STOCKS
DSEX ▲ 0.26% 7,351.04
CSCX ▲ 0.41% 12,926.09

COMMODITIES
Gold ▲ $1,758.71 (per ounce)
Oil ▲ $82.00 (per barrel)

ASIAN MARKETS
MUMBAI ▼ 0.93% 59,189.73
TOKYO ▲ 1.05% 27,528.87
SINGAPORE ▲ 0.51% 3,083.88
SHANGHAI ▲ 0.90% 3,568.17

CURRENCIES — STANDARD CHARTERED BANK

	USD	EUR	GBP	CNY
BUY TK	84.65	96.71	113.87	12.87
SELL TK	85.65	100.51	117.67	13.53

Star BUSINESS

DHAKA THURSDAY OCTOBER 7, 2021, *ASHWIN 22, 1428 BS* ● starbusiness@thedailystar.net

Burgeoning local demand to spur call centre business

Operators going for expansion as govt and private firms offer various services thru helplines

Mahmudul Hasan

The country's call centre industry is set to undergo fast growth as the government alongside private entities such as banks has started to provide many services through helplines.

Local entrepreneurs are now hopeful of further expansion of the sector as the government now provides anything from legal assistance to health services through call centres run by private entities.

The sector got a shot in the arm in 2018 when the government launched helpline 333 to address social problems.

The government outsources the service from private call centres to provide information on the procedures of receiving public services and addressing social problems.

Connected to it are thousands of government websites and vast complaint management mechanisms to facilitate the helpline service.

Genex Infosys, the leading outsourcing provider of customer experience management, catered to over 3.5 crore calls for the 333 call centres during the pandemic, facilitating services such as food assistance, health services and government information.

Genex, which started its journey in 2012 with two persons, now employs over 4,000 people.

There are about 3,000 employees who only work at its call centres in Dhaka and Chattogram.

It caters to, among others, incoming calls, outbound operations for some clients in the UK and US and customer lifecycle management.

All of the local private telecom companies are its clients alongside Uber and Samsung.

"As the government started providing citizen services through call centres, the sector will grow further," said Prince Mojumder, CEO and co-founder of Genex Infosys.

"Besides, banks are also outsourcing from call centre organisations to reach out to customers and solve customers' problems," he said.

Bangladesh Bank has allowed commercial banks to outsource their customer care services and already several banks are availing such services from third parties.

READ MORE ON B3

E-COMMERCE

Firms' registration begins in a month

Refayet Ullah Mirdha

The government will begin registering e-commerce and F-commerce firms within a month in a bid to restore discipline in the nascent industry and protect customers and merchants from unscrupulous business practices.

The commerce ministry has already finalised the draft of the registration form to provide a unique number to online e-commerce platforms.

"We are trying to start the registration process as soon as possible," Hafizur Rahman, additional secretary of the ministry, told The Daily Star.

"We are hopeful that we will be able to start the registration within the next one month."

Commerce Secretary Tapan Kanti Ghosh said the registration form would be approved soon so that online firms could register quickly.

The companies that are currently running e-commerce operations in Bangladesh following registration with the Register of Joint Stock and Companies and Firms will also have to register with the commerce ministry.

The government has moved to introduce the unique number for the e-commerce as well Facebook-based digital

READ MORE ON B3

Withholding tax collection automated

Star Business Report

The National Board of Revenue (NBR) yesterday said it developed an automated system to reduce hassles faced by authorities dealing with tax deducted at source (TDS) in complying with rules and bring about transparency and accountability in collections.

The NBR collects more than Tk 85,000 crore in income tax and 60 per cent of the money comes as withholding tax, also known as the TDS.

Taxmen say nearly 3 lakh public and private agencies are responsible for the TDS on 53 sources of income, namely interest income of depositors and source tax on export proceeds of exporters.

They also have to deposit the money to the state coffer through banks and file returns with the field level tax office. They are needed to furnish 24 monthly returns and two on half-yearly basis.

And they have to do the whole job manually, costing them time and labour.

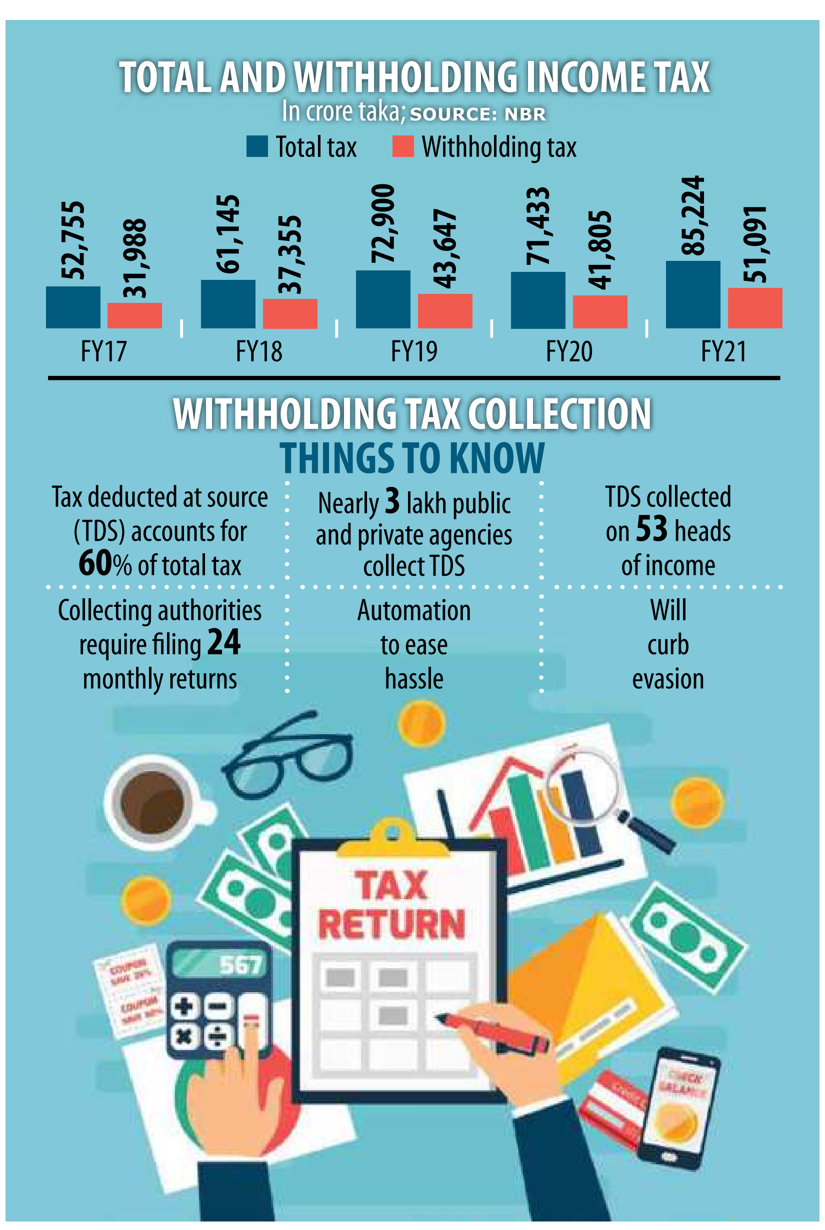
Termed as e-TDS system, the automated platform will enable public and private agencies to deduct tax at source, prepare challan online and deposit the money to the state coffer simply through some clicks on their computers.

Introduction of the platform, developed by a 21-member team of the NBR, will allow the TDS authorities to deduct tax against proper codes and heads of income and ensure monitoring.

It will also enable paying tax through mobile, internet banking, debit and credit cards, said the NBR after launching the system at its headquarters yesterday.

Piloted earlier in four tax zones in Dhaka, including Large Taxpayers Unit of income tax, the NBR opened the platform for all the tax zones in the country.

Already 1,000 TDS authorities, mainly private companies, have registered with the new system, which is integrated with the government's automated challan system (A-Challan) meant for electronic payment of various government fees.



Some 40 banks already collect government fees under the A-Challan system, said NBR Chairman Abu Hena Md Rahmatul Muneem at the event.

Besides, public and private agencies will also be able to pay the withholding tax over the counter.

Inaugurating the eTDS system, Comptroller and Auditor General of Bangladesh Mohammad Muslim Chowdhury suggested regular monitoring for the continuation and success of the e-TDS platform.

This will be to take collection of withholding tax rise to 85 per cent of total income tax receipts in the next couple of years from the present 60 per cent, he said.

Refund process also should be made automatic and seamless, he said.

Chowdhury also suggested bringing government agencies under the e-TDS system in order to ensure proper collection of withholding tax.

READ MORE ON B3

RAW MATERIALS FOR EXPORTERS

Govt eases rules for duty-free import

Star Business Report

Export-oriented industries in Bangladesh have been allowed to import the raw materials needed for six months duty-free under the bonded warehouse facility, the government said yesterday, in a major boost to the manufacturing sector.

Earlier, manufacturers could bring in the raw materials and packaging materials for four months of their capacity.

The decision came as the cabinet committee on economic affairs approved an amendment to the import policy order yesterday, Shamsul Arefin, additional secretary of the cabinet division, told reporters after the meeting.

The committee also gave its consent to another amendment to the order, which sought to double the volume of grey fabrics and yarn that export-oriented specialised textile, woven, dyeing and spinning mills are allowed to import under the bonded

READ MORE ON B3

Rise in non-farm income cuts domestic migration

BIDS study finds

Star Business Report

A one per cent increase in non-farm income reduces domestic migration to other districts by 4 to 7 per cent in rural areas and municipalities, a new study found.

The impact is stronger for the households in the municipalities where the likelihood of migration goes down by 6-10 per cent, said the study, "Local Nonfarm Opportunities and Migration Decisions: Evidence from Bangladesh.

The Bangladesh Institute of Development Studies (BIDS) conducted the study. The findings were disclosed at a programme at the auditorium of the think-tank in Dhaka yesterday.

There are some indications that higher non-farm income encourages migration in rural areas.

"The impact is more pronounced for the income rich, land poor and educated households," said Kazi Iqbal, a senior research fellow of the BIDS who led the study, while making a presentation.

In order to check the robustness of the results, the researchers used the location of the SME clusters and found that the likelihood of migration was lower from the union with SME cluster.

"If infrastructure develops in the rural areas, the investment will increase in the SME sector there," said Binayak Sen, director-general of the BIDS.

READ MORE ON B3

NAGAD

Mobile financial service Nagad has recently signed a few agreements with Guardian Life Insurance Company, Rupali Life Insurance Company and Chartered Life Insurance enabling customers to easily pay their premiums through Nagad. Sheikh Aminur Rahman, chief marketing officer of Nagad, signed those agreements on behalf of the organisation.

PREMIER BANK LIMITED

M Reazul Karim, managing director of Premier Bank Limited, and Md Mafizur Rahman, managing director of SME Foundation, recently exchanged signed documents of an agreement at Parjatan Bhaban, Agargaon in Dhaka for distributing loans among SMEs affected by the pandemic. MA Mannan, minister for planning, Kamal Ahmed Majumder, state minister for industries, Zunaid Ahmed Palak, state minister for ICT Division, Zakia Sultana, secretary to the Ministry of Industries, and Md Masudur Rahman, chairperson of the foundation, were present.

Fresh 'best brand' of The Economic Times

STAR BUSINESS DESK

Fresh, a concern of the Meghna Group of Industries (MGI), has been recognised as "best brand" by India-based daily The Economic Times through an online event, "The Economic Times Best Brands 2021- Bangladesh Edition", held recently.

The MGI always strives to "Breaking Boundaries" in everything they do, said Director Tahmina Mostafa in a press release.

Shortages and surging prices stunt UK construction growth

REUTERS, *London*

Rising prices, supply chain disruption and staff shortages put the brakes on the recovery of Britain's construction sector last month, a survey showed on Wednesday, adding to signs that economic growth has taken a hit recently.

The IHS Markit/CIPS UK Construction Purchasing Managers' Index (PMI) fell to an eight-month low of 52.6 in September from 55.2 in August.

A Reuters poll of economists had pointed to a reading of 54.0.

The survey showed construction activity cooled across the housebuilding, commercial and civil engineering sectors.

German industrial orders slump in August

AFP, *Frankfurt*

German industrial orders fell sharply in August, after a record month in July, official data released on Wednesday showed, as global supply bottlenecks pinch the economy.

The indicator, which gives a foretaste of industrial activity, fell by 7.7 per cent on the upwardly revised figure for the previous month, according to the federal statistics agency Destatis.

In July, orders had reached their highest point since statistics for reunified Germany began in 1991, as demand sprung back after coronavirus restrictions were lifted in Europe's economic powerhouse.

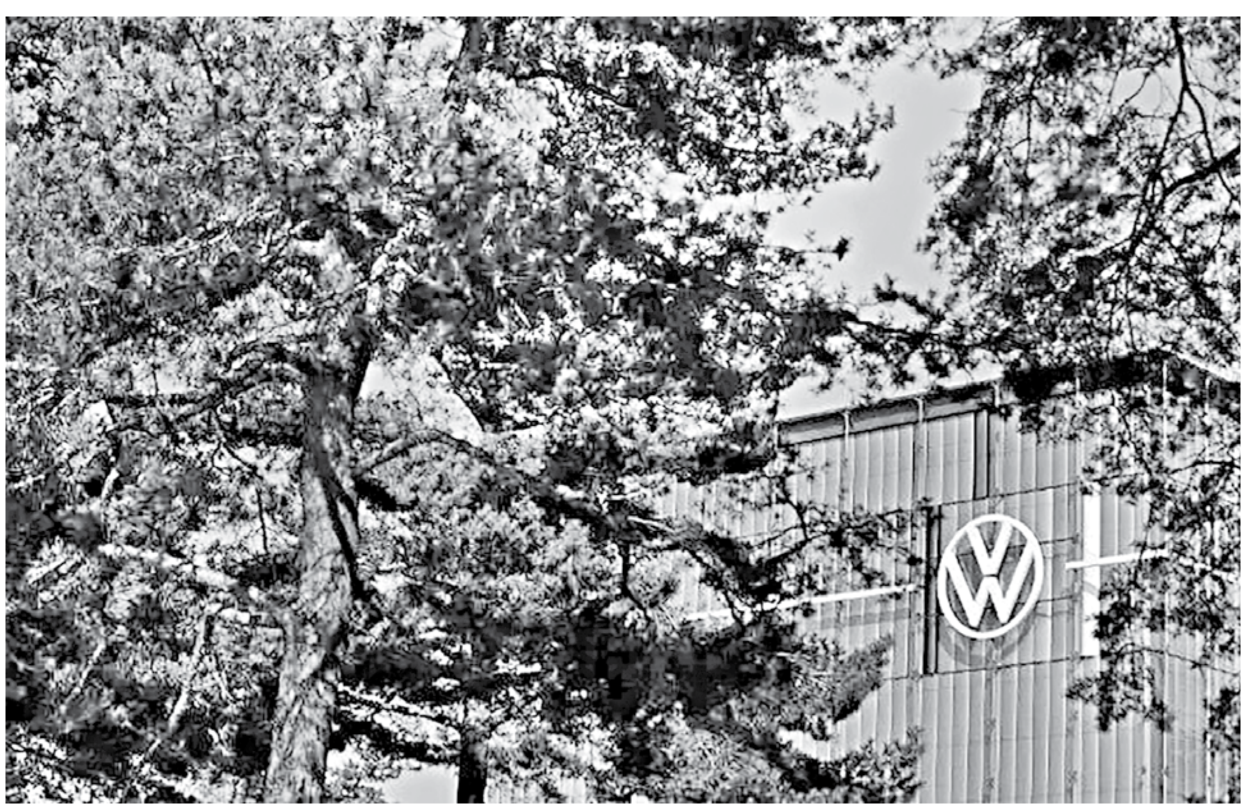
In its latest release, Destatis revised the increase in July to 4.9 per cent from its previous estimate of 3.4 percent. Industrial orders failed to keep up the pace in August, despite showing a strong 11.7 per cent increase on a year earlier.

The month-on-month drop was led by a steep 11.1 per cent decline in orders of capital goods, while consumer and intermediate goods tailed off by 2.7 and 2.8 per cent, respectively.

Orders for export fell by 9.5 per cent, with those from outside the eurozone decreasing most by 15.2 per cent.

The upheaval caused by the pandemic has given rise to global shortages in components, such as semiconductors, timber and plastics, limiting production in key sectors for the German economy.

Carmakers including Volkswagen have scaled back production of their vehicles in response to the limited supply of computer chips, a crucial component in both conventional and electric vehicles.



AFP/FILE

Volkswagen is among manufacturers feeling the pinch of global supply chain disruption.

Airlines warn erratic Covid rules could delay recovery

REUTERS, *Boston*

Global airlines on Tuesday (Oct 5) wrapped up their first meeting since Covid-19 brought their industry to its knees, voicing optimism about pent-up demand but desperate for governments to harmonize disjointed border rules to avoid slipping back into recession.

The International Air Transport Association (IATA), which groups 290 airlines, said confusion over travel restrictions were holding back the industry's fragile recovery after the pandemic plunged air travel into its worst ever downturn.

"People want to fly. We've seen strong evidence of that," said Director General Willie Walsh. "They can't fly because we have restrictions that are impeding international travel."

IATA expects international travel to double next year compared with the depressed levels seen during the pandemic and reach 44 per cent of pre-crisis 2019 levels. In contrast, domestic travel is tipped to reach 93 per cent of the pre-pandemic levels.

The trade group, which includes dozens of state-owned carriers, blamed that gap on wide variations in entry rules and testing requirements in the top 50 air travel markets.

Even some of the airline and leasing company leaders trying to attend the industry's annual gathering in Boston were unable to travel or had to carve out extra time for quarantine.

Airlines called for an end to restrictions on vaccinated travelers and for common health protocols at borders, though global coordination in aviation tends to move at a deliberate pace.

"Frankly, governments haven't made it easy for airlines or for the traveling public to understand what the rules are to fly," said Joanna Geraghty, president of JetBlue which hosted the gathering in a hotel shared with domestic tourists.

WB ups Russia's 2021 GDP growth forecast

REUTERS, *Moscow*

Russia's economic recovery will be stronger than expected this year but US sanctions, a poor vaccination rate and the central bank's monetary tightening will all weigh on the growth outlook, the World Bank said on Wednesday.

Russia's economic rebound will outpace its neighbour Belarus, hit by Western sanctions amid a political crisis, but will be less pronounced than in other former Soviet republics such as Armenia, Georgia and Uzbekistan.

After shrinking by 3 per cent in 2020, its sharpest contraction in 11 years, the Russian economy has recovered to pre-pandemic levels but is expected to lose momentum in the next few years without extra investment that could come from state spending.

The World Bank said it now expects Russia's gross domestic product to grow by 4.3 per cent in 2021 and 2.8 per cent in 2022 versus 3.2 per cent and 3.2 per cent, respectively, that it forecast in June.

This year, the economy "is supported by an earlier rebound in domestic demand and elevated energy prices," the World Bank said in a report on Europe and Central Asia.

In 2022, economic growth will slow as demand stabilises and industrial commodity prices can go down, it said.

"The escalation of geopolitical tensions, including additional US sanctions imposed in 2021, low vaccination rates, and increases in the policy rate from record lows are weighing on the growth outlook."

EU to launch debate on members' debt caps

AFP, *Strasbourg*

The European Union will launch public consultations this month on reforming budget rules that cap members' debt but were suspended due to the pandemic, the EU economic affairs commissioner said Tuesday.

The Commission will launch the process on October 19, the starting point of a debate that may stretch into 2022, Commissioner Paolo Gentiloni said.The pact restricts member states from running up too much debt, but the limits have often been exceeded.

Fourteen members states, for example, had debts in excess of the 60 percent of gross domestic product limit at the end of 2020, EU data shows.

The commission will "set the framework for the discussion" on reform of the budget rules and "on the lessons to be learned after the Covid pandemic", Gentiloni said at a press conference in Luxembourg, at the end of a meeting of EU finance ministers.

The limits -- which include capping public deficits at three percent of GDP -- were suspended to allow governments to stave off economic collapse as the pandemic battered trade, investment and business activity.

With economies now returning to growth, the question arises as to whether the pact should be reinstated.

This was planned for the beginning of 2023.However, with public debt surging as members increase spending to spur the pandemic recovery, some countries are calling for greater flexibility in reducing deficits. That argument is reinforced by the heavy public spending seen as vital to fund the fight against climate change in coming years.

Some member states propose excluding green investments from the deficit calculations.

EU countries are divided on the issue, with those in the so-called "frugal" north -- including Germany, Europe's biggest economy -- worried that they will have to foot the bill for big spenders.

The imbalance within the EU is a key factor behind tensions arising from the bloc's debt crisis a decade ago.

"We will come up with proposals within a certain timeframe next year. And of course we have to be ready for 2023" and the reactivation of budgetary rules, Gentiloni said.

Johnson vows revamp of UK's post-Brexit economy

AFP, *Manchester*

British Prime Minister Boris Johnson rallies his Conservative party faithful on Wednesday, vowing a far-reaching overhaul to wean the UK economy off cheap foreign labour after Brexit.

Shrugging off panic-buying at petrol stations, bare supermarket shelves and retailers' warnings of a bleak Christmas to come, the Tory leader says the short-term pain is worth it.

"We are dealing with the biggest underlying issues of our economy and society," he is expected to say in his conference-closing speech, according to excerpts released by the party.

"The problems that no government has had the guts to tackle before.

"Because we are embarking now on the change of direction that has been long overdue in the UK economy," Johnson will say, vowing no return to the pre-Brexit model of "uncontrolled immigration".

Instead, British businesses will have to invest in their workers and in technology to push the country "towards a high-wage, high-skill, high-productivity economy".

But it will take time to transition. In the meantime, the government has grudgingly agreed to a limited number of short-term visas to lure truckers and poultry workers from Eastern Europe.

For opposition parties and poverty campaigners, Johnson's commitment to "levelling up" unequal growth also jars with the ending on Wednesday of a weekly boost to benefits for the lowest-paid workers.

As the prime minister put the finishing touches to his speech, protesters nearby condemned "Tory lies" and loudly played the Soviet/Russian national anthem.

Johnson's attempt to draw a line between his administration and previous governments which lacked "guts" overlooks the fact that the Conservative party has been in power since 2010.

In contrast, finance minister Rishi Sunak -- seen by many observers as the heir apparent to 10 Downing Street -- is stressing continuity with the Tory tradition of fiscal rectitude. The government blames the acute labour shortages afflicting the UK economy not on its hardline approach to Brexit but on the coronavirus pandemic.

But the supply crisis risks undermining themes that Johnson is set to emphasise in his conference speech, including levelling up economic growth across the UK and "Global Britain" after the EU divorce.

He is also expected to talk up Britain's action on climate change and the need for global coordination, ahead of convening the two-week COP26 climate summit in Scotland from October 31.

Touring exhibitors' stands at the conference on Tuesday, Johnson rode an e-bike, climbed aboard an electric tractor, and played with a puzzle to assemble a zero-carbon energy house.

But at the Tory gathering as a whole, the topic of climate change has been relegated to the backburner.

Sunak said on Monday it would be "immoral" to bequeath pandemic-driven debt to future generations, but made no mention of saving those generations from a burning planet. The omission was a "damaging sign" ahead of COP26 in Glasgow, commented Rebecca Newsom, head of policy for Greenpeace UK.

"Coughing up more cash for green infrastructure now would save enormous costs later and create millions of new jobs across the UK," she said.

Neither did Foreign Secretary Liz Truss reference the C-word -- climate -- in her speech on Sunday, while vowing to support "greener" growth and "clean infrastructure" in developing countries.

In contrast, the B-word -- Brexit -- has been a recurrent theme for delegates of Johnson's party, adamant that current problems associated with the EU split will pass. Brexit minister David Frost admonished the "anti-transport, anti-car" lobby's "anti-growth ideologies" and "persistent miserabilism".

Interior Minister Priti Patel used her own conference speech on Tuesday to promise tougher action against climate protesters who have been blockading roads around London. The prime minister mocked the demonstrators as "irresponsible crusties".

But Johnson's COP26 president, Alok Sharma, denied the party was soft-pedalling climate change with less than a month to go before he welcomes delegates from around the world to Glasgow.

"Cabinet colleagues actually understand why it's vitally important to get this right," the former business minister told a small audience on the margins of the main conference.

AFP

Johnson's government blames the acute labour shortages afflicting the UK economy not on its hardline approach to Brexit but on the coronavirus pandemic.

Two foreign ships finally enter Mongla port after 5 days

OUR CORRESPONDENT, *Bagerhat*

Two foreign merchant ships have finally been able to berth at the Mongla seaport after facing a five-day delay due to navigability issues.

Panama flag bearer MV CS Future berthed at the Harbaria-10 jetty while the Tuvalu flag bearer MV Pioneer Dream at Harbaria-11 on Tuesday afternoon.

MV CS Future arrived on September 30 with 23,000 tonnes of urea while MV Pioneer Dream 11,000 tonnes of ceramic goods.

The port authority said the duo stopped some 85 kilometres from the port on discovering that adequate depth was not available.

The two ships were able to move with the rising tide after a hopper dredger was sent to the spot on October 3 to enable navigability.

In addition, some goods were unloaded using lighter vessels while the two waited to berth, according to Commander Sheikh Fakaruddin, harbour master of Mongla Port Authority.

Asked about how this situation could occur even though the capital dredging depth was set at 8.5 feet below the required level as per expert advice, he said heavy rains this year had deposited a huge amount of silt at the port's entry point.

"So, we are still working to remove the silt," he added.

Gas price explosion jolts UK bond market

REUTERS, *London*

Britain's government bond market is showing signs of strain from the country's energy crisis, with headlines about gas prices sparking heavy selling this week - a new development that points to growing unease over inflation expectations.

There was disarray in Britain in recent days as a deficit of truckers left fuel pumps dry across the land and a spike in European wholesale natural gas prices tipped energy companies into bankruptcy. Just as Prime Minister Boris Johnson denied the country had fallen into chaos, investors singled out the 2 trillion pounds ($2.7 trillion) gilt market for some of the heaviest selling among major government bonds.

The 10-year gilt yield, which moves inversely to the price, hit its highest level since May 2019 at 1.152 per cent on Wednesday as the British wholesale gas contract for day-ahead delivery breached 3 pounds/therm for the first time.

Until this week gilts had moved in typical fashion in response to economic data and Bank of England commentary about the economic outlook.

That changed on Tuesday, when a Bloomberg headline about rocketing British wholesale gas prices at 1345 GMT prompted rapid selling.

The 10-year yield jumped by more than 2 basis points within a 10 minute period - equivalent to the move that immediately followed last month's BoE policy statement.

Another newswire headline about gas prices, this time from Reuters at 1435 GMT, prompted more selling.

Peter Chatwell, head of multi-asset strategy at Mizuho International, said there had been "discomfort" among some gilt investors badly positioned for the prospect of a BoE interest rate hike this year.

"This all comes down the repricing which is taking place at the very front end of the curve - so the possibility of a hike in just under a month's time," Chatwell said.

"That's the difficult thing for the market and that's why it is linked to very near term developments in energy prices."

Recent moves in gilts are likely to attract the attention of BoE officials, who are trying to gauge the economic impact of widespread supply chain disruption, labour shortages and a failing energy market.

Some policymakers are concerned that investors and consumers could lose confidence in the central bank's ability to contain inflation, raising the prospect of higher interest rates even as the economy is showing clear signs of slowing.

Members of the military take part in refuelling at an Esso petrol station in a motorway service area in Gravesend, Britain on October 5. REUTERS

US services activity forges ahead

REUTERS, *Washington*

US services industry activity nudged up in September, but growth is being restrained by a persistent shortage of inputs and the resulting high prices as the pandemic drags on.

The Institute for Supply Management (ISM) survey on Tuesday reported that "ongoing challenges with labor resources, logistics, and materials are affecting the continuity of supply."

Hopes for an easing in the supply chain bottlenecks were dashed by a resurgence in Covid-19 infections over summer, driven by the Delta variant. Ports in China and the United States are also experiencing congestion.

"We don't expect supply-side constraints to start easing meaningfully until mid-2022," said Oren Klachkin, lead US economist at Oxford Economics in New York.

"Solid demand and less Covid wariness will keep services growing, but the expansion will be capped by the supply side's limited ability to meet demand."

The ISM's non-manufacturing activity index edged up to a reading of 61.9 last month from 61.7 in August.

A reading above 50 indicates growth in the services sector, which accounts for more than two-thirds of US economic activity. Economists polled by Reuters had forecast the index falling to 60.

Seventeen services industries, including retail trade, public administration as well as finance and insurance reported growth.

Only agriculture, forestry, fishing and hunting saw a decline in activity.

Accommodation and food services businesses reported increased transportation bottlenecks, which were "resulting in longer lead times and missed appointments." Transportation and warehousing businesses said "demand far outweighs supply for goods and services."

In the public administration industry, businesses complained about rising costs for both supply and service inputs, which they said "have the potential to significantly impact our operations through the end of the year, especially if seasonal trends prove exceptionally strong."

Spending is shifting from goods to services like travel and other high-contact activities as the economy normalizes after being severely disrupted by the pandemic, thanks to vaccinations against the coronavirus.

The survey's measure of new orders received by services businesses inched up to 63.5 last month from a reading of 63.2 in August.

Its gauge of supplier deliveries dipped to a reading of 68.8 last month from 69.6 in August.

A reading above 50 indicates slower deliveries. With supply still tight, prices remained high.

A measure of prices paid by services industries rose to 77.5 from a reading of 75.4 in August.

That mirrored the findings of the ISM's manufacturing survey published last Friday and suggested that high inflation could persist through 2022.

The Federal Reserve last month raised its projection for its key inflation measure to 3.7 per cent this year.

That was up from the 3.0 per cent projected in June.

The personal consumption expenditures price index, excluding the volatile food and energy components, increased 3.6 per cent year-on-year in August - well above the US central bank's flexible 2 per cent inflation target.

Stocks on Wall Street were trading higher. The dollar rose against a basket of currencies. US Treasury prices fell.

Govt eases rules for duty-free import

FROM PAGE B1

warehouse facility, which allows the duty-free purchase of raw materials.

So far, exporters were permitted to import a maximum of 33 per cent of the raw materials needed for four months. It will now go up to 60 per cent of their six-month production capacity.

Finance Minister AHM Mustafa Kamal chaired the meeting.

Speaking at the meeting, Kamal said he was hopeful that remittance would return to normalcy within the next three months.

In the first three months of the current fiscal year, the remittance inflow dropped 19.44 per cent year-on-year to $5.41 billion.

Last year, remittance inflow totalled about $25 billion. This year, it is expected that Bangladesh will receive around $22-$23 billion of remittance this year, Kamal said.

Many Bangladeshis returned home because of the Covid-19 pandemic, and they are yet to go back. As a result, the remittance inflow slowed, he said.

"They are now going back slowly. It will return to normalcy in the next three months."

The meeting approved a proposal to buy two helicopters from Russia for Bangladesh Police.

The cabinet committee on purchase gave its consent to a proposal to import one lakh tonnes of wheat from Russia under a government-to-government arrangement at the cost of Tk 357.61 crore. Per tonne wheat will cost $419.

It gave its nod to buy 33.60 lakh million British thermal units (MMBTUs) of liquefied natural gas from Vitol Asia Pte Ltd of Singapore at the cost of about Tk 1,205.72 crore. Each MMBTU will cost $35.89.

Another 33.60 lakh MMBTUs of LNG will be bought from Gunvor Singapore Pte Ltd for Tk 1,241.22 crore, with the price standing at $36.95 per MMBTU.

Rise in non-farm income cuts domestic migration

FROM PAGE B1

"As a result, employment will increase in the rural non-farm sector, and migration will come down."

Shykh Seraj, noted development journalist and head of news of Channel i, said if there was industrialisation in the rural areas, more farmland would be used to set up industries.

He suggested promoting the agriculture sector and agro-based industries to create more jobs in the rural areas instead of industrialisation seen in urban areas.

Non-farm activities in developing countries have a strong impact on rural employment opportunities and poverty reduction. It is also argued that local non-farm opportunities slow down rural-urban migration. The understanding of the relationship is pivotal for rural development strategies, sustainable urban development and policies influencing domestic migrations, according to the study.

The study provides the first robust evidence of the relationship for Bangladesh, combining two sets of secondary data: the Household Income and Expenditure Survey 2016 and the Economic Census 2013.

The study raised questions about whether workers should come closer to the industry or the industry should go closer to the labourers.

So far, many countries, including Bangladesh, have been following the first strategy, which can be justified at the initial level of development.

"However, as the economy grows and cities become crowded, the second strategy is more desirable for the balanced growth and welfare," the study report said.

In Bangladesh, the private sector has little incentives to move industries to remote areas where the cost of production is high.

"Government interventions are required in terms of policy supports and investments to incentivise the private sector to relocate industries to rural and semi-rural areas," the BIDS study said.

For example, the multiplier effect on growth and poverty of a garment factory in rural areas, where most of the workers are from, will be much higher than the one in Dhaka city, if adequately incentivised.

"These positive externalities justify government's intervention in setting up industrial zones in rural areas. That is, the geography of industrial units is an important policy tool that the government can use to reduce poverty and income inequality."

The report said while incentivising migration can be effective in smaller scales in the short run, a long-term strategy for rural development should involve creating job opportunities for the rural labour forces.

Generation of non-farm businesses and employment has long been argued to be an effective strategy for rural development, which will slow down both short term seasonal migration and permanent migration.

"We provide strong evidence on this relationship. Hence, creating non-farm opportunities at the local level is central to the idea of reducing the influx of people to the urban areas."

A related issue that has been debated in the development literature is the development of growth centres, rural or secondary towns in rural areas or closer to the rural areas.

While this growth has been endogenous, there are scopes for public interventions to facilitate such towns that are the hub of non-farm activities.

"Such secondary towns can be a catalyst to non-farm growth and can discourage migration to the urban areas."

"A detailed plan for the development of such secondary towns is required which can be a part of the overarching land use policy of the developing countries."

During the initial periods of the coronavirus pandemic, migrant workers suffered when the lockdown was announced as they worked away from home.

Creating opportunities for work closer to the places where workers live can only avoid such humanitarian crises in the future, the study said.

Withholding tax collection automated

FROM PAGE B1

Senior Secretary to the Finance Division Abdur Rouf Talukder said, "There will be a lot of efficiency gain because of automation. The government will be able to save several thousand of crores of taka owing to real time collection of tax."

Burgeoning local demand to spur call centre business

FROM PAGE B1

In the IT industry, a contact centre or call centre is a part of business process outsourcing (BOP), a business practice in which a company or organisation hires an external service provider to perform an important business task.

Synesis IT has also been providing call centre solutions, enabling its clients to reach appropriate target groups, track contacts and gather relevant data to secure customer relationship management.

Jatiyo Mohila Sangstha in collaboration with Synesis IT developed a project called "Tottho Apa" to disseminate knowledge among women and carry out call centre-related operations.

Synesis IT also designed, developed and implemented many such projects such as a Probash Bondhu Call Center for the government's a2i project, a Union Parishad Help Line, and a helpline for the Dhaka Water Supply and Sewerage Authority.

"We have been proving call centre services to over 20 government organisations. And people get easy services such as help, resolving of complaints, and assistance by just dialling a number," said Shohrab Ahmed, the company's managing director.

"The business of call centre is set to expand further in the near future as the government has decided to hire more such entities for providing different kinds of services," he added.

Over a decade ago, call centres had showed signs of exponential growth in the country but a crunch of skilled people has hindered the expected expansion.

However, with call centres evolving to contact centres, local entrepreneurs are showing a hope of recovery.

The traditional concept of call centre, meaning where customers communicate by telephone for service, has changed significantly.

Now, there are more communication channels -- email, mobile app, chat, text and social media -- for consumers to reach out to customer service centres.

Frequently asked questions (FAQ) and pre-recorded calls are taking centre stage, doing away with the need for the traditional call centre employee.

According to the Bangladesh Telecommunication Regulatory Commission, there are 212 call centre entities in the country.

There are around 60,000 people employed in the call centres in the country, according to Wahid Sharif, president of the Bangladesh Association of Call Center and Outsourcing (BACCO).

"Due to the pandemic, the call centre business has faced some setbacks and it is now getting better slowly," he said.

"The local market is still largely untapped as many sectors, including bank and insurance, haven't started full-scale call centre service for customers," he added.

According to him, an entry-level employee gets an opportunity of earning Tk 15,000 to Tk 18,000 per month while someone with the proper soft skills over Tk 50,000.

Soft skills include communication abilities, language skills, time management, teamwork and analytical ability.

The sector also faces some challenges, especially when it comes to skilled human resources.

"The main problem is getting skilled English speaking manpower to handle international customers. We have some such talents in the country, but they often switch to better-paying professions," said Mojumder of Genex Infosys.

Mustafa Jabbar, minister for post, telecommunications and information technology, said, "First we have an emphasis on getting foreign clients but now domestic demand has been surging."

"So, the sector will grow further and more employment opportunities will be created," he said.

Potato traders in Munshiganj worried over price slump

FROM PAGE B4

Production has exceeded demand this time as potato has not been included in food aid programmes and neither are there enough potato processing factories in the country, many of which closed down due to Covid-19. "And although prices are on a downward trend, oblivious farmers continue to plant more potatoes," he said.

"They should instead cultivate other vegetables while the potatoes that remain after November need to be discarded to make way for fresh produce," Haque added.

Md Khurshid Alam, deputy director of the Department of Agricultural Extension in Munshiganj, said traders buy potatoes from farmers at about Tk 13 per kg but then sell them for over Tk 22 per kg in retail markets under the pretext of incurring high transportation costs.

"They are even using the coronavirus situation as an excuse for personal gain and only strict market monitoring can solve this issue," he added.

Firms' registration begins in a month

FROM PAGE B1

commerce firms known as F-commerce after some digital platforms recently failed to deliver products to customers despite receiving advance payments months earlier.

Top officials of some e-commerce firms are facing charges ranging from funds embezzlement to money laundering, and some of them were sent to jail. Many have accumulated liabilities far beyond their assets, meaning they might not be able to refund their customers if they are liquidated.

The ministry's latest move aims to ensure that the firms don't get involved in any business practices that deceive customers and merchants.

In the new form, the applicants will have to disclose details like the time when they started businesses and their transactions.

Besides, the details about the website, contact number, and national identification card number have to be cited in the form. The applicants will have to fill in the form online.

According to an estimate of the commerce ministry, there are 2,500 e-commerce and more than 2.5 lakh F-commerce platforms operating in Bangladesh.

"Primarily, we will make the registration free of cost. If necessary, we may charge a fee in the future," said Rahman, also the chief of the Central Digital Commerce Cell of the commerce ministry.

When asked whether it would be possible to register all the e-commerce and F-commerce platforms under one umbrella, Rahman replied: "This is just the beginning."

"In future, a separate cell may be created or a dedicated office of the commerce ministry might be set up to oversee the registration and monitor the activities of the registered firms."

The registration process is expected to enhance transparency and ensure the accountability of the ministry, other government departments or agencies, and the e-commerce firms.

After the latest anomalies in the burgeoning e-commerce sector emerged, the government has taken a lot of initiatives to discipline errant e-commerce companies and restore customers' confidence in the sector.

The commerce ministry has set up a 16-member high-powered committee, which has been given the task to make recommendations to formulate a policy for the sector, form an e-commerce authority and amend laws to make the e-commerce business more responsible.

The committee formed a nine-member sub-committee on Tuesday to suggest whether a new law is required to run the sector or existing laws are adequate to regulate it. The sub-committee will have to submit its report in a month.

Recently, the commerce ministry has identified 10 errant e-commerce companies found to be involved in fraudulent business practices aimed at deceiving consumers and merchants.

Stocks go up for second day

FROM PAGE B4

Dhaka stocks remained in the green as bargain hunters continued their buying spree on sector-specific issues amid optimism, said International Leasing Securities Limited in its daily market review.

The market opened buoyantly and ended in the same line as optimistic investors showed their appetite for June-closing stocks, especially in the power and pharmaceutical sectors, ahead of earnings and dividend declarations, it added.

The investors took position on stocks riding on the news that credit flow to the private sector has been growing mainly on the back of demand for working capital and surge in imports as apparel exporters made big purchases of textile products as capital goods.

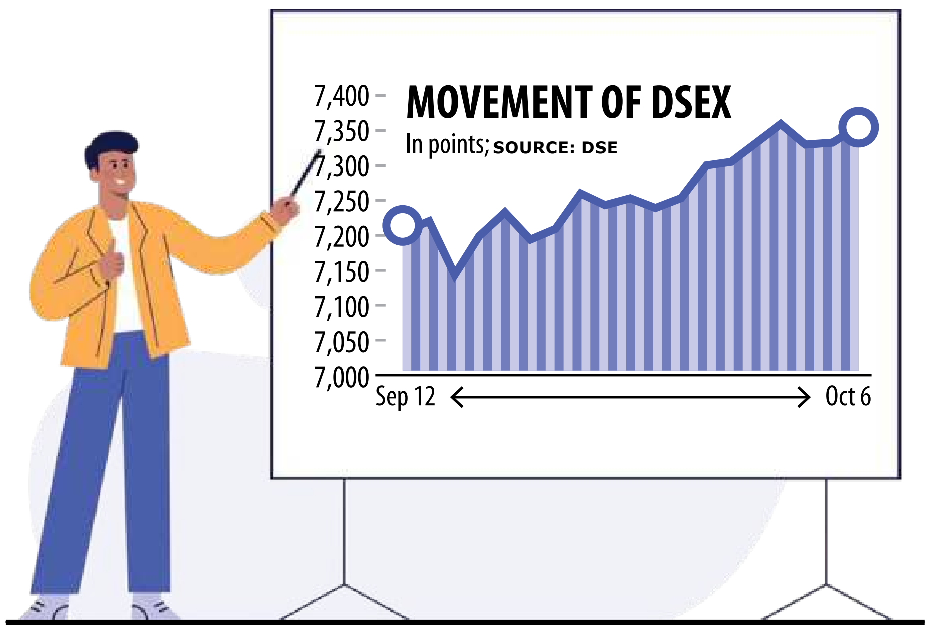
Aman Feed Limited shed the most yesterday, falling 8.95 per cent, followed by Desh Garments Limited, Jute Spinners Limited, Shurwid Industries Limited and Monno Ceramic Industries Limited.

Chittagong Stock Exchange (CSE) also rose as the CASPI, the general index of the port city bourse, rose 87 points, or 0.40 per cent, to 21,520.

Among 325 stocks to undergo trade, 107 advanced, 192 fell and 26 remained unchanged.

Stocks go up for second day

Investors hopeful of sustained rise



STAR BUSINESS REPORT

Bangladesh's stock market has continued its rise for two days straight amid increased investor participation.

"Since the market has seen an upward trend for a while now, people are investing more funds in hopes that the index will rise again," said a merchant banker.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), rose 19 points, or 0.26 per cent, to 7,351 yesterday.

It is considered normal behaviour for investors to pour funds into the market when they see a rising index but instead, they should invest when the index drops since stock prices are comparatively lower at the time, he added.

Still though, the market index is not overvalued, according to the Bangladesh Securities and Exchange Commission and relevant government officials.

"So, increased investments have led to a rising index," the merchant banker said, adding that even though many stocks were overvalued, the overall market was not.

At the DSE, 112 stocks rose, 231 declined and 31 remained unchanged.

Turnover of the Dhaka bourse increased 13 per cent to Tk 2,681 crore, up from Tk 2,352 crore previously.

Among major sectors, services & real estate, fuel & power, and ceramics experienced price appreciations while non-bank financial institutions, general insurance and life insurance sectors faced corrections, according to UCB Stock Brokerage.

Stocks of LafargeHolcim Bangladesh Limited were traded the most, worth Tk 174 crore, followed by Orion Pharma Limited, Beximco Limited, the Power Grid Company of Bangladesh Limited and Paramount Textile Limited.

The Power Grid Company of Bangladesh topped the gainers' list, rising 9.95 per cent, followed by Advent Pharma Limited, Paramount Textile Limited, Coppertech Industries Limited, and MJL Bangladesh Limited.

READ MORE ON B3

Potato traders in Munshiganj worried over price slump

SAJJAD HOSSAIN, *Munshiganj*

Potato farms cover about half of the 67,000 hectares of arable land in Dhaka's Munshiganj district, making it the region's main cash crop.

And although the popular root vegetable saw good prices last year, people who stored stocks in cold storages hoping for similar profits this season are now suffering losses.

Around 13 lakh tonnes of potato were produced on 37,850 hectares of land in the district this year, about five lakh of which was placed in cold storages.

At present, potato is being sold for about Tk 12 per kilogramme (kg) at the wholesale level while the retail price is around Tk 16 per kg.

Stockists who held back their stocks claim to be suffering losses of between Tk 600 to Tk 650 per 50 kg considering current prices.

"I bought potatoes from farmers at Tk 13 per kg and then had to spend about Tk 125, including labour and incidentals, to move them to a cold storage," said Babul Pike, another potato trader.

All in all, it costs about Tk 950 to keep a 50-kg bag of potato in a cold storage while it is selling for just Tk 300 to Tk 350.

"So, traders lose about Tk 580 to Tk 600 per bag," Pike said.

Echoing the same, officials of the district's Department of Agricultural Marketing (DAM) said potato traders were incurring losses of between Tk 120 to Tk 200 per 50 kg.

The price is not high this time due to increased supply but even though this is causing problems for stockists, farmers remain unaffected, they said.

Prashant Kumar Mandal Dulal, manager of the Kadam Rasool cold storage in Munshiganj city, said about 80,000 sacks of potato, each weighing 50 kgs, were kept in his cold storage in March this year.

Since then, about 28,000 sacks have been released.

Dulal went on to say that he is owed about Tk 60 lakh by various people who used his cold storage. So far, Tk 12.6 lakh has been paid but the rest of his creditors seem to have dropped off the map due to bad business.

Each 50-kg sack of potato sold for about Tk 1,400 to Tk 1,500 in 2020 but this year, prices are nowhere near that amount, he added.

Making matters worse, potatoes cannot be kept in cold storage for longer than three to four months, after which the crop must be discarded, said Manoranjan Shah, manager of Nippon Cold Storage.

And with the cold storages set to shut down for the year in November, time is running out for hoarders to sell their stocks.

Besides, it would also cost cold storage owners if the potato traders are unable to pay for the rent or loans owed, Shah added.

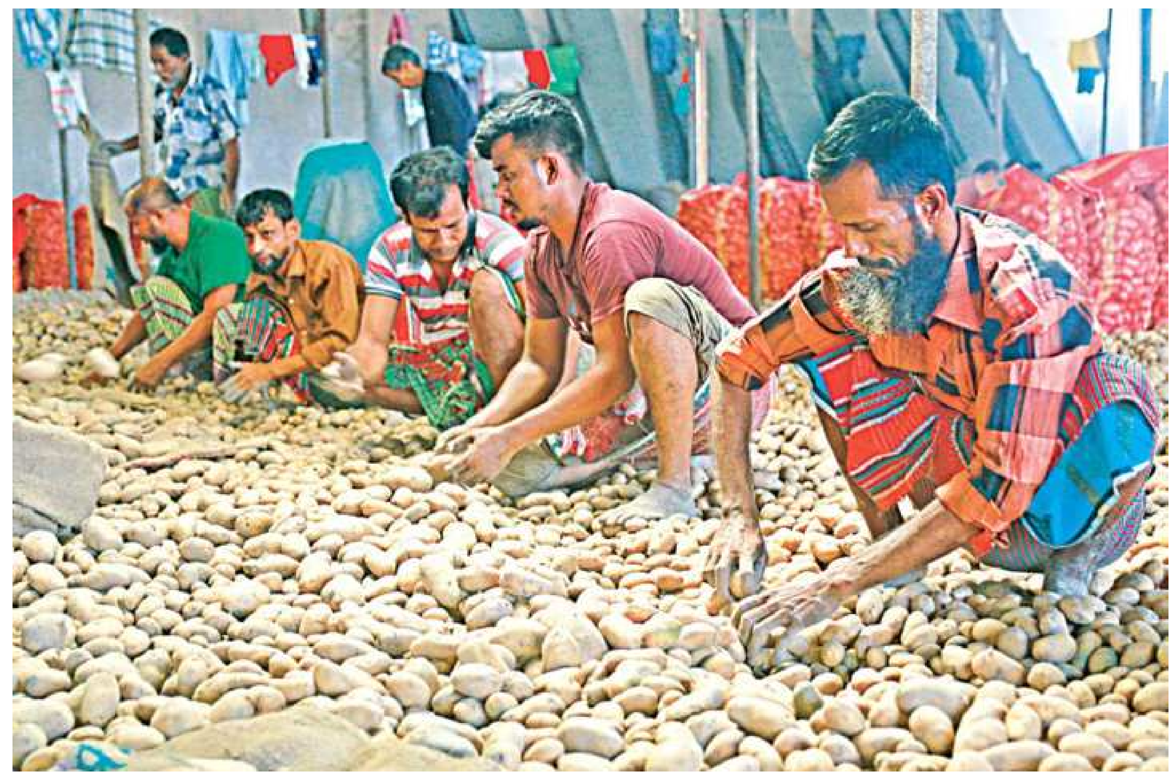
He went on to say that of the 2.13 lakh sacks of potato kept at his cold storage, just one lakh has been released so far.

Another reason for the crop's slow movement is that potatoes were sent abroad last year while that did not happen this year, Shah said.

ABM Mizanul Haque, district market investigator of the DAM, said about 34 per cent of the potatoes kept in cold storage have been unloaded so far.

Haque also informed that about 80 per cent of the potatoes in cold storage were kept by stockists while farmers made up the remaining 20 per cent.

READ MORE ON B3



SAJJAD HOSSAIN

Although potato prices were good last year, people who kept stocks in cold storages hoping for similar profits this season are now suffering losses. The photo was taken recently from Muktarpur area of Munshiganj.

DISTRICTS IN FOCUS

GLOBAL BUSINESS

IMF trims 2021 GDP forecast

REUTERS, *Washington*

The International Monetary Fund expects global economic growth in 2021 to fall slightly below its July forecast of 6 per cent, IMF chief Kristalina Georgieva said on Tuesday, citing risks associated with debt, inflation and divergent economic trends in the wake of the Covid-19 pandemic.

Georgieva said the global economy was bouncing back but the pandemic continued to limit the recovery, with the main obstacle posed by the "Great Vaccination Divide" that has left too many countries with too little access to Covid-19 vaccines.

In a virtual speech at Bocconi University in Italy, Georgieva said next week's updated World Economic Outlook would forecast that advanced economies will return to pre-pandemic levels of economic output by 2022 but most emerging and developing countries will need "many more years" to recover.

"We face a global recovery that remains 'hobbled' by the pandemic and its impact. We are unable to walk forward properly - it is like walking with stones in our shoes," she said.

The United States and China remained vital engines of growth, and Italy and Europe were showing increased momentum, but growth was worsening elsewhere, Georgieva said.

Inflation pressures, a key risk factor, were expected to subside in most countries in 2022 but would continue to affect some emerging and developing economies, she said, warning that a sustained increase in inflation expectations could cause a rapid rise in interest rates and tighter financial conditions.

"High debts, soaring food prices and lack of vaccines are the greatest threats facing developing countries," said Eric LeCompte, executive director of the religious development group Jubilee USA Network.

"We are counting economic losses in the trillions if developing countries can't access vaccines."

Georgieva said central banks could generally avoid tightening for now, but they should be prepared to act quickly if the recovery strengthened faster than expected or risks of rising inflation materialized.

She said it was also important to monitor financial risks, including stretched asset valuations.

Global debt levels, now at about 100 per cent of world gross domestic product, meant many developing countries had very limited ability to issue new debt at favorable conditions, Georgieva said.

Georgieva said it was important that debt restructuring efforts already initiated by Zambia, Chad and Ethiopia be concluded successfully to encourage others to seek help.

Better transparency about debts, sound debt management practices and expanded regulatory frameworks would help ensure increased private sector participation, she said in response to a question from a participant.

Asked about rising debt levels in Europe, Georgieva said growing economic momentum had put Europe on a sound footing to avoid another sovereign debt crisis like the one faced by Greece in the aftermath of the global financial crisis of 200708.

But she said countries would have to plan carefully how to shift course to medium-term fiscal consolidation to erase the increased pandemic-related debt burden.

"The bills are going to come due," she said, adding that good planning was needed to ease debt burdens over time while avoiding "brutal" cuts in education or healthcare funding.

Georgieva urged richer nations to increase delivery of Covid-19 vaccines to developing countries, remove trade restrictions and close a $20 billion gap in grant funding needed for Covid-19 testing, tracing and therapeutics.

International Monetary Fund's Managing Director Kristalina Georgieva speaks during a joint news conference at the end of the Summit on the Financing of African Economies in Paris on May 18. REUTERS/FILE

Google to invest $1b to lift Africa internet access

AFP, *Johannesburg, South Africa*

Google on Wednesday said it will invest $1 billion over the next five years to allow for faster and more affordable internet access and support entrepreneurship in Africa.

Internet reliability is a problem in Africa where less than a third of the continent's 1.3 billion people are connected to broadband, according to the World Bank. But the continent, where nearly half the population is under 18, is a promising market.

According to Google and Alphabet boss, Sundar Pichai "huge strides" have been made in recent years, but more work is needed to make "internet accessible, affordable and useful for every African".

The investment will support digital transformation by ensuring improved connectivity and access, he said in a statement.

The funds will, among other things, go towards infrastructure development including the Equiano subsea cable that will connect South Africa, Namibia, Nigeria and St Helena with Europe.

The deal expands Google's pledge announced four years ago to train around 10 million young Africans and small-scale businesses in digital skills.

"I am of the firm belief that no one is better placed to solve Africa's biggest problems than Africa's young developers and startup founders," said Google's Africa managing director Nitin Gajria.

Internet access is also hampered by the affordability of smartphones.

Biden says US future depends on his investment package

AFP, *Howell*

President Joe Biden delivered a stark warning of American decline Tuesday in a speech urging Congress to vote through his ambitious infrastructure and social spending packages or lose out to the likes of China.

"These bills are not about left versus right or moderate versus progressive, or anything that pits Americans against one another," he said at a trade union training center in Howell, Michigan.

"These bills are about competitiveness versus complacency. They're about opportunity versus decay," he said.

"To oppose these investments is to be complicit in America's decline.

"Facing a rift in his own party -- which controls Congress with the narrowest of majorities -- and a Republican opposition aggressively blocking where it can, Biden hopes that appealing to Americans outside of Washington will give his agenda new life.

He began his speech to the blue collar audience, gathering in a swing district won by Donald Trump during the 2020 presidential election, by saying there was "a lot of noise in Washington.

"He then made his case for the $1.2 trillion infrastructure spending bill and a social support bill worth possibly around $2 trillion, saying that the government investment had underpinned private sector dynamism throughout US history and was now needed again.

"We led the world in research and development... but then something happened. We slowed up," Biden said.

"We risk losing our edge as a nation. "He cited statistics that show US education and infrastructure have slipped far down the rankings in comparison to other advanced countries.

"Our competitors aren't waiting," he said.

"In recent years, China has spent about three times as much on infrastructure as a share of their economy that we have.

"Polls show that the proposals are popular.

A new survey out Tuesday by Quinnipiac found 62 to 34 per cent in favor of the infrastructure bill and 57 to 40 per cent in favor of a social spending bill.

Citing that broad popularity, Biden says the solution should be clear. However, with such a tight majority in Congress and such an implacable opposition, the path forward is tortuous and may yet end in failure.

Just one Democrat breaking with him in the Senate or a handful in the House is enough to wreck his agenda.

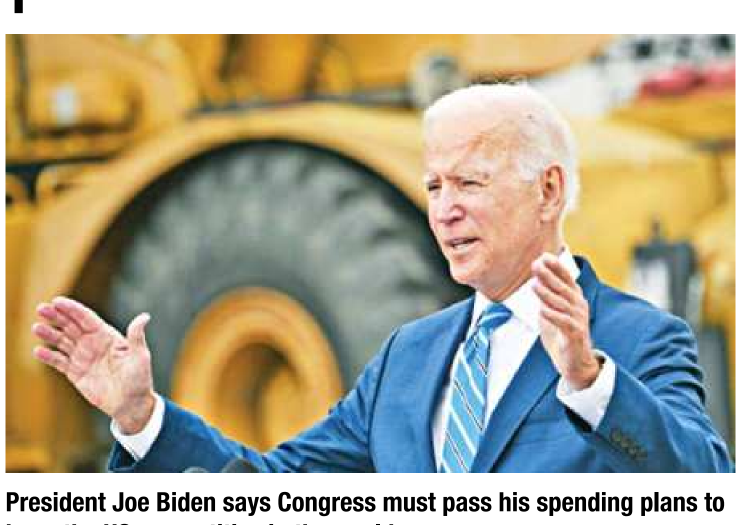
Democrats are divided essentially between moderates and progressives on the size and speed of the spending proposals, with Biden trying to bridge the gap.

The social support bill is already being whittled down from the progressives' previous demand for a $3.5 trillion price tag.

In Michigan he met with local congressional Representative Elissa Slotkin, one of the moderate Democrats.

Before leaving Washington, Biden held a virtual meeting with a group of other moderates. On Monday he did the same with a group representing the more leftist wing of the party.

The White House said that Monday's meeting was "constructive" and that they "discussed their shared commitment to seizing this moment to make investing in families the heart of our economic growth and competitiveness strategy.



President Joe Biden says Congress must pass his spending plans to keep the US competitive in the world. AFP/FILE

Tesco profits jump on 'elevated' pandemic sales

AFP, *London*

British supermarket giant Tesco on Wednesday posted surging first-half profit on the back of elevated pandemic sales and its "resilient" supply chain.

Profit after tax jumped almost 70 per cent to 781 million ($1.1 billion, 917 million euros) in the six months to the end of August, the nation's biggest retailer said in a statement.

That compared with 465 million a year earlier, when the group was also buoyed by the Covid pandemic.Tesco also ramped up its annual profit forecast and unveiled a 500-million share buyback.

Shares jumped 4.1 per cent to 263.35 pence in late morning London deals.

Revenue rose six per cent to 30.4 billion as it "continued to benefit from elevated sales as a result of the Covid-19 pandemic", it said.

"We've had a strong six months; sales and profit have grown ahead of expectations and we've outperformed the market," added chief executive Ken Murphy.

He pointed to "the resilience of our supply chain and the depth of our supplier partnerships" as a key factor.

A significant number of UK retailers are currently unable to source enough products because of the supply crunch caused in large part by a shortage of lorry drivers owing to Covid and Brexit fallout.