

Obhai payments now only on bKash, Visa

STAR BUSINESS REPORT

Obhai has taken a firm step towards cashless payments, having decided to take only digital payments from customers for its services.

The homegrown ridesharing app, which provides transportation services of CNG-run autorickshaws and cars, from now will accept fares solely through mobile financial service bKash and Visa-enabled cards.



"We have taken a giant leap into the future by going fully digital with passenger fare settlement," said Azizur Rahman, head of finance at Obhai Solutions Limited, at the announcement ceremony in Pan Pacific Sonargaon Dhaka yesterday.

"The fare that customers pay will be split and the riders will get their portion instantly," said Rahid Ishtiaque Chowdhury, chief operating officer at Obhai.

Asked whether this arrangement will leave a big part of the population unable to

access the service, he said over 90 per cent of Obhai customers use bKash or Visa cards.

"So, it wouldn't be a problem," he said, adding that they would engage in more partnerships with MFS and digital service providers. All Obhai drivers will also be able to help passengers, who do not have the digital means, to open new bKash accounts if needed to ease their transition into the future of payments, Obhai said in a statement.

"A special discount offered to bKash users will bring greater joy to Obhai passengers creating a smoother transition," it added.

MGH Group, which has diverse business interest in pharmaceuticals, FMCG contract logistics, supply chain solutions, ocean carriers and IT solutions, ventured into ridesharing services in 2018 with Obhai using motorcycles.

Though the motorcycle service is no longer available, Obhai gained popularity launching the service through CNG-run autorickshaws.

As a part of its business expansion, the company provided a few thousand smartphones to the drivers alongside sharing the technological knowhow.

Obhai said most of its vehicles were fitted with a tracking system to share in real time their locations as well as that of the drivers.

Obhai also offers OBHAI Express, an on-demand express delivery services for consumers to move shipments within the country.



The riverine villages spaced throughout Barishal division make for the perfect place to produce various pottery items, such as plates and vases that are used for both decorative and practical purposes. Although the local industry took a hit due to Covid-19, the demand for these clay wares has seen a strong rebound in recent months. The photo was taken recently from Maheshpur village of Bakerganj upazila.

PHOTO: TITU DAS

Heyday for Barishal's potters as Covid recedes

SUSHANTA GHOSH

Most people living in Maheshpur village in Bakerganj upazila of Barishal are involved in the pottery making business.

The region is surrounded by canals rich with clay, the key ingredient for traditional pottery, making it fertile grounds for the nearly 250 families who established a name for themselves in this profession.

But like most other industries, the pottery business suffered heavy losses over the past year, when the government repeatedly imposed nationwide lockdowns in bid to curb the spread of Covid-19.

Wholesalers used to turn up in droves to buy pottery such as decorative plates and vases from the village but this practice came to a swift end owing to the slew of restrictions on public movement amid the coronavirus crisis.

With orders dwindling, most local pottery makers found it difficult to survive but now that the situation has slowly improved, sales are

higher compared to even the pre-pandemic era.

Subhash Pal, a pottery trader in the area, said at least Tk 80 lakh worth of pottery ware was sent to different parts of the country, including Dhaka, Chattogram and Noakhali every month during the pre-pandemic era.



However, not one truck had arrived for these goods over the last two years due to Covid-19.

Now though, at least eight trucks come every month to carry pottery wares worth around Tk 8 lakh to Tk 10 lakh to markets all over the country, he added.

Although the demand for pottery products has increased exponentially, ensuring timely production and supply are seen as major challenges.

"We are not able to meet the increased

demand due to a lack of capital," said Shibul Pal, another pottery supplier.

Other than in Maheshpur, potters want to spread the business to other villages in Barishal, such as Madanpura and Boga of Patuakhali district, Kalsakathi of Bakerganj upazila and Gaila of Agailjhara upazila.

Tapan Pal of Shimulshwar village in Jhalakathi district said the demand for pottery products has doubled over the past month.

Pottery makers had been suffering due to the long stagnation affecting their work, Pal said, adding that he was able to supply goods worth at least Tk 60,000 in the last one month.

Bisweshwar Pal, president of the Baupal, Madanpura Pottery Association, said they were forced to lay off most of their employees during the initial coronavirus outbreak.

He went on to say that almost all of them have been reemployed because of the rising orders, with at least 300 workers now involved in the industry.

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DataBird LaunchPad winners announced

STAR BUSINESS REPORT

DataBird, a Bangladeshi IT company working on building an internet ecosystem, recently celebrated the winning of six innovative ideas at the Grand Finale of DataBird LaunchPad 2021, held yesterday at the BCC auditorium, ICT Division, Dhaka.

DataBird LaunchPad is an innovation platform by DataBird to support young innovators solving problems with technology in partnership with the ICT Division, LiCT Bangladesh, Durbar, The

Daily Star and BASIS.

The champion from the professional track, Remotely, received grant money of Tk 15 lakh. The first runner-up, Edutech, and the second runner-up, Tinkers Technology Limited, received grant money of Tk 10 lakh and Tk 5 lakh respectively.

The winner, Kori, the runner-up, Webel, from the student track were awarded two MacBooks and two Windows laptops, respectively. The second runner-up, Ku Aspire, was awarded two smartphones for their performance.

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GLOBAL BUSINESS

World food prices hit 10-year peak: FAO

REUTERS, Paris

World food prices rose for a second consecutive month in September to reach a 10-year peak, driven by gains for cereals and vegetable oils, the United Nations food agency said on Thursday.

The Rome-based Food and Agriculture Organization (FAO) also projected record global cereal production in 2021, but said this would be outpaced by forecast consumption.

FAO's food price index, which tracks international prices of the most globally traded food commodities, averaged 130.0 points last month, the highest reading since September 2011, according to the agency's data.

The figure compared with a revised 128.5 for August. The August figure was previously given as 127.4. On a year-on-year basis, prices were up 32.8 per cent in September. Agricultural commodity prices have risen steeply in the past year, fuelled by harvest setbacks and Chinese demand.

The FAO's cereal price index rose by 2.0 per cent in September from the previous month. That was led by a near 4 per cent increase for wheat prices, with the UN agency citing tightening export availabilities amid strong demand.

"Among major cereals, wheat will be the focus in the coming weeks as demand need to be tested against fast rising prices,"



REUTERS/FILE

Wheat is seen during sunset in a field of the Solgonskoye farming company in the village of Solgon, Russia.

FAO Senior Economist Abdolreza Abbassian said in a statement.

World vegetable oil prices were up 1.7 per cent on the month and showing a year-on-year rise of about 60 per cent, as palm oil prices climbed on robust import demand and concerns over labour shortages in Malaysia, FAO said.

Palm oil futures have rallied further in early October to hit record highs as a surge in crude oil

markets has lent further support to vegetable oils used in biodiesel.

Global sugar prices rose 0.5 per cent in September with concern over adverse crop weather in top exporter Brazil partly offset by slowing import demand and a favourable production outlook in India and Thailand, according to FAO.

For cereal production, FAO projected a record world crop of 2.800 billion tonnes in 2021,

up slightly from 2.788 billion estimated a month ago.

That would be below world cereal use of 2.811 billion tonnes, a forecast revised up by 2.7 million tonnes from a month earlier mainly to reflect increased wheat use in animal feed, FAO said in a cereal supply and demand note. Global cereal stocks were expected to ease in 2021/22 but would still be at a comfortable level, FAO added.

UK business leaders criticise Johnson's economic strategy

AFP, London

British business leaders on Thursday criticised Prime Minister Boris Johnson for lacking a plan to deal with a labour shortage crisis, after he called for them to pay higher wages.

Johnson said on Wednesday he was committed to moving Britain away from an economy reliant on cheap foreign labour, in a speech to members of his ruling Conservatives. But he admitted that "difficult" times lay ahead as a result, as many pointed to an end to free movement of people and tighter immigration rules post-Brexit.

Supermarkets are already experiencing empty shelves, while panic buying over fears of a tanker driver shortage caused petrol pumps across Britain to run dry last week. Supply chain problems are mounting because of a lack of lorry drivers, while other sectors from hospitality to retail have also complained of a shortfall of seasonal workers, many of whom previously came from the EU.



Britain's Prime Minister Boris Johnson

Businesses leaders said that Johnson was unfairly blaming them for low wages and that his strategy could lead to shortages and high inflation.

"The finger is being pointed at business as the bogeyman, but it's much wider than that," said Richard Walker, managing director of budget supermarket chain Iceland. "We want to pay our people as much as possible but business is not an endless sponge that can keep absorbing costs in one go," he told the Times newspaper.

"Next year we'll have a wave of higher costs from higher energy bills, extra HGV (heavy goods vehicle) drivers, packaging costs. "We can only weather so many cost increases at once.

"The Federation of Small Businesses said that it was now the opposition Labour party that had a pro-small business plan.

"Looking at this party conference season, there was one party of the two that came out with a pro-small business policy," the federation's Craig Beaumont told Times Radio. "The government should be looking at that and going: 'Well, maybe we've taken this group a bit for granted'. So now, what is that small business offer?"

"Johnson has historically been in favour of low taxes and free markets, but his speech on Wednesday argued for tax hikes in order to deal with the coronavirus "meteorite" that hit public finances.

This has led to friction within Conservative circles, with others believing that low taxes are required to jump start the recovery. Free-market think-tank the Adam Smith Institute called the speech "bombastic but vacuous and economically illiterate".

GM aims to double revenues by 2030

REUTERS, Detroit

General Motors Co Chief Executive Mary Barra told investors Wednesday the automaker plans to double revenue by 2030, expanding profits from combustion vehicles as it rolls out new electric vehicles and new digitally-powered services in a bid to catch up with Tesla Inc.

If GM succeeds, its annual revenue by 2030 would be about \$244 billion, and the automaker would be the leader in electric vehicle sales in the United States.

At GM's current pre-tax profit margin of 12 per cent, that would imply annual pre-tax profits of as much as \$29 billion.

Sources told Reuters previously that GM would report impressive revenue growth and margin expansion.

Barra's ambitious financial targets for 2030 are the latest push in her campaign to convince investors that General Motors, not Tesla, can be the leader in both technology development and profitability as the auto industry navigates the most profound technology revolution since the mass-produced Ford Model T.

Barra and other GM executives began a two-day series of presentations to investors at the automaker's Technical Center in Warren, Michigan, making a case that GM can transform itself "from automaker to platform innovator" - a reference to Silicon Valley digital platform companies such as Apple Inc that have far higher stock valuations than GM and other incumbent auto manufacturers.

Fall in China's \$1.3t land sales to test local finances, economy

REUTERS, Beijing

Sagging demand at China's urban land auctions amid a crackdown on borrowing by private developers' risks squeezing regional finances, pressuring local governments to scramble for other income sources to fund investments and support the economy.

Land sales soared to a record 8.4 trillion yuan (\$1.3 trillion) in 2020, the equivalent of Australia's annual gross domestic product, bolstering fiscal budgets in a pandemic year.

But tighter regulations on borrowing by private developers since the summer of last year are increasingly eroding demand for land. The value of nationwide land sales abruptly fell 17.5 per cent on year in August, according to Reuters calculations of finance ministry data,

the biggest slide since February 2020.

Further falls could force regional governments, who on average depend on land sales for a fifth of their revenue, to cut spending and investment. Many economists have already downgraded China's 2021 GDP growth forecast, due to a cooling property market and contagion risks from indebted property behemoth China Evergrande.

To boost incomes, some local governments may be driven to issue more bonds, increasing their debt obligations. They may even hasten plans for a controversial property tax, analysts say.

"In general, the proportion of land sales revenue for local governments in China is quite large, at over 20 per cent, so if land

sales decline, or their growth slows, local government spending will see a certain amount of pressure," said Betty Wang, senior China economist at ANZ in Hong Kong.

To better control land prices in the country's most valuable locations, and by extension, prices of finished homes, authorities said in February that China's 22 biggest cities can only conduct three rounds of land auctions this year.

The authorities have also since put a cap on the highest bids to contain prices, as part of a vast crackdown across sectors as President Xi Jinping seeks to correct excesses and imbalances in China's economy and society.

But since the first round of auctions in March-June, demand has fallen as cash-strapped developers stayed away.