

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.35%	▲ 0.27%	\$1,736.93	\$77.76	▼ 0.48%	▼ 0.31%	▲ 0.04%	▲ 0.90%	BUY TK	84.55	97.10	112.92	12.84
7,329.03	12,835.53	(per ounce)	(per barrel)	59,126.36	29,452.66	3,086.70	3,568.17	SELL TK	85.55	100.90	116.72	13.50

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CARGO SPACE SHORTAGE AT AIRPORT

Exporters stare at mounting losses

REFAAYET ULLAH MIRDHA and RASHIDUL HASAN

The cargo village at the Hazrat Shahjalal International Airport (HSIA) is failing to accommodate the rising volume of export-bound goods, piling up losses on suppliers as they are struggling to ship merchandises on time.

The cargo village has a daily storage capacity of 400 tonnes of dry cargo, way lower than 1,200 tonnes arriving at the country's largest airport to be shipped through national and international airlines.

About 800 tonnes of goods are exported through the air routes every day.

Due to the space crisis, exporters are forced to store goods outside of the village. But the goods there are left unattended. As a result, their quality risks deterioration. Thefts are also rising alarmingly.

"During normal times, we can smoothly ship around 400 tonnes of cargoes. But due to the Covid-19 pandemic, the capacity has shrunk due to suspension of many flights," said the managing director of a chartered flight operator of cargoes from the HSIA, asking not to be named.

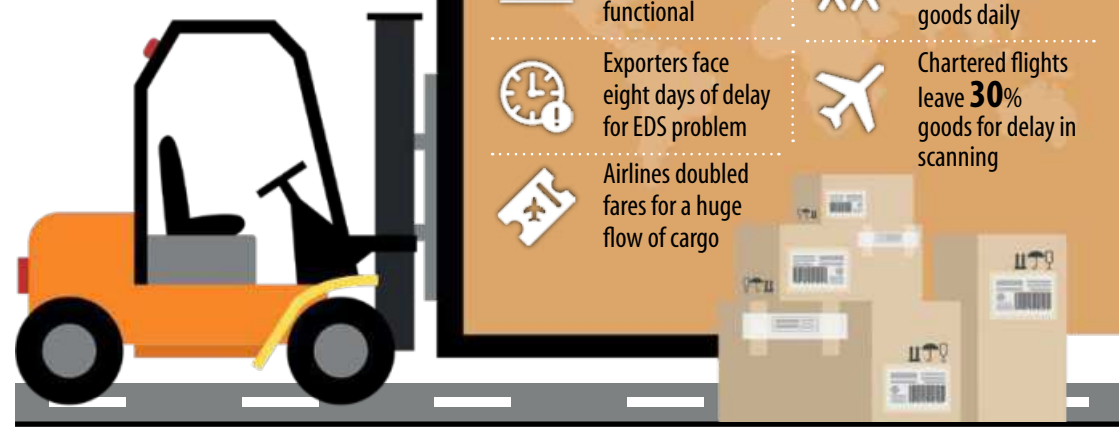
Three years ago, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) built a shed at the cargo village, but the place is now congested owing to the additional inflow of garment cargoes as demand for apparel items has risen globally.

"The situation is not improving," said Shahidullah Azim, vice-president of the BGMEA.

Of the cargoes transported by airlines, 85 per cent are garment items.

M Mafidur Rahman, chairman of the Civil Aviation Authority of

EXPORTERS STUMBLE AT AIRPORT



Bangladesh, said a separate cargo village was under construction at the HSIA, having 63,000 square metres of areas for storing export-bound and imported cargoes.

"By the end of 2025, the new cargo village will go into operations," he said.

The expansion will increase the

airport's annual cargo handling capacity from 200,000 tonnes to 500,000 tonnes.

The space shortage at the cargo village is not the only problem haunting exporters. Because of the lack of an adequate number of scanning facilities, suppliers can't ship goods on time.

SM Masum Hossain, managing director of Rider Cargo Ltd, says the only operational Explosive Detective System (EDS) scanning machine is not enough to scan exportable goods.

With the current flow of goods, at least four machines are needed.

READ MORE ON B3

2 more banks fined for breaching stock investment rules

BB warns 4 others

AKM ZAMIR UDDIN

The Bangladesh Bank yesterday fined two more banks and warned four others for investing in the stock market breaching rules.

Exim Bank and Premier Bank were fined Tk 50,000 each as they violated the regulations of the central bank's special package for banks for the stock market.

Earlier, the BB imposed fines on NRB Bank and NRB Commercial Bank for breaching securities rules.

The central bank had earlier warned Exim Bank and Premier Bank not to breach the rules, a BB official said.

In a statement, Premier Bank said it had complied with all stock investment-related regulations set by the central bank.

The lender bought some shares of the companies that did not pay 10 per cent dividend in the consecutive three years. It made the correction immediately after discovering it, the statement said.

Senior officials of Exim Bank declined to comment. The BB warned four lenders - Eastern, Union, Global Islami and Agrani -- as they were also found to have breached the regulations of the special fund created by the central bank.

BB officials say that the central bank would take punitive measures against them if they flout the rules once again.

Contacted, officials of the four banks declined to comment.

The central bank announced the special package for banks in February last year to make the stock market vibrant.

Each bank is allowed to create a fund worth Tk 200 crore by securing financial support from the central bank to invest in the stock market.

Lenders are permitted to receive the fund through repurchase agreements against treasury bills and bonds.

READ MORE ON B3

9 firms to invest \$55m in hi-tech parks

MAJOR INVESTMENTS

In million \$

Companies	Investment	Products
ULKASEMI Pvt Ltd	25	Semiconductor
Celltron Electro	7	Medical equipment
Walton Hi-Tech	6.5	IT/ITES, digital device
MacTel Ltd	6	Smartphone
Daffodil Computers	3	IT and electronics
Technomedia Ltd	2.5	ATM, CRM, RCDM

SOURCE: BHTPA

STAR BUSINESS REPORT

Nine foreign and domestic firms are going to invest \$55 million in Bangladesh's hi-tech parks to set up manufacturing units for a number of products, including semiconductors, digital devices, and medical equipment.

The companies will also assemble automated teller machines, cash recycling machines, smartphones and other electronics items at the new units, which

are expected to create nearly 3,500 job opportunities. The Bangladesh Hi-Tech Park Authority (BHTPA) disclosed this information during an agreement signing ceremony to lease the required lands for these projects for a 40-year period.

Seven of the firms will set up facilities at the Bangabandhu Hi-Tech City in Gazipur while the other two will invest in the Sheikh Hasina Software Technology Park in Jashore.

READ MORE ON B3

More inclusive approach needed to support extreme poor

Study suggests

STAR BUSINESS REPORT

Overall poverty in Bangladesh is increasing as the vulnerable non-poor have slipped below the upper poverty line due to the impacts of the coronavirus pandemic, according to a study.

It also found erstwhile moderate poor had descended into extreme poverty as the crisis had left many without jobs and reduced incomes.

Such groups plus the pre-existing moderate poor were increasingly compelled to focus on their own precarious livelihoods, thus paying less attention to others, undermining social cohesion, the study said.

The Bangladesh Institute of Development Studies (BIDS) and the University of Bath of the UK conducted the study, which was commissioned by the Bangladesh Planning Commission.

Planning Minister MA Mannan launched the study report titled "Extreme Poverty: The Challenges of Inclusion in Bangladesh" at the conference room of the National Economic Council in Dhaka yesterday.

Speaking at the event, Mannan said the impact of Covid-19 was lower this year compared to the previous year.

"The poverty had been there for a long time, and it still remains, but we have reduce it significantly."

He hopes the pandemic's impact on the economy, health and other sectors would peter out gradually.

READ MORE ON B3

Nagad's interim licence gets fourth extension

Postal dept yet to complete procedure for full approval

AKM ZAMIR UDDIN

The Bangladesh Bank yesterday renewed the interim licence of Nagad for another six months as the Bangladesh Post Office (BPO) has failed to form a subsidiary to run the mobile financial service.

This is the fourth extension after the BPO secured the provisional approval from the central bank for the first time in March last year.

Nagad has been operating without a full-fledged licence from the central bank since its inception in 2019. Its 5.45 crore customers transact around Tk 700 crore daily.

Md Siraz Uddin, director-general of the Directorate of Posts, said the central bank had extended the tenure of the interim licence, asking the BPO to establish the subsidiary in the quickest possible time.

The BPO would try to set up the subsidiary within a month or two, he said.

The central bank has also asked it to beef up monitoring on Third Wave Technologies as well, he said.

The company is the master agent of the BPO and provides technological and logistic support to the state agency to



operate the MFS.

In March last year, the BB asked banks not to provide any service to unauthorised payment or MFS providers and operators in the interest of depositors.

This forced the BPO to take the interim approval for six months as all banks had suspended transactions with Nagad.

While availing of the permission, the postal department committed to completing official procedures to get the full-fledged licence. But it has not been able to do so in the last one and a half years.

As per BB instruction, the BPO will hold a 51 per cent stake in the subsidiary.

A new company named Nagad Bangladesh Ltd will be set up to run the MFS operation, a senior official of the BPO earlier said.

READ MORE ON B3

EDUCATION INSURANCE

Safeguard your child's future

MD ABU TALHA SARKER

Every parent yearns for a stress-free, comfortable and bright future for their beloved children. And most parents work tirelessly so that the sons and daughters don't face any financial difficulty in life.

But many people in Bangladesh, especially those belonging to the lower, lower-middle and middle-income groups, often struggle to meet the rising living cost. And they have to dig deep into their pockets to bear children's educational expenses, which are also rising.

So, questions remain how parents can afford to send their children to a good school, ensure their higher education, and, above all, secure a relatively stress-free future for them.

In such a scenario, child education insurance policy, child protection plan, or child development plan could be of great help. The policy will provide financial protection and education to the beneficiaries if their future becomes uncertain if parents are not around unexpectedly.



MetLife Bangladesh has such a child education insurance policy under the name of the Education Protection Plan. It also has Education Protection Plan Plus, which offers 10 different supplementary products' facilities.

"But the main objective of the policy is identical, which is to ensure a child's education. It is different from other policies because of the additional benefits," said Fahim Islam, executive vice-president for products and solutions at MetLife Bangladesh.

A parent aged 21 to 55 can open the policy at MetLife Bangladesh.

If a child is aged 30 days to five years, the coverage amount will be a minimum of Tk 1 lakh and a maximum of Tk 20 lakh. For the child aged six to 15 years, the face amount ranges from Tk 1 lakh to Tk 25 lakh.

"The amount of premium is a bit higher for the first range of the coverage as the mortality rate of infants is higher for the group compared to the second group," said Islam.

READ MORE ON B3



People from the Hindu community are out to shop ahead of the Durga Puja, which is only two weeks away, allowing sales to rebound after a lull this time last year owing to the coronavirus pandemic. The photo was taken from Dharma Sabha Temple area in Khulna recently.

HABIBUR RAHMAN



Quamruzzaman joins Summit Group as adviser

STAR BUSINESS DESK

Summit Group witnessed the appointment of its new adviser yesterday.

The appointee, Md Quamruzzaman previously served Petrobangla as director and Rupantarita Prakritik Gas Company Limited as managing director, a press release said.

He also worked in Gas Transmission Company Limited and Pashchimanchal Gas Company Limited during his 40-year-long professional career in Petrobangla. He was also managing director at two other Petrobangla companies.

Quamruzzaman had led the team that implemented Bangladesh's first Floating Storage and Regasification Unit (FSRU) and land-based terminal.

US, EU pledge joint action on tech issues, semiconductors, China

AFP, Pittsburgh

US and EU officials on Wednesday pledged to join forces to deal with a host of technology and trade issues to secure semiconductor supplies and counter China's dominance.

The inaugural meeting of the Trade and Technology Council (TTC) laid out a lengthy to-do list, but perhaps the most significant achievement was the symbolic restoration of good relations after the damage suffered under the administration of former president Donald Trump.

"It's just a remarkable spirit of cooperation and collaboration, and a desire between the United States and European Union to work very, very closely together," US Secretary of State Antony Blinken told reporters.

But the summit also set its sights on forced labor, artificial intelligence, digital privacy and protecting human rights activists online, as well as monitoring foreign investment in key sectors and controlling exports of sensitive products.

The high-level meetings were held as industries worldwide grapple with shortages of crucial semiconductors that are harming manufacturing, including of autos, and pushing prices higher.

The TTC was born out of President Joe Biden's summit in Brussels in June, when he



US Trade Representative Katherine Tai, left, Commerce Secretary Gina Raimondo, second from left, and Secretary of State Antony Blinken, third from left, meet with European Union commissioner Valdis Dombrovskis, right, in Pittsburgh on September 29.

PHOTO: AFP

attempted to repair relations battered by Trump's aggressive actions against trade rivals and allies alike, as well as more recent missteps that have riled Brussels.

The biggest thorn in the relationship are the Trump-era tariffs on steel and aluminum shipped from Europe, which the Biden administration has suspended but not withdrawn.

That dispute loomed over the tech meeting but was not on the agenda, although officials have

said recently that they are nearing a permanent solution.

The ministers met at a massive World War II-era munitions factory and later steel mill in Pittsburgh that has been converted into an advanced robotics research facility.

The talks were led on the US side by Blinken, Trade Representative Katherine Tai and Commerce Secretary Gina Raimondo, and on the European side by EU Executive Vice Presidents Margrethe Vestager

technology is used.

"Seeking to address the global shortage of vital computer chips, the officials pledged in their final communique to work together "on the rebalancing of global supply chains in semiconductors, with a view to enhancing respective security of supply" and production, including of the most advanced chips.

Demand for electronic devices of all kinds has exploded since the start of the Covid-19 pandemic, as more people work, study and find entertainment at home.

Semiconductor manufacturers at times have had to temporarily close their factories due to Covid-19, leaving them struggling to meet global demand and hamstringing industries including automakers.

Raimondo has said the chip shortage is both an economic and a national security concern, and called for investments in domestic manufacturing in the European Union and United States.

The lengthy communique does not mention China by name, but the world's second-largest economy is omnipresent throughout, notably in the frequent mentions of concerns posed by "non-market economies."

"In addition to semiconductors, the sides are grappling with how to work together to counter what they view as China's unfair trade practices.

Prime Bank launches digital loan system for garment workers

STAR BUSINESS DESK

Prime Bank Limited has introduced a digital loan disbursement system for the garments workers- the move, the bank claimed, is the first of its kind in the banking industry in Bangladesh.

In collaboration with Swisscontact, a Switzerland-based non-profit-organisation, and the British Fin-tech AGAM International, this pilot loan activity was initially launched in early September in 2021 for selected factories only, according to a press release.

Upon its successful completion of the pilot launching, the bank intends to rollout the service nationwide.

It will be possible to digitally disburse loans through the proposed 'PrimeAgri' system after assessing the customers' credit eligibility.

"This pilot service run bears testament to our strong commitment towards financial inclusion through digital services," said Hassan O Rashid, managing director of Prime Bank Limited.

UK food banks 'prepare for the worst'

REUTERS

Charity food banks in Britain are "preparing for the worst" as the government starts winding up emergency aid measures put in place to cushion the coronavirus pandemic's impact on millions of workers and low-income households.

An extra weekly payment of 20 pounds (\$27) to support the country's poorest families will be cut next month, and more than a million workers face an uncertain future as Britain becomes the first big economy to halt its Covid-19 jobs support scheme.

Food banks, which hand out staple goods from dried pasta to baby food, are especially concerned about the loss of the top-up to the Universal Credit (UC) benefit, which is claimed by almost 6 million people, according to official statistics.

"You're going to have parents who are going without food so their kids can eat," said Garry Lemon, policy and research director at the Trussell Trust, which supports more than 1,200 food bank centres across Britain.

"I've been speaking to lots of food banks in recent weeks and they are absolutely preparing for the worst ... They are doing everything they can to ensure they have got enough food to be able to cope with the increase in need."

The British move comes as other countries start wrapping up state aid programmes announced last year as Covid-19 battered the global economy.

In the United States, pandemic unemployment benefits that supported millions of jobless, gig workers and business owners came to an end in early September, a month after a moratorium on



The government is winding up emergency aid measures taken to cushion the pandemic's impact on low-income households.

REUTERS/FILE

residential evictions expired.

Australia and Canada have also announced plans to end income subsidies in the near future.

A British government spokesperson said the income benefit increase was always intended to be temporary and had been effective in softening the pandemic's impact on family finances, adding that the focus now was on helping people back to work. But anti-poverty groups said the loss of the benefit bonus would deal a heavy blow to low-income Britons.

It also comes as rising gas prices usher

in higher domestic energy bills, with the average household expected to pay 139 pounds more each year.

"The last time I used it (a food bank) the kids hadn't had dinner for six days," said Emma, who has three young children and asked to be identified only by her first name. Emma said the family was behind on paying bills due to financial stresses from the pandemic and the benefits cut would hit them hard.

"Once you're in that financial downward spiral, it's so hard to get back out of it because you're constantly running behind,"

she told the Thomson Reuters Foundation by phone.

"The one bill you can amend from week to week is your food bill," said Emma, who is sharing her experiences with the Covid Realities research project that tracks the impact of the pandemic on low-income parents and carers.

Emma said she went to a food bank every few months - aiming to minimise visits so as not to deprive anyone in an even worse position.

"It's going to be more regular (now) it makes me so upset because it's something that we never thought we'd have to do. We're not a well-off family but we've never been this bad before. I can't see a way out of it," she said.

Nationwide, more than 800,000 people will be pushed into poverty by the benefit cut, according to British think-tank the Legatum Institute.

A fifth of the benefit's claimants said they would "very likely" need to skip meals once the uplift is withdrawn, found a survey of more than 2,000 people carried out for the Trussell Trust.

A similar number said they would struggle to afford to heat their homes.

"Independent food banks are bracing themselves for a surge in demand as well as the challenges of food supply shortages and a reduction in donations," said Sabine Goodwin, the coordinator of the Independent Food Aid Network.

At Moray Food Plus, a food bank in Scotland, Mairi McCallum said they were already running "at almost full capacity".

"We're concerned about the negative impact the UC cut will have and the strain this will put on our organisation," McCallum said.

Asian stocks find footing

REUTERS, Hong Kong

Asian shares managed to claw back some of this week's heavy losses on Thursday but were headed for their worst quarter since the pandemic hit, while the dollar held near a one-year high, helped by broad safe-haven demand and US rate hike prospects.

US and European stock futures were also higher with S&P 500 e-minis rising 0.8 per cent, the pan-region Euro Stoxx 50 futures gaining 0.76 per cent and FTSE futures advancing 0.54 per cent.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.33 per cent, but was still set for a 4.4 per cent monthly decline and a 9.3 per cent loss on the quarter.

That would be the benchmark's worst quarter since the first three months of 2020, as Covid-19 raged across Southeast Asia and investors worried about slowing global growth with China a particular concern.

China's economy has been hit by regulatory curbs in the tech and property sectors and is now grappling with a power shortage.

Data published on Thursday showed China's factory activity unexpectedly shrank in September, but services returned to expansion as Covid-19 outbreaks receded. However, analysts say slowing growth would pressure authorities to ease policy.

That provided battered Chinese markets with some respite with blue chips rising 0.6 per cent and the Shanghai Composite Index gaining 0.7 per cent.

"We think China is at the inflection point of more cyclical policy easing amid ongoing rapid growth slowdown," wrote analysts at Morgan Stanley in a note.

Elsewhere, the Hong Kong benchmark shed 0.3 per cent, hurt by declines in Chinese tech names while Australia gained 1.9 per cent and Korea's KOSPI gained 0.3 per cent.

The other main drag on investor sentiment in greater China was embattled developer China Evergrande, whose shares swung back and forth, and were last down 4.2 per cent.

UK economy performs better than expected

AFP, London

Britain's economy performed better than previously thought in the second quarter, as households spent more and saved less as a result of easing lockdown restrictions, official data showed Thursday.

Gross domestic product in the three months to June grew by 5.5 per cent, up sharply from the previous estimate of 4.8 per cent, the Office for National Statistics said in a statement which also cited accounting changes.

The economy has slowed since then, however, with the Bank of England warning that the recovery is flattening as a result of ongoing pandemic fallout and global supply chain bottlenecks.

The outlook also darkens Thursday with the end of the UK government's costly furlough scheme, which kept millions in their jobs during the pandemic.

Consumers and businesses also have to contend with runaway gas prices and a chronic shortage of lorry drivers that helped spark a run on motor fuel last week.

"While the upward revisions to GDP are clearly welcome, the second quarter was three months ago, and the recovery appears to have stagnated since," said Ruth Gregory, senior economist at research consultancy Capital Economics.

The biggest driver of the large upward revision in the second quarter was household expenditure.

The ONS also revealed the economy

shrank by 1.4 per cent in the first quarter.

That marked an improvement from the prior estimate of a 1.6-per cent contraction.

"Today we've published new, revised estimates of GDP, which include numerous improvements to sources and methods," said ONS statistician Jonathan Athow.

He noted the latest data showed health services and the arts performing better than previously thought.

"The revised figures show households have been saving less in recent years than previously thought," added Athow.

"Household saving fell particularly strongly in the latest quarter from the record highs seen during the pandemic, as many people were again able to spend on shopping, eating out and driving their cars.

The ONS said GDP was 3.3 per cent below where it was in the final quarter of 2019 before the pandemic struck.

That compared with the prior figure of 4.4 per cent. The strong second-quarter recovery was fuelled by consumer spending, while the government continued to provide massive financial support by paying the bulk of private sector wages.

But the economic has lost steam since then, growing by just 0.1 per cent in July.

Commentators fear the end of furlough will spark a spike in unemployment and a slump in living standards.

The UK government has spent almost 70 billion (\$96 billion, 82 billion euros) on paying the bulk of wages for millions of staff stuck at home during the pandemic.

Dubai to open Expo, world's biggest event since pandemic

AFP, Dubai

The Covid-delayed Expo 2020 kicks off in Dubai on Thursday with an extravagant opening ceremony for what is expected to be the world's biggest event since the start of the pandemic.

Dubai's edition of the global fair, the first ever held in the Middle East, hopes for 25 million visitors over six months to its gleaming pavilions in the desert.

Dubai's ruler Sheikh Mohammed bin Rashid Al-Maktoum is at 1640 GMT to open the event

grouping more than 190 countries which he has promised will be "the most exceptional Expo in the history of the event". The Expo site in the dusty Dubai suburbs has remained strictly off-limits during its year-long postponement.

Architectural marvels and a long list of technological innovations will feature among the exhibits, showcasing the ingenuity and technological innovations of the participating countries.

The first world fair was held in London in 1851, when it was housed in the purpose-built Crystal

Palace, and the Paris edition of 1889 featured the Eiffel Tower, at first intended as a temporary attraction.

Expo 2020 will be indelibly tinged by the pandemic, with masks and social distancing mandatory on site. Visitors will need to be vaccinated or have a negative PCR test to enter.

The United Arab Emirates, population 10 million, has reported rapidly dwindling coronavirus cases in recent weeks, dropping below 300 on Sunday -- less than half the figure a fortnight earlier.

The fair is another feather in the cap for Dubai, which has long strived for recognition with achievements such as the Burj Khalifa, the world's tallest building at 828 metres (2,717 feet). The postponement has worked out well in one respect for the UAE, as it celebrates the 50th anniversary of its founding on December 2.

Workers have been putting the final touches on infrastructure and facilities at the site this week as the clock ticked down to the delayed launch. A succession of politicians, business leaders, celebrities and sports people are expected at the Expo, whose diverse attractions include the Harlem Globetrotters and a Chinese robot panda.

A full-scale hyperloop cabin, touted as the future of long-distance travel and transport, is among the exhibits, while Egypt has imported an ancient coffin from pharaonic days.

China has one of the largest pavilions -- a LED-lit, lamp-shaped creation -- while Morocco's is made with traditional mud-building methods. Israel is also gearing up to take part, a year after the UAE and the Jewish state normalised ties.



People walk at the site of Dubai Expo 2020 in Dubai, United Arab Emirates on January 16.

REUTERS/FILE

Asian Paints unveils 'ColourNext 2021'

STAR BUSINESS DESK

Asian Paints Limited, a decorative coatings company, virtually launched 'ColourNext 2021' for the top architects, engineers and interior designers recently.

ColourNext, the foremost connoisseur of colour and design trends, depicts its most recent forecasts in context to the design community of Bangladesh.

"We acknowledge our consumer's demand for personalisation and customisation to find their unique voice in their lives through designs. Their task is to diversify what brands offer to be more inclusive & adaptive of the changing environment," said Rahul Bhatnagar, chief executive officer of Asian Paints International Private Limited.

"2021 brings with it a tingling energy, an intention to start afresh. And so we gravitate towards colours that not only comfort us but also breathe new life into our spaces."

In addition, the decorative coatings company steered the path for the design industry through ColourNext, an annual colour and decor trend forecast.

Nagad's interim licence gets fourth extension

FROM PAGE B1

Third Wave Technologies was renamed Nagad Ltd in February this year allegedly without informing the BPO.

Although Nagad is the brand name of the MFS of the BPO, Third Wave Technologies did not take any permission from the government agency to change the name, the official said.

The private firm provides service to the BPO under a revenue-sharing model. The government agency gets 51 per cent of the revenue and the private firm the rest.

Under the new model, Third Wave Technologies will hold 49 per cent of the share in the new entity.

In Bangladesh, the MFS service is run under a bank-led model. There are 15 bank-led MFS operators providing mobile wallet service.

The number of registered mobile banking accounts stood at 10.27 crore at the end of July, while active accounts numbered 4.12 crore.

Transactions through MFS providers rose 5.4 per cent year-on-year to Tk 66,387 crore in the month.

China manufacturing shrinks unexpectedly

REUTERS, Beijing

China's factory activity unexpectedly shrank in September due to wider curbs on electricity use and elevated input prices, while services returned to expansion as Covid-19 outbreaks receded, offering some relief to the world's second-biggest economy.

The official manufacturing Purchasing Manager's Index (PMI) was at 49.6 in September versus 50.1 in August, data from the National Bureau of Statistics (NBS) showed on Thursday, slipping into contraction for the first time since February 2020.

Analysts in a Reuters poll had expected the

index to remain steady at 50.1, unchanged from the previous month. The 50-point mark separates growth from contraction.

China's economy rapidly recovered from a pandemic-induced slump last year, but momentum has weakened in recent months, with its sprawling manufacturing sector hit by rising costs, production bottlenecks and electricity rationing.

Rising Covid-19 cases in tens of cities over the summer also disrupted the manufacturing and the services sectors, though the latter is starting to bounce back as the outbreaks receded.

A sub-index for factory output contracted in September for the first time since February

last year, dragged down by a pullback in high-energy consuming industries, such as plants that process metals and oil products.

The gauge stood at 49.6 versus 50.1 a month earlier. "In September, due to factors such as low volumes of business at high energy-consuming industries, the manufacturing PMI fell below the critical point," said Zhao Qinghe, a senior NBS statistician, in an accompanying statement.

"The two indexes of high energy-consuming industries...are both lower than 45.0, indicating a significant drop in supply and demand."

The sudden contraction in factory activity will further weigh on an economy already hit by curbs on its property and tech sectors and facing many growth downgrades by private-sector economists.

Other economies in Asia are also grappling with production issues due to supply chain disruptions, with data on Thursday showing Japan's industrial output falling for a second straight month in August.

"(Chinese) economic growth in Q4 will likely slow further without a change of government policies, and the pace of slowdown may pick up," said Zhiwei Zhang, Shenzhen-based chief economist at Pinpoint Asset Management, after the PMI data was released.

"The big question is whether the government's monetary and fiscal policies will become more supportive now or if the government will wait till the year-end to change the policies."

The central bank last eased its requirements on how much cash banks should hold in mid-July, just before a surge in domestic Covid-19 cases.

The People's Bank of China (PBOC) has left its benchmark lending rate for corporate and household loans unchanged for the 17th month in September.

A shortage of coal, tougher emissions standards and strong demand from manufacturers and industry pushed coal prices to record highs and triggered widespread curbs on electricity usage in at least 20 provinces and regions.



Employees work on the production line of American infant product and toy manufacturer Kids II Inc at a factory in Jiujiang, Jiangxi province, China on June 22.

REUTERS/FILE

Myanmar military takes responsibility for economic crisis

REUTERS

Myanmar's ongoing economic problems were caused by "outside factors" and two waves of Covid-19 infections, but the military government takes full responsibility and is working hard to address them, a spokesman said on Thursday.

Speaking after the kyat currency hit new lows this week, the ruling military council's spokesman Zaw Min Tun said the central bank had been unable to meet local demand for dollars.

Myanmar's currency has lost more than 60 per cent of its value since the beginning of September, driving up food and fuel prices.

2 more banks fined for breaching stock investment rules

FROM PAGE B1

They have to pay a 5 per cent interest for the fund and repay it by February 2025.

Banks are allowed to show the fund as a special investment, which will be beyond a bank's stock market exposure.

The Banking Companies Act 1991 limits a bank's stock market exposure to 25 per cent of its capital, which includes paid-up capital, share premium, statutory reserve and retained earnings.

Safeguard your child's future

FROM PAGE B1

The term ranges 10 to 21 years.

The premium can be paid monthly, quarterly, semi-annually and annually basis. In the case of a monthly payment, an electronic fund transfer is applicable.

Every insurance policy has two parts: savings and protection. The education protection plan offered by most insurers in Bangladesh covers both.

"We have tailored the policy keeping in mind the interests of both policy-holders and beneficiaries, so this is unique from other policies," said Sheikh Khairuzzaman, assistant general manager of Jiban Bima Corporation.

The policy is flexible. The coverage amount is paid when the policy term ends. The money can be used to pay for children's higher education.

"But if the beneficiary completes his or her studies before the maturity period, the money will be very helpful to start a career, cover marriage expenses, or support other important events in life," Khairuzzaman said.

Md Jalalul Azim, managing director of Pragati Life Insurance, says education protection plans offer many benefits.

In case of the policy-holder's unexpected

demise, the family will get 10 per cent of the face amount immediately. The future premiums payment will be waived for the remaining policy term, but the policy continues to exist until its maturity.

One per cent of the face amount will be paid every month for the education of the beneficiary until the policy matures. After the end of the term, the beneficiary will receive the full maturity benefit, said Azim.

In the unfortunate event of the child's loss of life, the face amount plus accrued bonus is payable.

If the policy period at the time of the child death is less than six months, the family will get 25 per cent of the face amount. If it is less than a year, they will get 50 per cent.

If it is less than two years, the policyholder will get 75 per cent of the face amount, and it will be 100 per cent when the period of the policy is more than two years.

Fahim Islam says if the policy-holder adds accident coverage with the main policy, it will provide additional benefit.

For homemakers and insured aged 25 or below, the maximum coverage will be Tk 25 lakh.

More inclusive approach needed to support extreme poor

FROM PAGE B1

As Covid-19 has exacerbated extreme poverty, the government needed to thoroughly consider the likely impact on the health and the economy while implementing its 8th five-year plan, the study said.

It found that poverty is unequally distributed geographically, with the eastern districts generally considered better off than those in the northern and western regions in terms of per capita income distribution.

But the picture changes when a multi-dimensional poverty index—education, literacy, malnutrition, child stunting—is used, alongside intersectionality with gender and ethnicity.

The concentration of extreme poverty then shifted more to North, North-West, South-West and southern parts of the country.

The study recommended the government go beyond the East/West narrative of poverty and focus on extreme poverty pockets as each area presented distinct political-economic challenges.

It called for universal policies to target all extremely poor families with child benefit programme, primary and secondary school stipends, and disability benefits.

"Monthly stipends for primary school students should be at least quadrupled to Tk 400 as the benefit can reach millions without any hassles," said Hossain Zillur Rahman, a former adviser to a caretaker government.

"It can help the families overcome the economic downturn caused by the pandemic."

Tk 100 has been given to each primary-level student since 2003, when the social safety net programme was introduced. Prof Shamsul Alam, state minister for planning, said: "Based on the findings of the study, we have taken measures to reduce poverty in the 15 districts where the poverty rate is high."

The study finds a higher number of extreme poor in Kurigram, Bandarban and Dinajpur, while the rate of extreme poverty is very low in Narayanganj, Madaripur and Munshiganj.

Binayak Sen, director-general of the BIDS, said: "It is high time to implement universal pension benefits for all old age people as they belong to a very vulnerable group."

He recommended making the disability benefit universal.

The study proposed the creation of a social worker cadre responsible for supporting extremely poor families.

It said many ongoing questions remained unanswered by the present data set, and it required more surveys and analysis beyond those conducted by the Bangladesh Bureau of Statistics for a more inclusive picture.

It recommended a task force for the eradication of extreme poverty within the planning commission.

9 firms to invest \$55m in hi-tech parks

FROM PAGE B1

Of the nine companies, Ulkasemi Pvt Ltd plans to invest \$25 million to make semiconductors at the Bangabandhu Hi-Tech City, the BHTPA said during the event, held at the Pan Pacific Sonargaon Dhaka.

Bikarna Kumar Ghosh, managing director of the BHTPA, signed the agreement with the heads of the nine companies.

Planning Minister MA Mannan was present.

Halima Telecom of Cumilla will set up a software technology park under the private sector while Celltron Electro Manufacturing Services will establish a medical technology plant by investing about \$7 million, according to the BHTPA.

The hi-tech park authority went on to say that it allocated land to Walton Hi-Tech Industries to provide IT enabled services and manufacture digital devices at Bangabandhu Hi-Tech City. Walton will invest \$ 6.50 million in the project, which will likely create 1,550 jobs.

MacTel will invest \$6 million to assemble smartphones, acquiring 1.37 acres of land for the project that will create employment for 332 people.

"Now is the right time to build a sustainable high-tech manufacturing

ecosystem in Bangladesh, where hi-tech parks can play a leading role," said Planning Minister Mannan.

"A labour-intensive economy is not enough to survive the competition and overcome the risks of a global recession amid the Covid-19 pandemic," he added.

Zunaid Ahmed Palak, state minister for ICT, said the Bangabandhu Hi-Tech City is a flagship project of the BHTPA established on 355 acres of land.

He said the government has established eight hi-tech parks across the country which are ready for investment at any moment.

Most products produced at the Bangabandhu Hi-Tech City are exported. So far, more than 150 local startup companies have been allotted free co-working space at various hi-tech parks, Palak added.

The BHTPA allotted lands to 166 companies with private investment at the parks amounting to Tk 570 crore until now.

The hi-tech park authority has so far invested Tk 950 crore to prepare the enclave for investors, said BHTPA Managing Director Ghosh.

Of the private investors, Oryx Bio-Tech will invest about \$300 million in the Bangabandhu Hi-Tech City, he added.

Stocks rise for third straight day

FROM PAGE B4

Large-cap sectors posted mixed performances yesterday. Fuel and power booked the highest gain of 1.96 per cent followed by non-bank financial institutions, pharmaceuticals, and food and allied products.

Engineering experienced the highest loss followed by telecommunications and banks. Block trades contributed 0.4 per cent to the overall market turnover.

"Most people are investing in stocks that mostly rose based on rumours," said a merchant banker preferring anonymity.

Investors should be cautious in such

situations as they risk incurring losses.

"The stock prices of many well-performing companies are still at low levels so they can invest those instead," he added.

Such companies ensure returns in the long run, the merchant banker said, adding that people should not seek short-term profits.

The Chattogram Stock Exchange (CSE) also rose yesterday as the CASPI, the general index of the port city bourse, rose 53 points, or 0.25 per cent, to 21,377.

Among 319 traded stocks, 141 advanced, 149 fell and 29 remained unchanged.

Exporters stare at mounting losses

FROM PAGE B1

Two EDS were in operations as of June this year. But, one has not been functioning since then, he said.

Since the shipping fares have risen three folds owing to the container shortage globally, exporters prefer air shipments. As a result, the demand for scanning at the HSHA has increased.

The HSHA needs at least three unit load devices (ULDs) at the three entry points of the cargo village to run explosive tests in containers. The installation of the ULDs can solve 40 per cent of the existing problem, according to Hossain. Exporters face an additional delay of eight days because of the lower scanning capacity, said BGMEA's Azim.

"The eight-day delay in air shipment is unimaginable," he said, adding that sometimes, the only active EDS went out of service. Even if a cargo carrier is hired at the cost of \$1 lakh, it can carry 70 per cent of the goods planned. This is because the rest of the items can't be loaded onto the flight as they are not

scanned on time, according to Azim.

BGMEA leaders visited the cargo village on Wednesday, along with Salman F Rahman, adviser to the prime minister on private industry and investment. The adviser expressed dissatisfaction over the haphazard situation at the cargo village and the EDS scanning facility.

Nurul Amin, a director of the Bangladesh Freight Forwarders Association, says flights leave the airport without goods as scanning could not be carried out timely. Some flights depart even without taking 25 per cent of the cargoes booked, according to users.

From Bangladesh, about 50 per cent of goods shipped through airlines are Europe-bound, but the dog squad can scan a maximum of 110 tonnes a day.

Europe-bound cargoes need to be scanned either by the EDS or the dog squad. "But the capacity of both is insufficient," Amin added.

From the beginning of August, exports through air routes have been

facing pressures as demand has risen. As a result, the freight cost has gone up by 80-100 per cent.

The cost of air shipment for garment items is \$6.50 per kg for Europe, \$11.50-\$12.00 for the US and Canada, and \$3.50 for Far-East and Middle-East. The rates are expensive, apparel exporters say.

Moreover, there is a shortage of trolleys, pallets and space in the cargo loading and unloading areas, which are also major barriers to catering the service smoothly, Amin said.

International retailers and brands are putting pressure on suppliers to dispatch goods on time as the demand for garment items has risen in the western world following the reopening from several months of strict lockdowns. Recently, many work orders have shifted from China to Bangladesh.

"We should take advantage of the relocation of the orders by fixing the problems at airports and bonded warehouses, gas crisis and container shortage," Azim said.

Government of the People's Republic of Bangladesh

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Road Division, Rajshahi

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Memo No. 35.01.8185.465.41.007.20-1704

Dated: 30-09-2021

e-GP Tender Notice

The following e-Tenders has been invited in e-GP System (<http://www.eprocure.gov.bd>) by Executive Engineer, RHD Road Division, Rajshahi for the procurement of following works:

Sl. No.	Tender Package No.	Tender ID No.	Name of work	Last date of selling/downloading e-Tender document	Closing date and time	Opening date & time
1.	e-GP/raj/02/2021-2022	613422	Estimate for Skilled & Unskilled Labour for Routine Maintenance work at different roads of Rajshahi Road Sub Division-II under Road Division, Rajshahi during the year 2021-2022.	17-Oct-2021 Up to 17.00 hr.	18-Oct-2021 at 12.00 hr.	18-Oct-2021 at 12.00 hr.

This is online Tender, where only e-Tenders will be accepted in e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, please register on e-GP System Portal (<http://www.eprocure.gov.bd>).

Md. Shamsuzzoha

ID No. 602202

Executive Engineer (C.C), RHD

Road Division, Rajshahi

GD-1759

Trading of SMEs begins at Dhaka bourse

CSE to launch index for small firms

STAR BUSINESS REPORT

The six small-and-medium enterprises (SME) listed on the DSE-SME board of the Dhaka bourse yesterday began secondary trading.

The DSE-SME, a small-cap board, was rolled out on April 30, 2019 with a view to facilitating finance for SMEs from the stock market.

Prof Mizanur Rahman, a commissioner of the Bangladesh Securities and Exchange Commission (BSEC), inaugurated the platform's first secondary trading session at a programme organised by the DSE at its office in Nikunja.

Among the six SMEs to begin secondary trading, Master Feed Agrotec and Oryza Agro Industries were recently listed after completing their qualified investor offers (QIO).

The four other companies -- Himadri, Wonderland Toys, Bengal Biscuits, and Apex Weaving and Finishing Mills -- were brought over to the SME board from the over-the-counter market.

"Thanks to the SME platform, SMEs in the country have the chance to raise funds from the stock market, which would impact the entrepreneurs positively," Rahman said while addressing the event as chief guest.

There are a huge number of SMEs in Bangladesh but financial reporting in the sector is not being properly carried out as firms themselves are dependent on inefficient people.

"So, their production costs are also higher," he added.

The BSEC commissioner went on to say that the DSE and SMEs should work together to enhance their efficiency, corporate governance and sustainability to this end.

"The bourse is responsible for ensuring investor interests are met, so it should

The six SMEs are: Master Feed Agrotec, Oryza Agro Industries, Himadri, Wonderland Toys, Bengal Biscuits, and Apex Weaving and Finishing Mills

prepare an online dashboard where companies can quickly publish their financial reports," he said.

Md Eunusur Rahman, chairman of the DSE, and Tarique Amin Bhuiyan, managing director, also spoke at the event.

Earlier this year, the Chattogram Stock Exchange inaugurated its Small Capital Platform, the first of its kind in the country, through the debut of Nialco Alloys Limited on June 10.

Now, the port city bourse has decided to launch a separate index for the Small Capital Platform, namely the CSE-SME Index, next Sunday. The new index will be calculated based on the prices of five new companies alongside the existing Nialco Alloys on the first trading day.

"In addition to its existing five major indices and 18 sectoral indices, the CSE will introduce a new index," it said in a press release.

This index will be a free-float Index with a base of 1000 points.

Once the CSE-SME is launched, new issues will be added as per regular index practices.

Go Zayaan raises \$2.5m for expansion



STAR BUSINESS REPORT

Bangladeshi travel-tech startup Go Zayaan has raised \$2.6 million in a seed round led by Wavemaker Partners, one of Southeast Asia's leading venture capital firms, according to a press release.

The startup aims to improve user experience, attract new talents and bring more people and travel services online with the funds, it said.

"The future is online and Bangladesh will be no different. We are here to build the future of travel," said Go Zayaan Founder Ridwan Hafiz.

Previously, the company had raised its pre-seed round fund from BRAC Osiris Impact Ventures and OS Venture.

Go Zayaan began its journey in 2017 as an online travel agency in order to develop a travel infrastructure that solves people's issues pertaining to booking travel services, and cater to the growing demand for bookings for travels and accommodations in Bangladesh.

READ MORE ON B3

Stocks rise for third straight day

Propel DSEX to another record high

STAR BUSINESS REPORT

Stocks at the Dhaka Stock Exchange (DSE) continued to rise for a third consecutive day, sending the bourse's prime index to an all-time high.

The DSEX, the benchmark index of the DSE, rose 26 points yesterday, or 0.35 per cent, to 7,329, the highest since its inception in 2013.

"Many investors are optimistic and hope the market will go up further, so they are buying stocks," said a top official of a stock brokerage firm.

As a result, the market index is rising alongside its turnover.

"People are investing in huge paid-up capital-based companies and so, the index is rising even though fewer stocks have risen," he added.

At the DSE, 165 stocks rose, 171 declined and 39 remained unchanged.

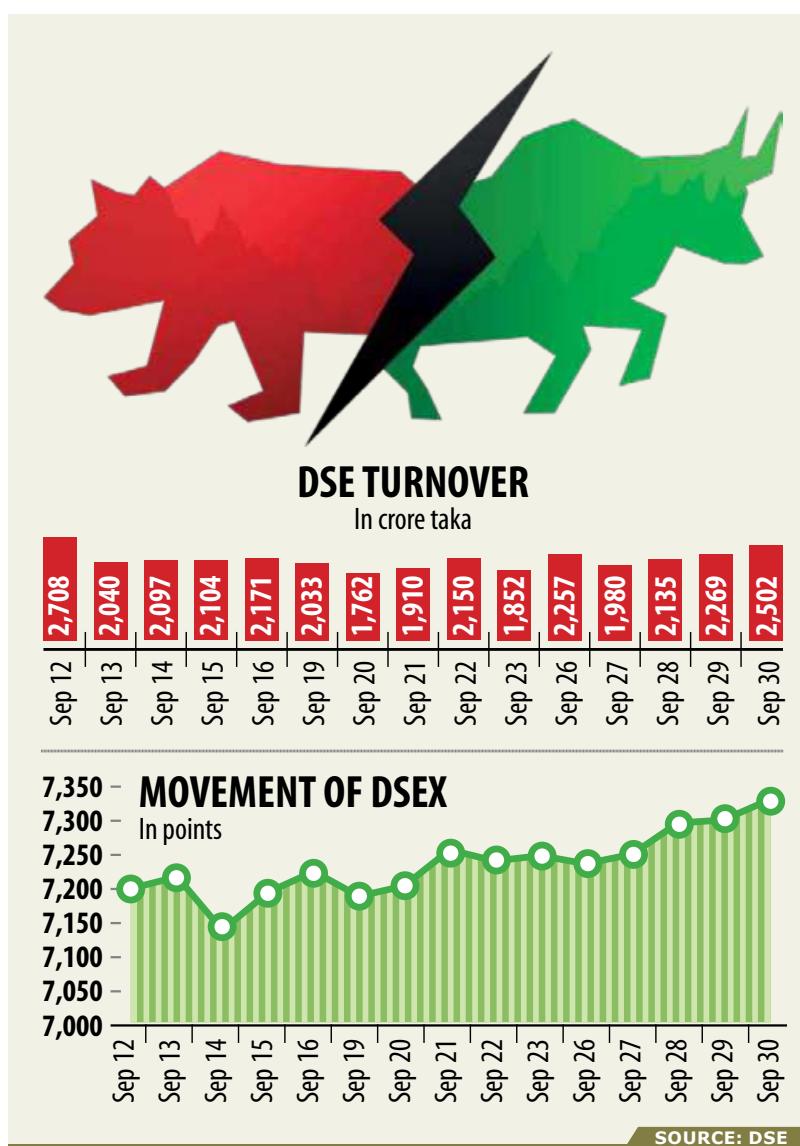
Turnover at the Dhaka bourse shot up 10 per cent to Tk 2,502 crore with LafargeHolcim Bangladesh being the largest contributor.

The stocks of the multinational cement maker traded the most, worth Tk 200 crore, followed by Orion Pharmaceuticals, Beximco Limited, Power Grid, and Beximco Pharmaceuticals.

CVO Petrochemical topped the gainers' list, rising 8.67 per cent, followed by Sonali Paper, Premier Cement, Baraka Patenga Power, and Agni Systems.

Eastern Insurance shed the most, falling 9.98 per cent, followed by Desh Garments, Fareast Finance, Nurani Dyeing, and Shyampur Sugar Mills.

READ MORE ON B3



GLOBAL BUSINESS

Global supply disruptions could still get worse

Central bankers warn

REUTERS, Frankfurt

Supply constraints thwarting global economic growth could still get worse, keeping inflation elevated longer, even if the current spike in prices is still likely to remain temporary, the world's top central bankers warned on Wednesday.

The disruptions to the global economy during the pandemic have upset supply chains across continents, leaving the world short of a plethora of goods and services from car parts and microchips to container vessels that transport goods across the seas.

"It's ... frustrating to see the bottlenecks and supply chain problems not getting better, in fact at the margin apparently getting a little bit worse," Federal Reserve Chair Jerome Powell told a conference.

"We see that continuing into next year probably and holding inflation up longer than we had thought," Powell told the European Central Bank's Forum on Central Banking. Speaking alongside Powell, ECB chief Christine Lagarde voiced similar concerns, arguing that the end of these bottlenecks, once thought by economists to be just weeks away, is uncertain.

"The supply bottlenecks and the disruption of supply chains, which we have been experiencing for a few months ... seem to be continuing and in some sectors accelerating," Lagarde said. "I'm thinking here about shipping, cargo handling and things like that."

Global inflation has spiked in recent months on a surge in energy prices, and the production bottlenecks are pushing prices even higher, raising fears that the runup, if it lasts long enough, could seep into expectations and raise the overall profile of inflation.

Indeed, Lagarde said the ECB would be "very attentive" to these second-round effects while Bank of England Governor

Andrew Bailey, another speaker at the forum, said he would keep a "very close watch" on inflation expectations.

"If this period of higher inflation, even though it ultimately is very likely to prove temporary, if it lasts long enough, will it start affecting, changing the way people think about inflation? We monitor this very carefully," Powell added.

The problem is that central banks, the main authority for controlling prices,

have no influence over short-term supply disruptions, so they are likely to be bystanders, waiting for economic anomalies to self-correct without lasting damage.

"Monetary policy cannot solve supply side shocks. Monetary policy cannot produce computer chips, it cannot produce wind, it cannot produce truck drivers," Bailey said. Still, even as policymakers called for heightened attention to inflation, all maintained their long standing view

that the spike in inflation would be temporary and price rises would moderate next year, moving back to or below central bank targets.

Concerns about "sticky" inflation have fuelled a debate about the need to unwind crisis-era stimulus measures, and comments from Wednesday's panel reinforced expectations for the world's biggest central banks to move on vastly different schedules, staying out of sync for years to come.



The Port of Long Beach is seen as a record number of cargo container ships wait to unload in Long Beach, California on September 22.

PHOTO: REUTERS

Foreign businesses in China rattled by 'hostage diplomacy'

AFP, Beijing

Huawei executive Meng Wanzhou's return from Canada this week was lauded as a diplomatic triumph in China, but the celebrations left a bad taste for the expat business community, already rattled by the threat of "hostage diplomacy".

That dread was based on the part of the story Chinese state media were largely silent about -- just as flag-waving crowds prepared to welcome Meng at Shenzhen airport, two Canadians were heading the other way after being detained for nearly three years.

Ex-diplomat Michael Kovrig and businessman Michael Spavor were seized in China in December 2018, just days after Meng was detained in Vancouver on a US warrant in a fraud case.

Beijing insisted these were unrelated events, but the detention of the "Michaels" was widely seen as retaliation, an impression reinforced when they were released exactly as Meng left for China.

"It increasingly seems like business is being more politicised," said Steven Lynch, managing director of the British Chamber of Commerce in China.

And a Shanghai-based Canadian manager said: "The celebratory, nationalist reception of Meng was off-putting to quite a few international executives here. "Foreign firms in China have always trod a fine line on politically sensitive issues to not upset the authorities in the world's second-largest economy.

But the Meng-Michaels case ramped up fears about staff being arrested based on diplomatic hostilities between China and their home countries.

Evergrande misses second offshore bond payment

REUTERS, Shanghai

China Evergrande Group missed paying bond interest due on Wednesday, two bondholders said, its second unpaid offshore debt obligation in a week, although the cash-strapped company on Thursday made a partial payment to some of its onshore investors.

The company, reeling under a debt pile of \$305 billion, was due on Wednesday to make a \$47.5 million bond interest payment on its 9.5 per cent March 2024 dollar bond, after having missed \$83.5 million in coupon payments last Thursday.

With liabilities equal to 2 per cent of China's GDP, Evergrande has sparked concerns its woes could spread through the financial system and reverberate around the world, though worries have eased somewhat after the central bank vowed to protect homebuyers' interests.

The central bank on Wednesday urged financial institutions to cooperate with relevant departments and local governments to maintain the "stable and healthy" development of the real estate market and safeguard housing consumers' interests.

Evergrande's silence on its offshore payment obligations has, however, left global investors wondering if they will have to swallow large losses when 30-day grace periods end for coupons that were due on September 23 and September 29.

Some offshore Evergrande bondholders had neither received interest payments nor any communication by the end of Wednesday New York time, said the people familiar with the matter, who declined to be identified due to sensitivity of the issue.

Congress races to keep US open for business

AFP, Washington

The US Senate wrangled Wednesday over a stopgap funding bill with just one day left to prevent a government shutdown, as lawmakers stare down a number of deadlines with massive stakes for the economy and President Joe Biden's sweeping domestic agenda.

The coming days are expected to be the most critical yet of Biden's presidency, as he negotiates the tricky passage of two giant spending bills and a fix to lift the debt ceiling without the support of Republicans.

But the most urgent priority is funding for federal agencies, which runs out at the end of the day on Thursday, and Senate Democrats are preparing temporary legislation to keep the lights on until December 3.

The bill, which includes \$6.3 billion to help Afghan refugees and \$28.6 billion in disaster aid, is expected to have broad

cross-party support in both chambers of Congress.

"We can approve this measure quickly and send it to the House, so we can reach the president's desk before funding expires midnight tomorrow," Chuck Schumer, the leader of the Senate Democrats, said in the chamber.

It was unclear by early evening if the Senate would go ahead with a late vote before packing up for the day or sleep on it, leaving it until just hours before Thursday's deadline.

Shutdowns typically mean hundreds of thousands of government employees being sent home as federal services and properties close.

There has never been a shutdown during a national emergency such as the pandemic, but the Congressional Budget Office estimates that the 2018-19 stoppage wiped \$11 billion from the economy.

With the threat of the shutdown off the table, Democratic leadership would be free to focus on raising the debt ceiling and passing Biden's sputtering domestic agenda -- a \$1.2 trillion infrastructure plan and a \$3.5 trillion spending plan.

The bills are central to Biden's legacy, but both risk failing because of feuding between the Democrats' progressive and centrist factions.

In a sign of the jitters unsettling the West Wing, Biden canceled a Wednesday trip to Chicago, staying in Washington to lobby holdouts ahead of an uncertain House vote on infrastructure.

Legislators were due to deliver their verdicts on that bill on Thursday although even that looked increasingly unlikely with the leftist grouping and the moderates miles apart on a path forward.

The White House regularly points to polling showing Biden's legislative

priorities are broadly popular, although less so in some key swing districts.

"Our objective here is winning two votes, getting these two pieces of important legislation across the finish line, because we know the impact they will have on the American people," Biden's spokeswoman Jen Psaki told reporters.

Lawmakers are also deadlocked over the prospect of a first-ever US debt default that would erase an estimated six million jobs and wipe out \$15 trillion of household wealth, tanking the economy.

The government is likely to run out of cash on October 18, Treasury Secretary Janet Yellen has warned, unless Congress raises the federal borrowing cap.

But Republicans say they won't help, despite having pressed for hikes under former president Donald Trump, because they want no part in Democrats' historically large package of social reforms.