

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.62%	▲ 0.90%	\$1,736.30	\$80.21	▼ 0.68%	▼ 0.19%	▼ 0.73%	▲ 0.54%	BUY TK	84.55	97.59	114.31	12.79
7,297.24	12,805.68	(per ounce)	(per barrel)	59,667.60	30,183.96	3,077.69	3,602.22	SELL TK	85.55	101.39	118.11	13.45

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# Star BUSINESS

DHAKA WEDNESDAY SEPTEMBER 29, 2021, ASHWIN 14, 1428 BS • starbusiness@thedailystar.net

## NRB Bank deliberately loses Tk 103cr to favour stock gamblers

*Its own audit report finds*

AKM ZAMIR UDDIN and AHSAN HABIB

NRB Bank has incurred a loss of Tk 103 crore as it intentionally became involved in unethical trading practices in the stock market to favour gamblers, which weakened the financial health of the lender and put depositors' money at risk.

The unethical trading activity took place between January and August this year when it gave illegal benefits to gamblers by buying shares at higher prices and selling at lower prices, according to a special internal audit carried out by the private commercial bank this month.

However, the actual loss was Tk 31 crore, said Mamoon Mahmood Shah, managing director of NRB Bank.

He blamed some employees of the bank for the irregularities.

The illegal trading activity has had an adverse impact on the depositors' money as the bank

misused their funds in the name of investment in the stock market, said officials of the Bangladesh Bank.

"Almost all shares were traded [buy and sell] at negotiated prices in bulk quantity and on a deal basis during the period," the audit report said.

NRB Bank bought shares at comparatively higher prices and sold them at lower prices than the average market price with a view to giving a chance to the gamblers to make a profit, it said.

For instance, the lender bought the shares of Paramount Insurance at a higher rate though there was an opportunity for it to purchase them at 20-22 per cent lower rates.

The lender invested around 58 per cent of its investible fund in Pioneer insurance, breaching laws.

NRB Bank bought 27.36

lakh shares of the insurer worth Tk 454 crore. However, it was later compelled to sell 19 lakh

### UNETHICAL TRADING

NRB Bank

Not Just Another Bank

Unethical trading brought a loss of Tk 103cr for the bank

It purchased shares at higher rate than average price

Four officials suspended for negotiation with gamblers

The lender invested in insurance sector breaching rules

BB imposed penalty of Tk 49.50 lakh

Default loans were Tk 287cr in Jun, up 93pc y-o-y



We have taken the issue with utmost importance. And more punitive measures will be taken against the involved persons

Mamoon Mahmood Shah  
managing director of NRB Bank

shares at a loss in order to comply with regulatory requirements.

A bank can't invest more than 5 per cent of the total capital, share premium, and retained earnings in a single stock as per the Banking

Companies Act 1991.

The bank also bought the shares of Paramount Insurance Ltd in the similar fashion.

On January 12, the bank started to purchase 100,000

shares of Paramount Insurance at Tk 144.30 apiece. The rate was the highest on the day and 22.17 per cent higher than a day before, the report said.

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## Chinese FDI in Bangladesh sees huge jump

STAR BUSINESS REPORT

Foreign direct investment (FDI) from China to Bangladesh has jumped by about 200 per cent year-on-year to \$418 million in the past seven months, according to Chinese ambassador Li Jiming.

"Over time, China has become Bangladesh's largest trading partner," he said, adding that Bangladesh is China's third largest market for engineering contracts in South Asia.

Jiming was speaking at the China-Bangladesh Economic and Trade Cooperation Forum 2021 and inauguration of the seventh council of the Chinese Enterprises Association in Bangladesh (CEAB), held virtually yesterday.

"Even amid the Covid-19 pandemic, our bilateral trade and investment bucked global trends, fully demonstrating the resilience and vitality of China-Bangladesh cooperation during such a crucial period of time," the ambassador said.

From January to July this year, the trade volume between China and Bangladesh reached \$13 billion, up 58.9 per cent year-on-year. At the same time, Chinese contractors in Bangladesh registered turnover of \$3.18 billion, up 59.5 per cent year-on-year.

Jiming went on to say that China and Bangladesh are both in a critical stage of revitalisation and development following the advent of Covid-19.

He also said that his country attaches great importance to building economic and trade cooperation mechanisms with Bangladesh.

Besides, after the zero-tariff benefit afforded to 97 per cent of Bangladesh's exports to China took effect, shipments to the East Asian nation have posted double-digit growth.

During the January-July period, Bangladesh's exports to China increased by about 38 per cent year-on-year, Jiming said. Up till March this year, the total value of FDIs in Bangladesh stood at about \$20 billion, of which China provided around \$1.4 billion.

Most Chinese investment comes in the local power sector, which received about \$443 million as of May this year, according to data from Bangladesh Bank.

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## NBR to check authenticity of firms' audited financial reports

STAR BUSINESS REPORT

The field office of the value-added tax (VAT) and audit team of the tax administrator is going to examine the authenticity of audited financial statements submitted by companies along with their returns.

The National Board of Revenue (NBR) has taken the move to curb the scope for evasion of indirect tax paid by the consumers.

In order to do the scrutiny, the NBR yesterday signed a memorandum of understanding (MoU) with the Institute of Chartered Accountants of Bangladesh (ICAB) for using the Document Verification System (DVS), an online system developed by the ICAB to verify the authenticity of audited reports.

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## Allocate more for gender specific projects: experts

STAFF CORRESPONDENT, Chattogram

Experts yesterday underscored the need for greater allocation in the national budget for gender specific projects.

They also urged the relevant parties to take necessary initiatives to reduce the gender gap through the implementation of development projects with an aim to ensure women empowerment.

They made these comments while addressing a webinar styled "An Analysis of Gender Sensitive Budgeting: Bangladesh Perspective", jointly organised by the South Asian Network for Economic Modeling (Sanem) and Bangladesh Mahila Parishad.

Fauzia Moslem, president of the Bangladesh Mahila Parishad, said gender sensitive budgeting can significantly contribute to ensuring gender equality in the country.

She went on to express dissatisfaction over the fact gender budget reports had not been published in the last two national budgets.

The economic empowerment of women does not only mean employing more women, rather it depends on how issues related to women development and their progress are addressed in the national budget.

Sanem Executive Director Selim Raihan said issues regarding women empowerment and rights are well acknowledged in policy documents like the Eighth Five-Year Plan and the national budget.

However, this is not enough.

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## Set up a knowledge hub for efficient policymaking: CPD

STAR BUSINESS REPORT

The government should set up a knowledge hub that could be used by the relevant authorities to ensure efficient policymaking amid the ongoing coronavirus pandemic, according to the Centre for Policy Dialogue (CPD).

"Despite all the sufferings brought on by Covid-19, a positive side of the pandemic was that Bangladesh made headway in data collection and usage," said Debapriya Bhattacharya, a distinguished fellow of the CPD.

The progress made in this regard is quite promising but the quality of data needs to be improved while real-time updates are necessary.

For example, a disaggregated analysis should be conducted to realise the actual class-wise infection levels of Covid-19, he added.

The government has two platforms for collecting data on Covid-19 -- the Covid dashboard

### RECOMMENDATIONS

- Create a knowledge hub
- Reach out to local experts
- Do research at disaggregated level
- Improve quality of data
- Collect data on people's lifestyle amid pandemic
- Study various vaccines' effectiveness in Bangladesh

and Surokha dashboard -- but a single platform for related information is needed.

Besides, the government should engage local experts, academics, non-government organisations, and researchers when making policy decisions.

Bhattacharya also recommended that the data collected should be more graphically represented so that it can be easily used by those who need them.

Prof Meerjady Sabrina Flora, additional director general (planning and development) of the

health directorate, said a culture has created that data is necessary to make policies.

The government decided to announce countrywide or zonal lockdowns based on Covid-related data and as the culture has been created now, it should be improved.

"If we could get other economic data along with health related data, then policy decisions could be much better," she said.

The government is doing many things to curb the spread of Covid-19 but data on this is not available.

Take for instance how the government is conducting antibody tests among the masses but many researchers do not know about it.

"So, the information gap should be reduced," Flora added.

Prof Dr Rashid-E-Mahbub, former president of the Bangladesh Medical Association, said people's food habits, personal care, and social life have changed due to the pandemic.

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## Non-food inflation jumps

REJAUUL KARIM BYRON and REAYET ULLAH MIRDHA

Overall inflation rose 18 basis points to 5.54 per cent in August owing to the rise in demand and the abnormal hike in transport cost following the reopening of the economy from the coronavirus-induced lockdowns, official figures showed.

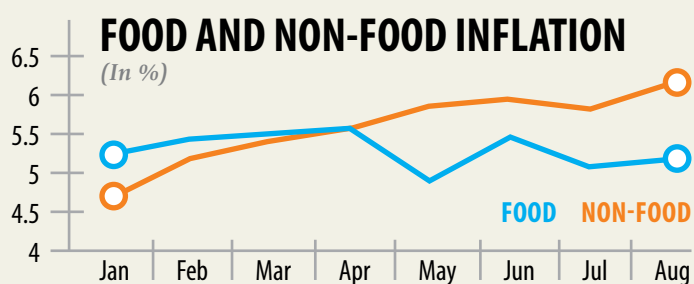
This compared with 5.36 per cent in July, according to data from the Bangladesh Bureau of Statistics (BBS).

Non-food inflation pushed up the general inflation: non-food inflation increased 33 basis points to 6.13 per cent in August.

Food inflation rose to 5.16 per cent, up eight basis points from a month ago.

This led experts to call for tightening money supply to rein in inflation as it is already hurting the lower-income groups, which have been facing reduced incomes since the start of the pandemic.

Prices of almost all kinds of rice, egg, lentil, edible oil, chilli, sugar, some varieties of fish, garlic, onion,



ginger, and turmeric went up in August, the BBS said.

On the other hand, consumers had to spend a bit less on potato, brinjal, lady's finger, and green papaya as their prices dropped.

"Non-food inflation will rise normally," said Ahsan H Mansur, executive director of the Policy Research Institute.

So, the BB should adopt a contractionary monetary policy, he said.

"The central bank needs to reduce the liquidity in the banking system by formulating a tight monetary policy."

A senior official of the planning ministry said the transport cost was low because of lower demand during the lockdowns at home and abroad.

With the re-opening of the economies, the transport cost has started rising unusually worldwide that has also impacted badly in the economy of Bangladesh, he said.

For instance, the freight charge went up by 100 per cent to 400 per cent, raising the prices of basic commodities in the country.

In its monetary policy statement this month, the central bank said due to global inflationary pressures,

many countries are also facing rising commodity and food prices, putting low-income people at risk.

Besides, disrupted labour markets because of the pandemic worsened the peoples' purchasing capacity, indicating a need for income support for the vulnerable population segment before the market conditions normalise.

Given the economic adversities due to the Covid-19 pandemic, the BB said it would continue its ongoing pro-growth expansionary and accommodative monetary policy stance to support investment

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### URGENT NOTICE

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1<sup>st</sup> October 2021 to 5<sup>th</sup> October 2021

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All banking services including Branches, Sub Branches, ATM Booths, Agent Banking, Islamic Banking, Digital Banking (MBL Rainbow) and Debit Card operation will remain suspended from midnight Friday the 1<sup>st</sup> October 2021 to midnight Tuesday the 5<sup>th</sup> October 2021 during this upgradation process.

However, purchasing and withdrawal services from other bank's ATM Booth using Mercantile Bank Credit & Prepaid card will be available along with the mobile financial services 'My Cash' will remain active.

Please accept our apologies for any inconvenience this temporary suspension may cause you. We appreciate your patience and understanding and thank you again for the opportunity to serve your financial needs.

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**Md Anwarul Islam, general manager of the department of off-site supervision at Bangladesh Bank, and M Reazul Karim, managing director of Premier Bank Limited, exchanged signed documents of a participation agreement on a refinance scheme for cinema hall owners to allow them to renovate and modernise existing cinema halls and construct new ones, at a programme at the central bank headquarters recently. Md Aminur Rahman Chowdhury, deputy general manager of the department of off-site supervision, Tonmoy Saha, joint director, and Sayed Abul Hashem, deputy managing director of PBL, were present.**



**Anup Kumar Sarker, executive director (marketing) of Concord Entertainment Company Limited (CECL), and Rafeuzzaman, president of the Tour Operators Association of Bangladesh, exchanged documents after signing a memorandum of understanding to promote the tourism industry, at an event at the Fantasy Kingdom Complex recently. Manzoor Uddin Ahmed, general manager of Fantasy Kingdom Complex, Uzzal Kumer Basak, assistant general manager (marketing) of CECL, and Arif Nowshad, assistant general manager (sales), were present.**

# Shift to EVs means huge 'reskilling' job for Europe

**REUTERS**  
The shift to electric vehicles will force huge changes in the auto industry and require EU backing for 'reskilling' programs to help workers prepare for a zero-emission future, according to a report published on Tuesday.  
The Platform for Electromobility, an industry group, said a report by the Boston Consulting Group showed by 2030 European auto industry employment will drop by less than 1 per cent from 5.7 million people today amid the transition to electric vehicles.  
But jobs at manufacturers and traditional suppliers focused on combustion engines will drop 20 per cent and 42 per cent respectively - between them shedding a cumulative 500,000 positions. At the same time, employment at suppliers focused on zero-emission technology will rise by 300,000 workers, representing a 10 per cent increase, the study said.  
The European Commission has proposed an effective ban on new gasoline and diesel cars from 2035.  
Automakers have warned that jobs at conventional combustion engine plants will be particularly at risk and have called on the European Union to help mitigate the impact the shift to electric will have on those manufacturing workers.  
Platform for Electromobility said the study predicts huge job increases for energy production related to the auto industry, and charging infrastructure for electric vehicles.  
The group said the EU, governments and companies should focus on investing in education, training, 'upskilling' and

'reskilling' of workers to "ensure no one is left behind" as the industry makes the transition to electric vehicles.  
"The auto industry is so strategic for Europe across the board involving an awful lot of people that reside everywhere, so it's important that the EU work with member states on accompanying policy," Platform for Electromobility chair Arne Richters told Reuters.  
"Reskilling and making that a strategic priority is a crucial point."  
The group represents a number of organizations and corporations including carmakers Tesla Inc, Renault and Nissan, charging company ChargePoint, and US conglomerate 3M.

REUTERS  
The purse strings have been loosened and will stay that way, no matter who heads Germany's new government. That's the verdict from investors who see potential gains for segments such as green finance alongside modestly higher bond yields.  
After Finance Minister Olaf Scholz's centre-left Social Democrats (SPD) narrowly defeated the ruling Christian Democratic bloc (CDU/CSU) in Sunday's election, both parties will woo the Greens and the pro-business Free Democratic Party (FDP) to form a coalition.  
Based on the colours of the parties involved, a potential Social Democrat-led alliance has been dubbed the 'traffic light' coalition, with a conservative-led one named after the flag of Jamaica.  
And for investors following the negotiations, that may be the main difference between the two groupings. Apart from the FDP which wants a speedy return to the debt "brake" capping new federal borrowing, all the other parties have expressed some willingness to spend more flexibly.  
"It seems that the Greens are going to be part of the coalition ... So whether it's a Jamaica or a traffic light coalition, that means more expansionary fiscal policy," said Anna Stupnytska, global macro economist at Fidelity International.  
She saw the 'traffic light' option of the Social Democrats, Greens and the FDP as the most positive option for markets and "a real change from politics of the past several decades".  
Higher spending from this coalition is expected to provide a bigger boost to public investments, supporting economic growth.

# German election leaves investors braced for more spending

**REUTERS**  
The CDU has led Germany since 2005, a period characterised initially by stringent austerity both at home and across the euro zone, which critics say has depressed public investments. But the Covid-19 pandemic hitting in March 2020 gave way to greater spending.  
Last year's spending burst was financed with record new borrowing of 130 billion euros, rising up to 240 billion euros in 2021. Constitutionally mandated borrowing limits will likely be suspended for the third year running in 2022 to allow 99.7 billion euros in borrowing.  
Thomas Kruse, chief investment officer for Germany at Amundi, said an SPD-led coalition could unleash more government spending but a conservative-led grouping was likely to stimulate private sector investment via tax cuts, favouring equities either way. Given the Greens will be key in either coalition, Kruse is particularly seeking opportunities in companies that benefit from a speedier green transition.  
"In general, there will be a lot of spending," he said.  
There are some differences between the parties that must be resolved, particularly for the Greens and the FDP, who will hold talks seeking compromise before negotiations with the other parties.  
The Greens' have pledged to "reform" the debt brake and, like the SPD, favour higher taxes on the wealthy. The CDU has pledged not to raise income taxes and seeks cuts for companies while the FDP advocates tax cuts for wealthy individuals and companies.  
There could also be sticking points over housing reform and the pace of the transition towards decarbonisation.

REUTERS/FILE  
A taxi is being charged at a BP Pulse electric vehicle charging point in London.

# Central bank digital currencies can cut cross border payment time

**REUTERS, Hong Kong**  
Central bank digital currencies (CBDCs) can slash the time needed for cross border payments to seconds from days and cut costs, the Bank of International Settlements (BIS) said, citing a pilot scheme to test the digital forms of fiat currencies.  
The trial showed cross border transactions could be made in a few seconds, instead of three to five days, as CBDCs help skirt complicated arrangements under which payments are passed via a network of banks, the BIS said in a report on Tuesday.  
CBDCs also helped reduce costs by up to 50 per cent, it added. Typically, global banks with no network in a given country channel payment there via a local bank that acts on its behalf.  
But the process has become long and complicated with banks cutting ties with potentially risky partners and withdrawing from some markets due to compliance and cost reasons.  
"Enabling faster and cheaper cross-border wholesale payments, including to jurisdictions that don't benefit from a vibrant correspondent banking system, would be positive for trade and economic development," said Benedicte Nolens, head of the BIS Innovation Hub, Hong Kong Centre.  
**Timber trader finds fortune in dragon fruit farming**  
FROM PAGE B4  
One such visitor, Fazlur Rahman of Kaliganj upazila, said he was astonished by the vast cultivation of dragon fruit.  
Jahangir Hossain, a dragon fruit trader based in Dhaka, said he purchases the fruit from Ali as the quality of his produce is very rich.  
"We purchase each maund (37 kilogrammes) for Tk 10,000," he added. Fellow traders Selim Hossain and Raihan Mia echoed the same.  
Dr Md Ashrafuzzaman Zahid Hossain, chairman of the department of Nutrition and Food Technology at the Jashore Science and Technology University, said the Lal variety of dragon fruit is rich in antioxidants like flavonoids, phenolic acid and betacyanin.  
It is naturally fat free and high in fibre as well, and may even help lower blood sugar.  
Asgar Ali, deputy director of the Department of Agricultural Extension in Jhenaidah, said Ali earns more than Tk one crore a year by selling dragon fruits grown on his vast plots.

# US Senate fails to advance debt ceiling

**REUTERS, Washington**  
A sharply divided US Senate failed on Monday to advance a measure to suspend the federal debt ceiling and avoid a partial government shutdown, as Republican lawmakers denied the bill the votes necessary to move forward.  
The legislation by President Joe Biden's Democrats was aimed at beating two fast-approaching deadlines that, if left unaddressed, threaten to destabilize the US economy as it struggles to emerge from the Covid-19 pandemic.  
The near party-line vote of 48 votes to advance against 50 opposed fell short of the 60 votes needed to push the bill ahead in the 100-seat Senate.  
Senate Democratic leader Chuck Schumer voted "no" to allow him to call another vote.  
Democrats who narrowly control both chambers of Congress now have just three days to find another way to keep the government operating beyond Thursday - when current funding expires.  
Republican Senator Richard Shelby predicted that lawmakers would not resolve the standoff any time soon.  
"Probably will be here Thursday," he told reporters.  
Lawmakers also will have to figure out how to raise the debt ceiling to head off the risk of default, with independent analysts warning that the US Treasury Department is likely to exhaust its borrowing authority fully sometime between October 15 and November 4.  
Schumer, who has warned that a default would hammer the economy, said afterward that Democrats would take further action this week to avoid a government shutdown and debt default. He did not specify what the

next step would be.  
"Our country is now staring down the barrel of two Republican-manufactured disasters," he said on the Senate floor after the vote.  
A government shutdown - or worse, a default - would be a huge hit to Biden's Democrats, who have positioned themselves as the party of responsible government after Republican Donald Trump's chaotic presidency.  
Senate Republican leader Mitch McConnell tried unsuccessfully to force the chamber to vote for a funding extension, separate from the provision that would suspend the government's \$28.4 trillion debt limit through the end of 2022.  
"We could have a bipartisan vote to fund the government today, if not for the odd tactics of the Senate Democratic leader," he said on the Senate floor.  
Republicans have said they want Democrats to lift the debt limit on their own, saying they do not support their spending plans.  
Democrats point out that much of the nation's new debt was incurred during Trump's administration.  
Democrats are also at odds over two pillars of Biden's domestic agenda - a \$1 trillion infrastructure bill and a \$3.5 trillion social spending package.  
The rift risks derailing Biden's presidency and the party's hopes of keeping its congressional majorities in next year's midterm elections.  
Biden spent the weekend negotiating with lawmakers over the phone, according to administration officials.  
The White House and Democrats in Congress were considering whether to narrow benefits for electric vehicles and community-college tuition in the social spending bill, sources said.  
A US flag flies outside of the Capitol dome in Washington.

# Bangabandhu Shilpa Nagar: a visionary industrial enterprise

FROM PAGE B4  
At the same time, BSMSN will be the first "green" or eco-industrial city in the country in terms of nature, energy system, and waste management. It has been designed to address five central elements of industrial development: governance, economy, ecology, resources, and community.  
It will be easier to get a one-stop service facility in the city. The power plant will help attract investors.  
Social infrastructure such as gas and water connections, central waste management, water treatment plants, housing, hospitals, marine drives, tourism parks, schools, universities, administrative buildings and residential areas will be established.  
The BSMSN may be extended to Companiganj of Noakhali and Sandwip upazila of Chattogram district. The Internet of Things will be used to monitor the city's infrastructure, such as traffic, parking, water, and air pollution.  
Among the companies that are already investing in the industrial city are Nippon Steel and Sojitz Corporation of Japan, Asian Paints of India, Berger Paints, China Jindun Group and top industrial groups of Bangladesh.  
Entrepreneurs in BSMSN are engaged in a single or joint venture on various types of industries, such as garments and its supporting industries, agro-products and agro-processing products, integrated textiles, leather and leather goods, shipbuilding, motorbike assembly, food and beverage, paint and chemical, paper and products, plastics, light engineering (including auto-parts and bicycles), pharmaceutical products, power, and solar parks.  
With the growing economic potential and industrialisation, the shift of rural people to urban areas has now become the biggest challenge in the country. As a result, population pressure is increasing in urban areas.  
At present, there are 46,400 people living per square kilometre. As the urban population grows, Bangladesh may face challenges in meeting the growing demand for jobs and other public services, as well as housing, transportation, energy and other infrastructures.  
A state-of-the-art industrial city can be the right solution to tackle the problems of urbanisation, which will accelerate the growth of the economy, lead to the development and meet the needs of present and future generations by combining economic, social and environmental aspects.  
The primary goal is to ensure that critical infrastructure is economically sustainable, and public services are interactive, transparent and responsive. The BSMSN will pave the way for establishing a truly world-class business and industrial centre.  
The author is former secretary and former chairman of the National Board of Revenue. He can be reached at mazid.muhammad@gmail.com.



## Dhaka Bank joins ADB's trade and supply chain finance programme

STAR BUSINESS DESK

Dhaka Bank Limited has recently signed an agreement with Asian Development Bank (ADB) to engage in the latter's Trade and Supply Chain Finance Programme (TSCFP) as a confirming bank to expand its trade facilities.

Emranul Huq, managing director of Dhaka Bank, Mohammad Abu Jafar, additional managing director, and Can Sutken, senior investment specialist of ADB's Private Sector Operations Department, signed the agreement on August 18, 2021, according to a press release.

As per the confirming bank agreement, the regional bank will provide Dhaka Bank with guarantees to cover all or part of the risks associated with Dhaka Bank's add confirmation and/or discounting of qualifying trade finance transactions issued by selected banks in ADB's developing member countries.

Adding payment confirmation to the letter of credit will secure the export receivables which will give comfort to the Bangladeshi exporters.

Thus, it will help to have a direct impact on the growth of the Bangladesh economy.

"Getting enlisted as a confirming bank with ADB is a momentous milestone for Dhaka Bank Limited. This agreement is going to further accentuate the long term relationship cherished by both the organisations. The exporters of Bangladesh will be highly benefitted as their export proceeds will be secured by Dhaka Bank's payment confirmation," said Huq.

"This is another important step in our support for trade in Bangladesh. This will help Dhaka Bank grow its business and boost trade by Bangladeshi companies, which will help grow the economy and drive employment," said Sutken.

## UK to start talks on joining RD launches new brand 'Aora' with new products

REUTERS, London

Britain will begin talks on Tuesday with the 11 members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to join the pact it regards as important part of its future post-Brexit trade plans.

The CPTPP trade pact removes 95 per cent of tariffs between its members: Japan, Canada, Australia, Vietnam, New Zealand, Singapore, Mexico, Peru, Brunei, Chile and Malaysia.

Britain hopes to carve out a niche for itself in world trade as an exporter of premium consumer goods and professional services. Accession to the pact would supplement trade deals London is seeking, or has already agreed, with larger members.

Other members of the pact have already met to discuss Britain's application, but Tuesday's virtual meeting will see British attendance at the CPTPP's UK Accession Working Group, chaired by Japan, for the first time.

"This is a big milestone on our path to joining CPTPP, which will allow us to forge stronger links both with old friends and some of the world's fastest-growing economies," International Trade Secretary Anne-Marie Trevelyan said in a statement.

Joining the CPTPP in its current format could add around 1.8 billion pounds (\$2.5 billion) to the British economy over the long-term - or less than 0.1 per cent of pre-pandemic gross domestic product, according to British government modelling.

While only a minimal gain for

exports and economic growth, it locks in market access, including for the legal, financial and professional services sectors, and is seen by ministers as an important way to gain influence in a region where China is increasingly the dominant economic force.



REUTERS/FILE  
Britain's Secretary of State for International Development Anne-Marie Trevelyan is seen outside Downing Street in London, Britain.

STAR BUSINESS DESK

Rangpur Dairy and Food Products Limited (RD) launched a slew of new products and a new brand 'Aora' for customers on Monday.

MA Kabir, managing director of Rangpur Dairy and Food Products Limited, inaugurated those at Pan Pacific Sonargaon Dhaka, according to a press release.

RD has been producing and marketing various consumer products, including various types of UHT milk for several years at home and abroad.

With the addition of 16 more new products the company has had about 54 products since its journey in 2007.

"We produce milk and dairy products. Among these, mango milk, chocolate milk and strawberry milk are very popular," Kabir said.

"RD products are currently being exported to Dubai, Qatar, India, Bhutan and various countries in Africa to meet the demand of the country. We have received a good response by marketing our newly added products and some brand new products on a trial basis," he said.

Fahim Kabir, director of the company, was present.

## Non-food inflation jumps

FROM PAGE B1

and employment-generating activities, and help create enabling conditions for the businesses to normalise production and supply chains. "BB will also remain watchful about the commodity and asset price developments in the country while stay engaged in selecting the priority sectors and ensuring the required funds in the system through various policy options under its disposal."

## Chinese FDI in Bangladesh sees huge jump

FROM PAGE B1

According to data compiled by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), bilateral trade between China and Bangladesh was about \$12 billion in 2019-20 fiscal year, which was heavily tilted towards China.

However, emphasising on the need for low-carbon energy development, the ambassador said China will no longer build new coal-based power projects in Bangladesh.

While striving to achieve its carbon peak by 2030 and carbon neutrality by 2060, China will also strongly support Bangladesh's green and low-carbon energy development, he added.

According to the Chinese envoy, his country encourages its enterprises to strengthen their exchanges and cooperation with businesses in Bangladesh, especially those in the manufacturing sector, to accelerate green development.

Since 2008, the Bangladesh government has approved 18 coal-based power plants as a part of its plan to generate 40,000MW of power, of which 35 per cent from coal-fired plants, by 2030.

However, the government, earlier this year, approved a proposal to scrap 10 of the 18 coal-fired power plants as construction work on the projects had made no progress in years.

China is investing in at least a couple of coal-fired projects right now, including the second phase of the Payra Thermal Power Plant, a joint venture with Bangladesh.

The Chinese ambassador also congratulated the newly elected CEAB President Ke Changliang, chief representative of the China Civil Engineering Construction Corporation in Bangladesh, and Secretary General Wang Xiaojiao, chief representative of China CAMC Engineering Co Ltd in Bangladesh, and other executives of the association.

Addressing the programme, various business leaders of Bangladesh urged Chinese investors to increase their investment in the country as a development partner and assured them of providing a safe and secure environment.

Salman F Rahman, the prime minister's adviser on private industry and investment; Md Sirazul Islam, executive chairman of Bangladesh Investment Development Authority; Md Nazrul Islam, executive chairman of Bangladesh Export Processing Zones Authority; Shaikh Yusuf Harun, executive chairman of Bangladesh Economic Zones Authority; Md Jashim Uddin, president of the Federation of Bangladesh Chambers of Commerce and Industry; and other business leaders from both countries spoke at the programme.

## NRB Bank deliberately loses Tk 103cr to favour stock gamblers

FROM PAGE B1

The share started sliding the following day and slipped to Tk 122.80 on January 17. But NRB Bank did not purchase any shares at that time.

However, when the share started to go up on January 20, the bank purchased 100,000 shares at Tk 148.79. The rate was 27.16 per cent higher than the price of January 17.

As of September 24, the bank has purchased 588,000 shares of Paramount Insurance at an average cost of Tk 120.75.

NRB Bank repeated the same purchase programme in case of GBB Power Company, SK Thread and Industries and so on.

The private lender also violated rules while investing funds in the capital market.

For instance, the board of the bank approved a maximum investment limit of Tk 50 crore under the special purpose fund (SPF) of a package of the central bank.

The audit team unearthed that the limit was surpassed by Tk 6 crore, a punishable offence. NRB Bank also flouted its own rules.

The bank has decided that a maximum investment in a particular industry would not be more than 30 per cent of the total fund. However, it injected 62.5 per cent of the total investment in the insurance sector.

On September 16, the central bank fined the lender Tk 49.50 lakh for breaching securities rules by buying the shares beyond the investment ceiling.

"When all analysts were saying that the insurance sector had become overvalued, the bank has invested in the sector. This is clear that the bank is trying to provide benefits to others," said Prof Abu Ahmed, a stock market analyst.

"It is part of a manipulation." According to the former chairman of the economics department of the University of Dhaka, the bad thing was that the bank had lost depositors' funds.

"The central bank has fined the bank. But the people responsible for the losses of the depositors' money have not faced the music."

A BB official said that the lender had misused the depositors' funds by getting involved in unethical trading practices. So, the central bank had taken the punitive measure.

NRB Bank has suspended four employees, including Chief Financial Officer Md Kamrul Hasan, for their involvement in the anomalies, said Mamoon Mahmood Shah.

The audit report chiefly blamed Hasan, who joined the bank at the beginning of 2021, for the scam.

When asked why the higher-ups of the bank failed to prevent the irregularities, Shah said most of the irregularities occurred in just 14 days in June.

The audit report, however, showed that the anomalies took place in the six months to June. "We have taken the issue with utmost importance. And more punitive measures will be

taken against the people involved," Shah said.

The audit report said after reviewing all the activities of the investment banking unit, it could be easily realised that investment in shares was made without maintaining the bank's internal and the regulator's policies.

Though the investment committee worked, it was highly dependable on Kamrul Hasan, it said.

Hasan was not available for comments. He told a meeting of the investment committee of the bank that he used a group of buyers and sellers to maximise profits, the audit report said.

Talking to The Daily Star, a good number of bankers from other lenders say that there was no scope to put the blame on some officials to this end. The top management usually takes the decision on the investment in the capital market, they said.

There is a lack of corporate governance at a bank if only the CFO or any other junior officials decide to invest in the stock market, sidestepping the high-ups, they said.

The overall financial health of NRB Bank worsened in recent months: its default loans stood at Tk 287 crore as of June, up 93 per cent year-on-year, according to data from the BB.

Prof Abu Ahmed urged the senior figures of banks to monitor regularly how the investment was made in the stock market because depositors' money were at stake.

## NBR to check authenticity of firms' audited financial reports

FROM PAGE B1

"There is a tendency of many businesses to submit fake audit report. The DVS will enable us to curb that scope and help get actual amount of revenue from firms," said Md Masud Sadiq, member for VAT policy of the NBR.

Sadiq and ICAB President Mahmudul Hasan Khusru signed the MoU on behalf of the respective organisations at the NBR headquarters.

As per the plan, ICAB's practising members will give five key financial data such as profit, turnover, asset and liability of a company, generate an 18-digit document verification code (DVC), write the DVC in the audited financial statements and sign the report.

And the VAT officials will get access to the DVS to verify the authenticity of these key figures in the audited financial statements to be furnished by companies and firms to the VAT offices.

The NBR move comes as it made submission of audited financial reports mandatory by firms from the current fiscal year of 2021-22.

Sadiq said the VAT wing of the NBR will start verifying audited statements to be submitted by firms using the DVS.

In July this year, Bangladesh Bank also asked banks to examine the audit reports of loan applicants through DVS, developed last year to eliminate the scope of submission of manipulated audited financial statements by business to get loans.

Earlier, in December, the NBR asked its field offices of tax to use the DVS to ensure proper amount of corporate income tax coming to the state coffers.

Later, the Bangladesh Securities and Exchange Commission and the Financial Reporting Council followed suit to protect the interests of investors and improve compliance and transparency in the preparation of balance sheets.

The DVS offers the opportunity to match key financial figures such as profit, turnover, asset and liability of a company, the 18-digit document verification code, and the signature of auditors.

At the today's event, NBR Chairman Abu Hena Md Rahmatul Muneem was also present among others.

## Allocate more for gender specific projects: experts

FROM PAGE B1

The most important thing is to see whether the commitments mentioned in those policy documents are properly implemented, he said.

Sanem, in collaboration with Bangladesh Mahila Parishad, had conducted a study on gender sensitive budgeting.

Sanem Research Director Sayema Haque, who is also a professor of economics at the University of Dhaka, focused on different aspects and key challenges of gender budgeting.

She said the country has attained some big positive achievements in ensuring gender equality in different sectors like gross enrolment in primary and secondary education. Still though, women are still lagging behind in higher education and vocational and technical programmes as well as per capital mobile and internet use.

Mentioning that women's participation in the labour force has increased manifold, she said some challenges still remain. Referring to a World Bank report from 2020, Haque said male participation in the labour force was 80.3 per cent in rural areas while the female participation rate was only 38.6 per cent.

She also informed that 47 per cent of the country's women are of working age but are not educated and lack access to employment and training compared to the rate of males at 10 per cent.

This is a matter of concern, Haque said. Gender budgeting can introduce gender sensitivity across all levels of policy implementation and thereby address the existing fault lines.

Haque identified some key challenges to gender budgeting, including lack of gendered disaggregated data on beneficiaries and impacts, and discontinuation of certain important gender specific projects.

Several ministries with greater budgetary allocation spend proportionately less on gender-specific projects, she said, adding that some ministries with a greater share of budgetary allocation along with implementation capacity.

She recommended preparing gender-segregated data and strengthening the monitoring and evaluation of projects aimed at making gender budgeting successful.

Haque also suggested that the finance ministry should have a cell composed of gender experts, researchers, and practitioners to help prepare and monitor gender budgeting.

Selima Ahmad, president of the Bangladesh Women Chamber of Commerce and Industry, said apart from increasing budgetary allocations, the government also needs to ensure proper implementation.

Most females in rural areas still face problems like child marriage and drop out in higher education, she said.

Sharminid Neelomi, a professor of economics at Jahangirnagar University, and Samanjar Chowdhury, the Brac Youth Platform Operations lead, also spoke at the event.

## Set up a knowledge hub for efficient policymaking: CPD

FROM PAGE B1

So, accurate data on how it has changed is necessary.

"Otherwise, effective policy making would be difficult in the future," he added.

AM Zakir Hussain, former director of Primary Health Care and Disease Control, said awareness regarding data collection has soared but much more data, such as penetration of herd immunity, vaccine efficacy and so on, is needed.

"Pfizer's effectiveness is at the highest level in the world but it was very low in Israel so we don't know which one is actually more effective," he said.

An approach has evolved in the government that all ministries need to work together and share data during

the pandemic time, according to Anir Chowdhury, policy adviser of the a2i Programme of the ICT Division.

The whole of society approach also came forward, he said, adding that awareness on the importance of data collection has risen.

Policy makers realise that data can tell a story that points them in the right direction.

"So, we need a data sharing framework within the government and between public and private organisations," Chowdhury said.

Firdausi Qadri, emeritus scientist at the Infectious Diseases Division of the International Centre for Diarrhoeal Disease and Research Bangladesh, and Prof Mustafizur Rahman, distinguished fellow of the CPD, also spoke at the event.

**Government of the People's Republic of Bangladesh**  
Local Government Engineering Department  
Office of the Executive Engineer  
District: Noakhali  
www.lged.gov.bd

Memo No. 46.02.7500.000.07.007.21-2642  
Dated: 28/09/2021

### Invitation for Tenders (IFT for Works)

**e-Tender Notice No. 15/2021-22**

e-Tender is invited in the National e-GP Portal (<http://www.eprocure.gov.bd>) for the procurement of works as stated as below:

Sl No.	Tender ID No.	Procurement method	Name of works	Last selling date & time	Last date & time of tender security submission	Closing & opening date & time
1	612875	LTM	A. (i) Maintenance of Bashur Hat Bangla Bazaar Road - Beri Bundh Road via SP Abu Suplan Bari Ch. 00-1500m (Earthwork) ID No. 475214048. (ii) Maintenance of Bashur Hat Bangla Bazaar Road - Beri Bundh Road via SP Abu Suplan Bari Ch. 00-1500m (Pavement & Surfacing) ID No. 475214049. (iii) Providing 161.0m Protective works [Companigan] (Package No. GNP-3/NOA/COM/21-22/W-337)	14-10-2021 12:00pm	14-10-2021 14:00pm	14-10-2021 16:00pm
2	612876	LTM	A (i) Maintenance of Oter Hat - Chanderhat (Via Ashrafpur Madrasa) road from Ch. 00-1000m (Earthwork) ID No. 47590499 A (ii) Maintenance of Oter Hat - Chanderhat (Via Ashrafpur Madrasa) road from Ch. 00-1000m (Pavement & Surfacing) ID No. 47590499 (iii) Providing 38.0m Protective works [Kabirhat] (Package No. GNP-3/NOA/KAB/21-22/W-338)	14-10-2021 12:00pm	14-10-2021 14:00pm	14-10-2021 16:00pm
3	612877	LTM	A (i) Maintenance of RHD (Batter Hat) - Zamider Hat - Kallif Hat Road from Ch. 00-910m & 3770-4576m (Earthwork) ID No. 475873003. A (ii) Maintenance of RHD (Datter Hat) - Zamider Hat - Kallif Hat Road from Ch. 00-910m & 3770-4576m (Pavement & Surfacing) ID No. 475873003. (iii) Providing 201.0m Protective works [Sadar] (Package No. GNP-3/NOA/SAD/21-22/W-339)	14-10-2021 12:00pm	14-10-2021 14:00pm	14-10-2021 16:00pm
4	612878	LTM	A (i) Periodic Maintenance of Bangla Bazaar (R&H) Ekiashpur UP via Jirtoi a??Hollarhat Road (Barkat Ullah road) from Ch. 00-1000m (Earthwork) ID No. 47573015. A (ii) Periodic Maintenance of Bangla Bazaar (R&H) Ekiashpur UP via Jirtoi a??Hollarhat road (Barkat Ullah road) from Ch. 00-1000m (Pavement & Surfacing) work ID No. 47573015. (iii) Providing 61.0m Protective works [Begumganj] (Package No. GNP-3/NOA/BEG/21-22/W-340)	14-10-2021 12:00pm	14-10-2021 14:00pm	14-10-2021 16:00pm
5	612879	LTM	A. Maintenance of Abduljapur Hospital - Kutubpur Road from Ch 1608-2068m & 2618-3158m. ID No. 475074016. (Earthwork) (i) Maintenance of Abduljapur Hospital - Kutubpur Road from Ch 1608-2068m & 2618-3158m. ID No. 475074016 (Pavement & Surfacing) (ii) Providing 86.0m Protective works [Begumganj] (Package No. GNP-3/NOA/BEG/21-22/W-341)	14-10-2021 12:00pm	14-10-2021 14:00pm	14-10-2021 16:00pm
6	612880	LTM	A. Improvement of Kutubpur Mushi Bari a?? Abduljapur Ibrahim Moulvi Bari via Kutubpur Mushi Bari Bridge road from Ch. 960-2015m. (Pavement & Surfacing) ID No. 475075339. Salvaged mat cost Tk 1.62.708.00. (Package No. GNP-3/NOA/BEG/21-22/W-342)	14-10-2021 12:00pm	14-10-2021 14:00pm	14-10-2021 16:00pm

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

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GD-1745



# Timber trader finds fortune in dragon fruit farming



Surat Ali began farming dragon fruit on three bighas of land in 2017. This year, he cultivated the fruit on 30 bighas and had already sold Tk 60 lakh worth of fruits and Tk 30 lakh worth of seedlings as of September 20.

PHOTO: AZIBOR RAHMAN

## DISTRICTS IN FOCUS

AZIBOR RAHMAN, Jhenaidah

Surat Ali, a middle-aged farmer based in Khulna's Jhenaidah district, is enjoying massive success from dragon fruit cultivation.

Proclaiming himself to be the biggest dragon fruit farmer in the country's Southwestern region, Ali was previously engaged in the timber trade.

During a visit to his farm in Shibnagar village on Saturday afternoon, this correspondent found that dragon fruits were being cultivated on a vast expanse of land.

Ali told The Daily Star that his timber trade had ended badly in 2015 but while working on his plot one day, he saw that some guava plants

had taken root nearby. He then planted the fruit and after eight months, enjoyed a handsome profit from his produce.

This allured Ali to the idea of dragon fruit farming while Rostom Ali, his nephew who served at the agriculture research institute in Jashore at the time, encouraged him as well.

He now cultivates the Vietnamese Lal variety, which is very attractive and delicious.

Ali began farming dragon fruit on three bighas of land in 2017. He then sold the harvested crop in August 2018 for about Tk 12 lakh.

By 2019, he had expanded the cultivation area to 15 bighas and sold the fruits produced for Tk 30 lakh in total while he also sold around Tk 10 lakh worth of seedlings.

In 2020, he expanded his farm again to 20 bighas, earning him about Tk 40 lakh worth of dragon fruit and Tk 25 lakh worth of seedlings.

This year, he cultivated dragon fruit on 30

bighas of land and had already sold Tk 60 lakh worth of fruits and Tk 30 lakh worth of seedlings as of September 20.

He expects to be able to sell another Tk 20 to Tk 25 lakh of dragon fruits up till December. Ali had purchased the extra land in 2020 for about Tk 50 lakh. About 10 workers are employed by the farm.

Each dragon fruit plant lasts about 20 to 25 years at a stretch.

The plants start flowering from April each year and within 30 to 35 days, the harvesting begins.

The harvesting period lasts for around six months with four plants producing 25 to 30 kilogrammes of fruit collectively. Each kilogramme is sold for between Tk 200 to Tk 250.

Now, people from different areas of the district flock to the farm to have a look at its dragon fruit plots.

READ MORE ON B2

# Bangabandhu Shilpa Nagar: a visionary industrial enterprise



MUHAMMAD ABDUL MAZID

The joy and gratification for making dreams into reality are enticing. In the golden jubilee year of independence, one can speak of a creative and visionary industrial entrepreneurship for the socio-economic development of Bangladesh that will build the future of the country.

In the thirteenth century, foreign merchants arrived at the land of Samatat through the river Karnaphuli. They brought trade, religion and culture. The history of the last seven centuries is the bearer of that context. Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) is a successful initiative to fulfil the dream of regeneration of that congregational tradition in modern Bangladesh.

BSMSN is located at a distance of 10km from Mirsarai on the Dhaka-Chattogram Highway and 60km from the port city. It is being constructed on a contiguous 33,000 acres of land on the seashore in Ichakhali, Charsharat, Char Mosharraf and Sadhur Char.

BSMSN with multi-dimensional features is a great junction of domestic and foreign investment, industrialisation and economy at the entrance of the south-eastern part of the country. One of the largest economic and industrial zones in South Asia, Bangabandhu Shilpa Nagar will be a state-of-the-art industrial city.

It is one of the priority projects of the government for industrialisation and job creation. Among the initiatives taken by the government to establish 100 economic zones in the country, Bangabandhu Shilpa Nagar has got the highest priority.

Initially, Mirsarai was started as an economic zone. Later, with the addition of Sitakunda and Sonagazi economic zones in Feni, the three zones have been renamed as

Bangabandhu Shilpa Nagar.

The industrial city has been set up at a place about 10km west of Baratakia on the Dhaka-Chattogram highway with the seaport, gas, electricity and all kinds of facilities, creating a unique opportunity to connect with highways, rivers, seas and railways.

If completed, at least five lakh people will be employed in the initial stage. It is expected to create employment opportunities for 15 lakh people within the next 15 years and ensure a \$25 billion export from this industrial enclave.

As a result, people from other districts of the country will also get employment and livelihood opportunities in this zone. One of the neglected chars has become an industrial area.

The locals are also thinking of housing for such a large number of workers and are building various types of houses. As it is a coastal area, dams and adequate sluice gates have been constructed, so the seawater no longer enters here.

Initiatives have been taken to modernise and expand the Baratakia railway station as the entrance to the industrial city. There will be passenger facilities as well as cargo transportation and storage yards.

The industrial city will facilitate both import and export. A container port will be constructed using the facilities of the Bay of Bengal coast.



## OPINION

There will be a seaport for berthing ships with a capacity of 40,000 tonnes. A medium-sized port will be built between Mirsarai and Sitakunda to serve the industrial area. There are also plans to build a small airport.

Suburbs and world-class tourist centres will be developed. It will be connected with the Bangabandhu Tunnel (Karnaphuli Tunnel) through the super dyke-cum-Marine Driveway to Cox's Bazar.

All in all, this industrial city will be taking shape as the modern economic hub of the country.

READ MORE ON B2

## GLOBAL BUSINESS

# Evergrande fuels concerns over China's housing bubble

AFP, Beijing

A state crackdown on China's colossal property market has helped send one of its biggest developers to the brink of collapse, and analysts warn the fallout could lead to the bursting of a bubble that has been building for more than two decades.

China's property market has been a critical part of the economy, as Beijing's promise to improve people's living standards translated into new homes that in turn fuelled massive construction.

Hundreds of millions of middle-class Chinese see property as a key family asset and status symbol.

China's housing scene took off after key 1998 market reforms that boosted the private market from employer-designated homes -- rocketing in a breathtaking building boom on the back of rapid urbanisation and wealth accumulation.

But, as prices soared, an anxious Beijing fretted about wealth disparity and the potential for social instability.

The average apartment price was 9.2 times disposable income last year, according to services firm E-House China, pricing many out of the market.

Highly leveraged developers have also prompted fears of financial instability.

Last year, Beijing introduced metrics to cap debt ratios called "three red lines" and tightened scrutiny over crucial funding raised by pre-sale deposits.

The plan was "to reduce the risk of the riskiest", said Dinny McMahon, of consultancy Trivium.

"The idea was that this would be a mechanism to force the most risky developers to pare back their debt levels," he added. "And those that were less risky -- it gave them scope to continue growing."

"At the forefront of that rapid expansion was Evergrande, built by founder Xu Jiayin in 1996 to have a presence in 280 cities and an empire that includes mineral water, wealth products and even a football team.

Now one of the country's largest developers, it is drowning in liabilities of more than \$300 billion as it navigates China's new rules.

All eyes are on how the crisis is handled by Beijing, which has so far remained quiet, with lingering fears over consumer confidence and an already weakening property market.

"What starts off as a problem exclusively for Evergrande today could snowball to take in other relatively weak developers tomorrow," added McMahon.

The three red lines show Beijing's long-intended aim to restructure the property market, analysts say, but Evergrande's staggering debts may force the government's hand to shore up the sector.

Evergrande is the most indebted of China's private homebuilders with overwhelming liabilities and wild diversification.

# China power cuts hit homes, factories and threaten growth



A man walks near a coal-fired power plant in Harbin, Heilongjiang province, China. At least 17 provinces and regions -- accounting for 66 per cent of the country's gross domestic product -- have announced some form of power cuts in recent months.

REUTERS/FILE

AFP, Beijing

Goldman Sachs Tuesday lowered its annual economic growth forecast for China as nationwide power cuts hit millions of homes and halted production at factories, including some supplying Apple and Tesla.

At least 17 provinces and regions -- accounting for 66 per cent of the country's gross domestic product -- have announced some form of power cuts in recent months, mainly targeting heavy industrial users, according to Bloomberg Intelligence.

Nearly 60 per cent of the Chinese economy is powered by coal, but supply has been disrupted by the pandemic, put under pressure by tough emissions targets and squeezed by a drop in coal imports amid a trade tiff with Australia.

Earlier this month, coal prices hit a record high, with restrictions imposed on businesses and homes amid the supply crunch.

Still, China's power demand in the first half of the year exceeded pre-pandemic levels, according

to the National Energy Administration.

Goldman Sachs said Tuesday it expects growth to come in at 7.8 per cent, down from 8.2 per cent, citing power cuts that led heavy industries to cut output, leading to "significant downside pressures".

It is the second bank to downgrade forecasts in as many days. Analysts at Nomura said Monday a surging number of factories had been forced to cease operations due to either government mandates to meet carbon targets or surging prices and coal shortages.

It cut its annual GDP growth forecast to 7.7 per cent. Apple supplier Unimicron Technology said factories in two regions were told to stop production from midday Sunday through Thursday.

Dozens of other companies, including a parts supplier to carmaker Tesla, were told to halt production this week, according to stock exchange filings.

And in Beijing, utility giant State Grid told AFP Tuesday that a series of upcoming power

outages in the capital -- which will last nearly 10 hours at times -- are part of a "planned maintenance", a statement that appeared to downplay state media reports that they are due to the nationwide power crunch.

The northeastern rust belt, with thousands of power-hungry cement kilns and steel smelters, has been among the areas worst affected.

A factory in northeast Liaoning had to rush 23 workers to hospital due to carbon monoxide poisoning after ventilators suddenly stopped working during a blackout, state broadcaster CCTV reported.

Footage on local media Beijing News showed cars travelling a busy highway in the city of Shenyang in complete darkness without traffic lights or street lamps.

"Power cuts eight times a day, four days in a row... I'm speechless," wrote one frustrated user from Liaoning. Another complained that malls were shutting early and a convenience store was using candlelight.

"It's like living in North Korea," they wrote.

# Full US recovery 'will take time': Fed official

AFP, New York

A full US economic recovery "will take time to complete," a top Federal Reserve official said Monday, adding that effects from the far-reaching Delta variant of Covid-19 have surfaced in recent data.

"The recovery continues to show solid momentum," John Williams, president of the Federal Reserve Bank of New York, said in a speech at the New York Economic Club.

But "the direct and indirect effects of the virus continue to shape the way we live our lives," Williams said, adding that the latest Covid resurgence "is affecting

consumer spending and jobs.

"Williams said the labor market still has "a long way to go" to reach the Fed's goal of maximum employment, noting that there are more than five million fewer jobs today than before the pandemic.

He reiterated the Fed's stance that US inflation should hover around two percent over the long-term, despite price effects from supply chain problems that have persisted longer than expected.

Besides modest inflation expectations, Williams said underlying pricing trends in services also suggest pricing spikes will be transient.