

# ‘South Asia’s ADR needs reform for economic development’

STAR BUSINESS DESK

Legislative reforms need to come about in South Asia’s alternative dispute resolution (ADR) spectrum for overall economic development, stressed the region’s apex court judges, heads of ADR institutions and lawyers at a webinar.

Styled “ADR Landscape in the South Asia Region: Suggested Reforms”, the webinar was virtually organised by Bangladesh International Arbitration Centre (Biac) and the Indian Institute of Arbitration & Mediation (IIAM) on Sunday, says a press release.

There is a huge pile up of cases before the courts, especially across Bangladesh, India and Pakistan for many reasons, said Biac Chairman Mahbubur Rahman.

The region’s governments need to appreciate the situation and come up with reforms in their judicial systems to help flourish their economies by attracting more foreign direct investments to their states, he said.

New technologies should be used for the ADR in tune with the “new normal” amidst the pandemic, said Biac Chief Executive Officer Muhammad A Rumea Ali.

He urged the nations to come up with legal reforms to achieve the 16th Sustainable Development Goal (SD) of “Access to Justice”.

Adoption of the ADR should be made mandatory, said AFM Abdur Rahman, a former High Court judge of Bangladesh.

“We sought support from governments for encouraging mediation as a dispute resolution tool at all levels,” said Madan Bhimarao Lokur, a former Indian Supreme Court judge.

“Building awareness among the adversaries and training ADR practitioners will help grow economies in the region,” he said.

“Reforms of the legal regime governing ADR in Pakistan are underway in light of the enactment of the ADR Act 2017 and the Punjab ADR Act 2019,” said Rana Sajjad, president of the Center for International Investment & Commercial Arbitration, Pakistan.

“Nepal has a complete set of ADR legislation,” said Matrika Niraula, managing director of Nepal International ADR Center.

“With its ADR supportive policies and institutional setup,

Nepal will grow as the preferred venue for resolving disputes in a naturally peaceful and supportive environment,” he said.

“The pandemic has taught us that we are now in an era where there are no boundaries in co-operation and communication,” said Shehara Varia, director of CCC-ICLP Alternate Dispute Resolution Center, Sri Lanka.

“We should therefore use all opportunities to make the South Asian region the most sought after for ADR,” she said.

Giving an account of the activities and challenges faced by her institution, Tashi Dema, senior legal officer of Bhutan Alternative Dispute Resolution Centre, said Bhutan has recently initiated an initiative in view of the ADR landscape in the South Asia region.

Juna Ahmed, attorney at law, from SHC Lawyers, the Maldives, shared insights about the Maldivian ADR landscape which was fairly new and still in the development stage.

IIAM President Anil Xavierspoke at the programmewhereIfram Majid, director of the IIAM, and MA Akmal Hossain Azad, director of Biac, were present.

# Shipping industry proposes levy to speed up zero carbon future

REUTERS, London

Leading shipping associations have proposed creating a global levy on carbon emissions from ships to help speed up the industry’s efforts to go greener.

With about 90 per cent of world trade transported by sea, global shipping accounts for nearly 3 per cent of the world’s CO2 emissions and the sector is under growing pressure to get cleaner.

For the first time, the International Chamber of Shipping (ICS) and Intercargo jointly proposed a levy based on mandatory contributions for each tonne of CO2 emitted from ships exceeding 5,000 gross tonnes and trading globally.

The money collected would go into a climate fund that would be used to deploy bunkering infrastructure in ports around the world to supply cleaner fuels such as hydrogen and

ammonia, according to the proposal.

“What shipping needs is a truly global market-based measure like this that will reduce the price gap between zero-carbon fuels and conventional fuels,” ICS Secretary General Guy Platten said. The proposal was submitted on Friday to the UN’s shipping agency, the International Maritime Organization (IMO).

An IMO spokesperson said all proposals were welcome and would be up for discussion later this year, adding that “proposals on market-based measures (MBM) are in line with the initial IMO GHG (greenhouse gas) strategy”.

The IMO will hold an intersessional working group meeting scheduled for late October, ahead of a late-November session of the Marine Environment Protection Committee, to address issues including carbon-reduction efforts.

The European Commission in July proposed adding shipping to the bloc’s carbon market, targeting an industry that had for more than a decade avoided the EU’s system of pollution charges.

An IMO-driven carbon levy will enable more industry input at the global level as concerns grow at regulation by separate jurisdictions such as the EU.



A container ship unloads at the Matakau port, which has been expanded through support from Japan, in the Samoan capital of Apia.

REUTERS/FILE

# Saudi Arabia slashes crude prices to Asia

REUTERS, Dubai/Singapore

Saudi Arabia, the world’s top oil exporter, slashed prices of all crude grades to Asian customers in October versus September, but left prices to northwestern Europe and the United States steady.

The deep price cuts come as lockdowns across Asia to combat the highly infectious delta variant of the coronavirus have capped fuel demand in the region. Global oil supplies are also increasing as the Organization of the Petroleum Exporting Countries and their allies, a grouping known as OPEC+, is raising output by 400,000 barrels per day a month between August and December.

State oil giant Saudi Aramco lowered for the first time in four months the official selling price (OSP) of Arab Light crude for delivery to Asia in October to a premium of \$1.70 per barrel versus the average of DME Oman and Platts Dubai crudes, according to a company pricing document. The



An employee holds a sample of crude oil at the Yarakta oilfield, owned by Irkutsk Oil Co, in the Irkutsk region, Russia.

REUTERS/FILE

price differential in September was a premium of \$3 per barrel, the highest since February 2020.

The \$1.30 price cut for October

versus September was the largest monthly reduction in a year, and it took the market by surprise as buyers had been expecting prices

to drop 20-40 cents a barrel, in line with changes in Dubai benchmark prices.

The deep price cuts were likely to increase demand for Saudi crude, oil traders in Asia said, encouraging buyers to nominate full volumes for October.

“This is what Saudi wants,” one of the traders said.

However, the chances of Saudi Arabia engaging in another price war with other producers were slim, traders and analysts said.

“Demand is tentative. If they go down that route, they will reverse a lot of the inventory normalisation achieved over the past 12-18 months,” Energy Aspects analyst Virendra Chauhan said.

Elsewhere, Saudi Aramco kept the price differential of light crude to northwest Europe unchanged, at a discount of \$1.70 per barrel versus ICE Brent crude. It also kept the price differential of light crude to the United States unchanged at a premium of \$1.35 per barrel versus ASCI.

# Apparel orders staging a strong comeback

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Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said confidence in Bangladesh had been restored as local manufacturers had been able to supply items to international retailers and brands even during the pandemic.

“We are getting an increased volume of orders with the restoration of normalcy in the global apparel supply chain.”

The issuance of the utilisation declaration (UD), which is required in the processing of bonded warehouse facility, from the BGMEA rose by 30 per cent for the next season compared to last season.

Mohammad Hatem, first vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association, said the issuance of the UD went up by at least 20 per cent for the next season.

“The inflow of work orders is so high that we are even turning down some of our buyers if they don’t offer higher prices. This is unusual in Bangladesh.”

The increasing work orders are pushing up the demand for yarn.

Viyellatex Group, a major garment exporter and yarn producer, sold around 30 tonnes of yarn daily a year ago.

“Now it stands around 90 tonnes, which indicates that there has been a major jump

in international orders,” said KM Rezaul Hasanat, chairman and chief executive officer of the group.

Similarly, A Matin Chowdhury, managing director of Malek Spinning Mills, one of the leading spinners and a garment exporter, said his knitwear work orders for the next year had increased by more than 15 per cent.

He exported garment items worth \$208 million last financial year and targets to lift it to \$240 million at the end of the current fiscal year.

Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association, said the demand for knitwear products increased by 22 per cent worldwide for the change in consumer behaviour for the longer stays at homes.

As a result, the demand for cotton-made yarn had gone up. There was an increased flow of orders from local garment makers, he said. “This indicates that international retailers and brands are placing an increased volume of work orders in Bangladesh.”

Earnings from garment shipment improved in recent months.

The industry, which accounts for about 85 per cent of the national exports, fetched \$5.64 billion in July and August, data from the state-run Export Promotion Bureau showed.

# Stocks keep creeping up

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However, the ploys of the gamblers can be foiled if general investors refrain from buying the securities.”

Tamijuddin Textile Mills topped the gainers’ list, rising 10 per cent, followed by ADN Telecom, Eastern Housing, Tosifa Industries, and Shepherd Industries.

Dominage Steel Building Systems shed the most, losing 5.6 per cent, followed by Meghna Condensed Milk Industries, Asia Insurance, Alltex Industries, and Fine Foods.

Stocks of Beximco Ltd were traded the most, worth Tk 256 crore, followed by Saif Powertec, Beximco Pharmaceuticals, LafargeHolcim, and Doreen Power Generations and Systems.

Shares on the Chittagong Stock Exchange were also up. The CASPI, the general index of the bourse in the port city, edged up 99 points, or 0.48 per cent, to close the day at 20,662. Among the issues traded, 123 rose, 162 declined, and 31 were unchanged.

# Sanofi staff demand benefits before Beximco handover

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“We, the 369 workers of Sanofi Bangladesh, worked hard for the company and made it profitable, but Sanofi is going to hand over its shares here without paying our lifetime savings,” he said, requesting the prime minister to intervene.

A case is pending in court regarding staff benefits, said the employees.

Kutubuddin Ahmed, general secretary of Bangladesh Workers’ Federation, said multinational companies which had previously withdrawn business from Bangladesh paid exit benefits to staff.

Contacted, Sanofi Bangladesh said the matter was pending a court decision.

“As a responsible company, Sanofi puts the interests and well-being of its employees on high priority,” it said.

“We explained that upon completion of the share transfer, Sanofi Bangladesh will remain a separate legal entity, and Sanofi Bangladesh employees will continue their employment there, on the same terms and conditions that existed then,” it said.

# Is stock market overvalued?

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“Considering the index before the pandemic, it has not surged much.”

A top official of a merchant bank said the bad the company is, the higher its stock price is. “This is not a good sign.”

Among the sectors, the tannery sector has the highest PE ratio of 98, followed by travel and leisure at 83 and paper and printing at 62, according to UCB Stock Brokerage.

The PE ratio of banking stocks is 8, while it is 13 for the fuel and power sector and 17 for the cement sector.

“Because of the massive manipulation, the price of the low-profile stocks has gone up,” the merchant banker said. “People should be careful in choosing stocks. Otherwise, they will be the loser.”

# High inflation looms over ECB meeting

AFP, Frankfurt

Rising eurozone inflation will provide the backdrop for the meeting of European Central Bank governors Thursday, with markets hoping for hints of when policymakers might start easing their massive pandemic-era stimulus.

As the economic recovery gathered steam in the 19-nation club, consumer prices rose at a pace not seen in the past decade, reaching three percent in August -- well above the ECB’s new two-per cent target.

ECB president Christine Lagarde previously promised to “look through” the surge and policymakers expect the rate to rise even further in coming months before falling back.

“We are more worried about the inflation rate being too low in the medium term

rather than too high,” Isabel Schnabel, a member of the ECB’s executive board, said last month.

The ECB considers the jump in consumer prices to be driven by one-off, pandemic-related effects as energy prices recover and policies aimed at mitigating the economic impact are rolled back.

As such, observers do not expect the ECB’s governing council to adjust historically low interest rates or announce any significant change to their colossal bond-purchasing programme, despite some grumbling among its 25 members.

Jens Weidmann, the president of the German Bundesbank, urged the ECB in August not to ignore the risk of a higher inflation outlook, and said the ECB must stand ready to gradually scale back its bond-buying.

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Request for Expression of interest for selection of Research Consultant (Time Based) Package No. BICM/ADMIN/RESEARCH CON./007/21/265 Date: 05-09-2021	
1	Ministry/Division Ministry of Finance/Financial Institutions Division
2	Agency Bangladesh Institute of Capital Market
3	Procuring Entity Name Nazmus Salehin
4	Procuring Entity Code 2529
5	Procuring Entity District Dhaka
6	Expression of Interest for selection of Research Consultant (Part Time)
7	EOI Ref. No. BICM/ADMIN/RESEARCH CON./007/21/265
8	Date 05-09-2021
KEY INFORMATION	
9	Procurement Sub-Method Selection of Individual Consultant (Time Based)
FUNDING INFORMATION	
10	Source of Funds GoB.
11	Development Partner (if applicable) N/A
PARTICULAR INFORMATION	
12	Project Name N/A
13	EOI Closing date and time 22th September 2021 at 2:30 PM
INFORMATION FOR APPLICANT	
14	Brief description of the assignment Bangladesh Institute of Capital Market is seeking a consultant to initiate research endeavors in line with the development of the capital market, motivate and engage appropriate resources (internal and/or external) for carrying out those research in compliance to the BICM Research Endowment Fund Rules, and help in presenting the research findings in different appropriate forums for facilitating policy ideation and implementation at the national level.
15	Qualification and Experience <b>a. Academic:</b> i. Ph.D. in Finance, Accounting, Business Administration, or Economics with M.Com./MBA in similar discipline from a recognized institute; <b>b. Experience:</b> i. Minimum 12 years of work experience in teaching and as a trainer, researcher and research consultant in different renowned organization. ii. Having at least 10 publications in renowned journals in the fields of capital market, financial market, economics, and business, etc. iii. Experience of working with financial institutions and intermediaries as a Research Consultant will be preferred. iv. Clear understanding of international publication outlets and their processes and rankings v. Exposure to the application of innovative technologies in the financial market in consideration to the Fourth Industrial Revolution. vi. Experience in independently organizing different events like seminar, symposia, conferences, meetings, draft minutes, and prepare proceedings and other deliverables like presentations, reports, invitations, etc. vii. Demonstrated ability to carry out research and analytical tasks and managing research projects. viii. Advanced level expertise and skills in relevant software, such as STATA and EVIEWS. ix. Significant access to international network with researchers and academic institutions x. Excellent inter-personal skills and ability to work in a team where differences of opinion are to be respected and accommodated in a highly fluid-team structure; should be a very good assessor of team dynamics and having extraordinary team building capacities xi. Excellent communication in written English meeting requirements for academic and policy research, proficiency in spoken English will be an added advantage xii. Good organizational, multi-tasking, and time-management skills. Candidates must submit copies of academic and training certificates. The selected applicants must show the Original Certificates before the PEC.
16	Other details (if applicable) a. Expressions of Interest must be delivered through e-mail (director@bicm.ac.bd), by post, or courier to the address below in sealed envelope. b. The consultant will be selected in accordance with the procedures set out in the PPR 2008. c. Detail TOR can be collected from the Procuring Entity Office
Procuring Entity Details	
17	Name of the Official Inviting EOI Nazmus Salehin
18	Designation of the Official Inviting EOI Director (Admin and Finance)
19	Address of the Official Inviting EOI Bangladesh Institute of Capital Market BGIC Tower (Ground-3rd & 8-9th floor), 34, Topkhana Road, Dhaka -1000
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The Procuring Entity reserves the right to accept or reject all EOIs.	
Nazmus Salehin Director (Admin and Finance)	