

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.

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.

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 trucks 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

Govt eases rules for duty-free import

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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

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"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

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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

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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 providing 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 shown 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.

Firms' registration begins in a month

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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.

Potato traders in Munshiganj worried over price slump

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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.

Stocks go up for second day

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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.