

# US consumer spending surges in August

REUTERS, Washington

US consumer spending surged in August, but outlays adjusted for inflation were weaker than initially thought in the prior month, reinforcing expectations that economic growth slowed in the third quarter as Covid-19 infections flared up.

The report from the Commerce Department on Friday, which showed inflation remaining hot in August, raised the risk of consumer spending stalling in the third quarter, even if spending accelerates further in September. Inflation-adjusted, or the so-called real consumer spending is what goes into the calculation of gross domestic product.

"Third quarter consumer spending is on track for only a scant gain," said Tim Quinlan, a senior economist at Wells Fargo in Charlotte, North Carolina.

"If Covid cases keep falling and sentiment turns positive, there is scope for a more solid finish to this tumultuous year." Consumer spending, which accounts for more than two-thirds of US economic activity, rebounded 0.8 per cent in August. Data for July was revised down to show

spending dipping 0.1 per cent instead of gaining 0.3 per cent as previously reported.

Consumption was boosted by a 1.2 per cent rise in purchases of goods, reflecting increases in spending on food and household supplies as well as recreational items, which offset a drop in motor vehicle outlays. A global shortage of semiconductors is undercutting the production of automobiles.

Goods spending fell 2.1 per cent in July. Spending on services rose 0.6 per cent in August, supported by housing, utilities and health care.

Services, which account for the bulk of consumer spending, increased 1.1 per cent in July. Spending is shifting back to services from goods, but the resurgence in coronavirus cases, driven by the Delta variant, crimped demand for air travel, hotel accommodation and sales at restaurants and bars.

Economists polled by Reuters had forecast consumer spending increasing 0.6 per cent in August.

Inflation maintained its upward trend in August, though price pressures have probably peaked.



Md Sharif Hossain Bhuiyan, chief executive officer of Sheltech Private Limited, and Korvi Rakshand, founding chairman of JAAGO Foundation, recently exchanged signed documents of a memorandum of understanding at Platinum Grand Hotel on Banani 11 to sponsor 40 students of the Foundation's school to help the disadvantaged children by building their future through education.

# Will it impact China investment in Bangladesh's power sector?

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The statement mentioned that China would support "other developing countries". Bangladesh will also be included in the category. At present, Bangladesh is categorised as a least-developed country. The status will continue till 2026, when the country will graduate to a developing nation. It has been announced that China will step up support for other developing countries in developing green and low-carbon energy. Hence, Bangladesh could seek Chinese support for clean energy development.

The support could come in two ways: direct support in developing the renewable energy sector and indirect support by discouraging fossil fuel-based power plants.

Under the direct support, the nature of Chinese support could be several types: (a) ensuring fresh new Chinese investment for renewable energy-based power generation; (b) ensuring fresh public and private financing of Chinese companies for renewable energy-based power generation, transmission and distribution; (c) allowing proactive engagement of Chinese companies as the contractor for implementing renewable energy-based power generation, transmission and distribution; (d) being shareholder of companies focused on renewable energy-based power generation with companies of other countries, including Bangladesh; and (e) promoting green energy in other sectors, particularly transport, agriculture, and manufacturing.

Under the indirect support, China could promote green growth by not participating in fossil fuel-based power generation related projects. These include not investing in building HFO/HSD-based power plants and natural gas-based power plants.

More importantly, it is expected that China will not go for building LNG-based power plants. This includes Chinese public and private investment in LNG-based power plants, setting up floating storage regasification unit (FSRU) and land storage regasification unit (LSRU) and other related investments in transmission and distribution.

However, the most important impact would

lie in whether and how China will consider its existing investment in fossil fuel-based power generation and the similar projects that are currently in the pipeline.

Bangladesh Bank data showed China has a total stock of foreign direct investment in Bangladesh's power sector amounting to \$450 million, all in fossil fuel-based power plants. Two coal-fired power plants with a combined capacity of 1,845 MW, backed by Chinese companies, are currently in operation, according to the Bangladesh Working Group on External Debt.

There are another five coal-fired power plant investments by Chinese companies with a generation capacity of 4,460 MW. The plants, located in Banshkhali, Barishal, Payra, Patuakhali, and Saidpur, are now at different phases of implementation. However, these plants are not included in the list of the 10 plants declared abandoned by the Ministry of Power Energy and Mineral Resources.

The important point is how China will withdraw its investment in the above-mentioned projects. Given its official stance for shifting from coal-fired power plants to renewable energy-based power generation, China should withdraw its investment in coal-fired power plants that are in the "construction" phase.

It is expected that China will discuss with Bangladesh to discontinue the operation of existing coal-fired power plants before their official lifespan. Considering its stance on reaching the peak in carbon emission before 2030, China should negotiate with Bangladesh for the closure of their operation by 2030.

All the locations of the coal-fired power plants should be replaced by renewable energy-based power generation, transmission and distribution backed by new Chinese investment.

**SUGGESTIONS FOR PROMOTING RENEWABLE ENERGY**

It is expected that China will take a proactive stance on investment at the existing and future power sector projects.

Bangladesh's power sector would get space to develop renewable energy sector if the five China-backed power plants are not implemented, and China withdraws its investment from those

plants and redirects them to renewable energy-based electricity generation. China has taken a similar decision in the case of investment in Zimbabwe's power sector.

Bangladesh's coal-fired power generation will be shortened and be able to enter a cleaner power regime if China is ready to repay the fund for the operation of two coal-fired power plants after they reach halfway their life span in 2030.

In this case, coal retirement financing led by the COP26 Energy Transition Council could be a possible option. Bangladesh's green energy regime will be stronger if China does not invest in LNG-based power generation, FSRU and LSRU.

China may consider undertaking several renewable energy-based electricity generation initiatives that will tremendously support the clean energy development in the country.

First, Chinese companies that are currently committed to investing in coal-fired power plants may announce investment in renewable energy-based power plants and the development of smart grid systems at the existing locations of the coal-fired power plants and in nearby areas.

Second, Chinese investors and lenders could consider investing in large scale renewable energy-based power generation projects.

Third, Chinese contractors could consider investing in the construction of large scale renewable energy projects.

Fourth, Chinese banks could undertake projects jointly with other international financiers to promote renewable energy.

It is expected that the Bangladesh government will take a proactive move to sign a memorandum of understanding with the government of China to reduce the use of fossil fuel and promote the use of renewable energy as a baseload in power generation. In this context, the Ministry of Foreign Affairs, Ministry of Power, Energy and Mineral Resources and the embassy of China in Bangladesh and Bangladesh in China should jointly take steps for clean power sector development.

The author is the research director of the Centre for Policy Dialogue.

## Government of the People's Republic of Bangladesh

Custom House, Chattogram

### Tender Notice

1. Ministry/Division	Internal Resources Division (IRD), Ministry of Finance (MOF).
2. Agency	Custom House Chattogram, National Board of Revenue (NBR).
3. Procuring entity name	Commissioner of Customs, Custom House, Chattogram.
4. Procuring entity code	111020310208
5. Procuring entity district	Chattogram
6. Invitation for	Tender, Non-Consulting Services, Single Lot.
7. Invitation Ref No.	File No. S/04/66/Admin/Procurement/2020-21
8. Date	30/09/2021

<b>KEY INFORMATION</b>	
9. Procurement method	NCT OTM
<b>FUNDING INFORMATION</b>	
10. Budget and source of funds	Revenue Budget GOB
11. Development partners	N/A

<b>PARTICULAR INFORMATION</b>	
12. Project/programme code	--
13. Project/programme name	--
14. Tender Package No.	S/04/66/Admin/Procurement/2020-21
15. Tender package name	Procurement for Dedicated Internet Connection with Real IP, Data Connectivity and LAN Installation of Asycuda World System at Jetty Customs, Airport Baggage Hall & Air Freight, CEPZ and Optical Fibre Maintenance for 2 (two) years (As per schedule).

16. Tender publication date	04/10/2021
17. Tender last selling date	25/10/2021

18. Tender submission date and time	26/10/2021	Time	9.00am to 12:00pm
19. Tender opening date and time	26/10/2021		12:30pm

20. Name and address of the office(s)	Address
20.1 - Selling tender document (principal)	Admin/GI Branch (2nd Floor), Custom House, Chattogram.
20.2 - Selling tender document (others)	N/A

20.3. Receiving tender document, date and time	Room # 204, 1st Floor, Office of the Deputy Commissioner of Customs (Preventive), Custom House, Bandar Road, Nimtala, Chattogram. Date: 26/10/2021, From 9.30am to 12.00pm.
20.4 - Opening tender document, date and time	Room # 204, 1st Floor, Custom House, Chattogram, Bangladesh. Date: 26/10/2021, 12.30pm (Bidder representative may present).

21. Pre-tender meeting	Pre-tender meeting shall not be held.
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<b>INFORMATION FOR TENDERER</b>	
22. Eligibility of tenderer	As per Tender Data Sheet (TDS) of tender schedule.
23. Brief description of works	Procurement for Dedicated Internet Connection with Real IP, Data Connectivity and LAN.

24. Brief description of services	Installation of Asycuda World System at Jetty Customs, Airport Baggage Hall & Air Freight, CEPZ and Optical Fibre Maintenance for 2 (two) years (As per schedule).
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25. Price of tender document (Tk)	Non-Transferable BID document containing description of the items and terms & condition can be purchased from Office of the Commissioner of Customs, Custom House, Chattogram against the payment of the cost of bid document through a Treasury Challan which is Tk 800/- (Taka eight hundred) (non-refundable). The purchase price (non-refundable) of the tender schedule will be deposited on Misc. is 1-1131-0010-0421 at Sonali Bank, Custom House Chattogram Branch or Bangladesh Bank in favour of Commissioner of Customs, Custom House, Chattogram. The original copy of that Challan should be attached with the tender submitted on the date of submission. If the original Treasury Challan not found on the opening of the tender document, it will be considered that the tenderer(s) participated in the tender without buying the schedule and the tender will be returned back to the tenderer on the day when it will be opened and it will be considered that his tender was not accepted. No object will be entertained in this regard. Bank guarantee, Treasury Challan, etc. of dates prior to the date of tender notification will not be accepted.
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Lot No.	Identification of lot	Location	Tender security/earnest money deposit amount	Completion time in days
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26. 1.	Procurement for Dedicated Internet Connection With Real IP, Data Connectivity and LAN Installation of Asycuda World System at Jetty Customs, Airport Baggage Hall & Air Freight, CEPZ and Optical Fibre Maintenance for 2 (two) years (As per schedule).	Custom House, Bandar Road, Nimtala, Chattogram-4100	50,000/- (fifty thousand) (refundable) (Either Pay Order or Bank Guarantee from any local or international scheduled bank)	As per schedule
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<b>PROCUREMENT ENTITY DETAILS</b>				
27. Name of official inviting tender	Mohammad Fakhru Alam.			
28. Designation of official inviting tender	Commissioner of Customs.			
29. Address of official inviting tender	Custom House, Bandar Road, Nimtala, Chattogram-4100.			
30. Contact details of official inviting tender	Tei No. +88031713918	Fax: +88031713988	Email: customhousectg@gmail.com	
31. The procuring entity reserves the right to accept or reject all tenders.				

## Government of the People's Republic of Bangladesh

Office of the Project Director  
Development of Cotton Research and Technology Transfer Project  
Cotton Development Board (CDB), Khamarbari, Dhaka-1215  
Web: [www.cdb.gov.bd](http://www.cdb.gov.bd); E-mail: [pddcrtt@gmail.com](mailto:pddcrtt@gmail.com)  
Memo No. 12.07.3026.922.07.006.20-449 Date: 30/09/2021

### e-Tender Notice

This is to notify that the following e-Tender is invited in the e-GP System Portal ([www.eprocure.gov.bd](http://www.eprocure.gov.bd)) of the following goods:

SL No.	Tender ID	Package No.	Name of the goods	Tender document last selling/downloading date and time	Tender closing date and time
1	616445	PG-09	Procurement of other machineries and equipments as follows: 1. Power tiller-3 Nos. 2. Knapsack Sprayer-50 Nos. 3. Tractor-4 Nos. 4. Cotton Picker-13 Nos. 5. Power Weeder-10 Nos. 6. Cotton Seed Planter-5 Nos. 7. Power Sprayer-4 Nos.	20-Oct-2021; 17:00	21-Oct-2021; 12:00

This is 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 Portal (<http://www.eprocure.gov.bd>) is required. Further information and guidelines are available in the National e-GP System Portal and from the e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

*[Signature]*  
**Dr. Sima Kundu**  
Project Director  
Development of Cotton Research and Technology Transfer Project, Cotton Development Board  
Khamarbari, Dhaka-1215  
Ph: 02-55028271

GD- 1766

# White House presses US airlines to quickly mandate vaccines for staff

REUTERS, Washington

The White House is pressing major US airlines to mandate coronavirus vaccines for employees by December 8 and showing no signs of extending the deadline, four sources told Reuters on Friday.

White House Covid-19 response coordinator Jeffrey Zients spoke to the chief executives of American Airlines, Delta Air Lines and Southwest Airlines on Thursday to ensure they were working expeditiously to develop and enforce vaccine requirements ahead of the December 8 deadline for federal contractors, the sources said.

Some airline officials had asked the White House to push back the requirements, signed by President Joe Biden last month, until after the busy holiday travel season.

Zients urged the airlines "to act sooner than later to ensure as smooth of an implementation process as possible," one source said, and made clear the White House does not intend to relax the deadline.

Zients also urged them to look at the United Airlines vaccine requirement that was announced in August.

# Oil settles near 3-year high

REUTERS, New York

Oil settled above \$78 a barrel on Friday, just shy of a three-year high reached earlier this week, on expectations that OPEC ministers will maintain a steady pace in raising supply.

The Organization of the Petroleum Exporting Countries and allies, known as OPEC+, meets on Monday. The group is slowly unwinding record output cuts made last year, although sources say it is considering doing more to boost production.

Brent crude rose 97 cents, or 1.2 per cent, to settle at \$79.28 in its fourth weekly rise. US West Texas Intermediate (WTI) rose 85 cents to settle at \$75.88 in a sixth week of gains.

Brent has risen over 50 per cent this year and reached a three-year high of \$80.75 on Tuesday.

OPEC+ is facing pressure from consumers such as the United States and India to produce more to help reduce prices as demand has recovered faster than anticipated in some parts of the world.

"If OPEC+ sticks to the script and only delivers the planned 400,000 bpd increase in November, energy markets will shortly be seeing \$90 oil prices," said Edward Moya, senior market analyst at OANDA, adding that any increase smaller than 600,000 barrels should boost prices.

GD-1763

*[Signature]*  
**Mohammad Salahuddin Rizvi**  
Deputy Commissioner of Customs  
Custom House, Chattogram