

DHAKA SUNDAY SEPTEMBER 19, 2021, ASHWIN 4, 1428 BS 🔶 starbusiness@thedailystar.net 📰

# **BB-BSEC** row reins in stocks' growth spurts

### AHSAN HABIB

The stock market's recent growth spurt slowed last week as the tension between the central bank and the stock market regulator over some policy issues has rattled investors

the DSEX, the When benchmark index of the Dhaka Stock Exchange, surged past 7,000 points for the first time, investors and analysts were already talking about whether the index was set to climb further as earnings of the companies improved and the concerns about the impacts of the coronavirus pandemic waned.

The DSEX, however, closed at 7,228 points on Thursday, down from 7,258 on the first day of the week. Daily average turnover also dropped by 20 per cent to Tk 2,224 crore in the week.



## **SOME POLICY** DECISIONS

BB Mopping up funds from the banking sector

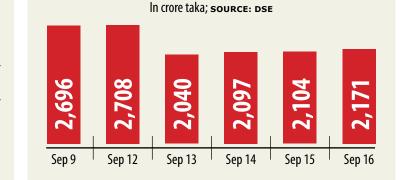
Denying lenders' contribution to market stabilisation fund Not allowing lenders to offer cash dividend if they have accumulated loss

### BSEC

Extending loan facility for stock investors

Asking Walton, ICB and Berger to keep 10% share in market

# **DSE TURNOVER**



decisions unitedly. Otherwise, it hurts people's confidence," said AB Mirza Azizul Islam, a former chairman of the Bangladesh Securities and Exchange Commission (BSEC).

"Recently, media reports were published that two regulators are in a row over policy decisions, but this is not a good sign." Last week, the central bank

said listed banks and nonfinancial institutions bank couldn't comply with the stock regulator's orders on the capital market stabilisation fund and in a good way and utilise the

"All the regulators should take cash dividend payment as they are inconsistent with the Bank Company Act.

The BSEC passed a rule in June that the stabilisation fund would be formed using the undistributed and unclaimed dividends of the listed companies. The aim is to use the fund, involving around Tk 21,000 crore, to safeguard the interest of the market and investors.

Islam, also a former caretaker government adviser, sees no problems if the stock regulator wants to use the unclaimed dividend of the listed companies profits for social benefits.

The central bank also said listed banks would also not be able to follow the commission order on the cash dividend.

It came after the commission allowed the listed firms to declare cash dividends from the profits made in the just-concluded financial year despite having accumulated losses.

Islam backed the BB move, saying that companies should first adjust the accumulated loss before announcing dividends.

Recently, the BSEC asked the Investment Corporation of Bangladesh, Berger Paints Bangladesh, and Walton Hi-tech Industries to offload at least 10 per cent of their shares.

Walton issued 0.97 per cent of shares, ICB 3.19 per cent, and Berger 5 per cent, DSE data showed.

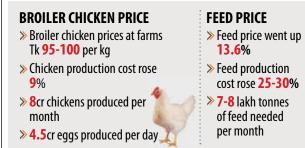
"Though some people are saying that the decision has impacted the market, investors will benefit in the long run. So, this is a welcoming move," said Islam.

Sharif Anwar Hossain, president of the DSE Brokers Association of Bangladesh, said the stalemate between the BB and the BSEC prompted investors to book profit.

READ MORE ON B3

# Poultry farmers in a double bind

Soaring feed prices amid low prices of chicken cause losses



### Akanda Muhammad Jahid

Poultry farmers, who have already been hit hard by the pandemic, are struggling to survive due to low prices of chicken currently prevailing in the market coupled with a sharp rise in feed prices.

Farmers running small and medium operations are in the most critical condition as they have no way to recoup losses incurred ever since the coronavirus outbreak began in March 2020.

Shahid Hossain Mithu, a poultry farmer who raised 5,000 chickens in Jashore, said he spent Tk 165 on an average to feed each broiler chicken that gained weight to reach two kilogrammes (kg) within 36 days of hatching.



### Around 7-8 lakh tonnes of feed is required by poultry farmers across the country each month.

"It costs Tk 35 to Tk 40 to buy chicks from breeders but since full grown chicken currently sell for between Tk 95 and Tk 100 per kg, I have had to count a loss of about Tk 5 to Tk 10 per bird," he added.

Multiple farmers said the high price of feed and low price of chicken were the main reasons behind their losses. This is especially true for farmers with small-scale operations who cannot breed their own chicks or produce

# Private firms to get undersea cable licences

### SHAHID BAPPY

The government has initiated a move to award licences for submarine cable to the private sector with a view to attracting private investment to the use broadband internet, up 17.25 telecommunication industry to support the growth in bandwidth same month a year ago. consumption.

of the time indoors.

Internet users rose 20 per cent vear-on-year to 12.37 crore in July, from 10.35 crore last year, data from the BTRC showed.

Of them, one crore customers per cent from 85.71 lakh in the

Bangladesh now consumes "We will initially issue two 2,600 Gbps (Gigabits per second) bandwidth.

**TAKEAWAYS** 

- 2 licences to be awarded to private sector initially
- > Licensing guideline updated
- > 1cr customers use broadband internet

Western Europe-6) consortium this month to connect the country with its third subsea cable.

BSCCL plans to launch the third cable by June 2024.

BSCCL Managing Director Mashiur Rahman said the third submarine cable would have an initial capacity of 6,000 Gbps. The board of the state-

run company has approved

licences for submarine cable in the private sector," said Mustafa Jabbar, posts and telecommunications minister, recently

The Bangladesh Telecommunication Regulatory Commission (BTRC) has already updated the Submarine Cable Licencing Guideline to this effect.

The winning firms will build, operate and maintain submarine cable systems and services.

With the roll-out of 3G and 4G services in Bangladesh, bandwidth consumption has significantly increased in the last few years. The trend is expected to continue as more people embraced digital technologies during the coronavirus pandemic to work, communicate, study, and get entertained as they stay most

Of the volume, 1,800 Gbps comes through the first and second submarine cables, and the rest is imported from India via the International Terrestrial Cable.

The licence acquisition fee will be Tk 10 crore, and the annual licence fee Tk 3 crore. Companies will have to share 3 per cent of their gross revenue with the government.

performance bank The guarantee has been fixed at Tk 5 crore, and the security deposit Tk 1 crore, according to the guideline.

Meanwhile, state-owned Bangladesh Submarine Cable Company Ltd (BSCCL) will sign an agreement with the SE-ME-WE-6 (South East Asia-Middle East-

- > Bangladesh consumes 2,600 Gbps bandwidth
- BSCCL to launch 3rd cable by 2024 >
- > Tk 693cr project undertaken
- Broadband penetration now 6pc, target 15pc by 2021



to draft a construction and maintenance contract with the SMW-6 Consortium for the third submarine cable.

Of the estimated cost of the project of Tk 693 crore, the government will invest Tk 392 crore and BSCCL Tk 300 crore, according to a regulatory filing on the Dhaka Stock Exchange recently.

The landing station of the cable will be set up in Cox's Bazar.

Bangladesh was connected with its first undersea cable, SEA-ME-WE 4, in 2006 and with the second one, SEA-ME-WE 5, in 2017.

The country imports bandwidth from India as it needs network redundancy in case the submarine cables get disconnected. READ MORE ON B3

their own feed.

In the past three months, the price of each 50-kg sack of feed increased twice by 13.6 per cent to hit Tk 2,500 from Tk 2,200, according to various farmers and feed sellers.

Around seven to eight lakh tonnes of feed is required by poultry farmers across the country each month and thanks to the prevailing situation, many farmers having small and medium-sized operations are closing up shop.

During the pre-pandemic era, about six or seven million people were involved in poultry farming, said Md Anwarul Haque Beg, a professor of the department of poultry science at Sher-e-Bangla Agricultural University.

Although there are no exact figures on how many farmers have shut their businesses till date, the number is definitely considerable.

On the other hand, big farms have been able to stay afloat and even earn extra profits to an extent as they are involved in all facets of the industry, namely breeding, feed processing, and selling whole or processed chicken.

Besides, since most raw materials and additives used in poultry feed are imported, the pandemic-induced disruptions to the supply chain have caused prices to skyrocket.

READ MORE ON B3

AMRAN HOSSAIN

# Ctg port sees better turnaround times

### DWAIPAYAN BARUA, Ctg

In a rare development, Chattogram port has been able to allow container ships to berth faster upon arrival over the past 40 days, enabling brisk delivery of imports.

Vessels usually have to wait five to six davs at the outer anchorage to get the scope to dock

This period of stay had gone up to as much as seven to eight days since the third week of July for an acute container congestion at the port amid the Eid-ul-Azha holidays and countrywide lockdown.

But for the past 40 days till yesterday, a major portion of vessels had to wait only one or two days to get berth.

Between August 8 and September 16, only one vessel had to wait for four days while nine for three days, according to a former official of Pacific International Lines who keeps track of these times.

This also decreased the daily average of vessels having to standby to anywhere from five to six whereas it was 10 to 12 in July.

The situation gradually improved since August 8, which the port users and officials deem a remarkable performance of the port

Chittagong Port Authority (CPA) Director (Traffic) Enamul Karim cited several reasons for the development.

One is the National Board of Revenue's (NBR) decision to temporarily send import-laden containers to private inland container depots (ICDs) to have the goods delivered from there until August 31, he said.

This cleared up the port's yards within two weeks, enabling faster handling of vessels' cargo, he said, adding that the export-laden containers from the ICDs also reached the port on time for loading.

This also helped vessels to leave within two days whereas previously they had to stay at the jetties for at least three days, said Karim.

The New Mooring Container Terminal alone, with its five jetties, catered to 25 more vessels than they what they usually do within such a period, he cited while explaining the pace of activity.

Of the port's 18 jetties, 10 to 12 dedicatedly accommodated container vessels since July, said Mohammed Abdullah Jahir, chief operating officer of Saif Maritime Limited.

Another factor is that importers have been taking deliveries on time for the last couple of weeks, keeping the yards' occupancy at a comfortable level, said Karim



The number of containers in the Chattogram port's yards has reached a comfortable level, freeing up space and enabling faster handling of cargo, helping vessels to leave within two days whereas previously they had to stay at the jetties for at least three days. The photo was taken recently.

READ MORE ON B3

RAJIB RAIHAN

# 



BRAC BANK LIMITED

Selim RF Hussain, managing director and CEO of Brac Bank Limited, and Dr Md Mafizur Rahman, managing director of SME Foundation, exchange signed documents of a deal last Thursday centring the government's second phase of stimulus packages. The bank will avail Tk 50 crore from the foundation to give out loans to entrepreneurs of cottage, micro, small and medium enterprises at 4 per cent interest. MA Mannan, planning minister, Kamal Ahmed Mojumder, state minister for industries, Zunaid Ahmed Palak, state minister for ICT, Dr Md Masudur Rahman, the foundation chairman, and Syed Abdul Momen, the bank's deputy managing director and head of SME banking, were present.



Mohammed Monirul Moula, managing director and CEO of Islami Bank Bangladesh Ltd, addressed as chief guest the concluding session of a five-day training on "Managerial Functions and Leadership" organised by the Islami Bank Training and Research Academy last Thursday. Md Omar Faruk Khan, additional managing director, Mohammad Rokan Uddin, executive vice president, Md Maznuzzaman, senior vice president, and SM Rabiul Hassan, the academy's principal, were present.

### ISLAMI BANK BANGLADESH LTD

# Banks beware, Amazon and Walmart are cracking the code for finance

### **REUTERS**, London

Anyone can be a banker these days, you just need the right code.

Global brands from Mercedes and Amazon to IKEA and Walmart are cutting out the traditional financial middleman and plugging in software from tech startups to offer customers everything from banking and credit to insurance.

established For financial institutions, the warning signs are flashing

So-called embedded finance - a fancy term for companies integrating software to offer financial services means Amazon can let customers "buy now pay later" when they check out and Mercedes drivers can get their cars to pay for their fuel.

To be sure, banks are still behind most of the transactions but investors and analysts say the risk for traditional lenders is that they will get pushed further away from the front end of the finance chain.

And that means they'll be further away from the mountains of data others are hoovering up about the preferences and behaviours of their customers - data that could be crucial

financial services.

"Embedded financial services takes the cross-sell concept to new heights. It's predicated on a deep softwarebased ongoing data relationship with the consumer and business," said Matt Harris, a partner at investor Bain Capital Ventures.

"That is why this revolution is so important," he said. "It means that all the good risk is going to go to these embedded companies that know so much about their customers and what is left over will go to banks and insurance companies.

For now, many areas of embedded finance are barely denting the dominance of banks and even though some upstarts have licences to offer regulated services such as lending, they lack the scale and deep funding pools of the biggest banks.

But if financial technology firms, or fintechs, can match their success in grabbing a chunk of digital payments from banks - and boosting their valuations in the process - lenders may have to respond, analysts say.

Stripe, for example, the payments platform behind many sites with clients including Amazon and

in giving them an edge over banks in Alphabet's Google, was valued at \$95 billion in March.

Accenture estimated in 2019 that new entrants to the payments market had amassed 8 per cent of revenues globally - and that share has risen over the past year as the pandemic boosted digital payments and hit traditional payments, Alan McIntyre, senior banking industry director at Accenture, said.

Now the focus is turning to lending, as well as complete off-theshelf digital lenders with a variety of products businesses can pick and choose to embed in their processes.

"The vast majority of consumer centric companies will be able to launch financial products that will allow them to significantly improve their customer experience," said Luca Bocchio, partner at venture capital firm Accel. "That is why we feel excited about this space.'

So far this year, investors have poured \$4.25 billion into embedded finance startups, almost three times the amount in 2020, data provided to Reuters by PitchBook shows.

Leading the way is Swedish buy now pay later (BNPL) firm Klarna which raised \$1.9 billion.

## **REUTERS**, London/Singapore

Iranian fuel and petrochemical exports have boomed in recent years despite stringent US sanctions, leaving Iran well placed to expand sales swiftly in Asia and Europe if Washington lifts its curbs, trading sources and officials said.

The United States imposed sanctions on Iran's oil and gas industry in 2018 to choke off the Islamic Republic's main source of revenues in a dispute with Tehran over its nuclear work.

The steps crippled crude exports but not sales of fuel and petrochemicals, which are more difficult to trace. Crude can be identified as Iranian by its grade and other features, while big oil tankers are more easily tracked via satellite.

Iran exported petrochemicals and petroleum products worth almost \$20 billion in 2020, twice the value of its crude exports, oil ministry and central bank figures show. The government said in April they were its main source of revenues.

"The world is vast and the ways of evading sanctions are endless," Hamid Hosseini, board member of Iran's Oil, Gas and Petrochemical Products Exporters' Union in Tehran, told

Reuters. Competitive prices and Iran's location, close to major shipping lanes, made its products attractive, he said.

as sanctions hit crude exports

Iran's petrochemical, fuel sales boom

There are also many more buyers of refined products than importers with refineries configured to process Iranian crude.

In addition, Iran exports some fuel by trucks to its neighbours, which involve small transactions that are tough for the US Treasury to detect.

Tehran has been in talks since April to revive its nuclear pact with six world powers, after the United States under President Donald Trump withdrew from the deal in 2018 and ratcheted up sanctions. Iran says it will only restrict its nuclear work under the pact if US sanctions are scrapped.

Meanwhile, Iran has positioned itself well to respond if the measures are eased. While most of the world slashed refinery throughput during the COVID-19 pandemic, Iranian gasoline exports rose 600 per cent year on year in 2020 to 8 million tonnes, or 180,000 barrels per day (bpd), the customs administration said.

As recently as 2018, Iran had been importing gasoline.

Iran's revenues from gasoline exports were an estimated \$3 billion in 2020, Hosseini said.

Iranian oil production is now about 2 million to 2.5 million bpd, with around 2 million bpd allocated to domestic refineries and roughly 500,000 bpd to exports, a source close to the oil ministry said, adding that Iran could boost crude output by 2 million bpd in two to three months if sanctions were lifted.

Until sanctions were imposed, crude exports were Iran's main revenue source, typically exceeding 2 million bpd and reaching 2.8 million bpd in 2018. Gasoline was delivered by truck to Afghanistan and Pakistan and shipped to the United Arab Emirates (UAE) across the Gulf, a source close to Iran's Oil Ministry said, declining to be named.

The UAE's Ministry of Foreign Affairs and International Cooperation did not comment. Iran resumed fuel exports to Afghanistan in August at the request of the Taliban, a Sunni Muslim group that seized power when US and other Western forces withdrew and with which Shi'ite Iran had tense relations in the past.

Traders said Iraq and some African countries also bought Iranian gasoline, while several gasoline cargoes were shipped to Venezuela, which like Iran is a member of OPEC.

# US in talks with Huawei CFO on resolving criminal charges

The US Department of Justice (DOJ) is in talks with Huawei and lawyers

REUTERS



Department did not immediately respond to requests for comment. Meng, who has maintained her innocence and is fighting extradition, is confined to Vancouver and monitored 24/7 by private security that she pays for as part of her bail agreement. Judicial hearings in her extradition case wrapped up in August with the date for a ruling to be set on Oct. 21. Following Meng's arrest, China detained two Canadians, sentencing one in August to 11 years in prison for espionage, in a move widely seen as retaliation. The Globe and Mail report said the development could open the door for China to free the Canadians, without quoting sources. However, it said Huawei's talks with the United States did not include the Canadians.



ইস্টার্ণ রিফাইনারী লিমিটেড EASTERN REFINERY LIMITED (বাংলাদেশ পেটোলিয়াম কর্পোরেশনের একটি অঙ্গ প্রতিষ্ঠান

for its Chief Financial Officer Meng Wanzhou about an agreement that could allow her to return to China, the Globe and Mail reported on Friday, citing Canadian sources.

Meng was arrested at Vancouver International Airport in December 2018 on a warrant from the United States, charging her with fraud for allegedly misleading HSBC about Huawei's business dealings in Iran.

The United States is prepared to end an extradition request and criminal proceedings against Meng if she pleads guilty and pays a hefty fine, the report said, citing sources. Both parties have been in talks for weeks, the newspaper added, citing two of its sources.

Huawei and the US Justice



Huawei Technologies Chief Financial Officer Meng Wanzhou returns to a court

hearing following a lunch break in Vancouver, British Columbia, Canada.

ৰাৎনাদেশ্য ফুৰ্শাক্ষয়ন্ত্ৰ Banglac Memo		Government of People's Republic Local Government Engineering Dep Office of the Executive Engine Pirojpur www.lged.gov.bd	er er	~	মি হাসিনার মূলনীতি গ্রাম শহরের উন্নতি Date: 16.09.2021	US banking lob groups oppose proposed tax reporting law REUITERS
o Ton	dar is invited in	e-Tender Notice No-13/202		oo of the undersign	ad a	The largest US banking
SI no	Tender ID No. 611478	n the national e-GP system portal ( <u>http://www.eprocure.gov.bd</u> ) for the procurer Package No & Name of work e-Tender/LGED/PIROJ/GOBM/21-22/W-33	Procuremen t Method	Last selling Date & time	Closing & Opening Date & Time 06.10.2021	lobby groups banded together on Friday to make another push to kill a proposed bank
1.	011470	Periodic Maintenance of Balipara GC Togra-Sannashi RHD Road (Sannashi Ghat) via Pather hat & Baleswerhat from 00m-3500m [INDURKANI] [Road ID: 579882003]	LTM	05.10.2021 17:00 PM	13:00 PM	account reporting law being drawn up as part of the congressional
2	611479	e-Tender/LGED/PIROJ/GOBM/21-22/W-34 Periodic Maintenance of Zianagar UPZ H/Q-(Thana Intersection)-Telikhali GC Via Khayerhat and Darulhuda Kheyaghat Road from Ch. 00m-1550m [INDURKKANI] [Road ID: 579882004]	LTM	05.10.2021 17:00 PM	06.10.2021 13:00 PM	reconciliation package. In a letter to US Hous of Representatives Speak Nancy Pelosi and House
3	611480	e-Tender/LGED/PIROJ/GOBM/21-22/W-35 Periodic Maintenance of Harin Pala RHD Road-Serajuddin Market Road form Ch. 00m-2000m [BHANDARIA] [Road ID: 579144068]	LTM	05.10.2021 17:00 PM	06.10.2021 13:00 PM	Minority Leader Kevin McCarthy, the lobby
4	611481	e-Tender/LGED/PIROJ/GOBM/21-22/W-36 Periodic Maintenance of Kawhali-Naikati RHD Mobile Tower to Jhalokati Border (Guaton Bazar) via Badarpur GPS, Boulakanda GPS & Community Clinic from Ch. 00m4630m [KAWHALI] [Road ID: 579474024]	LTM	05.10.2021 17:00 PM	06.10.2021 13:00 PM	groups said the proposal would create "reputation challenges" for large financial services firms,
5	611482	e-Tender/LGED/PIROJ/GOBM/21-22/W-37 Periodic Maintenance of Swarupkati-Kowkhali RHD (Buddhir bazaar)- Jhalokati-Kirtipasha-Swarupkati RHD (Jenuharbazar) via Juluhar GC from Ch. 00m-3305m [NESARABAD] [Road ID: 579872004]	LTM	05.10.2021 17:00 PM	06.10.2021 13:00 PM	increase the cost of tax preparations for America and small businesses, an create serious "financial
registr nation	ation in the na al e-GP syster	der, where only e-Tender will be accepted in the national e-GP portal and no of ational e-GP system portal ( <u>http://www.eprocure.gov.bd</u> ) is required. The fees for m portal have to be deposited through online at any branches of registered ban onal e-GP system portal and from e-GP help desk ( <u>helpdesk@eprocure.gov.bd</u> )	or downloading the ks branches. Furt	e e-Tender docume	nts from the	privacy concerns". "We urge members to oppose any efforts to advance this ill-advised
			Md	Abdus Sattar Howla	ader	new reporting regime," t groups said in the letter. "While the stated goal this vast data collection is
				Executive Engineer LGED, Pirojpur 0461-62463	1461	to uncover tax dodging by the wealthy, this proposal not remotely targeted to t
GD- 10	678		xen.	perojpur@lged.gov.	bd	purpose or that population

ERL hereby invites offers from reputed suppliers/manufacturers/agents/distributors for the supply of the following goods in accordance with the terms & conditions set out hereafter: Ministry of Power, Energy and Mineral Resources/Energy and Mineral Ministry/Division Resources Division. Bangladesh Petroleum Corporation. Agency Eastern Refinery Limited Purchaser name Purchaser district Chattogram. Invitation for Goods. a) ER/PUR/IT- 71/2021 (RT) 6 b) ER/PUR/IT- 72/2021 (RT) c) ER/PUR/IT- 73/2021 (RT) d) ER/PUR/IT- 74/2021 e) ER/PUR/IT- 75/2021 f) ER/PUR/IT- 76/2021 a) ER/PUR/IT- 77/2021 Date 15 September, 2021 KEY INFORMATION Procurement method International Open Tendering Method. FUNDING INFORMATION 9. Budget and source of funds Eastern Refinery Limited (own fund) PARTICULAR INFORMATION (a), (b), (c) 13 October 2021, 16:00hrs. Tender document last selling 10. (d), (e), (f), (g) 27 October 2021, 16:00hrs date ing lobby 11. Tender closing date and time (a), (b), (c) 14 October 2021, 11:15hrs. (d), (e), (f), (g) 28 October 2021, 11:15hrs 12. Tender opening date and time (a), (b), (c) 14 October 2021, 11:30hrs (d), (e), (f), (g) 28 October 2021, 11:30hrs 13. Offer validity 120 days (from the date of tender opening) NAME & ADDRESS OF THE OFFICE(S) i) Accounts Department, Eastern Refinery Limited, North Patenga, 14. Tender document sellina Chattogram-4204, Bangladesh. Phone: 88-02333301261-7. address ii) ERL, Liaison Office, YMCA Bhaban, 2nd Floor, 1/1, Pioneer Road Kakrail, Dhaka-1000, Bangladesh. Phone: 880-2-8391990, 8391991. 15. Tender receiving address Purchase Department, Eastern Refinery Limited, North Patenga, S banking Chattogram-4204, Bangladesh. Purchase Department, Eastern Refinery Limited, North Patenga, 16. Tender opening address Chattogram-4204, Bangladesh. INFORMATION FOR TENDERER Eligibility of tenderer As per Tender Data Sheet. 17. 18. Brief description of goods Price of tender document Tender security Shipment Name (non-refundable) validity Various ERW Pipe Tk 1000.00/- set Or. Tk 85.000.00 a) 60 days to US House USD 12.00/- set Or. USD 1000.00 Various Heat Exchanger Tube b) tives Speaker Tk 1000.00/- set Or, Tk 50,000.00 90 days USD 12.00/- set Or, USD 590.00 and House C) Vertical Hollow Shaft (VHS) 3-phase Tk 1000.00/- set Or, Tk 35,000.00 90 days squirrel cage induction motor USD 12.00/- set Or, USD 410.00 d) Various Types of Spares for pump Tk 1000.00/- set Or, Tk 1,50,000.00 90 days ie proposal 1204 A/B USD 12.00/- set Or, USD 1765.00 "reputational e) Various Types of Spares for pump Tk 1000.00/- set Or, Tk 9.000.00 90 davs 1202 A/B USD 12.00/- set Or, USD 110.00 f) Various Types of Spares for pump PM Tk 1000.00/- set Or. Tk 94.000.00 90 days 1602 A/B & PM-6603 A/B USD 12.00/- set Or. USD 1110.00 for Americans 90 days Spares for Compressors KI301 A, Kg) Tk 1000.00/- set Or. Tk 125.000.00 inesses, and 1202 A/B & K-1203 USD 12.00/- set Or, USD 1470.00 "financial PURCHASER DETAILS Name of official inviting tender Kazi Mahabubur Rahman 19. Assistant General Manager (Purchase) Designation of official inviting tender 20. efforts to 21. Address of official inviting tender Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh. regime," the 22. Contact details of official inviting Telephone: 880-2333301261-7, Ext. 380, Mobile: 01321149042 Fax: 880-2333301269 the letter. tender Email: agmpurchase@erl.com.bd, managerfp@erl.com.bd, stated goal of md-office@erl.com.bd collection is Website: www.erl.gov.bd dodging by 23. a) The purchaser reserves the right to reject all tenders or annul the tender proceedings is proposal is b) If it is not possible to receive/open the tender on the scheduled date for any unavoidable circumstances targeted to that the same will be received/opened on the next working day at the same time and same venue GD-1675 at population."



Chowdhury Nafeez Sarafat, chairman of Padma Bank Limited, chaired the 79th meeting of the board of directors last Wednesday through a virtual platform. Hasan Taher Imam, vice-chairman of the bank; Md Ataur Rahman Prodhan, Md Abdus Salam Azad, Mohammad Shams-Ul Islam, Obayed Ullah Al Masud, Md Abul Hossain, Md Abu Kaiser, and Tamim Marzan Huda, directors; Md Ehsan Khasru, managing director of the bank, and Faisal Ahsan Chowdhury, a deputy managing director, were present.

# **Standard Chartered** donates 3 oxygen plants to charitable hospitals

STAR BUSINESS DESK

Standard Chartered Bangladesh has donated three pressure swing adsorption oxygen plants for charitable hospitals run by Chattogram Maa-O-Shishu Hospital, Thengamara Mohila Sabaj Sangha (TMSS) and United Trust in Chattogram, Jamalpur and Bogra respectively.

The plants will enable the hospitals to become selfsufficient with a dedicated oxygen supply. The total installed capacity of these plants will exceed 1,347 litres per minute, says a press release.

"Never before have we felt the value of oxygen as keenly as we do today, as we come face-to-face with the stark realities of Covid-19," said Naser Ezaz Bijoy, the bank's chief executive officer.

"With the support of our partners, we are determined to ensure that very soon we reach a stage where there is no unnecessary suffering due to the unavailability of oxygen," he said.

"Right now, we are directing all of our energy in supporting communities and businesses to overcome this current wave," he added.

...with the surge of the infection every human life is at stake. The mainstay of management of Covid-19 patients is oxygen for those who are admitted in hospitals," said SM Morshed Hossain, the hospital's acting president.

"TMSS Medical College & Rafatullah Community Hospital has provided medical services to Covid-19 patients since the beginning of the pandemic in 2020," said Prof Hosne-Ara Begum, founder executive director of the TMSS.

"For the people of far-flung districts of our country, it is inevitable to come all the way to Dhaka to get the quality healthcare services," said AJM Fazlur Rahman, executive director of the trust, which runs MA Rashid Hospital in Jamalpur.

# China applies to join Pacific trade pact to boost economic clout

## **REUTERS**, Beijing

Japan said it would have to determine if China meets the "extremely high standards" of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) after the world's second-biggest economy formally applied to join.

Commerce Minister Wang Wentao submitted China's application to join the free trade agreement in a letter to New Zealand's trade minister, Damien O'Connor, the Chinese ministry said in a statement late on Thursday.

The CPTPP was signed by 11 countries including Australia, Čanada, Chile, Japan and New Zealand in 2018.

Before that, it was known as the Trans-Pacific Partnership and seen as an important economic counterweight to China's regional influence.

Japan, the CPTPP's chair this year, said it would consult with member countries to respond to China's request, but stopped short of signalling a timeline for doing so.

"Japan believes that it's necessary to determine whether China, which submitted a request to join the TPP-11, is ready to meet its extremely high standards," Japanese Economy Minister Yasutoshi Nishimura told reporters on Friday.

The TPP was central to former US President Barack Obama's strategic pivot to Asia but his successor, Donald Trump, withdrew the United States from the pact in 2017.

Asked to comment on China's bid, a spokesperson for the US State Department said it deferred to CPTPP, given that the United States was not a member, but added: "That said, we would expect that Chinas non-market trade practices and Chinas use of economic coercion against other countries would factor into CPTPP parties evaluation of China as a potential candidate for accession." CPTPP accession would be a major boost for China following the signing of the 15-nation Regional Comprehensive Economic Partnership free trade agreement last year.

Beijing has lobbied for its inclusion in the pact, including by highlighting that the Chinese and Australian economies have enormous potential for cooperation. However, relations between the two countries have soured.

In a new alliance dubbed AUKUS announced this week, the United States and Britain said they would provide Australia with the technology to deploy nuclearpowered submarines, a move seen as aimed at countering China's influence in the Pacific.

# Ford wakes up badly burnt from its India dream

### **REUTERS**, New Delhi

When Ford Motor Co built its first factory in India in the mid-1990s, US carmakers believed they were buying into a boom - the next China.

The economy had been liberalised in 1991, the government was welcoming investors, and the middle class was expected to fuel a consumption frenzy. Rising disposable income would help foreign carmakers to a market share of as much as 10 per cent, forecasters said.

It never happened.

Last week, Ford took a \$2 billion hit to stop making cars in India, following compatriots General Motors Co and Harley-Davidson Inc in closing factories in the country.

Among foreigners that remain, Japan's Nissan Motor Co Ltd and even Germany's Volkswagen AG - the world's biggest automaker by sales each hold less than 1 per cent of a car market once forecast to be the third-largest by 2020, after China and the United States, with annual sales of 5 million.

Instead, sales have stagnated at about 3 million cars. The growth rate has slowed to 3.6 per cent in the last decade versus 12 per cent a

power of buyers would go up, but the government in mid-2000 with a lower tax rate for cars failed to create that kind of environment and infrastructure," said Ravi Bhatia, president for India at JATO Dynamics, a provider of market data for the auto industry.

Some of Ford's missteps can be traced to when it drove into India in the mid-1990s alongside Hyundai. Whereas Hyundai entered with the small, affordable "Santro", Ford offered the "Escort" saloon, first launched in Europe in the 1960s.

The Escort's price shocked Indians used to Maruti Suzuki's more affordable prices, said former Ford India executive Vinay Piparsania.

Ford's narrow product range also made it hard to capitalise on the appeal won by its bestselling EcoSport and Endeavour sport utility vehicles (SUVs), said analyst Ammar Master at LMC

The carmaker said it had considered bringing more models to India but determined it could not do so profitably.

The struggle for many global brands has always been meeting India's price point because they brought global products that were developed for mature markets at a high-cost

measuring less than 4 metres (13.12 ft) in length. That left Ford and rivals building India-specific sub-4 metre saloons for which sales ultimately disappointed.

"US manufacturers with large truck DNAs struggled to create a good and profitable small vehicle. Nobody got the product quite right and losses piled up," said JATO's Bhatia.

Ford had excess capacity at its first India plant when it invested \$1 billion on a second in 2015. It had planned to make India an export base and raise its share of a market projected to hit 7 million cars a year by 2020 and 9 million by 2025

But the sales never followed and overall market growth stalled. Ford now utilises only about 20 per cent of its combined annual capacity of 440,000 cars.

To use its excess capacity, Ford planned to build compact cars in India for emerging markets but shelved plans in 2016 amid a global consumer preference shift to SUVs.

It changed its cost structure in 2018 and the following year started work on a joint venture with local peer Mahindra & Mahindra Ltd designed to reduce costs. Three years later, in December, the partners abandoned the idea



Workers make Chinese flags at a factory in Jiaxing, Zhejiang province, China.

# Poultry farmers in a double bind

FROM PAGE B1

As a result, feed production costs have increased by 25 per cent to 30 per cent in the last three months, Beg said.

The price of maize and soybean meal, which make up 70 per cent to 80 per cent of the feed, has increased by 50 per cent to prices due to lower consumption amid the about Tk 30 and Tk 53 respectively since 2019, he added. The increased price of maize and soybean meal contributes 3 per cent to 4 per cent of the current feed prices. In June, the price of broiler chicken feed was around Tk 50 per kg while it currently stands at about Tk 53. Similarly, other types of feed that used to cost between Tk 41 to Tk 46 per kg now cost Tk 43 to Tk 48 for the same amount.

Agro and president of the Breeders Association of Bangladesh, said the price at which shopkeepers were buying chicken from farms was far less than its production value.

"Farmers are not getting their expected Covid-19 situation and since farmers need

fewer chicks now, many hatcheries have

Over eight crore chickens are produced

Many feed mills are also closing down

So, like poultry farmers, small feed mills

According to farmers and experts, it is

necessary to ensure a fixed selling price for

chicks, feed, broiler chicken and eggs in

line with production costs to ensure the

survival of poultry farmers and feed mills.

every month across the country while

about 4.5 crore eggs are produced each day.

due to high raw material costs at the

are also facing severe losses, leading to their

also shut down," he added.

international level.

closure, Rahman added.

decade earlier.

Ford's retreat marks the end of an Indian dream for US carmakers. It also follows its exit from Brazil announced in January, reflecting an industry pivot from emerging markets to what is now widely seen as make-or-break investment in electric vehicles

Analysts and executives said foreigners badly misjudged India's potential and underestimated the complexities of operating in a vast country that rewards domestic procurement.

Many failed to adapt to a preference for small, cheap, fuel-efficient cars that could bump over uneven roads without needing expensive repairs. In India, 95 per cent of cars are priced below \$20,000

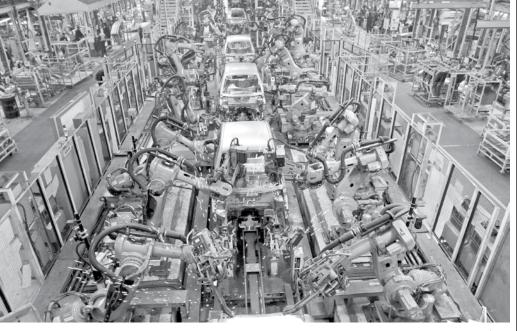
Lower tax on small cars also made it harder for makers of larger cars for Western markets to compete with small-car specialists such as Japan's Suzuki Motor Corp - controlling shareholder of Maruti Suzuki India Ltd, India's biggest carmaker by sales.

Of foreign carmakers that invested alone in India over the past 25 years, analysts said only South Korea's Hyundai Motor Co stands out as a success, mainly due to its wide portfolio of small cars and a grasp of what Indian buyers want.

Companies invested on the fallacy that India

structure," said Master.

A peculiarity of the Indian market came



would have great potential and the purchasing Ford cars are assembled at a plant of Ford India in Chengalpattu, on the outskirts of Chennai, India.

Meanwhile, the cost of production of broiler chickens has increased by 9 per cent in the last three years.

"So, there is no profit in broiler chicken farming at present," Beg said.

Md Rakibur Rahman, owner of Nahar

# Dairy farms sprouting around Dhaka

However, Kamal went on to say that there was a hygiene issue and proper quality

"We need at least 5,000 litres of milk for our milk collection tankers to go and collect milk from a place. Any less would not be viable for us," he added

Emran said dairy farmers around Dhaka city do not have to face any hassle to

market and sell milk whereas small farmers in different parts of the country have to face such troubles.

He said maintaining hygiene was a very difficult task but farm owners should focus on marketing management.

"This is a sector with potent. If the government supports such farmers, they will be able to give more importance to milk processing," Emran said.

# BB-BSEC row reins in stocks' growth spurts

### FROM PAGE B1

"Profit-taking is normal, but some unexpected issues between the two regulators made headlines, taking a toll on the confidence of investors.

"The central bank should have raised its concerns about the stabilisation fund with the BSEC before the latter published the gazette.'

"This is a sensitive market, and the issue is also important."

A market analyst said that the impasse emerged after two regulators took some decisions that were deemed that one was trying to counter the other.

The BB has been mopping up excess liquidity from the banking system to stop the asset bubble since it unveiled the monetary policy in July. In August, it withdrew Tk 19,645 crore from the market, BB data showed.

The central bank also ordered banks to beef up monitoring on loan disbursements to see whether funds end up in unproductive sectors like the stock market. It scrutinises banks' stock market investments on a daily basis to prevent their overexposure.

Already, it fined NRB Commercial Bank

and NRB Bank for breaching rules while investing in the stock market.

For its part, the stock market regulator decided to extend loan facilities to investors so that they can buy stocks when the index is at record levels.

Investors can now take on loans of up to 80 per cent of their investment if the benchmark index crosses 7,000 points and stays within 8,000.

Earlier, investors were allowed to borrow Tk 80 against an investment of Tk 100 if the benchmark index was lower than 7,000 points.

The regulators might disagree on policy issues, but it should not be made public, said Ariful Haque, a non-resident Bangladeshi stock investor.

The recent row between the central bank and the stock market regulator has affected the investors' mindset. So, the regulators should behave professionally.

The market is thriving, so the regulators should take decisions in a harmonised way.

As investors have huge confidence in the market, the index bounced back towards the end of the week.

# Private firms to get undersea cable licences FROM PAGE B1

Network redundancy is a duplicated infrastructure where additional or alternate instances of network devices and connections are installed to ensure an alternate path in case of a failure on the primary service.

The penetration rate of fixed-broadband is about 6 per cent in Bangladesh, and the government has targeted to raise it to 15 per cent by 2021.

Meanwhile, BSCCL has received approval from its board to change the name of the company from Bangladesh Submarine Cable Company Limited (BSCCL) to Bangladesh Submarine Cables PLC (BSCPLC), subject to the permission of the authorities, if any

The use of the PLC abbreviation after the name of a company communicates to investors and to anyone dealing with the company that it is a publicly-traded corporation.

# Ctg port sees better turnaround times

### FROM PAGE B1

However, vessel congestion still prevails at the transhipment ports of Singapore and Colombo, which is delaying the arrival of vessels here, he said.

Pressure of import containers has been gradually increasing since the NBR decision was no longer in effect and the situation may change within a few weeks, he added. Expressing satisfaction, Chittagong Chamber of Commerce and Industry President Mahbubul Alam said the CPA should focus on retaining the current pace of activities.

# Exports to Bhutan go up as trade agreement kicks in

FROM PAGE B4

The edible oil faces the highest duty of 100 per cent, Kamal said, adding that his company shipped Tk 40 crore worth of goods in the last fiscal year.

Kamal went on to say that before the onset of Covid-19, exports to Bhutan were insignificant. Despite the ongoing pandemic and lockdowns, shipments to the South Asian nation have grown steadily.

Khurshid Ahmad, general manager for international marketing of Bombay Sweets & Co. Ltd, says the export of goods like crisps and savoury snacks to Bhutan has increased.

However, over the last few months, the shipment of goods has been slow because of recurrent lockdowns in Bhutan, he added.

Noor Md Mahbubul Haque, additional secretary of the commerce ministry's free trade agreement wing, says nobody has complained about not enjoying the duty benefit to Bhutan under the PTA as the agreement has been in effect since its signing.

"If an exporter does not enjoy the benefit,

they should contact us. They should bring it to our notice so that we can investigate and take measures through consultations and negotiations.

He said the ministry would hold talks with Bhutan if needed, but the aggrieved needed first to bring it to the ministry's notice. Mostofa Azad Chowdhury Babu, vice-president of the Federation of Bangladesh Chambers of Commerce and Industry, also said none had lodged any complaint with the apex trade body.

Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry, called for carrying out a survey to see if anyone faced any issues in exporting to Bhutan.

The duty structure for garment items was like it was previously, said Shahidullah Azim, vice-president of the Bangladesh Garment Manufacturers and Exporters Association.

Bangladesh exported nearly \$0.32 million worth of garment items to Bhutan in the last fiscal year.

"Since the market is not that big, it is not a major target destination for apparel exporters," said Azim.

**REUTERS/FILE** 

control is necessary.



# BUSINESS

# Exports to Bhutan go up as trade agreement kicks in

Some yet to enjoy duty benefits

### **REFAYET ULLAH MIRDHA**

Bangladesh's exports to Bhutan could rise on the back of the bilateral trade pact signed last year after shipment to the South Asian nation has already shown a significant upward trend.

Bangladesh struck its maiden preferential trade agreement (PTA) with Bhutan on December 6 last year.

The country was chosen for the first such bilateral agreement out of respect as Bhutan was the first nation to recognise newly independent Bangladesh in 1971.

The agreement allows duty-free export of 100 goods and import of 34.

The beneficiary Bangladeshi products are garments, processed agricultural goods and electronics, while that of Bhutan are fruits and stone.

The eligible export-oriented items include baby clothes and clothing accessories, men's trousers and shorts, jackets and blazers, jute and jute goods, leather and leather goods, dry cell batteries, fans, watches, potatoes, condensed milk, cement, toothbrush, plywood, particle board, mineral and carbonated water, green tea and orange, pineapple, and guava juice.

The items that will get duty-free imports include oranges, apples, ginger, fruit juice, milk, natural honey, wheat or meslin flour, homogenised preparations of jams, fruit jellies, marmalades, food preparations of soybeans, mineral water, wheat bran, quartzite, cement clinker, limestone, wooden particle boards, and furniture.

The deal, albeit only 10 months old, has proven worthy as merchandise shipments have grown significantly recently.

In the fiscal year of 2020-21, earnings from merchandise shipments to Bhutan stood at \$6.89 million, a 58.03 per cent rise from \$4.36 million a year ago, according to data from the Export Promotion Bureau.

The two-way trade balance is in favour of Bhutan as Bangladesh imports a lot of fruits and stones.

Experts say the signing of the PTA was a good beginning as the country is negotiating trade pacts with major trading partners in order to ensure duty benefits

# **TRADE WITH BHUTAN**



- >> Dhaka inked PTA with Thimphu on Dec 6
- >>> It's first bilateral trade pact for Bangladesh
- >> 100 export items, 34 import items to move duty-free
- >> Exports to Bhutan up **58**pc to \$**6.89**m in FY21
- Trade balance in favour of Bhutan
- >> Some firms say they are yet to benefit from PTA
- >> Govt officials, chamber leaders say nobody raised the issue yet

once Bangladesh graduates from the grouping of the least-developed countries in 2026.

However, Kamruzzaman Kamal, director for marketing at Pran-RFL Group, the leading processed food exporter in Bangladesh, said his company had not been enjoying the duty benefit under the PTA.

"So, we are still facing the previous duty of 10 per cent to 100 per cent, depending on products," he said.

Still, though, the company's exports to Bhutan increased nearly 50 per cent yearon-year.

Most of Pran-RFL Group's products, such as fruit juice, yoghurt, candy and flavoured drinks, face a 30 per cent duty on exports to Bhutan. READ MORE ON B3

# Dairy farms sprouting around Dhaka

Farmers look to cash in on increased demand for fresh milk

## SUKANTA HALDER

Many Dhaka residents are well aware about the milkman, known as "goala" in Bangla, who delivers fresh milk to their doorsteps on a daily basis.

They collect milk from nearby dairy farms before making their rounds each day. However, some customers go the extra mile to ensure that they get unadulterated products by visiting the farms themselves.

In response to this increased demand for fresh, pure milk, a number of dairy farmers have set up small shops right at the farm gates to sell their products.

Md Haleem, a dairy farmer at Zoo Road in Mirpur, is one of them. He sells milk every day directly Sales have been increasing

well during the same period to hit Tk 90 per litre from Tk 60 per litre about 10 years ago, he added.

dairy farmers who have emerged in various pockets of Dhaka, such as Sutrapur, Lalbagh and its bordering localities, namely Keraniganj, to cater to the growing demand for milk among residents and sweetmeat shops.

Cattle farming has also expanded in the past couple of years alongside milk production, according to data from the Department of Livestock Services (DLS).

Overall milk production grew three and a half times to nearly 1.20 crore tonnes in fiscal 2020-21 from just 34.6 lakh tonnes in fiscal 2011-12.

And although Haleem's farm has grown with the passage of time, it is now unable to cater to the increasing demand for milk since it lacks the space for expansion.



A worker is seen packaging some freshly pasteurised milk at a shop in Town Hall, a kitchen market in Dhaka's Mohammadpur. The photo was taken recently.

apart from some local sweetmeat makers who purchase his milk at Tk 90 per litre, 20 per cent more than the cost of pasteurised milk sold by major milk processors such as staterun Milk Vita.

He said milk prices have also gone up because of increased livestock feed prices and other operational costs.

Local residents as well as residents of Uttara, Dhanmondi, Kalabagan and Farmgate are buyers of milk from this farm.

"Earlier, we used to sell milk only in plastic bottles. Now, we are selling milk packaged in transparent polythene," he said.

While Haleem is selling milk directly from his farm, Abul Khair,

to

Haleem has 60 permanent buyers in Keraniganj, Dhaka, has been selling milk from his farm at Mohammadpur Town Hall market through a store called Satata Enterprise for several years.

The farm has 24 cows and Khair sells 100 litres of milk daily. Some

days the volume goes up to as much as 150 litres. His price is Tk 80 per litre. "Our milk sales have increased

a bit in the last one year," he said, "Local residents are our main buyers. He also sells ghee.

Mohammad Shah Emran, general secretary of Bangladesh Dairy Farmers Association, said

dairy farming has been expanding around Dhaka city. "There is high demand for fresh

owner of a dairy farm at Ati Bazar milk," he said, adding that sales

in milk producing pockets were increasing day by day.

PHOTO: RASHED SUMON

Reputed brands separate cream after collecting milk from the farm, a process the farms themselves cannot do.

"So, this is the reason for the increasing demand for fresh milk at the farm gate," Emran added.

Kamruzzaman Kamal, director of marketing at Pran-RFL Group, which processes milk, said farms have been set up in various parts of Dhaka and its adjacent areas but these have been developed in a scattered manner.

The milk produced in these farms is directly consumed. There are big farms that make sweets of their own. As a result, they usually do not have surplus milk, he said. READ MORE ON B3

**GLOBAL BUSINESS** India antitrust probe finds Google |World Bank China rigging

Counterpoint Research.

pre-install Google apps.

mandatory

When the CCI ordered the probe

in 2019, it said Google appeared

for alternate versions of its mobile

operating system and force them to

The 750-page report finds the

apps "amounts to imposition of

unfair condition on the device

manufacturers" in violation of India's

competition law, while the company

leveraged the position of its Play Store

pre-installation of

from his farm comprising 22 cows. gradually over the last one decade, said Haleem, who inherited the business from his grandfather.

Besides, the price has risen as

Haleem is one of nearly 2,000

# abused Android dominance

### **REUTERS**, New Delhi

Google abused the dominant position of its Android operating system in India, using its "huge financial muscle" to illegally hurt competitors, the country's antitrust authority found in a report on its two-year probe seen by Reuters.

Alphabet Inc's Google reduced "the ability and incentive of device manufacturers to develop and sell devices operating on alternative versions of Android," says the June report by the Competition Commission of India's (CCI) investigations unit.

The US tech giant told Reuters in a statement it looks forward to working with the CCI to "demonstrate how Android has led to more competition and innovation, not less." Google has not received the investigation report, a person with direct knowledge of the situation told Reuters.

The CCI did not respond to a request for comment on the report. Senior CCI members will review the report and give Google another chance to defend itself, before



### A man walks past the sign of "Google for India", the company's annual technology event, in New Delhi. REUTERS/FILE

issuing a final order, which could in Europe, the United States and include penalties, said another person familiar with the case.

Google would be able to appeal any order in India's courts.

Its findings are the latest antitrust setback for Google in India, where it faces several probes in the payments app and smart television markets. The company has been investigated

app store to protect its dominance. antitrust regulator fined Google \$180 million for blocking customised Play Store policies were "onesided, ambiguous, vague, biased versions of Android. Google and arbitrary", while Android has been "enjoying its dominant submitted at least 24 responses during the probe, defending itself and arguing it was not hurting position" in licensable operating competition, the report says. systems for smartphones and Corp, Amazon. tablets since 2011, the report says.

# scandal rattles investors com Inc, Apple Inc, as well as smartphone makers like Samsung and Xiaomi, were among 62 entities



A participant stands near a logo of World Bank at the International Monetary Fund-World Bank Annual Meeting 2018 in Nusa Dua, Bali, Indonesia.

**REUTERS**, London

Some investors and campaigners expressed dismay on Friday at revelations that World Bank leaders pressured staff to boost China's score in an influential report that ranks countries on how easy it is to do business there.

They also said the World Bank's subsequent discontinuation of the "Doing Business" series of annual reports could make it harder for investors to assess where to put their money.

"The more I think about this, the worse it looks," said Tim Ash at BlueBay Asset Management, adding that the reports published since 2003 had become important for banks and businesses around the world.

"Any quantitative model of country risk has built this into ratings. Money and investments are allocated on the back of this series."

An investigation by law firm WilmerHale, at the request of the World Bank's ethics committee, found that World Bank chiefs including Kristalina Georgieva - now head of the International Monetary Fund - had applied "undue pressure" to boost China's scores in the "Doing Business 2018" report. read more

At the time, the Washington-based multilateral lender was seeking China's support for a big capital increase.

Georgieva said she disagreed "fundamentally with the findings and interpretations" of the report, which was

released on Thursday, and had briefed the IMF's executive board. Advocacy group Tax Justice Network welcomed the investigation by the ethics committee.

**REUTERS/FILE** 

"The bigger question is how, if it is even possible, the Bank can eliminate the apparent corruption of the institution," the British-based group's CEO Alex Cobham said on Twitter.

Economists said such reports - by the World Bank and others - were useful but had long been vulnerable to manipulation.

They said some governments, especially in emerging market countries who want to demonstrate progress and attract investment, could become obsessed with their position in the reports, which assess everything from ease of paying taxes to legal rights.

The United Arab Emirates, 16th in the latest 2020 report, had targeted topping the ranking in 2021, while Russia surged up the rankings to 28th in 2020 from a dismal 120th in 2011. President Vladimir Putin set a challenge for the country to break into the top 20 by the end of the last decade.

When asked to comment on the World Bank ditching the ratings, Kremlin spokesperson Dmitry Peskov said on Friday: "The task of improving the business climate is not linked to the existence of any ratings. Ratings are just a yardstick."

Past research by the World Bank nonetheless suggested that foreign direct investment flows were higher for economies performing better in its reports.

# UK retail sales drop as more consumers eat out: data

### AFP, London

British retail sales fell last month as the grocery sector was hit by people returning to restaurants and pubs after virus curbs were lifted, data showed Friday

Sales by volume slid 0.9 percent in August from the prior month, the Office for National Statistics (ONS) said in a statement, after a 2.8-percent drop in July.

Food store sales suffered from the recovering hospitality industry, which was shuttered by lockdowns during much of the pandemic but reopened earlier this year. "Sales fell again in August, though not nearly by as much as July and, overall, remained above their pre-pandemic level," said ONS statistician Jonathan Athow. "Other data suggest that the drop in food stores' sales is linked to an increase in eating

out following the lifting of coronavirus restrictions.

Motor fuel sales rose on the month as people ventured out more after the economy fully reopened in July.

Overall retail sales are 4.6 percent higher than before the start of the deadly coronavirus outbreak.

However, Britain's economic recovery is flattening as a result of the stubborn pandemic, supply chain bottlenecks and the elevated cost of commodities.

The economy grew at just 0.1 percent in July compared with 1.0 percent in June. Annual inflation meanwhile spiked in August to a nine-year peak of 3.2 percent, data showed this week. "The decline in retail sales volumes in August suggests that the stalling in the economic recovery in July continued into August," noted economist Paul Dales at research consultancy Capital Economics.

# Airbus reaches deal to restructure AirAsia jet order

### **REUTERS**, Paris

elsewhere. This week, South Korea's

Microsoft

Airbus has agreed to cut prices or reschedule delivery for hundreds of jets ordered by Malaysia's AirAsia to salvage a contract worth tens of billions of dollars with its largest Asian customer, industry sources said on Friday.

The restructuring deal resets relations between two of the industry's closest partners, torn apart by the financial impact of the coronavirus crisis, and lifts uncertainty over the fate of up to 400 A320-family single-aisle jets yet to be delivered.

Airbus declined comment, while AirAsia did not immediately reply to a request for comment.

The AirAsia deal does not involve cancelling jets on order but includes a new delivery schedule and price cuts or other improvements in terms, the sources said.

AirAsia said last year it would stop taking deliveries of all Airbus jets and review remaining orders.

Industry sources said it had also stopped sending progress payments to Airbus, prompting the planemaker to suspend plans to produce jets on order pending the new restructuring deal.