STOCKS		COMMODITIES		ASIAN MARKETS			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.19%	▲ 0.21%	▲ $1,756.30 (per ounce)	▼ $74.04 (per barrel)	▼ 0.78%	▲ 0.58%	▼ 0.96%	▲ 0.19%
7,205.82	12,620.27			58,555.88	30,500.05	3,041.73	3,613.97

CURRENCIES — STANDARD CHARTERED BANK

	USD	EUR	GBP	CNY
BUY TK	84.30	97.59	114.54	12.72
SELL TK	85.30	101.39	118.34	13.38

Star BUSINESS

DHAKA TUESDAY SEPTEMBER 21, 2021, *ASHWIN 6, 1428 BS* ● starbusiness@thedailystar.net

Chorus of complaints against rogue e-commerce firms

Consumer rights directorate receives 5,000 complaints against Evaly, Eorange, Dhamaka in July, Aug

Sukanta Halder *and* Mahmudul Hasan

Lured by hefty discounts at e-commerce platform Eorange, Md Sahedul Islam, a private firm employee with a Tk 15,000 monthly income, borrowed Tk 13 lakh from family members, relatives and colleagues to make advance payments for five motorcycles in May and another three in June.

The platform was supposed to deliver the first five motorcycles in June and the rest by July. But he has not yet received any of his products.

Alarmed, he lodged a complaint with the Directorate of National Consumer Rights Protection (DNCRP) last month seeking either the products or a refund.

"I haven't received any notice from the DNCRP yet for a hearing," Islam told The Daily Star yesterday.

"In the hope of making some profit, I did it. Now I am in a very bad state as I am facing intense pressure to repay my debt," he said.

Unnerved by different government agencies' recent crackdown on dubious e-commerce entities, customers in the same quagmire have lodged around 6,000 complaints with the directorate in July and August seeking redress.

Evaly, Eorange and Dhamaka Shopping alone are accused in around 5,000 complaints. Only 12 per cent or 726 complaints have been settled so far.

From July till date, 2,643 complaints have been filed against Eorange. Only 33 or 1.24 per cent have been settled by the directorate.

Eorange founder Sonia Mehjabin and several of its officials have been in jail since their arrest on August 16 on charge of embezzling Tk 1,100 crore of customers.

Middle-aged Khairul Bashar paid Evaly in full for an Apple iPad worth Tk 32,000 on May 14.

The e-commerce platform was supposed to deliver the product in a maximum of 45 days.

But this teacher of a private school is yet to get the smart device. He has talked to its customer care department over 10 times in the last 129 days.

READ MORE ON B3

NUMBER OF COMPLAINTS IN JUL-AUG

evaly	eorange	Dhamaka
2,206	2,605	250

*Total complaints against 18 firms and F-commerce units: 5,932

* So far 726 complaints settled

WHERE ARE THE OWNERS?

- Evaly CEO **Mohammad Rassel** and **Chairman Shamima Nasrin** arrested last week
- Eorange founder **Sonia Mehjabin** and some officials in jail since August 16
- Dhamaka **MD Jashimuddin Chisty** in the United States

Loan write-offs pick up

Rejaul Karim Byron *and* Dwaipayan Barua

Write-off loans rose slightly in the second quarter of 2021, although they remain at the lower level thanks to the eases of rules because of the coronavirus pandemic.

Between April and June, loans amounting to Tk 126 crore were written off, according to data from the Bangladesh Bank. It was Tk 102 crore in the first quarter.

This means it totalled Tk 228 crore in the first six months of 2021. Default loans amounting to Tk 970 crore were removed from the balance sheets in the entire 2020.

Usually, loans are written off when they are entirely provisioned and have no realistic prospect of being recovered. So, these loans are shifted to off-balance sheet records, a move that reduces taxable income on the income statement.

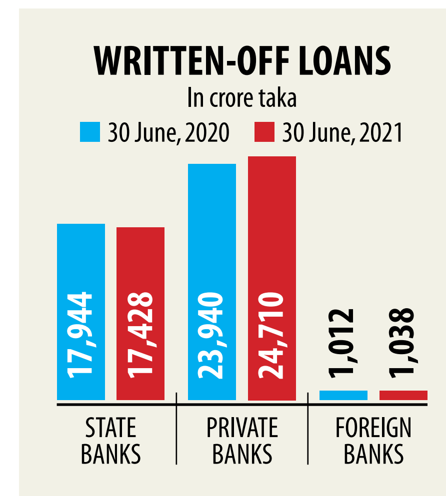
Since the facility was introduced in January 2003, a total of Tk 57,249 crore has been written off.

Of the sum, Tk 43,543 crore has remained unrealised, while Tk 13,706 crore has been recouped.

The trend of loans being written off usually slackens in the first nine months of a year before climbing in the final quarter.

Banks usually write off a substantial amount of default loans in the final quarter to avoid taxation, said a banker.

Lenders provide corporate taxes from their operating profit after making a provision against default and unclassified loans.



SROUCE: BB

Banks have to keep 0.25 per cent to 5 per cent of the operating profit as unclassified loans, 20 per cent for default loans of substandard category, 50 per cent for the doubtful category, and 100 per cent for bad or loss category. It is 100 per cent for write-offs.

Bad loans, including the write-off loans, totalled about Tk 138,787 crore till June.

Mutual Trust Bank Managing Director Syed Mahbubur Rahman said write-off loans were basically a part of the regular cleaning up process of banks.

"If the asset gives me no revenue, there is no point of keeping it there."

READ MORE ON B3

DURGA PUJA

2,080 tonnes of hilsa going to India

Star Business Report

The commerce ministry yesterday gave go-ahead to 52 companies to export 2,080 tonnes of hilsa fish to India by October 10 this year, as the Indian government wanted this popular fish from Bangladesh ahead of the Durga Puja, a religious festival for the Hindus.

"We have selected 52 local companies to ship 40 tonnes of hilsa each to India as they qualified for exporting the fish," said Commerce Secretary Tapan Kanti Ghosh over phone.

"It is one kind of diplomatic move by the government as every year Bangladesh sends hilsa fish to India before the Durga Puja," Ghosh said.

Last year, Bangladesh exported almost the same quantity of hilsa fish to India before the Durga Puja, he said.

The demand for hilsa

READ MORE ON B3

IFC to invest $2.5m in Truck Lagbe

Star Business Report

International Finance Corporation (IFC) is going to invest $2.5 million in online platform Truck Lagbe to connect people and corporate customers with truck owners and drivers through an app and a website in Bangladesh.

The partnership will also help expand services, modernise the logistics sector and maintain critical supply chains, especially for delivering food and essential items during Covid-19, the World Bank Group member said in a statement yesterday.

The platform has registered over 43,000 shippers alongside 20,000 trucks of different carrying capacities for short and long hauls.

The company said it offers price transparency, real-time tracking of shipments through GPS technology and maximises truck utilisation, driving efficiencies across the logistics value chain, which reduces greenhouse gas emissions.

READ MORE ON B3

IT freelancers, tea exporters to get cash incentive

Star Business Report

Freelancers who work to export software and IT enabled services are going to get 4 per cent cash incentive along with exporters of locally grown tea, bicycle and parts, steel products and cement sheets in the current fiscal year.

Freelancers will need to fulfil some conditions to avail the benefit.

With this addition, the list of products or sectors eligible for cash incentives for exports, rises to 43 including freelancers for the current fiscal year of 2021-22, up from 38 the previous year, according to a circular by Bangladesh Bank.

Apart from these products and 1 per cent cash support for garments exports, the government yesterday declared that investors in the industrial enclaves under the Bangladesh Economic Zones Authority (BEZA), Bangladesh Export Processing Zones Authority (BEPZA) and Bangladesh Hi-Tech Park Authority would get 1 per cent cash incentive for export of other items produced in the zones.

"The government offers the incentives in order to encourage exports," said a senior official of Bangladesh Bank.

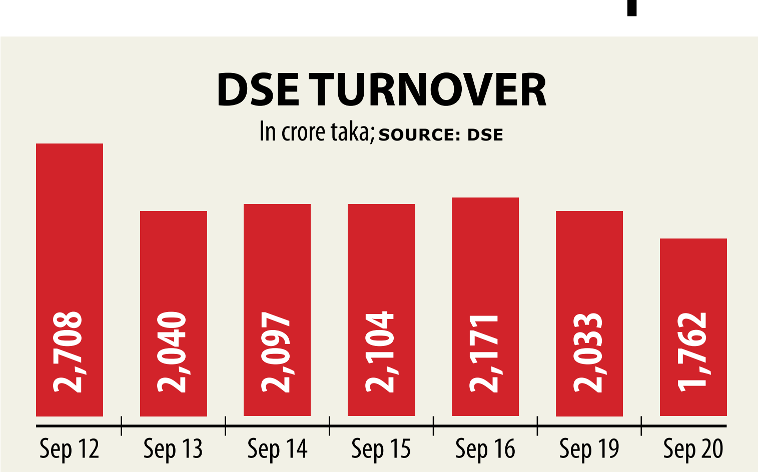
Dominated by garments, Bangladesh's export earnings stood at US$ 38.75 billion in fiscal year 2020-21, up 15 per cent a year ago, data by Export Promotion Bureau showed.

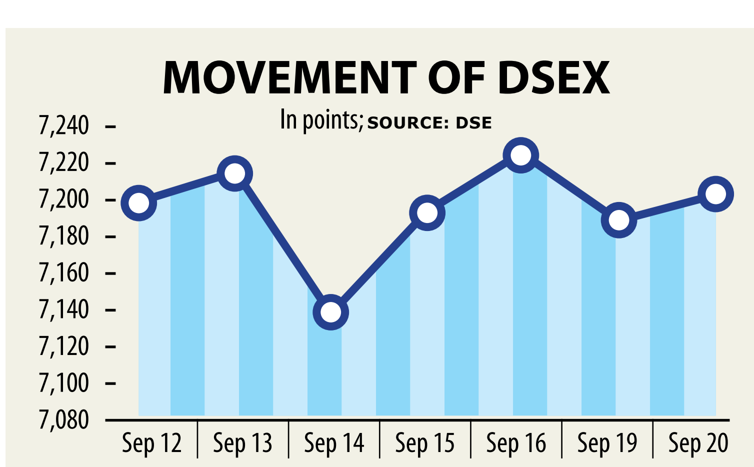
READ MORE ON B3

STAR/FILE

Exporters of locally grown tea will enjoy 4 per cent cash incentive in the current fiscal year.

Stock turnover dips but index rebounds





Star Business Report

The Dhaka bourse yesterday witnessed the lowest turnover in the past 18 days despite its index having bounced back.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), edged up 14 points, or 0.19 per cent, to 7,205.

Turnover, an important indicator of the market, decreased around 13 per cent to Tk 1,765 crore, which was Tk 2,033 crore on the preceding day. On August 29, turnover had dropped to Tk 1,846 crore.

As the benchmark index of the Dhaka bourse is hovering at its highest point, many investors are waiting to see where it goes, said a stock broker.

The wait and see situation drowned the turnover of the market, he said.

FAR Chemical Industries Limited topped the gainers' list, rising 10 per cent, followed by RN Spinning Mills Limited, Bangladesh National Insurance Company Limited, Eastern Insurance Company Limited and Khan Brothers PP Woven Bag Industries Limited.

Bangladesh Monospool Paper Manufacturing Company Limited shed the most, falling 8.73 per cent, followed by Paper Processing & Packaging Limited, First Janata Bank Mutual Fund, EBL First Mutual Fund and Dominage Steel Building Systems Limited.

As the stock market made handsome gains in the past few months, some profit booking tendency was expected, said a merchant banker.

As a result, the index is slowly making gains with undergoing some drops, he said, adding that the act of people availing profits boosts the depth of the stock market.

Cement, general insurance and textile sectors witnessed the highest price surges while life insurance and paper and printing edged down yesterday.

READ MORE ON B3

Puma to expand Bangladesh footprint

Will open another outlet in Dhaka this month

Akanda Muhammad Jahid

Just two years after first entering the Bangladesh market, German sportswear giant Puma is going to further expand its horizon in the country.

DBL Group, the local franchise partner of the international footwear and apparels brand, has announced that they are going to launch a second outlet in Dhaka at Dhanmondi 27. A senior official of DBL Group said they are planning to inaugurate the new outlet by the end of this month.

To fortify its vision of "Sportlifestyle" and propagate it, Puma started its journey in Bangladesh in April 2019 with its first flagship store in the country on Banani Road 11.

The Banani store, one of Puma's biggest stores in Southeast Asia till date, showcases a wide array of the company's latest performance and sport-style products on 2,200 square feet of space.

Talking about the new outlet, MA Jabbar, managing director of DBL Group, said: "We are incredibly proud to open another store of Puma in Bangladesh at this iconic location of Dhanmondi.

"We are looking to expanding our footprint furthermore. Through this iconic flagship store, we are looking at bringing the best of Puma experiences and products to our consumers."

People are now more interested in lifestyle and fitness as well as more health and brand conscious.

READ MORE ON B3

MIDAS FINANCING LIMITED

Rokia Afzal Rahman, chairman of the board of directors of MIDAS Financing Limited, presided over its 25th annual general meeting held virtually yesterday. Board members Mohammed Nasir Uddin Chowdhury, M Hafizuddin Khan, Abdul Karim, Ali Imam Majumder, Md Shamsul Alam, Md Shahedul Alam, Gulam Rahman and Nazneen Sultana, Managing Director Mustafizur Rahman, Company Secretary Tanvir Hasan and Chief Financial Officer Nasreen Ahamed were present.

COLLECTED

Eastern Bank Limited Director Zara Namreen formally inaugurated a relocated Khulshi branch in Chattogram yesterday. Director Mufakkharul Islam Khasru, Managing Director and CEO Ali Reza Iftekhar and Deputy Managing Director Ahmed Shaheen were present.

THE DAILY STAR

STS Group CEO Dr Sandeep Ananthanarayanan and The Daily Star Head of Business Shuvashish Roy signed a memorandum of understanding yesterday for the distribution of the newspaper among students of Universal College Bangladesh for a year.

BP gambles big on fast transition from oil to renewables

REUTERS, *London*

Deep in the Oman desert lies one of BP's more lucrative projects, a mass of steel pipes and cooling towers that showcases the British energy giant's pioneering natural gas extraction technology.

The facility earned BP Plc more than $650 million in profits in 2019, according to financial filings reviewed by Reuters. Yet the oil major agreed to sell a third of its majority stake in the project earlier this year. The deal exemplifies a larger strategy to liquidate fossil-fuel assets to raise cash for investments in renewable-energy projects that BP concedes won't make money for years.

BP's big bet is emblematic of the hard choices confronting Big Oil. All oil majors face mounting pressure from regulators and investors worldwide to develop cleaner energy and divest from fossil fuels, a primary source of greenhouse-gas emissions that cause global warming. That scrutiny has increased since early August, when the United Nations panel on climate change warned in a landmark report that rising temperatures could soon spiral out of control.

BP Chief Executive Bernard Looney, who took office in February 2020, is gambling that BP can make the clean-energy transition much faster than its peers. Last year, he became the first major oil CEO to announce that he would purposely cut future production. He aims to slash BP's output by 40 per cent, or about 1 million barrels per day, an amount equal to the UK's entire daily output in 2019. At the same time, BP would boost its capacity to generate electricity from renewable sources to 50 gigawatts, a 20-fold increase and equivalent to the power produced by 50 US nuclear plants.

To hit those targets, Looney plans $25 billion in fossil-fuel asset sales by 2025. That's equivalent to about 13 per cent of the company's total fixed assets at the end of 2019. Under his watch, BP has already sold legacy projects worth about $15 billion. In addition to the Oman deal, Looney unloaded oil and gas fields in Alaska and the North Sea and sold off BP's entire petrochemical operation, which produced a $402 million profit in 2019.

Two of BP's key renewables investments, by contrast, are losing tens of millions of dollars, according to a Reuters review of financial filings with Companies House, Britain's corporate registry. BP owns half of Lightsource, a solar energy company that lost a combined 59.3 million pounds ($81.8 million) in 2018 and 2019, the last year for which data is available. The company's UK-based electric-vehicle charging firm, bp pulse, lost a combined 22.3 million pounds ($30.8 million) over the two years.

Performance figures for other assets recently bought or sold by BP are not available because, like other oil majors, it does not usually disclose financials of individual projects. The performance numbers for the two renewable projects and the Oman unit have not been previously reported. BP did not give Reuters updated financials for those projects or others beyond 2019.

The company acknowledged that its fast-growing clean-energy business - including its solar, EV-charging and wind ventures - continues to lose money. BP does not expect profits from those businesses until at least 2025.

The losses are not slowing Looney's spending on renewable energy. He aims to boost annual investment to $5 billion by 2030, a 10-fold increase over 2019. For bp pulse, that means operating 70,000 charging points by 2030, up from 11,000 now. Lightsource, meanwhile, recently completed a $250 million solar farm in rural north Texas and, separately, acquired a US solar company for $220 million. BP is also moving aggressively into offshore wind power, and paying a high cost of entry relative to companies who got established in the business earlier.

As he launched the transition, Looney has slashed jobs, cutting 10,000 employees, or about 15 per cent of the workforce he inherited. BP's share price, meanwhile, has fallen 39 per cent since Looney arrived, the worst performance by any oil major during the period.

In an interview with Reuters, BP Chief Financial Officer Murray Auchincloss dismissed the importance of the company's recent share performance and said BP and its investors can weather the rapid transformation. The declining oil-and-gas revenue this decade will be offset, in part, by higher expected revenues from gasoline stations and their attached convenience stores, he said. Those stations will increasingly offer electric vehicle charging, a business Auchincloss said is growing much faster than BP had expected, especially in Europe, because of plans by automakers including BMW and Daimler AG, the parent company of Mercedes-Benz, to introduce more electric models.

"Electrification is growing at a much faster pace than we ever could have dreamed," Auchincloss said.

When BP's wind and solar investments start returning healthy profits, Auchincloss said, the returns will be lower than BP expects from oil and gas. But they will be far more stable, he said, compared to the "super volatile" oil business, where prices can rise or fall dramatically. The company also plans to boost profits through its energy-trading operation, one of the world's largest, which will benefit from BP's new focus on generating electricity, Auchincloss said.

Seven current and former BP executives spoke with Reuters on condition of anonymity and shared their views on Looney's transition plan. The executives generally supported the direction but expressed varying levels of concern that Looney is moving too fast in trading high-quality oil assets for more speculative renewable-energy investments. Some worried in particular that selling higher-quality oil assets now could leave BP with mostly lower-quality assets, which will become harder to unload later as the entire industry looks to transition to cleaner energy sources.

Fed to reveal new projections with investors on alert

REUTERS

US Federal Reserve officials will lay bare how soon and how often they think the economy will need interest rates rises over the next three years when they release new forecasts at their policy meeting on Wednesday, with investors on alert for a faster pace of tightening.

The so-called "dot plot," released quarterly, charts policymakers projections, on an anonymous basis, for economic growth, employment and inflation, as well as the timing of interest rate rises.

It will show whether most are sticking to recently expressed views that the Delta variant of the coronavirus, which has dented economic activity, will have a short-lived effect on the recovery despite the current turbulence and uncertainty it is causing. This week's set of dots also will include policymakers' forecasts for 2024 for the first time.

Interest rates have been near zero since the beginning of the COVID-19 pandemic with the Fed vowing not to raise borrowing costs until the economy has fully healed. According to the Fed's new framework, that means a greater emphasis on achieving maximum employment along with its 2 per cnet average inflation goal.

Hotter-than expected inflation despite some recent moderation is testing policymakers' commitment to that new framework and could cause the median of the Fed's forecasts for a liftoff in interest rates to switch to 2022 from 2023 at the June meeting.

For that to happen, only three policymakers would need to bring forward their projections, and a shift of just two would result in a dead-heat split inside the Fed over whether liftoff is in the cards for next year or later.

"We all know the dots are not promises or commitments, but it's still the best that the market has to go by to what policy will be in the future," said Roberto Perli, an economist at Cornerstone Macro and former Fed staffer. "The risks are skewed to the upside." There are rising expectations the central bank will at least use its upcoming meeting on Sept. 21-22 to signal it plans to start reducing its massive bond purchases, also put in place in early 2020 to support the economy's recovery, in November if incoming data holds up, amid the fastest economic recovery in history from a brief recession last year.

Fed officials argue the asset purchase program has run its usefulness given that demand, which it most directly affects, has rebounded even if the supply of both labor and goods has been constrained.

The scaling back could be completed as early as mid-2022, clearing the way for the Fed to lift interest rates from near zero any time after that.

The consensus among economists polled by Reuters is for rates to remain near zero until 2023 but more than one-quarter of respondents in the September survey forecast the Fed raising rates next year.

If the Fed's 2022 and 2023 median interest rate projections stay the same, attention will focus on 2024 as investors parse the pace of rate rises once liftoff begins. It will also show how many policymakers, if any, still see interest rates on hold until at least 2024. In June, five out of the 18 policymakers saw rates staying pat until the end of 2023.

Dollar creeps higher as Fed's taper looms

REUTERS

The dollar began the week firmly on Monday with investors in a cautious mood ahead of several central bank meetings, headlined by the Federal Reserve, while looming catastrophe at indebted developer China Evergrande added to markets' fragility.

In thin trade, owing to holidays in Japan and China, the euro nursed losses from its weakest week in a month, slipping slightly to touch a four-week low of $1.1721. Sterling and the Australian and New Zealand dollars were also pressured toward new troughs.

The kiwi, at $0.7024, and sterling, at $1.3722, made three week lows as did the Aussie which fell 0.1 per cent to $0.7253. "The U.S. dollar is having a bit of a rebound," said Westpac analyst Imre Speizer, drawing support, he added, both from an expectation of imminent asset purchase reductions from the Fed and from caution as equity markets begin to get the wobbles.

"Everyone is eying the Fed, waiting for a tapering signal." The U.S. dollar index rose very slightly to a month-high 93.263. The yen held at 110.01 per dollar. The week brings central banks in Japan, the UK, Switzerland, Sweden, Norway, Indonesia, the Philippines, Taiwan, Brazil, South Africa, Turkey and Hungary as well as elections in Canada and Germany -- though traders are mostly focused on the Fed.

The Fed concludes a two-day meeting on Wednesday and markets' consensus is that it will stick with broad plans to begin tapering this year but will hold off providing details or a timeline for a at least a month. Creeping US yields, however, which at the 10-year tenor rose for a fourth straight week last week point to risks of a hawkish surprise or a shift in projections to show hikes as soon a 2022, both of which could support the dollar. It would only take two Fed members to change their minds for the "dot plot" of median projections to reflect hikes next year, said Marshall Gittler of brokerage BDSwiss.

"So it's quite possible that they go from forecasting no rate rises next year to at least one," he said. "Similarly, they are now forecasting two hikes in 2023 that could easily go to three as well." Among the other major central banks the Bank of England is expected to leave policy settings unchanged, but traders see potential for gains in the currency if the bank adopts a hawkish tone or more members being calling for asset purchase tapering.

US opens probe into 30m vehicles over air bag inflators

REUTERS, *Washington*

US auto safety investigators have opened a new probe into 30 million vehicles built by nearly two dozen automakers with potentially defective Takata air bag inflators, a government document seen by Reuters on Sunday showed.

The National Highway Traffic Safety Administration (NHTSA) on Friday opened an engineering analysis into an estimated 30 million US vehicles from the 2001 through 2019 model years. Automakers were alerted to the investigation, which is not yet public.

The new investigation includes vehicles assembled by Honda Motor Co, Ford Motor Co, Toyota Motor Corp, General Motors Co, Nissan Motor, Subaru, Tesla, Ferrari NV , Nissan Motor, Mazda, Daimler AG, BMW Chrysler, Porsche Cars, Jaguar Land Rover (owned by Tata Motors and others. The automakers on Sunday either declined to comment before NHTSA's expected public announcement on Monday, or did not immediately respond to requests for comment. NHTSA declined to comment.

The 30 million vehicles include both vehicles that had the inflators installed when they were manufactured as well as some inflators that were used in prior recall repairs, NHTSA said in the document.

Over the last decade, more than 67 million Takata air bag inflators have been recalled in the United States -- and more than 100 million worldwide -- in the biggest auto safety callback in history because inflators can send deadly metal fragments flying in rare instances.

There have been at least 28 deaths worldwide, including 19 in the United States tied to faulty Takata inflators and more than 400 injuries.

Heavy vehicular traffic is seen in the Ocean Beach neighbourhood of San Diego, California, US, ahead of the Fourth of July holiday July 3, 2020. REUTERS/Bing Guan

The 30 million vehicles that are part of the new investigation have inflators with a "desiccant" or drying agent. According to the document, NHTSA said there have been no reported ruptures of vehicles on the roads with air bag inflators with the drying agent.

"While no present safety risk has been identified, further work is needed to evaluate the future risk of non-recalled desiccated inflators," NHTSA said in opening its engineering analysis seen by Reuters. "Further study is needed to assess the long-term safety of desiccated inflators."

NHTSA has said the cause of the inflator explosions tied to the recall of 67 million inflators that can emit deadly fragments is propellant breaking down after long-term exposure to high temperature fluctuations and humidity. The agency has required all similar Takata without a drying agent to be recalled.

In the United States, 16 deaths in Honda vehicles have been reported, two in Ford vehicles and one in a BMW, while 9 other Honda deaths occurred in Malaysia, Brazil and Mexico.

NHTSA did not immediately release a breakdown of how many vehicles per manufacturer are covered by the probe.

COLLECTED

Forkan Hossain, general manager (accounts & budgeting department) of Bangladesh Bank, and Mohammad Feroz Hossain, managing director of the Export Import (EXIM) Bank of Bangladesh Limited, signed an agreement at the central bank yesterday over the collection of government fees through an automated challan system. Ahmed Jamal, deputy governor of Bangladesh Bank, Nurun Nahar, executive director, Shah Md Abdul Bari, deputy managing director of the EXIM Bank, and Sanjib Chatterjee, vice president and head of marketing & development division, were present.

Corporate leverage returns to pre-pandemic levels

REUTERS

US and European companies have marked another milestone in their road to recovery from COVID-19, seeing their debt levels relative to profits tumbling to the lowest since before the pandemic erupted in 2020.

Net leverage, an important gauge of a company's financial health, refers to net debt as a proportion of EBITDA - earnings before accounting for interest, taxes, depreciation and amortization.

At US companies rated investment-grade, it fell in the second quarter to the lowest since 2018, according to BNP Paribas, while European leverage is the lowest since 2019.

The trend is a good sign for corporate debt markets, where the lowest-rated segments are outperforming this year, signalling normalising credit quality.

"The earnings recovery has been much steeper than what we had initially had in mind, partly because the economy and corporate earnings have become increasingly COVID-immune," said Viktor Hjort, global head of credit strategy at BNP Paribas.

Earnings at S&P 500 and STOXX 600 companies are already some 40 per cent above pre-pandemic levels, according to Refinitiv, with the vast majority of companies beating forecasts.

Leverage has fallen fastest at US firms with "junk" credit ratings, or below the BBB- threshold, where it is nearly at pre-pandemic levels, BNP's data shows.

Kristjan Mae, analyst at asset manager Schroeders, said that while deleveraging at US investment-grade companies was mostly down to strong earnings growth, junk or high-yield firms "have been taking active steps, as is illustrated by negative debt growth".

As of August, US high yield debt was down 1.3 per cent from year-earlier levels, data from BofA shows.

"As some of the lower-rated companies have been under pressure to cut leverage, this is perhaps not a surprising development," Mae wrote in a note.

IT freelancers, tea exporters to get cash incentive

FROM PAGE B1

And the government has been providing as much as 20 per cent to fillip shipment of goods.

Currently, exporters of diversified jute goods, active pharmaceutical ingredients, halal meat, potato as well as fresh fruits and vegetables get 20 per cent cash incentive. The benefit will continue for the next fiscal year, according to the Bangladesh Bank circular.

Some 15 per cent incentive is given to facilitate the export of products such as light engineering products, furniture, accumulator battery, leather goods, footwear and bags made of synthetics and fabrics and rice.

The government also provides 10 per cent incentives to encourage exports of a number of products including plastic goods, IT enabled services, and pharmaceutical products. Like the previous year, small-and-medium factories exporting garments will get 4 per cent incentives against exports for the current fiscal year.

Export-oriented factories will get 4 per cent incentive instead of obtaining duty-free benefit for importing raw materials for export and seeking duty drawback, according to the circular.

Yesterday, the central bank also added float glass sheet, cast iron, and aluminium in the list of light engineering products to get export benefits. It also included compressors in the list of electronic appliances that can avail the incentive. Bangladesh Bank said firms will have to ensure 30 per cent value addition locally to avail the benefit.

Loan write-offs pick up

FROM PAGE B1

Many raise questions that banks cannot recover the written-off loans as they are not monitored properly, which, says Rahman, is a wrong perception.

The boards keep a tab on the write-off loans and regularly update the Bangladesh Bank about it, he said.

Rahman credited various government benefits, including payment waivers, for the decline in the write-off loans. Lawsuits were not filed against the borrowers as courts were closed during the lockdowns, he said.

"Previously, we could file cases if instalments were unpaid for three years. Now, cases cannot be lodged until the borrowers fail to repay the loans for at least five years."

Agrani Bank Chairman Zaid Bakht also attributed the relaxation in the loan classification policy and the drop in lawsuits amid the pandemic for the falling loan write-offs.

Although the loans are erased from the balance sheets, it does not mean banks forget them.

"Every year, we recover a lot of money as we keep pursuing the borrowers," said the former research director of the Bangladesh Institute of Development Studies.

2,080 tonnes of hilsa going to India

FROM PAGE B1

fish is very high among the people of Bangladesh and India's West Bengal for its special flavour. So, every year the Indian government urges Bangladesh to send hilsa fish to India ahead of the Puja.

Wall St tumbles on growth worries

REUTERS

Wall Street's main indexes tumbled on Monday, as concerns about the pace of a global recovery hit economy-linked stocks at the start of a week in which the Federal Reserve will decide on potentially tapering its pandemic-era stimulus.

Ten of the 11 major S&P sectors declined in early trading. Economy-sensitive industrials, financials and energy dropped between 1.6% and 3.2%.

The banking sub-index shed 2.9%, tracking U.S. Treasury yields as investors flocked to the safety of bonds on worries about the default of Chinese property developer Evergrande.

Heavyweight technology-related stocks Microsoft Corp , Google-owner Alphabet Inc, Amazon.com Inc , Apple Inc and Tesla Inc, which tend to perform better during economic uncertainty, were down between 0.6% and 2.8%.

Wall Street's main indexes have been hurt this month by fears of potentially higher corporate tax rates denting earnings and have shrugged off signs inflation might have peaked. The benchmark S&P 500 is on track to snap a seven-month gaining streak.

All eyes on Wednesday will be on the Fed's policy meeting, where the central bank is expected to lay the groundwork for a tapering, although the consensus is for an actual announcement to be delayed until the November or December meetings.

"Markets have been priced to perfection for a long time and in this September lull that seems to be quite seasonal throughout history, markets are dealing with the thing they hate most uncertainty," said David Bahnsen, chief investment officer, The Bahnsen Group in Newport Beach, California.

"There is uncertainty around geopolitics, public health policy, tax and spending legislation, but this market has experienced almost no downside volatility for a long time and a pullback was long overdue.

At 9:39 a.m. ET, the Dow Jones Industrial Average was down 463.80 points, or 1.34%, at 34,121.08, the S&P 500 was down 60.05 points, or 1.35%, at 4,372.94, and the Nasdaq Composite was down 244.94 points, or 1.63%, at 14,799.03.

Strategists at Morgan Stanley said they expected a 10% correction in the S&P 500 as the Fed starts to unwind its monetary support, adding that signs of stalling economic growth could deepen it to 20%.

The CBOE volatility index, known as Wall Street's fear gauge, hit its highest level in a month.

Carriers United Airlines, Delta Airlines and American Airlines gained between 0.7% and 2.3% after a source told Reuters the United States was planning to relax travel restrictions on vaccinated passengers from the European Union and Britain.

Declining issues outnumbered advancers for a 11.26-to-1 ratio on the NYSE and for a 9.38-to-1 ratio on the Nasdaq.

The S&P index recorded no new 52-week highs and one new low, while the Nasdaq recorded five new highs and 95 new lows.

Chorus of complaints against rogue e-commerce firms

FROM PAGE B1

Assurances were given that the product will be delivered soon but nothing materialised.

So Bashar filed a complaint with the directorate on August 22 demanding a refund. The math teacher called up the directorate on September 5 to know whether there has been any development.

An official informed that they would work on the complaint after September 10 once the banking regulator takes a decision on the platform's frozen bank accounts.

Evaly, which has come under regulatory scrutiny recently for its business practices that include offers of unusually high discounts, accounts for the highest number of complaints among the top 18 online platforms.

In the last two months, customers logged 2,206 complaints against the company. Only 16 per cent or 350 have been settled so far.

Evaly Managing Director and CEO Mohammad Rassel and his wife and Chairman Shamima Nasrin were arrested last week on charges of embezzling customers' money.

Evaly recently responded to the commerce ministry's queries stating that it owed customers Tk 311 crore and merchants Tk 206 crore.

Another 250 complaints have been filed against Dhamaka Shopping.

Kawser Mahmood, who sells electric and electronic products in Mymensingh, paid Dhamaka Shopping Tk 2 lakh in June for six refrigerators.

He said the delivery date had already passed.

When he contacted the call centre, they informed of not knowing when those would be delivered.

"I am very worried. Tk 2 lakh is a huge amount for me," said Mahmood.

"About 99 per cent of the complaints against e-commerce platforms are over breaches of contract," said the directorate Director General Bablu Kumar Saha.

"For that, the maximum fine is Tk 50,000. If we impose the fine, the consumer will get only Tk 12,500. But in most cases, consumers ordered for products paying over Tk 10 lakh… it would be a loss for the consumer," he said.

"For the benefit of the customers, we try to settle it," he added.

He recommended learning more about e-commerce platforms before giving in to lucrative discounts to make purchases.

Honda targets annual sales of 70,000 Prologue electric vehicles in US

REUTERS, *Washington*

Honda Motor Co's US unit said on Monday it is targeting initial annual sales of 70,000 for its planned electric Prologue sport utility vehicle when it goes to market in 2024.

Honda plans to add additional electric vehicle models as it aims to have sold a total of 500,000 electric vehicles in the United States by 2030, and to achieve 100 per cent zero emission vehicles sales in North America by 2040.

It comes as President Joe Biden signed an executive order last month setting a target to make half of all new passenger vehicles sold in 2030 zero-emissions vehicles.

The Honda Prologue is being co-developed with General Motors Co and is based on the Detroit automaker's Ultium platform, a modular platform and battery system. Honda and GM are also co-developing an electric Acura-brand SUV. GM will assemble the Prologue and the Acura SUV -- both of which will go on sale in 2024 -- but Honda has not disclosed which plant will build the vehicles or the name or volume targets for the Acura.

Following the GM-built models, Honda will introduce a series of electrified vehicles through 2030 based on the Honda developed e-Architecture, a new EV platform led by Honda, and will assemble electric vehicles at Honda plants in North America.

Dave Gardner, executive vice president of national operations at American Honda Motor Co, said in a statement Honda will initially focus Prologue sales on California and other states like Texas and Florida.

He said Honda plans to add hybrid-electric systems to more US models.

"Our strategy is focused on introducing a higher percentage of hybrids in core models in the near term, making a committed effort to achieve higher volume leading to the introduction of our Honda Prologue," Gardner said.

Stock turnover dips but index rebounds

FROM PAGE B1

Investors' activity was mostly centred on financial institutions, accounting for around 13.4 per cent of the turnover followed by textile and engineering sectors.

At the DSE, 174 stocks rose, 163 declined and 37 remained unchanged.

Stocks of Beximco Limited were traded the most, worth Tk 123 crore, followed by LafargeHolcim Bangladesh Limited, Rupali Insurance Company Limited, Beximco Pharmaceuticals Limited and Alif Industries Limited.

Chittagong Stock Exchange (CSE) also rose yesterday. The CASPI, the general index of the port city bourse, edged up 47 points, or 0.22 per cent, to 21,030.

Among 325 stocks to undergo trade, 156 advanced, 131 fell and 38 remained unchanged.

IFC to invest $2.5m in Truck Lagbe

FROM PAGE B1

"As traditional methods became inaccessible during the Covid-19 pandemic, Truck Lagbe became the go-to platform for thousands of small businesses and truck owners," said Anayet Rashid, Truck Lagbe's co-founder and CEO.

This helped them to continue their business, he said, adding that the IFC has already invested in similar startups in other countries.

"This will help us to expand in every district of Bangladesh along with bringing in various support services to facilitate everyone to move from the fragmented and unorganised local market to our tech-driven logistics platform," he said.

"It is crucial for Bangladesh, which aims to become a middle-income country over the next decade, to have an efficient transport infrastructure and logistics services," said Nuzhat Anwar, IFC acting country manager for Bangladesh, Bhutan and Nepal.

This not only provides more support for the shipment of goods during the pandemic but can also help transport exports to markets, she said.

The IFC is also providing the company knowledge and innovative support by leveraging insights from previous investments and will be connecting it to more prospective clients, Anwar added.

The transport and logistics services market in Bangladesh has a value of $15 billion (PwC 2018), equivalent to 6.8 per cent of the GDP, said the IFC.

Puma to expand Bangladesh footprint

FROM PAGE B1

As fewer people are now going abroad due to the ongoing coronavirus pandemic, they are searching for the products of international brands in the country.

As such, Puma has taken this initiative to expand operations despite being closed for a prolonged period amid the pandemic.

"Definitely, we are getting good response from customers. We have seen that people have a lot of demand for Puma products. Buyers are coming from different parts of the country," Jabbar said.

"So, considering the needs and demands of the people, we think that now we need to expand the our presence. After Dhanmondi, we will open outlets in Bashundhara City, then in Uttara and other parts of the country within 2022," he added.

The store layout and brand imagery has all been integrated uniquely to engage with the consumers further. The store has been organized and decorated in Puma's 'Forever Faster" concept, DBL said it in a statement yesterday. Puma is focusing on bringing distinctive designs and a global outlook to each product range by blending influences of sport, lifestyle and fashion. This fusion is known as "Sportlifestyle", it added.

Puma is the top sportswear brand among other international brands that operate in the country, such as Bata and Lotto.

Market diversification key to RMG growth

FROM PAGE B4

There were no Bangladesh embassies in any of these countries before 2011, nor were there any embassies of Latin American countries in Bangladesh at the time either.

The BGMEA organized several trade missions to Latin America in 2010 and 2011, and submitted reports to the government, requesting it open missions there.

The government then opened an embassy in Brazil, which also opened its own embassy in Dhaka.

So, the visa process and travel to the region has become easier.

The BGMEA also organized trade missions to China, Japan and Russia. We have to re-launch those initiatives to keep the momentum of our export to new markets.

Major markets such as Australia, Japan, Norway, New Zealand, Switzerland, South Korea, Russia, India and even middle-eastern countries like the UAE, Qatar, Kuwait, Kingdom of Saudi Arabia and Bahrain should also be considered as they are among the markets with high potential that remain largely untapped.

We need to organize more promotional campaigns and road-shows to introduce "made in Bangladesh" products across the globe, as well as draw more foreign investment for our textiles and high-end fashion industry.

And throughout the journey of diversification, commercial diplomacy will be vital for us to explore new markets since tariff is a major barrier that remains in almost all potential markets.

Besides, we need to keep in mind that there are potentials to further penetrate existing markets in the EU and US.

A thorough market research to explore product and sourcing mix of the brands who are currently sourcing from Bangladesh, as well as those who are sourcing on limited scale will be helpful in this regard.

There are also a huge number of brands in the EU and US that are still not sourcing from Bangladesh due to the product categories or volume they require that can also be tapped for huge additional growth in those markets.

Since Bangladesh has graduated to a middle-income country, there will be inevitable changes in market access. While using the special dispensation of LDCs for the few remaining years, we must not lose sight of a long-term strategy of deepening the country's competitiveness as it prepares to graduate from LDC status.

We need to prepare a comprehensive National Export Strategy and align our trade policies accordingly to promote investments. In business and trade, backward and forward linkages play a vital role.

A tactical investment campaign is needed to develop the capacity of these industry linkages, keeping in mind the requirement of double transformation in line with the Global Value Chain (GVC).

At the same time, we should also prepare to follow the new global trend and continue seeking market access under the various bilateral and regional trade, and investment arrangements.

Bangladesh is yet to have a fully operational bilateral free trade agreement (FTA) despite having signed a few preferential trade agreements and regional agreements like SAFTA, APTA, BIMSTEC and TPS-OIC.

The government has received proposals for potential bilateral trade agreements from several countries including China, Malaysia, Singapore and Thailand in recent years.

Besides, the government is also working on free trade and economic partnership agreements with countries like India, Sri Lanka, Indonesia, and so on.

In terms of increasing the share of our garment exports to these regions and building cooperation in technological transfer as well as attracting more Foreign Direct Investment (FDI), these regions can be a great hub for Bangladesh.

Bangladesh is now passing through a golden age in terms of population dividend. About 65 per cent of our people are within 18 to 40 years of age.

We have an active population of around six million people in Bangladesh and every year around 2 million more join the labor force.

A country usually does not possess such a young and vibrant population even in a century. We have to prioritize strategy for harnessing benefits from this young workforce by making them upskilled and tech-savvy with proper technical and market driven education programs.

The country's prosperity and economic growth has evolved through the contribution of manufacturing sectors, especially garments.

The stability of Bangladesh's economy is largely dependent on the apparel industry and to secure this sector, we need a planned strategy for future investment.

The BGMEA is continuously working on areas regarding market access, backward linkage industries, and suggested the government should develop a virtual marketplace for local garment products.

The government's policy support in areas such as education and financial policies, free trade and regional trade agreements, and existing trade barriers such tariff and non-tariff barriers related to the garment industry is vital and crucial.

Only with these supports will we be able to upgrade the sector which has been acting as the pillar of Bangladesh's economy for a long time.

The author is president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

BB unveils guideline on non-banking assets

Md Fazlur Rahman

The Bangladesh Bank yesterday unveiled a guideline on non-banking assets to allow lenders to deal with the properties put up as collateral after borrowers default.

When clients fail to pay back loans, banks can take over the assets through legal channels. These assets are called non-banking assets.

The guidelines asked banks to complete the registration and mutation of the assets, ensure the physical possession within the quickest possible time, and include the assets in the balance sheet after adjusting the dues.

The BB ordered banks to assess the value of the assets prudently. The valuation must be done by a three-member committee comprising officials who are experts in the field.

If the valuation differs from the government-fixed rate for local properties, the assessment report must include rationality.

The assessment also has to be carried out by valuation firms or professional bodies, according to the BB. The lower value among the prices determined by the valuation committee and the valuation firms has to be considered as the market price of the assets.

At the time of the assessment of the value, assets such as tin-roofed or semi-pucca structures, unusable structures and machinery have to be sold as soon as possible and deposited the proceeds against the loans. These assets can't be included as non-banking assets.

The market price of the land on which the tin-roofed or semi-pucca structure, unusable structures and machinery are located has to be ascertained after deducting the expenditure needed to remove them.

If the valuation sees an abnormal reduction in the price compared to the last assessment carried out by the bank, the reasons have to be ascertained, and the persons responsible have to be identified, the BB said.

The Bangladesh Bank headquarters in Motijheel, Dhaka. The BB has asked banks to assess the value of non-banking assets prudently. The valuation must be done by a three-member committee comprising officials who are experts in the field.

STAR/FILE

Before adjusting the non-banking assets against loans, banks will have to determine the total outstanding dues, which comprise unrealised loans and interests. The unrealised interest has to be transferred to the interest suspense account.

If the market value of the assets is higher than the loan outstanding, the loans have to be adjusted, and the remaining portion cannot be part of the balance sheet. In such cases, the borrowers have will be released from any debt obligation and can't be shown as defaulters in the Credit Information Bureau (CIB).

If the market value is lower than the loan outstanding, the loans cannot be adjusted entirely. So, the borrower cannot be granted any acquittance.

Under such a scenario, the unadjusted debts have to be stated as loans, and all legal steps have to be taken to recoup the remainder of the financing, the guidelines said.

In the case of the non-banking assets that stemmed from the write-off loans, the borrowers will be freed from the debt obligation and cannot be shown as defaulters if the market value of the assets goes past the total loans payable. But if the value is lower than the loans, the debtors would be shown as defaulters.

The central bank has ordered banks not to hold the non-banking assets beyond the permitted time. Banks have to move to sell them as soon as possible. They, however, can use the assets to run banking operations.

Such assets will be transferred to the portion of the tangible assets of banks, and the interest suspense or provision against the non-banking assets will directly move to the retained earnings portion. It cannot be shown as the income of the year.

If the proceeds from the sales of the assets are higher than the book value, the additional sums will be transferred to the balance sheet as retained earnings.

Similarly, the interest suspense or provisioning will be added to the retained earnings, and they cannot be transferred to the income portion.

If the proceeds from the sales of the assets are lower than book value, and the loans cannot be covered by using the interest suspense or provision against the bad loans, it has to be adjusted as the loss on sales and included in the profit-loss account.

Bankers welcomed the BB guidelines.

"If we can get the control of the mortgaged assets through courts, we can sell it easily and can possibly get a better price," said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

Market diversification key to RMG growth

Faruque Hassan

The year 2021 is a significant one for Bangladesh as the country is celebrating its 50th year of independence.

Our achievement as a nation in these years is remarkable and noteworthy. Bangladesh's extraordinary development surprised the world.

Our advancements in socio-economic development, human development indicators (HDI), and Millennium Development Goals (MDGs) have been widely praised across the globe.

Despite all the challenges and limitations, we were able to consistently maintain a GDP growth of more than 8 per cent in the last few years, before Covid-19 hit the world.

Although Covid-19's impact on the economy and growth is unavoidable, Bangladesh is doing better than any other Asian nation as far as the World Bank's economic growth projection is concerned. However, as laid out in the eighth Five-Year Plan, since the growth in the upcoming days will be driven by the industrial sector, there is no alternative but to focus on "Investment" and "Employment" in order to achieve the GDP growth target of 8.51 per cent.

In its 40-year journey, the garments industry has consistently played a significant role in the country's economic development through its contribution to foreign currency earnings, job creation, women empowerment and poverty alleviation, which is driving Bangladesh toward a prosperous nation.

The sector generates employment for four million people, around 60 per cent of whom are women.

But the upsetting factor is that even though we are the second largest garments exporter in the world right now, our export basket has always been concentrated and unexplored in terms of product, fiber, and market destination.

About 73 per cent of our total exports are concentrated on five basic items. The price of 80 per cent of these exports are as high as $15 per kilogramme. Around 74.14 per cent of our exports are concentrated on cotton while 80.67 per cent of these shipments go to markets in the EU and North America.

After the Multi Fibre Arrangement quota phase out, our manufacturers mostly focused on a volume driven growth strategy and as a result, the export basket has been limited to basic items.

Although we have advanced a lot in safety and sustainability, Bangladesh's garment industry lacks diversification. To be competitive in the race of this fast fashion arena, we need to flag out market and product diversification as an immediate need.

At this stage, while celebrating our impending graduation from the UN's list of least developed countries (LDCs) thanks to hard work and dedication, our strategic priority should concentrate on sustaining this growth momentum powered by innovation and diversification.

Especially with Covid-19 exposing the vulnerabilities of over dependence has made the issue of market diversification more crucial than ever.

OPINION

Up till now, diversification in export items and export destinations has always been very narrow in case of the local garments industry. Over the last few years, Bangladesh's apparel has started to become more diversified and tremendous progress has been achieved in terms of new market exploration.

The percentage of Bangladesh's apparel exports to non-traditional markets during fiscal 2008-09 was only 6.87 per cent while it reached 16.16 per cent in fiscal 2020-21, when the country's export revenue hit $5.08 billion. Such growth in non-traditional markets was possible thanks to various policy support and initiatives taken by the government and private industry.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) initiated several scoping missions to Brazil, Mexico and Chile to enter Latin American countries.

READ MORE ON B3

GLOBAL BUSINESS

Indonesia clings to coal despite green vision

Excavators pile coal in a storage area in an Indonesian power plant in Suralaya, Banten province.

REUTERS/FILE

Reuters, *Jakarta*

Even as Indonesia wins cautious praise from some green groups for ambitious plans to cut carbon emissions, the world's biggest exporter of thermal coal shows no sign of weaning itself off the polluting fuel any time soon.

Indonesia, the eighth-biggest carbon emitter, recently brought forward its goal for net zero emissions from 2070 to 2060 or sooner, ahead of the United Nations Climate Change Conference in Glasgow in November, and joined a US-led Global Methane Pledge.

It also plans to stop commissioning new coal-fired power plants and phase out coal for electricity by 2056 under a new, greener long-term economic vision.

But - as with other coal producers such as Australia and India - Indonesia is wrestling with how to balance its environmental targets with the cost of pulling the plug on an industry that contributed $38 billion in export earnings in the first seven months of 2021.

"We are phasing out coal power plants. But if you ask whether we're closing down mines, we have the coal and there are other utilisation options," Dadan Kusdiana, the energy ministry's head of renewable energy, told Reuters. The U.N.'s climate change report warned that global warming was dangerously close to being out of control in what has been described as "a death knell for coal and fossil fuels".

Still, Indonesia is exploring ways to keep consuming and extracting value from coal by using carbon capture and storage (CCS) technology, although environmentalists say CCS is unproven and expensive.

With nearly 39 billion tonnes of reserves, coal remains the economic backbone of parts of Indonesia and miners are among the biggest taxpayers.

The government has been encouraging miners to invest in production of dimethyl ether (DME) from coal. Under new laws passed in 2020, it no longer requires them to pay royalties to the government on such processes, and their mine permits can be extended. It has touted DME as a replacement for imported liquefied petroleum gas and a feed stock for chemicals and fertilizer.

Making DME requires burning coal, so it needs to be paired with CCS to be environmentally friendly, Dadan said.

However, if Indonesia can adopt CCS more widely and cheaply, the technology could also be applied to coal power plants, extending their usage, he said.

"This appears like a win-win move to accommodate all sides because they don't dare to firmly shut down coal completely," said Egi Suarga of the World Resources Institute Indonesia. He said that although using CCS technology is feasible, there is a risk of leakage in trying to capture emissions from burning and mining coal.

Coal power generation is Indonesia's second-biggest emissions source after deforestation, contributing 35 per cent of its 1,262 gigatonnes of CO2 equivalent a year, government data showed.

Indonesia consumes about 130 million tonnes of coal annually to fuel 60 per cent of its 73 gigawatt (GW) electricity capacity, and exports about three times that amount.

Zara owner Inditex outshines H&M as sales top pre-pandemic levels

Reuters, *Madrid*

Fashion brand Zara owner Inditex has outpaced Swedish rival H&M in its efforts to bounce back from the coronavirus crisis, with second-quarter sales rising above pre-pandemic levels.

The world's biggest fashion retailer's sales in the quarter edged above levels seen before the pandemic as most stores reopened and people rushed to renew their wardrobe after store closures imposed to curb the spread of the virus.

Rival H&M's sales grew less than expected from a year ago in the three months through August, and remained lodged below pre-pandemic levels. H&M said lockdowns and restrictions hampered its development, particularly in Asia.

Inditex Executive Chairman Pablo Isla said that sales in stores and online were progressively recovering across all brands and markets, despite some restrictions in Asia due to the pandemic.

"We have had a strong start in the autumn winter season," he told a conference call. "Inditex competitive differentiation is bigger than ever."

Analysts said consumers have shifted their spending recently to focus on fashion workwear as big cities slowly return to normality and most lockdowns are lifted, a trend which is benefiting the Inditex brands, which include Zara and Massimo Dutti.

The Spanish company's second-quarter net profit of 850 million euros was higher than the 214 million euros ($181.14 million) booked in the same period in 2020 and 4 per cent higher than the profit in 2019.

Inditex said sales accelerated in the May-July period to 6.99 billion euros, 7 per cent higher than in the same period in 2019, as shoppers started buying clothes again for summer social events.

The sales during the second quarter were in line with the 7.02 billion euros expected by analysts polled by Refinitiv.

REUTERS/FILE

A man walks past a Zara retail store, with its shutters drawn, at a mall in Venezuela.

The logo of the Zara store is seen in a mall at Vina del Mar, Chile July 14, 2019. REUTERS/ Rodrigo Garrido/File Photo

Inditex said shop and online sales at constant exchange rates between August and the first week of September were 22 per cent higher than a year ago and 9 per cent higher than in the same period of 2019.

Chinese property magnate loses $1b in Evergrande panic

AFP, *Hong Kong*

The boss of a Shanghai-based property developer lost more than a billion dollars Monday, as fears over the potential collapse of Chinese real estate giant Evergrande sent panic across Hong Kong trading floors.

Zhang Yuanlin, chairman of Sinic Holdings Group, saw his net worth drop from $1.3 billion Monday morning to $250.7 million by the afternoon, according to Forbes, when his firm was forced to halt trading in Hong Kong following an 87 per cent slump in its share price.

Zhang was featured on Forbes' Billionaires list of the world's richest people this year and made his fortune in high-rise apartments -- now highly vulnerable as the possible collapse of teetering property giant China Evergrande sparks panic.

Sinic saw a sudden sell-off and massive increase in trading volume on its shares in the hours prior to its suspension, which comes just weeks before it must pay a 9.5 per cent $246 million bond due on October 18, according to Bloomberg.

UK seeks to break down digital trade barriers

Reuters, *London*

Britain will look to break down digital trade barriers to help its businesses export their services, the country's newly appointed trade minister Anne-Marie Trevelyan will say on Monday.

Britain's Department for International Trade last week published a report seeking to predict trends in global trade out to 2050 which forecast that demand for digital services will double in the next decade.

"All of us depend on digital trade, yet British businesses face digital barriers in countries who take a protectionist approach," Trevelyan will say in a virtual speech to London Tech Week, according to advanced extracts released by her office.

"I want the UK to break down these barriers and open up new, exciting opportunities for businesses and consumers so we can see improved productivity, jobs and growth." Trade deals typically focus on removing goods trade barriers, but since leaving the European Union, Britain has sought to include agreements on digital trade and common standards in professional services to spur service sector growth.

Trevelyan will use her first speech since taking up the role last week to set out the department's plan to try to shape international digital policy. This will include establishing cooperation on digital trade via free trade agreements.

Enhanced consumer and intellectual property protections and promoting the development of digital trading systems such as e-contracting are also among the plans Trevelyan will set out.