



Author Muhammed Zafar Iqbal, Mohammad Kaykobad, distinguished professor of Brac University, SM Shamsul Alam, vice chairman of Walton Hi-Tech Industries, and Golam Murshed, managing director and CEO, inaugurated a newly-built Walton Research and Innovation Centre at Chandra of Gazipur recently.

WALTON HI-TECH INDUSTRIES

India approves Airbus-Tata deal for military aircraft

AFP, Mumbai

European aerospace giant Airbus has clinched a landmark \$3 billion deal to make military aircraft for India in partnership with local conglomerate Tata, the defence ministry said Wednesday.

Airbus has been lobbying for nine years for the tender to make 56 military transporters for the Indian Air Force.

As part of the joint-venture agreement, India will import 16 Airbus Defence and Space aircraft made in Spain within two years of the contract being signed.

The remaining 40 Airbus-designed aircraft will then be manufactured locally by Indian conglomerate Tata over 10 years. "This is the first project of its kind in which a military aircraft will be manufactured in India by a private company," the Ministry of Defence said in a statement.

The ministry described the deal as a

"major boost" to the government's "Self-reliant India" campaign.

India's Hindu nationalist government has stepped up efforts in recent years to reduce the country's dependence on imports and to create jobs.

The Airbus deal is expected to create 600 manufacturing jobs and another 6,000 indirect jobs for Asia's third-largest economy. Each C-295MW transporter will also come fitted with Indian made electronic warfare systems.

With India in a decades-old rivalry with Pakistan and tensions increasing with China, New Delhi has spent heavily on modernising its ageing military infrastructure.

The expenditure includes \$9.4 billion on Rafale fighter jets from French firm Dassault. At least 26 have been delivered and 10 more are expected by the end of 2021, authorities say.

Singapore Airlines appoints new GM for Bangladesh

STAR BUSINESS DESK

Singapore Airlines has recently appointed a new general manager for Bangladesh with effect from this month.

The appointee, Timothy Ouyang, succeeds George Robertson who served in the post for two and a half years and will be taking up another position within the airline, said a press release.

Ouyang headed Singapore Airlines' operations in Bali, Indonesia over the past three and a half years.

He joined the airline in November 2011 and held positions in public affairs, revenue management and internal audit at its head office in Singapore.

Take actions against wilful loan defaulters

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Now is the time to survive, not to make a profit."

At the discussion, businesspeople urged banks to simplify the loan process under the stimulus package to recover the losses inflicted by the coronavirus pandemic.

They called for new loans, an extension of the repayment period of loans disbursed under the stimulus packages, and a uniform interest rate.

Jashim Uddin pointed to the lower fund allocation for the cottage, micro, small and medium enterprises (CMSMEs) and a slower implementation of the packages.

India has allocated 36 per cent of the Covid-19 incentives to the CMSME sector, while it is 33 per cent in Thailand and 24 per cent in Malaysia.

Bangladesh has set aside 22 per cent of the stimulus funds to the CMSME sector.

"While the implementation of the incentive packages dedicated to the export and large sectors is satisfactory, the implementation rate in the CMSME sector is only 77 per cent."

"In such a situation, it is crucial to disburse loans to help recover the business of cottage, small and medium entrepreneurs."

Ali Reza Iftikhar said around 80 of the loans under the stimulus packages

had been disbursed. "It would have been better if the disbursement rate were higher."

Jashim Uddin said the Bangladesh Bank asked banks to set up dedicated desks for the SME sector and provide special facilities to women entrepreneurs.

"But, there is an allegation that many banks are not serious about them."

He emphasised making the credit guarantee scheme of the central bank easily accessible to introduce concessional and mortgage-free loan facilities for SMEs.

The FBCCI recommended extending the tenure of term loans for the SME sector to 10 to 15 years, including a two-year moratorium period.

The payback period is a maximum of 24 months now.

Jashim Uddin urged banks to extend credit facilities to SMEs that did not have bank accounts.

Preeti Chakraborty, a director of the FBCCI, said, "We have had a very bad time in the last 18 months. Therefore, it will be better if the repayment period is extended to 10-15 years with a grace period of three years."

Humaira Azam, managing director of Trust Bank, however, said: "You are asking for more time to repay the loan. But is it possible to ask for more time to repay the depositors?"

China's factory inflation hits 13-year high

REUTERS, Beijing

China's factory gate inflation hit a 13-year high in August driven by roaring raw materials prices despite Beijing's attempts to cool them, putting more pressure on manufacturers in the world's second-largest economy.

The producer price index (PPI) rose 9.5 per cent from a year earlier in August, the National Bureau of Statistics (NBS) said on Thursday, faster than the 9.0 per cent increase tipped in a Reuters poll and the 9.0 per cent reported in July.

That was the fastest pace since August 2008.

China's economy has recovered strongly from last year's coronavirus slump but has been losing steam recently due to domestic Covid-19 outbreaks, high raw material prices, tighter property curbs and a campaign to reduce carbon emissions.

Commodity prices have been on a tear in recent months, hurting the bottom lines of many mid- and downstream factories.

China's coal prices soared to a record high on Tuesday over supply concerns as major coal regions started fresh rounds of safety checks.

Earnings at China's industrial firms have slowed for five straight months.

But coal and metals prices will likely drop back as construction activity falls amid restrictions on the

property sector and slowing credit growth, Julian Evans-Pritchard, senior China economist at Capital Economics, wrote in a note.

And the higher comparison base towards the end of last year will also pull down overall inflation.

"We doubt producer price inflation will rise much further," he said.

The coal, chemicals and metals industries drove much of the price increases in August, according to

a statement released alongside the data by Dong Lijuan, an NBS official.

Prices in the coal mining and washing sector grew 57.1 per cent in August from a year earlier.

A separate NBS statement showed that the consumer price index (CPI) in August rose 0.8% from a year earlier, compared with a 1.0 per cent gain in a Reuters poll and below the government target of

around 3 per cent this year.

China tightened social restrictions to curb the Covid-19 Delta variant including travel limits, which have hampered service-sector demand, although Beijing has largely contained the latest coronavirus outbreaks.

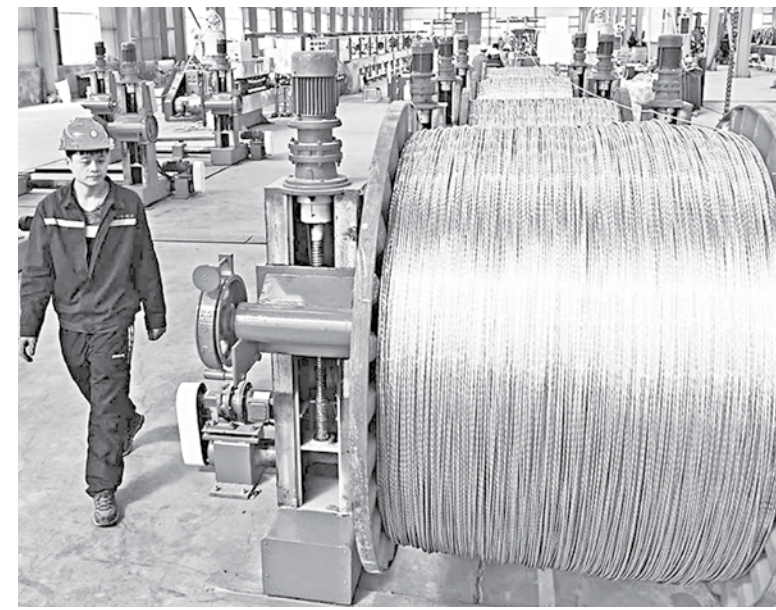
Declines in airfares, travel and hotel room prices due to the pandemic slowed consumer inflation on a monthly basis, according to NBS's Dong. Service-sector activity plunged in August to the lowest level since the pandemic's first wave in April 2020, a recent survey showed, as Covid-19 restrictions threatened to derail the recovery.

Many analysts expect the People's Bank of China to deliver a further cut to the amount of cash banks must hold as reserves later this year to lift growth, on top of July's cut, which released around 1 trillion yuan (\$6.47 trillion) in long-term liquidity into the economy.

"We expect monetary policy to remain prudent with a slightly loosening bias for the rest of the year," said Jing Liu, senior economist for Greater China at HSBC, in a note.

China's consumer price inflation, which is likely to stay muted, will not constrain a slight loosening stance, she added.

The core consumer price index, which strips out volatile food and energy prices, stood at 1.2 per cent on year, versus a 1.3 per cent rise in July.



An aluminium processing factory in Zouping, China. China's factory gate inflation hit a 13-year high in August driven by roaring raw materials prices despite Beijing's attempts to cool them.

AFP/FILE

Refiners cut sugar prices after govt directive

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Abul Hasem, vice president of the Sugar Baboshayee (businessmen) Association, said they were not aware of the new prices. "It is not possible to implement the new prices at the retail level as millers are asking for Tk 74 per kg," he said.

Abdur Razzaque, a wholesaler in Khatunganj of Chattogram, the largest wholesale market in the country, said sugar prices at mill gates in the port city were between Tk 73 and Tk 74 per kg.

According to industry insiders, it is not possible to implement the new rates as prices have been increasing at the international level. Besides, freight charges and production costs have also increased, they said.

In the international market, the price of sugar was between \$510 to 520 per tonne earlier this week while it was \$420 to 430 per tonne two months back.

An official of an importing company said the import cost of sugar is now around Tk 95 per kg. The price of sugar has increased by around Tk 20 per kg, or 30 per cent, since the end of July. The retail price of sugar was between Tk 60 and Tk 65 until the second week of the same month.

Then, the price increased multiple times, ultimately reaching Tk 80 per kg at the beginning of this week. Yesterday, retailers were selling sugar at Tk 80-85 per kg.

However, data from the Trading Corporation of Bangladesh (TCB) shows that sugar was being sold at Tk 78 to Tk 80 per kg at different markets in Dhaka yesterday, which is about 10 per cent more than the price during the same period in July.

As of July 9 this year, the average price of sugar was Tk 69 per kg and even fell to Tk 60-65 the same month before the sudden rise. According to the US Department of Agriculture, Bangladesh imported 2,450 tonnes of sugar in the 2020-21 financial year, when 2,510 tonnes of the sweetener was consumed.

Regulator moves to ensure compliance

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The letter cited that group insurance for workers has not been introduced in most factories and industrial units.

It noted that recent deaths and injuries suffered by a significant number of workers from fire and other incidents tarnished the country's image globally.

Moreover, the government has to provide financial relief to the workers from the exchequer.

"If group insurance is introduced in factories, both the owner and workers will benefit," the letter said.

Income tax is waived on the premium and proceeds of group insurance in an effort to encourage factory owners to bear the expense, it added.

"Accidents will occur but we don't know when. But who will then take charge of the families of those workers?" said SM Shakil Akhter, executive director and spokesperson of the IDRA.

"Most of the factory owners in Bangladesh are busy with their own interests. But they do not see to the interests of the workers. So we have made it mandatory to introduce group

insurance in industries and factories," he added.

"All those who export goods in the garment industry have group insurance. But very few of the remaining industries and factories have group insurance," said Jafarul Hasan Sharif, a labour rights expert.

It is a very good proposal since insurance is a part of social security, said Sultan Uddin Ahmed, assistant executive director of the Bangladesh Institute of Labour Studies.

The question is whether the insurance will be commercial or non-commercial from the state institution, he asked.

Every employee, not just a few of an organisation, has to be brought under group insurance, he said.

When an accident occurs, the factory owners get away for legal loopholes, something the IDRA must watch out for, said Ahmed, adding that workers have to be provided retirement allowances.

State Minister for Labour Begum Monnujan Sufian did not respond to requests for comment.

The Department of Inspection

for Factories and Establishments (DIFE), under the Ministry of Labour and Employment, is responsible for ensuring welfare, safety and health of human resources working in various sectors.

It has no information on the number of industries and factories which had availed group insurance.

Shamsul Alam Khan, joint inspector general of general section, DIFE, told The Daily Star that they were planning on creating a list of those which availed group insurance and those which had not.

The DIFE said in fiscal 2019-20 it issued 8,455 factory, shop and construction licences while 25,176 renewed their licences.

"I look at the issue in a positive way. Many of the largest factories in the country have group insurance. Not many others," said Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry.

"I think those who have the ability, should avail group insurance. But it is not right to impose group insurance on small companies," he said.

Demand for local green malta on the rise

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Dilip Kumar Adhikary, additional director of the DAE in Sylhet division, said vitamin-rich varieties of native green malta were available in the peak season, which starts in September and ends in February.

"Although demand remains high in the cities, sales at local wholesale markets has fallen as only a few of them are coming lately amid the current Covid-19 crisis," he added.

Malta cultivation in the region is successful due to its geographical advantages.

As such, various plans, including training and motivational initiatives for farmers, have been taken up to increase malta cultivation.

So far, a total of 619 acres of land in the region have been brought under malta cultivation this season, which is double compared to that last year, Adhikary said.

Some 17,800 tonnes of the fruit were grown on 2,525 hectares of land across the country in fiscal 2019-20, around 800 tonnes more from that in the preceding year, according to Kobir Ahmed, deputy director for fruit and flower of the DAE's horticulture wing.

Govt goes all out to sign FTAs

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Signing of an FTA with Indonesia is also underway, said Ghosh.

This is important as it will pave the way for market access to nine other countries of the Association of Southeast Asian Nations.

"Our main target is to ensuring the market access of local goods through the FTA or PTA or CEPA, whatever we can do," Ghosh said.

However, several meetings would be held with stakeholders of different sectors and government offices before a final decision was taken over signing any FTA, PTA or CEPA, the secretary also said.

Experts opined for continuing to enjoy the current duty free benefits to different countries and regions as long as Bangladesh remained an LDC and signing bilateral agreements after their tenures ended.

Five power plants add 779MW to national grid

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public relations at BPDB, told The Daily Star.

"The government is working to provide people with an uninterrupted electricity supply," said Habibur Rahman, power secretary.

Bangladesh currently has an electricity generation capacity of 25,235MW, including captive power, Nasrul Hamid, state minister for power, energy and mineral resources told Bangladesh Sangbad Sangstha, a news agency.

72pc of youths with smartphones use internet: survey

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Though there are government-run training centres in all districts, bringing a change in mindset should be the first task, said NGO Affairs Bureau Director General KM Tariqul Islam. Here the private and voluntary organisations have a role to play, he said.

"Without skills we won't be able to sustain ourselves in the fourth industrial revolution," said National Skills Development Authority Executive Chairman Dulal Krishna Saha. Winnie Estrup Petersen, ambassador of Denmark to Bangladesh, stressed on listening to the young voices and enter into a dialogue with them under an inclusive approach.

"Stakeholders from the public-private sector and partners need to think about how to change the mindsets of young people. This can be done through adequate campaigns and ultimately the youths need to be prepared with the right skills and right mindset for the changing world," she said. Chaired by Asif Saleh, executive director, Brac, the event was also attended by a number of high officials from government and non-governmental agencies.

Tackle crisis with tiny premiums

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On the basis of risks, its products are designed as life microinsurance (and retirement savings plans), health microinsurance (hospitalisation, primary health care, maternity, etc.), disability microinsurance, property microinsurance (assets, livestock, housing), and crop.

Currently, the insurance system in Bangladesh consists of two state-owned corporations, 43 private general insurance companies, and 17 life insurance companies.

The companies concentrate only on the upper and middle-income groups, leaving an estimated 93 per cent of the population without access to formal insurance services.

Delta Insurance pioneered microinsurance in Bangladesh. Popular Insurance and FarEast Islamic Insurance gained popularity by rolling out microinsurance.

Microinsurance is usually five

years. If the policyholder is alive till the maturity of the policy, they will receive insurance money with a bonus.

But if he loses his two main organs completely or is unable to work by accident or death before the maturity of the policy, the next premium will be stopped automatically. The policyholder or their nominee will get 50 per cent of the insurance money immediately and the rest within the next six months.

Md Jalalul Azim, managing director of Pragati Life Insurance, said microinsurance is a DPS (deposit pension scheme)-like product.

It is sold like a conventional insurance policy. Sometimes it could be made on a partnership basis.

For example, an NGO can buy a policy for its members.

"They can deposit every month. There is no muck risk," Azim said.

Pragati Life Insurance's minimum deposit is Tk 5,000, and the maximum

is Tk 25,000 under its microinsurance scheme. One can buy a policy for Tk 50 or Tk 100.

Jiban Bima Corporation started it in 2009-2010, following in the footsteps of others.

It has four microinsurance policies: JBC monthly Savings Scheme, JBC Expected Monthly Savings Scheme, Social Security Insurance, and Promila DPS Scheme.

"We have branch offices at the upazila level where one can open a scheme," said Sheikh Khairuzzaman, assistant general manager of the state-run insurer.

Sazzad Hossain, a policyholder, says microinsurance offers an excellent opportunity for people, regardless of their income level, to protect themselves against risks.

He says it should be compulsory for the people, especially for the private-sector employees with no insurance coverage.