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 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 year-on-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.

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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

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 from his farm comprising 22 cows.

Sales have been increasing gradually over the last one decade, said Haleem, who inherited the business from his grandfather.

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

Haleem is one of nearly 2,000 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. PHOTO: RASHED SUMON

Haleem has 60 permanent buyers 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 state-run 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, owner of a dairy farm at Ati Bazar 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 milk," he said, adding that sales in milk producing pockets were increasing day by day.

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.

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GLOBAL BUSINESS

India antitrust probe finds Google 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 issuing a final order, which could 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 in Europe, the United States and elsewhere. This week, South Korea's antitrust regulator fined Google $180 million for blocking customised versions of Android. Google submitted at least 24 responses during the probe, defending itself and arguing it was not hurting competition, the report says.

Microsoft Corp, Amazon.com Inc, Apple Inc, as well as smartphone makers like Samsung and Xiaomi, were among 62 entities that responded to CCI questions during its Google investigation, the report says. Android powers 98 per cent of India's 520 million smartphones, according to Counterpoint Research.

When the CCI ordered the probe in 2019, it said Google appeared to have leveraged its dominance to reduce device makers' ability to opt for alternate versions of its mobile operating system and force them to pre-install Google apps.

The 750-page report finds the mandatory pre-installation of 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 app store to protect its dominance.

Play Store policies were "one-sided, ambiguous, vague, biased and arbitrary", while Android has been "enjoying its dominant position" in licensable operating systems for smartphones and tablets since 2011, the report says.

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

World Bank China rigging scandal rattles investors

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/FILE

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.

"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*

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.