in smog-prone regions like Beijing-Tianjin-Hebei or the Yangtze river delta. In a detailed "rectification plan" published late on Tuesday, the energy regulator promised to "thoroughly investigate shortcomings" uncovered last year.  
It said it would also keep provincial-level energy planning under tighter control

and supervision, make sure key state energy transmission projects were completed as soon as possible and revise laws and regulations to help meet climate goals.  
As well as specific lapses on issues like renewable energy, environmental inspectors said the NEA had not been properly guided by President Xi Jinping's "Thought on Ecological Civilisation".  
The NEA, which has been mired in a series of corruption scandals since it was established in 2008, promised in its Tuesday response to "unswervingly carry out" Xi's thoughts and instructions.  
Since Xi came to power in 2012, environmental compliance has become a key part of his efforts to strengthen his leadership, enforce political loyalty and extend the role played by the Chinese Communist Party in the economy.  
China is also using its role as host of a global biodiversity summit in October to promote "Xi Jinping Thought" overseas, with his environmental slogans included in a draft summit declaration issued to international parties last week.

**Government of the People's Republic of Bangladesh**  
Department of Environment  
E/16, Agargaon, Sher-e-Bangla, Nagar, Dhaka-1207  
Web: [www.doe.gov.bd](http://www.doe.gov.bd)

**শেখ হাসিনার বাংলাদেশ পরিষ্কার পরিবেশ**

**Invitation for Tender**

1	Ministry/Division	Ministry of Environment, Forest and Climate Change.
2	Agency	Department of Environment.
3	Procuring entity name	Director (Admin), Department of Environment, Head Office, Dhaka.
4	Procuring entity code	Not used at present.
5	Procuring entity district	Dhaka.
6	Invitation for	আউট সোর্সিং এর মাধ্যমে ১৩ জন জনবল নিয়োগ
7	Invitation Ref. No.	22.02.0000.008.45.73.20-141
8	Date	০১/০৯/২০২১

**KEY INFORMATION**

9	Procurement method	Open Tendering Method (One stage two envelop).
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**FUNDING INFORMATION**

10	Budget and source of funds	GOB (Revenue Budget).
11	Development partners (if applicable)	N/A.

**PARTICULAR INFORMATION**

12	Project/program code (if applicable)	N/A.
13	Project name (if applicable)	N/A.
14	Tender Package No.	DOE/GR-11 (FY 2021-2022)
15	Tender package name	আউট সোর্সিং এর মাধ্যমে ১৩ জন জনবল নিয়োগ
16	Tender publication date	02/09/2021
17	Tender last selling date and time	19/09/2021; 5:00pm
18	Tender closing date and time	20/09/2021; 12:00pm
19	Tender opening date and time	20/09/2021; 12:30pm
20	Name & address of the office(s)	Address
	-Selling tender document (principal)	Accounts Section, Department of Environment, E-16, Agargaon, Dhaka.
	-Selling tender document (others)	N/A.

No conditions apply for sale, purchase or distribution of tender documents

-Receiving tender document	Room No. 710 (6th Floor), Poribesh Bhaban, New Building, E-16, Agargaon, Dhaka-1207.
-Opening tender document	Conference Room 5th Floor, Poribesh Bhaban, New Building, E-16, Agargaon, Dhaka-1207.

**INFORMATION FOR TENDERER**

21	Eligibility of tenderer	<ul style="list-style-type: none"> <li>Tenderers shall have the legal capacity to enter into the contract under the Applicable Law.</li> <li>Tenderers shall be enrolled in the relevant professional or trade organisations registered in Bangladesh.</li> <li>Tenderers shall have update trade licence, taxpaying certificate, five years general experience and three years specific experience in supplying manpower.</li> <li>The tenderer shall have other qualifications as per the tender document.</li> </ul>
22	Brief description of services	পরিবেশ অধিদপ্তরের জন্য আউটসোর্সিং এর মাধ্যমে ১৩ জন জনবল (১ জন মাস্ট্রিমিডিয়া ও সাউন্ড সিস্টেম টেকনিশিয়ান, ১ জন ইলেকট্রিশিয়ান, ১ জন এপি সেক্যানিক, ২ জন ড্রাইভার (সাইট), ১ জন সেনিটারি মিস্ট্রী (প্রাথমিক), ১ জন ফায়ার সিস্টেম অপারেটর, ২ জন লিফটম্যান, ১ জন অডিটরিয়াম ও সেনিনার রুম এটেন্ডেন্ট ও ৩ জন পরিষ্কারকর্মী)।
23	Price of tender document (Tk)	1,000.00 (non-refundable).
	Package No.	DoE/GR-11
	Identification of package	আউটসোর্সিং এর মাধ্যমে ১৩ জন জনবল নিয়োগ
	Location	Dhaka
	Tender security amount (Tk)	95,000/-
	Completion time in weeks/ months	12 months

**PROCURING ENTITY DETAILS**

24	Name of official inviting tender	Dr. A.T.M Mahbub-ul-Karim.
25	Designation of official inviting tender	Director (Admin).
26	Address of official inviting tender	Department of Environment, Head Office, Poribesh Bhaban, E/16, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207.
27	Contact details of official inviting tender	Phone: 8181790, Fax: 8181772, E-mail: <a href="mailto:diradmin@doe.gov.bd">diradmin@doe.gov.bd</a>
28	The procuring entity reserves the right to reject all the tenders or annul the tender proceedings.	

**Dr. A.T.M. Mahbub-ul Karim**  
Director (Admin)  
Phone: 8181790

GD-1566

**Australian growth beats forecasts**

**AFP, Sydney**  
Australia's economy expanded more than expected in the second quarter, data showed Wednesday, easing concerns that the country could suffer a double-dip recession as it battles a fresh wave of Covid infections thanks to a pick-up in domestic demand.  
However, there are fears it will suffer a contraction in the current period with the two biggest cities stuck in lockdown with authorities struggling to contain the latest outbreak.  
The Australian Bureau of Statistics reported the economy grew 0.7 per cent in April-June as household spending and government expenditure jumped.  
Compared with the same period last year the economy soared 9.6 per cent owing to the very low base of comparison.

**Mexican economy to grow 6.2pc in 2021**

**Central bank says**  
**AFP, Mexico City**  
Mexico's economy will grow by 6.2 per cent this year after a deep pandemic-induced recession in 2020, the central bank predicted Tuesday, in the latest upgrade to its forecast.  
In June, the Bank of Mexico had predicted growth of 6.0 per cent for Latin America's second-largest economy in 2021, after a forecast in March of 4.8 per cent.  
The Mexican economy shrank 8.5 per cent in 2020, according to official figures, in the worst slump since the Great Depression some nine decades ago.  
In its quarterly inflation report, the central bank said that the latest upgrade was mainly due to a better than expected second quarter, when the economy grew 19.5 per cent year-on-year.

**গণপ্রজাতন্ত্রী বাংলাদেশ সরকার**  
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শহর সমাজসেবা কার্যালয়  
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স্মারক নং-৪১.০১.৭৬০০.০৪১.০৭.০০২.২১.১৯৭ ০১/০৯/২০২১খ্রিঃ

**দরপত্র বিজ্ঞপ্তি**

শহর সমাজসেবা কার্যালয়, পাবনা এর আওতাধীন দক্ষতা উন্নয়ন প্রশিক্ষণ কেন্দ্রে ২০২১-২২ অর্থবছরে কম্পিউটার ও আনুষঙ্গিক মালামাল সরবরাহের নিমিত্তে বাংলাদেশের প্রকৃত সরবরাহকারী প্রতিষ্ঠানের নিকট হতে দরপত্র আহ্বান করা যাচ্ছে।

১.	মন্ত্রণালয়/বিভাগ	সমাজকল্যাণ মন্ত্রণালয়।
২.	এজেন্সি	সমাজসেবা অধিদপ্তর।
৩.	সংগ্রাহক সত্তার নাম	সমাজসেবা অফিসার, শহর সমাজসেবা কার্যালয়, পাবনা।
৪.	সংগ্রাহক সত্তার জেলা	পাবনা।
৫.	যে কাজের দরপত্র	আধুনিক কম্পিউটার ল্যাব স্থাপনের জন্য ডেস্কটপ কম্পিউটার (ইউপিএসসহ), ল্যাপটপ এবং প্রজেক্টর সরবরাহ।
৬.	দরপত্র নম্বর ও তারিখ	৪১.০১.৭৬০০.০৪১.০৭.০০২.২১.১৯৭; তারিখঃ ০১/০৯/২০২১খ্রিঃ।
৭.	দরপত্র প্রচারের তারিখ	০২/০৯/২০২১খ্রিঃ।
৮.	সংগ্রাহক পদ্ধতি	উন্মুক্ত দরপত্র পদ্ধতি (ও.টি.এম)।
৯.	বাজেট এবং তহবিল উৎস	রাজস্ব বাজেট, জিওবি।
১০.	দরপত্রের প্যাকেজ নং	০১টি।
১১.	দরপত্রের প্যাকেজ নাম	২০২১-২২ অর্থবছরে শহর সমাজসেবা কার্যালয়, পাবনা এর আওতাধীন দক্ষতা উন্নয়ন প্রশিক্ষণ কেন্দ্রে আধুনিক কম্পিউটার ল্যাব স্থাপনের জন্য ডেস্কটপ কম্পিউটার (ইউপিএসসহ), ল্যাপটপ এবং প্রজেক্টর সরবরাহ।
১২.	দরপত্র সিডিউল বিক্রয়ের শেষ তারিখ	১৬/০৯/২০২১খ্রিঃ (অফিস চলাকালীন সময়)।
১৩.	দরপত্র দাখিলের শেষ তারিখ ও সময়	১৯/০৯/২০২১খ্রিঃ তারিখ দুপুর ১২.০০ ঘটিকা।
১৪.	দরপত্র খোলার তারিখ ও সময়	১৯/০৯/২০২১খ্রিঃ তারিখ দুপুর ১২.৩০ঘটিকা। দরদাতা বা তার মনোনীত প্রতিনিধির উপস্থিতিতে খোলা হবে (যদি কেউ উপস্থিত থাকেন)।
১৫.	কার্যালয়ের নাম ও ঠিকানাঃ	শহর সমাজসেবা কার্যালয়, পাবনা।
	ক. মূল দরপত্র দলিল বিক্রয়	জেলা সমাজসেবা কার্যালয়, পাবনা ও শহর সমাজসেবা কার্যালয়, পাবনা।
	খ. দরপত্র দলিল গ্রহণ	শহর সমাজসেবা কার্যালয়, পাবনা।
	গ. দরপত্র দলিল খোলা	শহর সমাজসেবা কার্যালয়, পাবনা।
১৬.	দরদাতার যোগ্যতা	(১) বৈধ কম্পিউটার সরবরাহকারী প্রতিষ্ঠান। (২) সিডিউল ক্রয়ের ট্রেজারী চালানের মূলকপি, হালনাগাদ ট্রেড লাইসেন্স, ব্যাংক সাহেলতার সনদ, আয়কর সনদ, ভ্যাট নিবন্ধন সনদ ও দরপত্র দলিল অনুসারে অভিজ্ঞতা সনদপত্র এর অধিকারী হতে হবে ও দরপত্র দলিলের সাথে দাখিল করতে হবে।
	দরপত্র সিডিউলের মূল্য	দরপত্র সিডিউলের মূল্য ট্রেজারী চালানের মাধ্যমে কোড ১-২৯৩১-০০০০-২৩৬৬-তে (অফেরতযোগ্য) জমাপূর্বক সিডিউল ক্রয় করা যাবে।

১৭.	গ্রুপ	সংক্ষিপ্ত বিবরণ	সিডিউল মূল্য	টেন্ডার সিকিউরিটির পরিমাণ	সম্পন্ন করার সময়
	০১	১. ডেস্কটপ কম্পিউটার (ইউপিএসসহ) ২. ল্যাপটপ ৩. প্রজেক্টর	৫০০/-	সিডিউল মোতাবেক	৫ সপ্তাহ

১৮.	দরপত্র আহ্বানকারী কর্মকর্তার নাম	মোঃ হাফিজ আহমেদ।
১৯.	দরপত্র আহ্বানকারী কর্মকর্তার পদবী	সমাজসেবা অফিসার।
২০.	দরপত্র আহ্বানকারী কর্মকর্তার ঠিকানা	শহর সমাজসেবা কার্যালয়, পাবনা।
২১.	দরপত্র আহ্বানকারী কর্মকর্তার সাথে যোগাযোগ	+৮৮০১৭০৮৪১৪৫১৪; <a href="mailto:ucdo.pabna@dss.gov.bd">ucdo.pabna@dss.gov.bd</a>

(ক) পি.পি.এ-২০০৬ এবং পি.পি.আর-২০০৮ (সংশোধিতসহ) এ প্রদত্ত ক্রয় সংক্রান্ত পদ্ধতি যথাযথভাবে অনুসরণ করা হবে।  
(খ) দরদাতাকে উদ্বৃত্ত মোট দরের ৩% হারে টেন্ডার সিকিউরিটি মানি যে কোন তফসিলি ব্যাংক হতে ব্যাংক ড্রাফট/পে-অর্ডার আকারে সমাজসেবা অফিসার, শহর সমাজসেবা কার্যালয়, পাবনা বরাবরে দরপত্রের সাথে জমা দিতে হবে।  
(গ) গৃহীত দরদাতার নিকট হতে উদ্বৃত্ত দরের ১০% পারফরমেন্স সিকিউরিটির অর্থ প্রাপ্তি সাপেক্ষে কার্যাদেশ প্রদান করা হবে।  
(ঘ) কর্তৃপক্ষ কারণ দর্শানো ব্যতিরেকে যে কোন দরপত্র গ্রহণ অথবা সকল দরপত্র বাতিলের ক্ষমতা সংরক্ষণ করেন।  
(ঙ) দরপত্র সিডিউল ক্রয়ের পর নির্ধারিত তারিখ ও সময়ের মধ্যে দরপত্র দাখিল করতে হবে।  
(চ) বিশেষ নির্দেশনাঃ বিস্তারিত তথ্য দরপত্র সিডিউলে বর্ণিত আছে।

**মোঃ হাফিজ আহমেদ**  
সমাজসেবা অফিসার  
শহর সমাজসেবা কার্যালয়  
পাবনা

জিডি-১৫৬৫



# Walton, DoE ink deal to phase out harmful gas

STAR BUSINESS DESK

Walton has signed an agreement with the Department of Environment (DoE) on the latter's premises in the capital recently over an "HCFC Phase-out Management Plan Stage II" project.

Chlorofluorocarbons, hydrochlorofluorocarbons (HCFCs) and halons destroy the earth's protective ozone layer, which shields the earth from harmful ultraviolet rays generated from the sun.

"We know that chlorofluorocarbon gas is harmful to the environment," said Golam Murshed, managing director of Walton Hi-Tech Industries, representing the electric and electronic product manufacturer in the deal, said a press release.

"...we will do our best to implement the HCFC phase out project

successfully...We all will try to build an environment-friendly Bangladesh as well as contribute to global warming reduction," he said.

Earlier, Walton implemented the world's first HFC phase-out project with the support of the DoE and UNDP. Under this project, eco-friendly HC-600a (isobutene) refrigerant is being used instead of HFC-134a refrigerant in refrigerators and compressors, he said.

This reduced annual emissions of about 230 metric tonnes of HFC gas into the atmosphere. "Our goal is to bring the benefits of technology to all as well as ensure a clean environment-friendly Bangladesh," he added.

Md Ashraf Uddin, director general of the DoE, signed the deal to represent the state organisation.

# German retail sales slump signals weak start to Q3

REUTERS, Berlin

German retail sales fell by far more than expected in July after two months of sharp increases, data showed on Wednesday, in a first sign that a consumer-driven recovery in Europe's largest economy might be losing steam in the third quarter.

The Federal Statistics Office said retail sales dropped 5.1 per cent on the month in real terms after a revised jump of 4.5 per cent in June and an increase of 4.6 per cent in May. The July reading missed a Reuters forecast for a fall of 0.9 per cent.

The monthly comparison was distorted heavily by the lifting of Covid-19 restrictions on shopping in most parts of the country in June, the statistics office said.

Retail sales - a volatile indicator often

subject to revisions - edged down by 0.3 per cent in real terms year on year, it added. Compared with February 2020, the month before the coronavirus crisis hit Germany, retail sales were up 3.8 per cent.

The German economy returned to growth in the second quarter but bounced back less strongly than other euro zone countries as supply chain bottlenecks slowed industrial output.

Supply problems with raw materials and intermediate goods, coupled with rising Covid-19 cases because of the more contagious Delta variant, are driving companies to take a dimmer view of the coming months.

Bankhaus Lampe analyst Alexander Krueger believes that retail sales are likely to recover in the coming months.

# Sri Lanka organic revolution threatens tea disaster

AFP, Ahangama

Sri Lanka's drive to become the world's first 100 per cent organic food producer threatens its prized tea industry and has triggered fears of a wider crop disaster that could deal a further blow to the beleaguered economy.

President Gotabaya Rajapaksa banned chemical fertilisers this year to set off his organic race but tea plantation owners are predicting crops could fail as soon as October, with cinnamon, pepper and staples such as rice also facing trouble.

Master tea maker Herman Gunaratne, one of 46 experts picked by Rajapaksa to guide the organic revolution, fears the worst.

"The ban has drawn the tea industry into complete disarray," Gunaratne said at his plantation in Ahangama, in rolling hills 160 kilometres (100 miles) south of Colombo.

"The consequences for the country are unimaginable.

"The 76-year-old, who grows one of the world's most expensive teas, fears that Sri Lanka's average annual crop of 300 million kilogrammes (660 million pounds) will be slashed by half unless the government changes course.

Sri Lanka is in the grip of a pandemic-induced economic crisis, with gross domestic product contracting more than three per cent last year, and the government's hopes of a return to growth have been hit by a new coronavirus wave.

Fertiliser and pesticides are among a host of key imports - including vehicles and spare parts - the government has halted as it battles foreign currency shortages.

But tea is Sri Lanka's biggest single export, bringing in more than \$1.25 billion a year - accounting for about 10 per cent of the country's export income.

Rajapaksa came to power in 2019 promising subsidised foreign fertiliser but did a U-turn arguing that agro chemicals were poisoning people.

Gunaratne, whose Virgin White tea sells for \$2,000 a kilo, was removed last month from Rajapaksa's Task Force for a Green Socio-Economy after disagreeing with the president. He says the country's Ceylon tea has some of the lowest chemical content of any tea and poses no threat. The tea crop hit a record 160 million kilos in the first half of 2021 thanks to good weather and old fertiliser stocks but the harvest

started falling in July.

Sanath Gurunada, who manages organic and classic tea plantations in Ratnapura, southeast of Colombo, said that if the ban continues "the crop will start to crash by October and we will see exports seriously affected by November or December". He told AFP his plantation maintained an organic section for tourism, but it was not viable.

Organic tea costs 10 times more to produce and the market is limited, Gurunada added.

WA Wijewardena, a former central bank deputy governor and economic analyst, called the organic project "a dream with unimaginable social, political and economic costs". He said Sri Lanka's food security had been "compromised" and that without foreign currency it is "worsening day by day".

Experts say the problem for rice is also acute while vegetable growers are staging near daily protests over reduced harvests and pest-affected crops.

"If we go completely organic, we will lose 50 per cent of the crop, (but) we are not going to get 50 per cent higher prices," Gunaratne said.

Tea plantation owners say that on top of the

loss of earnings, a crop failure would cause huge unemployment as tea leaves are still picked by hand.

"With the collapse of tea, the jobs of three million people will be in jeopardy," the Tea Factory Owners Association said in a statement.

Plantations minister Ramesh Pathirana said the government hoped to provide organic compost in place of chemical fertilisers.

"Our government is committed to providing something good for the tea industry, fertiliser-wise," he told AFP. Farmers say Sri Lanka's exports of cinnamon and pepper will also be affected by the organic drive.

Sri Lanka supplies 85 per cent of the global market for Ceylon Cinnamon, one of the two leading types of the spice, according to United Nations figures.

Still, Rajapaksa remains confident in his course, telling a recent UN summit that he was confident that his organic initiative will ensure "greater food security and nutrition" for Sri Lankans.

He has called on other countries to follow Sri Lanka's move with the "bold steps required to sustainably transform the world food system".



Tea plantation owners warn a crop failure would cause huge unemployment.

AFP/FILE

# Opec+ raises 2022 oil demand growth forecast

REUTERS, London

OPEC+ revised up its 2022 oil demand forecast ahead of a meeting of the oil producing group on Wednesday, amid US pressure to raise output more quickly to support the global economy.

Two OPEC+ sources said the group's experts revised the 2022 oil demand growth forecast to 4.2 million barrels per day (bpd), up from the previous forecast of 3.28 million bpd.

OPEC+ expects global oil demand to grow by 5.95 million bpd in 2021 after a record drop of about 9 million bpd in 2020 because of the Covid-19 pandemic.

The Organization of the Petroleum Exporting Countries and allies led by Russia, a group known as OPEC+, meet on Wednesday at 1500 GMT to set policy.

Sources told Reuters the meeting was likely to roll over existing policies despite pressure from the United States to pump more oil.

However, the higher demand forecast strengthens the case for a speedier output increases by OPEC+ as benchmark Brent crude traded above \$72 per barrel, close to multi-year highs.

The demand forecast revision

came during the OPEC+ joint technical committee (JTC), which on Tuesday presented an updated report on the state of the oil market in 2021-2022.

On Tuesday, OPEC+ sources said the report, which has not been made public, forecast a 0.9 million

bpd deficit this year as global demand recovers.

The report had initially forecast a surplus of 2.5 million bpd in 2022 but this was later revised to a smaller surplus of 1.6 million bpd due to stronger demand, the sources said.

As a result, commercial oil inventories in the OECD, a group of mostly developed countries, would remain below their 2015-2019 average until May 2022 rather than the initial forecast for January 2022, the JTC presentation showed, according to the sources.



The Opec logo pictured ahead of an informal meeting between members of the Organization of the Petroleum Exporting Countries (Opec) in Algiers, Algeria.

REUTERS/FILE

# Weighed down by high production costs

FROM PAGE B1

Industry insiders said they received more than 25 per cent higher work orders for the next season between September and November from that of last season between April and June.

As a result, the sector witnessed a sudden rise in demand for yarn and other raw materials and thus the surge in freight charges and yarn prices.

The cost of production increased mainly over the last one-and-a-half years when freight charges started escalating abnormally in international markets due to a shortage of containers and sudden rise in demand for commodities worldwide with the restoration of normalcy in the global supply chain.

The freight charge increased anywhere from 100 per cent to even by 400 per cent in some cases for the sudden rise in demand for raw materials in the global supply chain.

Importers said the freight charge increased by more than 400 per cent between Chattogram and ports in China as the import volume of raw materials from China increased significantly with the restoration of supply of garment items.

Bangladesh imports more than \$15 billion worth of industrial raw materials, particularly for garment and textile industries, from China in a year.

Secondly, since September last year, the prices of cotton started increasing in international

markets with the rise in demand for cotton fibre-made garment items amid lingering lockdowns which forced customers to stay at home for longer periods.

However, the demand for manmade fibres is usually much higher than that made of cotton fibres. Of all garment items made, 78 per cent is derived from manmade fibres while the remaining from cotton.

In Bangladesh, the picture is reverse, with 75 per cent of exported garments made from cotton fibres and 25 per cent from manmade fibres.

Fazlul Hoque, managing director of Narayanganj-based Plummy Fashions, also said the cost per unit of production at his factory had increased nearly 30 per cent in August this year compared with that in August last year.

He also said mainly yarn prices and freight charges have been affecting the cost of production in the garment sector.

"However, the international retailers and brands unfortunately do not want to adjust the additional cost of production by increasing the price per unit of garment items. As a result we have to continue business at lower prices with our buyers," Hoque said.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), also said the industry has been suffering from surging costs of production

with the revival of business from the fallouts of Covid-19. Although the cost of production increased by 30 per cent, price per unit of garment items exported from Bangladesh has declined by 3.7 per cent over the past one year due to lower demand in the time of Covid-19.

So, in many cases the exporters have been doing business either in hopes of making a profit in the future or reducing other costs of production in different ways, he said.

Most suppliers have been surviving through exporting higher volumes of goods, not through better values, he added.

# Banglalink revenue rises in Q2

FROM PAGE B1

The number of 4G data users reached 99 lakh following a 68 per cent year-on-year growth as Banglalink continued to enhance its 4G network, it said.

Banglalink continued to promote the use of digital channels to facilitate top ups, account management and the adoption of additional services. As a result, the user base of its self-care app increased by 93 per cent year-on-year in the April to June quarter.

# Markets advance as traders weigh recovery against Delta

AFP, London

Global stock markets rose Wednesday as investors digested upbeat survey data and weighed global recovery against the impact of the fast-spreading Delta Covid variant.

London stocks won 0.7 per cent in late morning deals, while Frankfurt added 0.3 percent and Paris jumped 1.0 per cent just after midday in the eurozone, following earlier Asia gains.

World oil prices increased before a key output gathering of OPEC and other crude producing nations, while the dollar steadied ahead of key US employment

data. "European markets are on the rise," said Joshua Mahony, senior market analyst at online trading firm IG.

"We have largely seen upward momentum for growth in European manufacturing," he added in reference to bright PMI survey data for the region.

However, economic optimism continues to be tested by the stuttering rollout of vaccines and a spike in infections in some countries, as well as China's drive to tighten its grip on the world's number two economy with a swathe of new regulations for private enterprises

# State banks not keen on Padma's merger request

FROM PAGE B1

Md Serajul Islam, spokesperson and an executive director of the central bank, said there was no scope to make any comment immediately as he had not yet read the letter.

Another central bank official, however, said Padma Bank had not given any specific proposal in its letter on how it could be merged with any other bank.

It is not the central bank's task to identify a suitable lender for completion of the merger on behalf of Padma Bank, he said.

If Padma Bank gets into any agreement with a state lender, the central bank may take a decision on the issue, according to the guidelines for merger and amalgamation.

Established in 2013 as Farmers Bank, the lending agency had fallen prey to scamsters.

A Bangladesh Bank investigation found that more than Tk 3,500 crore was siphoned off between 2013 and 2017.

The bank fell in deep trouble after depositors, which included government agencies, started pulling out their money as allegations of corruption arose against Muhiuddin Khan Alamgir and Md

Mahabubul Haque Chisty, the then board chairman and chairman of the audit committee respectively.

In the letter sent last month to the ministry, Padma Bank said it faced a lot of constraints after the start of its new journey, including a severe shortfall of liquidity.

The bank said the Covid-19 pandemic affected credit growth as well as realisation of non-performing loans, causing losses to rise. "As such, our capital is declining noticeably," read the letter signed by Managing Director Md Ehsan Khasru.

The Covid-19-induced challenges led to operating losses of Tk 120 crore in the first half of 2021. As a result, shareholders' equity declined to Tk 221 crore, down from Tk 332 crore at the end of last year.

If the current trend continues, equity will decline to Tk 100 crore by the end of this year, it said, adding that it could maintain Tk 173 crore as provision against a requirement of Tk 1,645 crore.

Padma Bank said its capital shortfall would amount to Tk 2,100 crore as of June this year.

# Junk stocks rule the roost again

FROM PAGE B1

However, the presence of junk stocks in the gainers' list proves that these stocks are being gambled with, according to a stock broker.

Mithun Knitting and Dyeing, a junk stock, topped the list with a 10 per cent increase.

Similarly, other junk stocks -- Tamijuddin Textile Mills, Tallu Spinning Mills and Meghna Condensed Milk Industries -- were among the list's top 10, each rising more than 8 per cent.

"There is no reason behind the rise of these stocks other than manipulation," said the stock broker.

"So, general investors should be cautious about these stocks while the regulator should find the culprits responsible for this gambling," he added.

On condition of anonymity, a senior official of the Bangladesh Securities and Exchange Commission (BSEC) said they would keep an eye out for signs of foul play.

The BSEC regularly fines gamblers but

still the general investors need to be careful with their funds, he said.

"If they don't buy these stocks, then the manipulation plan is spoiled," he added.

Turnover, another important indicator of the market, edged up 5 per cent to Tk 2,366 crore yesterday.

At the DSE, 192 stocks advanced, 149 declined and 32 remained unchanged.

Stock of Beximco were traded the most, worth Tk 150 crore, followed by LafargeHolcim Bangladesh, GPH Ispat, Beximco Pharmaceuticals and British American Tobacco Bangladesh.

Prime Finance & Investment shed the most, falling 6.17 per cent, followed by Metro Spinning, NLI First Mutual Fund, Premier Leasing & Finance and Zahintex Industries.

The port city bourse also rose yesterday as the CASPI, the general index of Chittagong Stock Exchange, rose 159 points, or 0.79 per cent, to 20,156.

Among 320 stocks to undergo trade, 170 advanced, 124 dropped, and 26 remained unchanged.



# Hatil: from an idea to an established brand

Selim H Rahman, chairman and managing director of Hatil Furniture, talks to The Daily Star

JAGARAN CHAKMA

Just after completing his graduation in 1988, Selim H Rahman, chairman and managing director of Hatil Furniture, started gathering experience in the timber business and together with his father, developed an idea to manufacture doors on a commercial basis.

According to Rahman, the idea came to him when a customer named Lota Hossain brought a carpenter to his family's timber mill in the Farashganj area of Old Dhaka. She had come to purchase wood to make doors for her then under-construction apartment complex in the capital's Dhanmondi.

"I shared my new idea with her and she was instantly convinced. As such, she placed an order for doors, paying Tk 50,000 in advance to avoid any hassle," he said.

Hossain's order encouraged Rahman to set up a small-scale door manufacturing facility the following year in Old Dhaka's Gandaria.

Before passing away, his father Al-Haj Habibur Rahman supported him in realising the new idea.

At the time, there was no dedicated door manufacturer in Bangladesh.

So, Hatil can trace its roots all the way back to 1966, when Rahman's father established HA Timber Industries.

While carrying on that legacy, Hatil has become a renowned furniture brand and a pioneer of the industry in Bangladesh.

Over the years, Hatil has become synonymous with elegant, contemporary and high-end furniture.

With a view to providing the best possible quality, the company has been practicing "Kaizen" since 2007. Since then, the furniture maker has grown into an environmentally cautious operation as well.

Kaizen is a Japanese business philosophy regarding the processes to continuously improve operations and involve all employees

Rahman opened his first door outlet at Badda in 1989 before opening another at Mirpur, the country's hub for home furniture, in 1993.

Later, he started manufacturing all kinds of home furniture in 1996, building Hatil into the household brand it is today.

Hatil began its journey with a capital of Tk 50,000 just 32 years ago. Now, the company is valued at around Tk 800 crore.

Its annual turnover was Tk 396 crore in 2020 while export earnings stood at \$2.5 lakh the same year, Rahman said.

During the company's infancy, all the furniture were completely made manually by around 100 workers. Now, Hatil employs about 2,600



Selim H Rahman

workers to run its mostly mechanised operations.

Rahman initially used locally sourced wood, particularly teak wood from the Chattoagram Hill Tracks. He later started to make furniture with imported wood to meet growing demand for high-end products in line with Bangladesh's rising economy.

Rahman also opted for imported wood considering the possibility of a shortage in the future if consumption is left unchecked.

As such, the Hatil imports seasoned wood from Germany and Canada certified by Forest Stewardship Council, an international non-profit promoting responsible management of the world's forests.

And although most of the raw materials are imported, Hatil can ensure around 50 per cent value addition for its products, said the chairman and managing director.

The company meets its monthly requirement of about 10,000 cubic feet of solid wood completely through

imports.

The wood is used to make high-quality furniture for both homes and offices.

Of the company's total production, around 25 per cent are office furniture, he added.

And thanks to its unyielding efforts to provide top-notch products, Hatil has been able to enter markets in the US, Canada, Australia, Saudi Arabia, Kuwait, United Arab Emirates, Thailand, Egypt, Russia, Bhutan and India.

The company has 22 outlets in the neighbouring nation and two in Bhutan.

In the domestic market, Hatil became a proud recipient of the HSBC-Daily Star Climate Award in 2013 in a green operations category.

Regarding the growth of his business, Rahman said it was possible because Hatil always tries to satisfy its customers and maintain product standards with up-to-date designs.

"We always survey the market

demand and customers' choice in terms of price and product specifications," he said.

Besides, Hatil emphasises on slim furniture designs in a bid to avoid the unnecessary waste of natural resources, Rahman added.

He went on to say that the company's furniture are all equally durable despite their price differences, which result from the various types of additional material that may be used in each product.

## POTENTIAL OF THE DOMESTIC FURNITURE BUSINESS

"The industry is growing fast with the rising disposable income of the emerging middle-class," Rahman said.

Other than the growing domestic demand, the potential to export products is another reason to expect that the industry will develop further.

And since Bangladesh has an abundance of low-cost labour, the labour-intensive furniture sector could expand in the country.

In developed countries, many are turning away from the furniture business due to high labour costs. Bangladesh can make use of this opportunity to grab a bigger share of the international market by providing quality products at competitive prices, he added.

## CHALLENGES FOR THE FURNITURE INDUSTRY

The local industry is quite dependent on imported raw materials, including those used by backward linkage industries.

On an average, a 60 per cent import duty is levied on raw materials used by local furniture makers while the government provides only 15 per cent as incentive on export.

Considering the situation, the government should dedicate bonded warehouse facilities for the furniture industry so that it can reach international standards and help diversify the country's export basket, Rahman said.

The furniture industry generates a huge amount of employment opportunities and at the same time, it can help the country earn foreign currency.

"So, the government needs to take pragmatic policy measures to support this potential sector," he added.

There was once a lack of professional furniture designers as no educational institute in Bangladesh would provide a degree in woodworking despite the considerable industry demand.

"But now, we provide training to employees in foreign countries, where they can learn about different production and design practices," Rahman said.

## OVERALL SCENARIO OF THE INDUSTRY

Industry insiders believe the demand for home and office furniture hit Tk 25,000 crore in 2019 and according to a report from the EU, the figure was only Tk 6,700 crore in 2012.

And although there is no reliable data on the domestic market size, Rahman believes that it is surely worth more than Tk 25,000 crore now.

At least 30,000 people are involved with the furniture industry, which offers around 5 lakh formal and informal employment opportunities across the country, said the chairman and managing director of Hatil.

According to the EU study, 40 per cent of the raw materials used by furniture makers in Bangladesh comes from domestic sources.

The forests in Chattoagram and the Sundarbans are the largest providers of quality timber in the country, the study found.

The main raw materials used are wood, laminated board, wrought iron, processed wood and medium density fibre wood, particle board and rattan bamboo.

Most of these materials need to be imported. Of the wood, teak, gamari and hardwood come from Germany, Africa and Canada while Burma teak wood comes from Myanmar.

*Furniture industry generates huge employment as it is one of the labour-intensive industries. At the same time, it can tap global market to earn foreign currency. The government needs to frame pragmatic policies to support this sector with huge potential.*

## Indian economic growth leaps despite pandemic curbs

REUTERS, New Delhi

India's economy rebounded in the April-June quarter even while a devastating second wave of Covid-19 swept the country, with growth of over 20 per cent compared to a year earlier driven by a surge in manufacturing and higher consumer spending.

Asia's third-largest economy slumped 7.3 per cent in 2020/21, putting it among major economies hit hardest by the pandemic but growth was less affected

trillion before the middle of the next fiscal year which begins in April.

"As vaccination pace picks up we expect the momentum to pick up further, although remain wary on the evolution of Delta variant cases," said Upasana Bhardwaj, senior economist, Kotak Mahindra Bank, Mumbai. Consumer spending - the main driver of the economy - rose 19.34 per cent year-on-year in April-June from a year ago, but remained lower than its pre-pandemic level.

Annual growth of 49.6 per cent in



AFP/FILE

People shop at a crowded wholesale vegetable market after authorities eased coronavirus restrictions, following a drop in Covid-19 cases, in the old quarters of Delhi.

by April-May's second wave because the lockdown measures adopted then were less stringent.

Gross domestic product grew 20.1 per cent in April-June compared with the same period a year earlier, with manufacturing and construction the main drivers, data from the statistics ministry showed on Tuesday.

That compared with a record contraction of 24.4 per cent in the same quarter a year earlier and was in line with a Reuters poll forecast for growth of 20.0 per cent.

Many analysts said the risk of spiking infections from the Delta variant and the slow pace of vaccinations in some states could hit India's growth momentum, however, with the economy unlikely to regain its pre-pandemic size of about \$2.9

manufacturing during the three months to June compared to 6.9 per cent growth in the previous quarter showed new anti-Covid-19 measures adopted in April-May had only a limited impact on activity.

Unlike more advanced economies, which have provided massive stimulus to support consumers, Prime Minister Narendra Modi has opted to raise infrastructure spending and pursue privatisation of state companies and tax reforms to bolster India's mid-term growth prospects, while providing free foodgrains to the poor.

The Reserve Bank of India (RBI), which has kept its monetary policy loose, has forecast annual growth of 9.5 per cent in the current fiscal year, although it has warned about the possibility of a third wave of the pandemic.

## GLOBAL BUSINESS

### US consumer confidence drops on Delta fears

AFP, Washington

Fear of the fast spreading Delta variant of Covid-19 and rising prices undermined Americans' confidence in August, according to a survey released Tuesday.

The Conference Board said its consumer confidence index fell more than 10 points to 113.8, the lowest since February and the second consecutive monthly decline after the July index was revised down to 125.1.

"Concerns about the Delta variant -- and, to a lesser degree, rising gas and food prices -- resulted in a less favorable view of current economic conditions and short-term growth prospects," Lynn Franco, senior director of economic indicators at The Conference Board, said in a statement.

The surge in infections and hospitalizations due to the new variant has caused businesses to re-impose mask-wearing requirements, while the end of government stimulus benefits has taken a toll on free-spending consumers.

At the same time, the recovering economy continues to deal with supply bottlenecks that have sent prices rising.

Franco noted that while plans for major spending -- on homes, autos, and major appliances -- "cooled somewhat," more Americans are planning vacations in the next six months.

"While the resurgence of Covid-19 and inflation concerns have dampened confidence, it is too soon to conclude this decline will result in



AFP/FILE

Shoppers visit a store of H&M at Times Square in New York City, New York on May 20.

consumers significantly curtailing their spending in the months ahead," Franco said.

However, the expectations index which reflects consumers' short-term outlook for income, business and labor market conditions dropped to 91.4 from 103.8.

Consumer views on the current and future prospects for the labor market deteriorated

very slightly, while sentiment about business conditions were more downbeat, according to the survey.

Economist Robert Frick of Navy Federal Credit Union said confidence "finally succumbed to the rising Covid-19 Delta wave." However, he said, "Americans overall are flush with cash and eager to spend it as the economy reopens."

### Canada economic recovery comes to a surprise halt

AFP, Ottawa

Canada's economic recovery came to a surprise and screeching halt in the second quarter, casting a pall over snap elections called by Justin Trudeau to set a new post-pandemic course for the nation.

The economy, after nine months of strong growth that followed the lifting of initial Covid lockdowns last year, contracted by an annualized rate of 1.1 per cent in the April to June period, according to government data released Tuesday.

Economists were expecting continued growth, but increases in business and government spending were insufficient to offset a decline in exports and a shock slowdown in housing resales, according to Statistics Canada.

"It seems that the Canadian economy wasn't on as strong a footing as we had believed, and

with the fourth (Covid) wave now seemingly here, the economy faces another storm to navigate through," CIBC analyst Royce Mendes said in a research note.

"It's disappointing," commented Derek Holt, vice president of

Scotiabank Economics. He told AFP: "It's definitely a setback" as many believed businesses and consumers had adapted to operating amid Covid, but the data clearly shows "we're not out of the woods yet."



After Covid lockdowns were lifted, Canada's economy grew for nine months -- only to contract in the second quarter of 2021.

AFP/FILE

"Analysts had forecast growth of up to 2.5 per cent from April to June, after growth in the previous quarters of 5.5 per cent, 9.3 per cent and 41.7 per cent.

Those came as the economy roared back from a 38 per cent plunge in gross domestic product in the early months of the pandemic, when most of the country was ordered locked down.

June figures were in line with expectations, but downward revisions to data for April and May "wrongfooted economists' predictions," Mendes explained.

Early indications suggest the third quarter "also didn't get off to as hot a start as anticipated... despite public health restrictions continuing to ease," he said.

The sudden and unexpected slump comes as Prime Minister Justin Trudeau appears to be losing ground in a general election that he was initially favored to win handily.