



**MD Arfan Ali, managing director of Bank Asia Limited, and Forkan Hossain, general manager of accounts and budgeting department at Bangladesh Bank, exchanged signed documents of an agreement on an Automated Challan Service enabling Bank Asia to deposit taxes, VAT, passport fees and other treasury fees directly to the Government Treasury through all branches, sub-branches, Islamic Windows and agent outlets of the bank. Nurun Nahar, executive director of Bangladesh Bank, and Sarder Akhter Hamed, deputy managing director of Bank Asia, were present.**

## Vietnam's economy suffers record contraction in Q3

AFP, Hanoi

Vietnam's economy suffered its heaviest contraction on record in the third quarter, officials said Wednesday, after a devastating wave of Covid-19 forced the widespread suspension of manufacturing in the export-reliant country.

Gross domestic product shrank 6.17 per cent on-year in the July-September period, with the general statistics office (GSO) saying it was the sharpest since the Southeast Asian nation began recording quarterly figures -- reportedly in 1986.

Vietnam was last year among the best performing economies in Asia and one of the few in the world to expand after it kept virus numbers low and businesses largely open.

But the latest coronavirus wave, which began in April in its northern industrial parks and rapidly spread south to business hub Ho Chi Minh City, "caused serious impact" to the economy, the GSO said.

State-run news outlet VNEExpress said it was the first time Vietnam had recorded negative quarterly growth since

2000. A third of the country's 100 million population faced stay-at-home order for months this summer, with factories closed and supply chains seriously disrupted.

There have been more than 770,000 infections and nearly 19,000 deaths.

"The fourth round of the pandemic... has directly hit many enterprises, breaking the supply chain," deputy investment minister Nguyen Thi Bich Ngoc was quoted as saying on the government's official website.

"Business and production plans were overturned with some partially or fully suspending operations.

"But she added: "The contemporary difficulties and troubles are temporary.

"The country is starting to ease widespread lockdown orders in an effort to ease the problem, but rail and air links across the country remain largely suspended.

"Less than 10 per cent of the population has been fully vaccinated.

Despite the latest figures, the World Bank has forecast Vietnam's economy to grow 4.8 per cent in 2021, while Vietnam has said it is targeting a 6.5 per cent expansion.

## US says China blocking Boeing airplane purchases

REUTERS, Washington

US Commerce Secretary Gina Raimondo said on Tuesday the Chinese government was preventing its domestic airlines from buying "tens of billions of dollars" of US-manufactured Boeing Co airplanes.

Raimondo said that China was not abiding by commitments to buy US goods it made in 2020 as part of a trade deal with the previous administration.

"I don't know if Boeing is here. ... There's tens of billions of dollars of planes that Chinese airlines want to buy but the Chinese government is standing in the way," she said in a question-and-answer session after a speech in Washington. Boeing shares fell 2.6 per cent on Tuesday to \$218.41.

In a separate interview with National Public Radio broadcast on Tuesday, Raimondo confirmed she was specifically referencing China's blocking of Boeing airplane purchases.

"The Chinese need to play by the rules. We need to hold their feet to the fire and hold them accountable," she said.

Boeing declined to comment. The Chinese embassy in Washington did not immediately comment.

Boeing Chief Executive Dave Calhoun in March urged the United States to keep human rights and other disputes separate from trade relations with Beijing.

"I am hoping we can sort of separate intellectual property, human rights and other things from trade and continue to encourage a free trade environment between these two economic juggernauts," Calhoun said at the time.

"We cannot afford to be locked out of that market."

Boeing last week raised its forecast slightly for China's aircraft demand for the next 20 years, betting on the country's quick rebound from Covid-19 and future growth in its budget airline sector and e-commerce.

Boeing estimated that Chinese airlines will need 8,700 new airplanes through 2040, 1.2 per cent higher than its previous prediction of 8,600 planes made last year.

## Central banks parse inflation risks

REUTERS

Central banks that launched massive emergency support to fight the pandemic last year are now planning a global turn in the other direction, with gaps already emerging in their perceived risk of inflation, the need to respond to it, and the pace of the likely return to normal monetary policy.

They are confronted with common supply shocks and common risks around a pandemic that continues to shape commerce.

"Globally we are still in for a long process," of reopening and adapting to the post-pandemic economy, St Louis Federal Reserve President James Bullard said this week in a Reuters interview.

But the reopening, and particularly the associated inflation, is being felt differently across the developed world, testing officials' understanding of the post-pandemic economy and their ability to hit a shared 2 per cent inflation target without derailing global growth.

The heads of the world's four major central banks gather for a mostly virtual European Central Bank forum on Wednesday, and if last year was marked by a uniform rush to stave off the worst, their exit strategies are already diverging.

That's led to major policy scuffling both in Europe and the United States over how much inflation risk central banks should tolerate as they try to make up for sluggish prices in the years since the Great Recession a decade ago - a major gamble, in effect, over whether the post-pandemic world will work the same as before.

Policy divergence among the world's major central banks can influence markets worldwide,

shifting capital flows, exchange rates and trade patterns.

There may even be limits on how far a central bank like the Fed might go in normalizing policy or raising interest rates if major partners like the ECB aren't moving in the same direction.

It is still early in the transition from the pandemic, but differences are already emerging.

The key challenge is to ensure that we do not overreact to transitory supply shocks, ECB President Christine Lagarde said at her bank's premier research conference on Tuesday, and policy must remain focused on steering the economy safely out of the pandemic emergency" rather than squelching any short-term increase in prices.

Like the ECB, the Fed is also banking on inflation easing largely on its own. But discussion of the risks has become more prominent, and in projections last week virtually all Fed officials said it was more likely inflation would run hotter than expected than otherwise.

Even as Lagarde spoke, Fed Chair Jerome Powell testified to the US Congress about "bottlenecks, hiring difficulties, and other constraints" that have led the Fed to project inflation this year at 4.2 per cent, twice the official target, and may make it more persistent.

The potential problems are manifold.

The pandemic still rages, and while businesses and consumers have adapted to a large degree, it still shapes who is showing up for work, what goods and services get produced, and how fast those goods are moved around the planet and how smoothly those services are delivered.

## Kamal hints at merger of Padma with state bank

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Padma Bank said it faced a lot of constraints since the start of its new journey in 2019, including a severe shortfall of liquidity.

It said to have managed to improve its liquidity status over the next two years and grow confidence among depositors while continuing the process of regularising default loans in phases.

The finance ministry last week sent the application of Padma Bank to the Bangladesh Bank seeking opinion, said sources. Established in 2013 as Farmers Bank, the lender had fallen prey to scamsters. A Bangladesh Bank investigation found that more than Tk 3,500 crore was siphoned off between 2013 and 2017.

The bank fell in deep trouble after depositors, which included government agencies, started pulling out money as allegations of corruption surfaced against Muhiuddin Khan Alamgir and Md Mahabubul Haque Chisty, the then board chairman and chairman of the audit committee, respectively.

When asked why the government was considering rescuing the bank, Kamal said he had not read the application submitted by the bank yet.

He, however, said: "We all know that there were many irregularities at the bank. But we are yet to know about the complete picture of

corruption."

Lawsuits have been filed against those who were initially found to be involved in the irregularities, and many are now in jail. "What can the government do other than this? The government will take punitive measures against the people involved in irregularities and corruption following due procedures," Kamal said.

Fahmida Khatun, executive director of the Centre for Policy Dialogue, said merging Padma Bank with state lenders would not fetch any positive impact for the financial sector.

"We all know why the private bank is in dire straits. A wide range of financial scams had occurred. As a result, the lender is yet to return to its normal activities," she said.

"The scamsters and corrupt people will feel encouraged if the merger takes place."

Earlier this month, Padma Bank signed a memorandum of understanding with California-based investment bank DelMorgan & Co to find potential foreign investors.

The bank's operating losses stood at Tk 120 crore in the first half of 2021, resulting from the Covid-19-induced economic slowdown. The capital shortfall would amount to Tk 2,100 crore as of June this year, the bank said.

## Massive factory inspection begins next month

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As such, BIDA will lead an 18-member central coordinating committee and three sub-committees.

About 32 industrial sectors will be given priority under this initiative considering their high potential for accidents. The concerned factory authorities will be informed three days before an inspection.

FBCCI President Md Jasim Uddin said implementing factory safety measures currently require licensing from many government agencies and departments.

So, creating a one-stop service platform at BIDA would help reduce the harassment faced by entrepreneurs and facilitate safer working environments, he added.

Uddin also called upon all stakeholders to cooperate in the factory monitoring activities.

Mostafa Azad Chowdhury Babu, senior vice president of the FBCCI, said that although some money was previously spent on the safety reform process, only Bangladesh's export-oriented garment industry is reaping

the benefits.

Now, the FBCCI is working with BIDA to help all other sectors enjoy the same, he added.

When accidents happen at a factory, only the owner is blamed even though the authorities who issued its safety licenses should also be held accountable.

Referring to a massive fire at a chemical warehouse in Nimtoli that claimed 124 lives in 2010, Babu said that if a separate chemical hub had been formed as promised, the 2019 fire incident in Churihatta that killed 72 people could have been avoided.

Babu also assured that the FBCCI would take the necessary steps to eliminate tariff inequality between export-oriented and non export-oriented industries in importing safety equipment.

MA Momen, a vice president of the FBCCI, said entrepreneurs have nothing to fear from the inspection checklist.

The FBCCI has partnered with the initiative to help industrialists. If this

step is successful, all industries in the country will be as safe as garment making units.

This will improve Bangladesh's international image and subsequently attract more foreign investment as well, he added.

"The country's industrial progress has been informal so far," said FBCCI Vice President Md Amin Helaly, adding that it is high time to ensure a safe working environment in all industries.

Md Habib Ullah Don, another vice president of the FBCCI, called for issuing safety certificates only to factories that qualify in the integrated monitoring programme.

Lt Col Zulfiqar Rahman, director of the Department of Fire Service and Civil Defense, said no businessman would be caught through the programme.

Instead, sector-wise action plans will be adopted at the entrepreneur, association and government level to make factories safer by sorting out the information obtained through observation.



BANGLADESH POWER DEVELOPMENT BOARD

**Wärtsilä, Finland-based technology company, in coordination with Bangladesh Power Development Board (BPDB) recently organised a webinar styled "Future Energy Trend and Wärtsilä's Technological Evolution". Md Belayet Hossain, chairman of BPDB, Jilur Rahim, managing director of Wärtsilä Bangladesh Limited, Henri Boxtel, director of energy business of South Asia, Mostafa Zahed Hossain, general manager of Country Operations, and Jonas Fröberg, business development manager of Wartsila Finland, joined the webinar.**

## Get ready for tougher German laws to boost exports

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Sedex is home to one of the world's largest collaborative platforms for sharing responsible sourcing data on supply chains, while the Higg Index is an apparel and footwear industry self-assessment standard for assessing environmental and social sustainability throughout the supply chain.

Germany is the second-largest export destination for Bangladesh after the US. Last fiscal year, the country shipped \$5.6 billion worth of goods to the European country. Of the goods, more than 95 per cent are garment items.

At 148, Bangladesh has the highest number of green garment factories in the world. Another 500 are waiting to be certified by the US Green Building Council (USGBC).

Of the top 10 Leadership in Energy and Environmental Design green buildings certified by the USGBC, nine are in Bangladesh.

Currently, Bangladesh is the second-highest ethical sourcing country certified

by the QIMA and has the second-highest number of global organic textile standard-certified garment factories, Ashraf said.

"We are hopeful that we can comply with the new German law. Still, we want a grace period from Germany to implement the law in our factories," he said.

Amrita Makin Islam, deputy managing director of Picard Bangladesh, a Bangladesh-German joint venture leather goods company, said there was a need to disseminate information about the new law among the business community.

Mosharrif Hossain Bhuiyan, Bangladesh's ambassador to Germany, also demanded the grace period for complying with the new law.

He urged the government to complete the construction of the central effluent treatment plant at the Savar Tannery Industrial Estate so that the leather and leather goods sector could comply with the law.

"The leather and leather goods exports may face trouble if the construction of the CETP is not completed on time."

## Population census faces further delays

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As per the revised plan, the BBS will spend two-thirds of the budget on data collection and other ancillary sectors and the rest on devices and software purchases.

The preparation for holding the census was delayed further due to the revision in the plan, according to a BBS official.

"Despite that, we were hoping to carry out the census on time."

But, at the eleventh hour, the cabinet committee on purchase, on August 25, rejected the proposal for buying tabs, citing non-compliance.

Eight companies bought bidding documents, and only two local companies, which manufacture and assemble electronic items, took part in the bidding.

The BBS selected the lowest bidder, which offered to supply a tab for around Tk 10,000, up from Tk 6,000 offered by the lowest bidder.

The purchase committee rejected the proposal, saying that due procedures were not followed in forwarding the proposal and asked the BBS to call for a re-tender.

It also questioned why the proposal was not submitted in two separate envelopes.

Planning Minister Mannan, who was also present at the meeting, said that the committee turned down the proposal for not maintaining two separate envelopes.

Usually, one of the envelopes contains a technical proposal and the other the financial proposal.

The BBS official says two envelopes are maintained for the tender in which the authorities don't know about the specification of the product.

"But, in this case, we know about the specification. So, it is not mandatory to maintain two envelopes. However, as the purchase committee has already instructed to maintain two envelopes, we are following the order," the BBS official said.

The BBS called for a re-tender in the middle of August.

It will take 45 days to re-send the proposal to the cabinet committee after completing the tender procedures. So, the census is set to be delayed by another two months, he said.

As per the master plan, the BBS was supposed to train up students, who have at least completed higher secondary or equivalent-level education, on digital equipment from September 1. The authorities are yet to arrange the training programme.

BBS officials say it has prepared a digital map of every part of the country that could be used for various purposes in the future.

In Bangladesh, the first population census was conducted in 1974. Subsequently, the population and housing censuses were held in 1981, 1991, 2001, and 2011.

## e-Cab suspends membership of Evaly, 3 others

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advisory committee formed on August 28.

The allegations include delay in delivering products, noncooperation, noncompliance with the Digital Commerce Guidelines-2021 and failure to take any visible steps to pay buyers and sellers.