

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.19%	▲ 0.34%	\$1,756.67 (per ounce)	\$82.39 (per barrel)	▲ 0.64%	▲ 1.34%	▲ 0.38%	▲ 0.67%	BUY TK 84.65	96.79	114.16	12.89
7,342.97	12,879.21			60,059.06	28,048.94	3,112.81	3,592.17	SELL TK 85.65	100.59	117.96	13.55



BUSINESS

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Import bills surpass pre-pandemic levels

AKM ZAMIR UDDIN

Import payments surged in Bangladesh in the first two months of the current fiscal year to go past the pre-pandemic levels, a sign of strong economic recovery in keeping with a sharp fall in coronavirus infections.

The settlement of letters of credit (LCs), also known as actual import payments, swelled 45.3 per cent year-on-year to \$10.76 billion between July and August, according to data from the Bangladesh Bank.

The payments went past the pre-pandemic level: the country spent \$8.97 billion in the first two months of the fiscal year of 2019-20.

Along with the recovery, the commodity price and the shipping cost have increased to a large extent, pushing up the import payments, analysts say.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said the rise in imports indicated that the economic recovery was on the right track.

Businesses imported capital machinery worth \$639 million in the first two months of FY22, an increase of 11 per cent from a year ago.

"The rise in the imports of capital machinery is a good

sign. It showed that businesses are expanding," Rahman said.

"But, we have to take into account the price effect in the global market. The cost of imported commodities is on the rise."

The shipping cost has gone through the roof, rising four-five times the pre-crisis level, as demand

r o s e

"This will bring a negative effect for the common people if their income level does not go up," said Rahman.

T h e

from furnace oil-based power plants has increased all of a

months as the economy was running in full swing.

In some cases, the cost of capital machinery has increased by 40-50 per cent compared to



RISE IN IMPORT PAYMENTS

Jul-Aug (y-o-y)

- Intermediate goods 77pc
- Petroleum 71pc
- Consumer goods 38pc
- Industrial raw materials 37pc
- Capital machinery 11pc

SOURCE: BB

WHY IMPORTS MAINTAINING UPTREND?

- Economic recovery
- Expansion of industrial sector
- Price hike in global commodity market
- Rise in shipping costs
- Increased demand for petroleum in power plants

The rise in imports has given an indication of economic recovery



Mustafizur Rahman
Distinguished fellow at CPD

globally. As a result, inflationary pressure has built up, and it might intensify in the days ahead.

price hike of petroleum products may play a major role in raising inflation.

The import cost of petroleum products stood at \$1.04 billion in July-August, up 71 per cent year-on-year.

ABM Azad, chairman of Bangladesh Petroleum Corporation, said the latest upward trend of petroleum prices in the global market had not created any major impact for the country yet.

The demand for petroleum

sudden, sending the import of the item to an elevated level, he said.

A central banker said that the import cost of the item would widen in the coming months as the price was on the rise in the global market.

On October 8, the price of benchmark Brent crude oil stood at \$81.2 per barrel in contrast to \$42.8 a year ago.

Emranul Huq, managing director of Dhaka Bank, said both price and the volume of imported items had increased in recent

the pre-pandemic level. "Still, the private sector is expanding their operations. This is a good sign for the economy," he said.

The price of industrial raw materials such as scrap metal and cotton went up significantly in the global market.

Between July and August, businesses imported raw materials worth \$3.9 billion, up 37 per cent from a year ago.

Because of the higher import payments, the volume of the

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LABOUR DISPUTES

Law reforms needed for quick settlement

Says chief of parliamentary body

STAR BUSINESS REPORT

The appellate tribunal should be designed like the administrative appellate tribunal to put an end to the harassment faced by workers when it comes to settlement of disputes, said a lawmaker yesterday.

When a verdict goes in favour of workers at the labour court, many factory owners appeal against it with the tribunal.

It takes a lot of time and money for workers to have the appeal settled, although in most cases, the disputed amount varies between Tk 60,000 and Tk 1 lakh, said Md Mojibul Haque, chairman of the parliamentary standing committee on the labour and employment ministry.

As a result, the verdict is delayed and workers lose interest in fighting the case, he said.

"If the labour appellate tribunal acts like the administrative tribunal, workers will get the judgement within a stipulated time, and it will be helpful for them."

The former state minister was speaking at a virtual dialogue on "Building the RMG Sector in Adherence with the United Nations Guiding Principles (UNGPs)", organised by the Centre for Policy Dialogue (CPD) in partnership with the Christian Aid in Bangladesh.

The lawmaker said there were many loopholes in the labour law.

"The ministry will take initiative to amend the labour law again. I have a plan to suggest the ministry incorporate the amendment of the labour appellate tribunal," said the former state minister for labour and employment.

Haque called for setting up more dormitories for garment workers by taking loans from the central bank at 2 per cent interest rate.

Md Ehsan-E-Elahi, labour secretary, said Bangladesh was going to ratify the 138 Convention of the International Labour Organisation (ILO) to determine the minimum age of workers.

He said the ministry could disburse only Tk 7 crore to Tk 8 crore from the fund of the European Union and Germany, and the rest of the amount was lying idle as the list of the affected workers could not be found.

Last year, the EU and Germany gave 113 million euro to Bangladesh to disburse among the workers of the export-oriented garment and leather sectors hit hard by the coronavirus pandemic.



STAR/FILE

Lawmaker Md Mojibul Haque called for setting up more dormitories for garment workers.

The ministry has a target to disburse the money among 72,000 workers with Tk 3,000 each for three months.

"We are going through a very tough time as we are struggling to revive our business from the fallout of Covid-19," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association.

Mohammad Hatem, first vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association, said international buyers always spoke about ethics but they had not maintained the ethical standards during the pandemic and indiscriminately cancelled or suspended orders and demanded unusual deferred payment.

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Bid to regain customer trust

20 e-commerce firms open 20-day shopping festival today

STAR BUSINESS REPORT

Local e-commerce platforms are organising a 20-day online shopping festival featuring quality products and services in a bid to regain consumer trust in the industry, which has been shrouded by recent controversy.

Dubbed "10-10", about 20 established e-commerce, logistics and payment companies are going to take part in the festival starting from today.

"E-commerce is not a fraud or Ponzi scheme. It's all about good products and seamless service for consumers and there are some real players in the industry with good reputations," said AKM Fahim Mashroor, chief executive officer of AjkerDeal, one of the participating e-commerce platforms.

But due to the existence of some fake e-commerce platforms, a negative notion has been created about this industry.

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State banks themselves are problem-ridden

BB tells finance ministry in response to Padma Bank's merger proposal

STAR BUSINESS REPORT

Nearly three months after Padma Bank submitted its proposal seeking a merger with any state-owned lender, Bangladesh Bank said that state lenders are now plagued by financial health issues due to excessive defaulted loans.

Besides, the state-owned banks of Bangladesh are suffering from a capital shortfall, according to the central bank.

The lenders are also feeling the pinch of other shortcomings, including problems that stem from poor operational and management practices.

With this backdrop, the central bank said that attracting foreign



capital would be a good option in order to resolve Padma Bank's capital shortfall.

Bangladesh Bank made these remarks in a letter sent to the finance ministry on October 5.

Earlier in September, Padma Bank signed a memorandum of understanding with California-

based investment bank DelMorgan & Co to find potential foreign investors.

Padma Bank, erstwhile Farmers Bank, pleaded the finance ministry in July for a merger with any state-run bank in a desperate effort to avoid further deterioration of its financial health.

In the letter, Padma Bank said it faced a lot of constraints since the start of its new journey in 2019, including a severe shortfall of liquidity.

It is said to have managed to improve its liquidity status over the following two years and grow confidence among depositors while continuing the process of regularising default loans in phases.

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MINIMUM GLOBAL CORPORATE TAX

NBR observing developments

STAR BUSINESS REPORT

The National Board of Revenue (NBR) is observing developments regarding a recent global move setting the minimum tax rate for big companies at 15 per cent to curb scopes for them to transfer profits to low tax jurisdictions.

A group of 136 countries, representing more than 90 per cent of the global GDP, on October 7 agreed to set a minimum global tax rate and joined a new two-pillar plan to reform international taxation rules.

It will ensure that multinational enterprises pay a fair share of tax wherever they operate, said the Organisation for Economic Co-operation and Development (OECD), which leads the talks.

Out of the 140 countries involved, 136 supported the deal while Kenya, Nigeria, Pakistan and Sri Lanka are abstaining for now, reports Reuters.

Contacted, the NBR officials who follow international tax issues said Bangladesh allows tax exemptions for various industrial sectors, namely power, garments and ICT, to encourage local and foreign investments.

Hence, it is yet to decide on any minimum corporate tax, they said.

Taxmen said they earlier attended meetings related to the OECD's base



erosion and profit shifting (BEPS) project taken in 2013, which later turned into the OECD/G20 Inclusive Framework on BEPS.

Now 140 countries implement the Inclusive Framework on BEPS. Bangladesh is yet to join.

"We will follow developments and then we will decide," said an NBR official dealing with tax.

Reuters reported that negotiations have been going on for four years.

While the costs of the pandemic gave them additional impetus in recent months, a deal was only agreed when Ireland, Estonia and Hungary dropped their opposition and signed up, it said.

Moreover, the 15 per cent floor agreed is well below a corporate tax rate which averages around 23.5 per cent in industrialised countries, added Reuters.

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Mutual fund sector largely untapped for poor publicity

Experts say at webinar

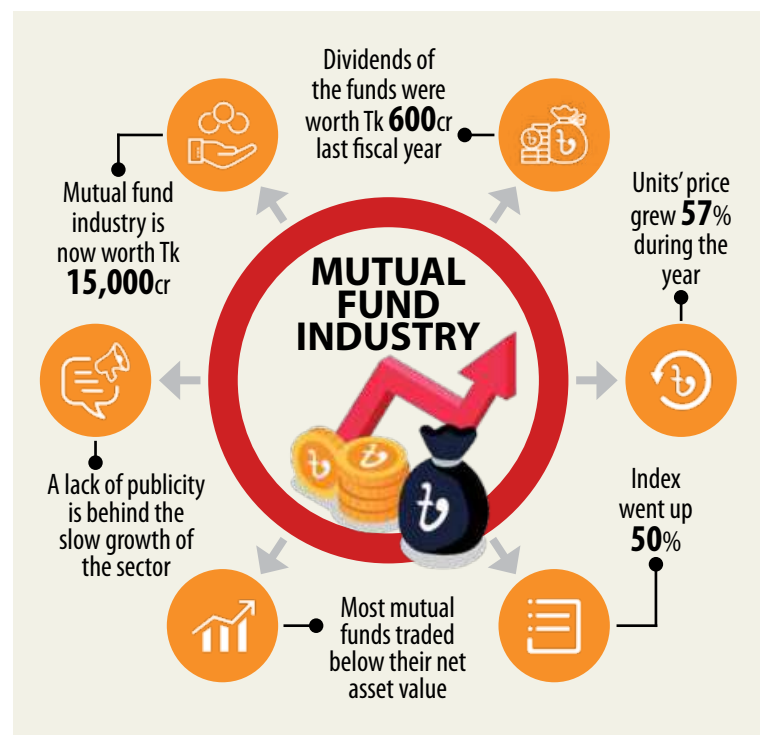
STAR BUSINESS REPORT

Mutual fund is an underrated sector as it gets very little publicity despite offering higher dividends, according to various experts.

"The mutual fund industry in Bangladesh is currently worth about Tk 15,000 crore, which is insignificant compared to the country's gross domestic product and overall stock market value," said Prof Shibli Rubayat Ul Islam, chairman of Bangladesh Securities and Exchange Commission (BSEC).

These comments came during a webinar on the "Institutional role in sustainable financing", organised by the Association of Asset Management Companies and Mutual Funds (AAMCMF) as a part of World Investor Week-2021.

Mutual funds pool money from investors to channel it into securities such as stocks, bonds, and other assets. Depending on the profits earned, investors are paid a share as dividends.



Mutual funds in Bangladesh have been unable to reach their full potential as many people do not know about the high-performing sector due to a lack of publicity by local asset management companies, Islam said.

However, the BSEC chairman went on to say that they are pleased by the industry's recent performance, which resulted in fund managers providing better dividends for fiscal 2020-21.

People are looking for options to invest in as bank deposit rates are mostly lower than the country's inflation rate.

"But many people don't know about the mutual fund sector, which provided good dividends this year. The main problem is a lack of publicity of the industry's performance," he said.

If fund managers cannot bear the cost of publicity measures, then the association could help in this regard.

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Aziz Al Kaiser, vice-chairman of Partex Star Group, recently inaugurated a new home care products brand "STAR KING" of Star Adhesive Limited, at an event. Mostafa Kamal Ahmed, chief financial officer of Partex Star Group (complex-1), and Miran Khan, head of business of Star Adhesive Limited, were present.



Nur Mohammed, chairman of Jamuna Bank Foundation, recently inaugurated the bank's foreign currency exchange booth at International Arrival Concourse Hall of Hazrat Shahjalal International Airport (Terminal-1) in Dhaka. Md Sirajul Islam Varosa, chairman of Jamuna Bank Capital Management Limited, Md Ismail Hossain Siraji, director of the bank, and Md Fazlur Rahman Chowdhury, Md Abdus Salam, Md Atiqur Rahma, Noor Mohammed and Fazle Quayum, deputy managing directors, were present.

Energy price spike adds market risk as earnings arrive

REUTERS, New York
US stock market investors are gauging whether more volatility is ahead because of surging global energy prices, which could drive up inflation, erode profit margins and pressure consumer spending.

crude prices climbed, yet higher prices could weigh on companies ranging from transportation to consumer discretionary firms.

Stocks rebounded this week after Monday's losses left the S&P 500 down 5.2 per cent from its record high hit in September.

"We are going to find out if this piece of the inflation puzzle is the straw that breaks the camel's back and actually starts cutting into margins," said Art Hogan, chief market strategist at National Securities. "There are incremental costs to everything when energy prices go up."

Despite September's pullback, the S&P 500 remains up about 17 per cent so far in 2021. Even as investors swooped in to buy the market's latest dip, some Wall Street strategists are pointing to risks that could come with jumping into equities.

"If we break that barrier, I think it will influence how people are forecasting economic growth and inflation and interest rates, which has broad implications for sectors and



US stock market investors are gauging whether more volatility is ahead because of surging global energy prices.

Analysts at Capital Economics said in a note that rising energy prices could put more upward pressure on bond yields. A jump in yields roiled stocks in recent weeks, particularly tech shares.

gas at the pump. JPMorgan strategists in a note this week outlined a basket of stocks negatively impacted by oil at \$100 a barrel, including package delivery company FedEx, discount retailer Dollar Tree and auto parts retailer O'Reilly Automotive.

Delta wave tosses wrench into US job market

AFP, Washington
The US economy was predicted to add hundreds of thousands of jobs last month but instead gained only 194,000 as the Delta variant of Covid-19 again denied President Joe Biden the soaring labor market he is banking on -- at least for now.

scathing, tweeting: "Joe Biden has failed Economists."

Economists view the data as likely enough for the Federal Reserve to begin slowing its massive purchases of bonds and securities meant to help the country through the pandemic, as they signaled they could do later this year.

Schools shed jobs, and the bars and restaurants that have become a barometer of the virus' threat to business added barely any positions in the Labor Department's September employment report released Friday, which at best presented a mixed verdict on the state of the world's largest economy.

"With debt ceiling shenanigans pushed back until December 3, the road is clear for an announcement at the November meeting of the Fed's policy committee, Lydia Boussour of Oxford Economics said.

On a more positive note, the unemployment rate ticked down more than expected to 4.8 per cent, and the last two months' jobs gains have been revised upwards, underlining that the United States has come a long way from the devastating weeks last year when Covid caused tens of millions to lose their jobs.

The monthly employment data have become progress reports for the United States' bounceback after more than 20 million jobs were lost to the pandemic, and the latest report showed the economy had regained 17.4 million positions since the downturn's nadir in September 2020.

Biden has been banking on an economic revival to build support for his presidency-defining spending bills while also fending off the Republican opposition's attempts to use the country's debt limit to force a retreat on his ambitious agenda.

However there were still five million positions missing, with job growth averaging 561,000 per month this year and fluctuating significantly.

The data underscores how the virus's fast-spreading variant has complicated those plans, though cases have declined nationwide since the cutoff for the report's data, in the first half of September.

In July, the economy added an upwardly revised total of nearly 1.1 million positions. But that was before Delta struck, slashing job down to 366,000 in August, according to revised data from Friday's report.

Biden called the drop in the unemployment rate "a significant improvement from when I took office, and a sign that our recovery is moving forward, even in the face of a Covid pandemic. "But the Republican National Committee was

Overall leisure and hospitality sector employment rose 74,000 positions, professional and business services added 60,000 jobs, retail trade gained 56,000 and transportation and warehousing rose 47,000.



Mohamed El Emam, country manager of Qatar Airways, and Syed Rafiqul Haq, additional managing director of Mutual Trust Bank Limited, recently exchanged signed documents of a memorandum of understanding at the bank's corporate head office in Gulshan 1, Dhaka enabling MTB Visa, MasterCard and UnionPay credit and debit cardholders to enjoy 10 per cent discount on base fare of business and economy class tickets of the airline. Syed Mahbubur Rahman, managing director of the bank, and Bakhshi Mohd Tayab, commercial manager of Qatar Airways, were present.



M Kamal Hossain, managing director of Southeast Bank Limited, and Md Forkan Hossain, general manager of Accounts and Budgeting Department at Bangladesh Bank, recently exchanged signed documents of an agreement on an "Automated Challan System" enabling customers to deposit taxes, VAT, passport fees and other government fees through all branches and sub-branches of the private bank. Ahmed Jamal, deputy governor of Bangladesh Bank, was present.

UK calls on ex-Tesco boss 'Drastic Dave' to fix supply chain

REUTERS, London
Boris Johnson has turned to former Tesco boss Dave Lewis to fix supply chain problems that have hit the British economy and sparked criticism of the Prime Minister's response.

the role on Monday, will advise both Johnson and Cabinet Office minister Stephen Barclay on both immediate improvements and any necessary long-term changes to the country's supply chains for goods. He will also work with government officials to quickly resolve acute, short term issues.

Asked when he expected it would be finalised, he said: "I suggest it's likely the end-game will take some time and we'll be looking towards the end of next year to conclude negotiations."

Australia sees trade deal with EU by end-2022

REUTERS, Rome
Australian Trade Minister Dan Tehan said on Friday he expected to finalise a free trade agreement with the European Union by the end of next year, despite the EU's anger over Canberra's cancellation of a submarine contract with France.

He played down the damage to EU-Australian relations over the submarine dispute, and said he had "very good discussions" with seven EU ministers at a meeting this week of the Organisation of Economic Cooperation and Development in Paris.

Turning to the environment, Tehan rejected criticism of Australia for not having produced updated targets on reducing carbon emissions ahead of next month's United Nations climate talks, COP 26, in Glasgow.



WALTON HI TECH INDUSTRIES LIMITED

Walton has recently launched the second season of its video making contest styled 'Smart Fridge, Smart Maker' at its corporate office in Dhaka. Nazrul Islam Sarker, Eva Rezwana Nilu, Amdadul Hoque Sarker, Humayun Kabir and Alamgir Alam Sarker, deputy managing directors of Walton Hi-Tech Industries Limited, SM Zahid Hasan, senior executive director, and Robiul Alam Bhuiyan, senior deputy executive director, and actress Kusum Sikder, panel judge of the contest, were present.



BERGER PAINTS BANGLADESH LIMITED

Gerald K Adams, chairman of Berger Paints Bangladesh Limited, virtually presided over its 48th annual general meeting recently. The company declared 375 per cent cash dividend for 2020-2021. Rupali Chowdhury, managing director, Anil Bhalla, Anis A Khan, Masud Khan, Rishma Kaur, Kanwardip Singh Dhingra, Sunil Sharma, Parveen Mahmud, Abhijit Roy and Sajjad Rahim Chowdhury, directors, and Khandker Abu Jafar Sadique, company secretary, attended the meeting.

Mutual fund sector largely untapped for poor publicity

FROM PAGE B1
"We want to provide anything they want for the sake of the growth of the sector," the BSEC chairman added.
The mutual fund industry provided dividends worth around Tk 600 crore last fiscal year, according to Hasan Imam, president of the AAMCMF.
"Apart from the dividend gain, capital gain of mutual funds was also attractive," he said, adding that units of listed mutual funds grew by 57 per cent in the last fiscal year while bank stocks rose by 54 per cent. As such, the benchmark index of the stock market advanced by 50 per cent at the same time.
The industry is still lucrative as most of the funds' net asset values are higher than their unit prices.
As mutual funds mostly invest in A-category shares, where there are around 50 to 60 companies, general investors get the chance to ensure safe investment.
Mutual funds are already investing in big and medium paid-up capital-based companies, most of which are following

environmental and social governance.
"So, the sector can contribute to sustainable financing," Imam added.
Prof Mizanur Rahman, a commissioner of the BSEC, said the regulator is working to launch performance-based fees on mutual fund management instead of a common percentage.
"Those whose performance is better and who ensure higher return deserve higher fees over the low performing managers," he added.
"About half of Bangladesh's population are women so our sustainable development needs their contribution too," said Moniza Choudhury, managing director of CWT Asset Management Company.
"For sustainable financing, women entrepreneurs need funds from us," she added.
Arfan Ali, president and managing director of Bank Asia; Arunangshu Dutta, CEO and managing director of ACACIA SRIM; Azad Chowdhury, managing partner of AIM STEPS; and Kh Asadul Islam, managing director of Alliance Capital Asset Management, also spoke at the event.

Law reforms needed for quick settlement

FROM PAGE B1
Vidya Amrit Khan, a director of the BGMEA, called for carrying out research beyond garment industries as they also needed to be compliant.
Syed Sultan Uddin Ahmed, a specialist for worker activities at the ILO office in New Delhi, said in most cases, the labour disputes in the industrial sector were settled verbally although the laws were there.
At the event, the findings of a study on the "State of the UNGPs in the RMG sector of Bangladesh" were shared.
The study was conducted in 600 garment factories in Dhaka, Narayanganj, Gazipur and Chattogram to know the level of awareness about the UNGPs on business and human rights. Some 606 workers from 200 factories were covered in the study.
According to the study paper, the garment sector is way behind in institutionalising UNGPs.
The concept of UNGPs is not fully clear to the garment manufacturers, although they understand human and labour rights. Despite diverge levels of human and labour rights practices at the factory level, those marginally adhere to the UNGPs.
"Overall, the practice of UNGPs in the RMG sector is still at the early stage," it said.
The report said the process of institutionalisation of UNGPs had yet to be started in the garment industry. A binding treaty in case of enforcement of UNGPs would facilitate the process. The first step

will be to strengthen the UNGP reporting system of factories.
While presenting the key findings, Khondaker Golam Moazzem, research director of the CPD, said about 74 per cent workers recalled they had seen posters inside or outside the factory that contained messages on human rights.
Ninety-one per cent of workers said the poster contained messages related to child labour. Statements related to workplace and sexual harassment, living wage and maternity benefit were seen by more than 50 per cent of workers.
The least addressed public disclosure issues are layoff and retrenchments and collective bargaining.
About 8.7 per cent of workers saw messages related to layoff and retrenchment and 16 per cent on collective bargain, Moazzem said.
"Such a guideline will be highly beneficial for garment factories to understand the issues, take measures and improve practices."
Fahmida Khatun, executive director of the CPD, said although the garment sector had shown impressive growth in the post-Rana Plaza period, there were a number of social compliance issues that required attention.
Mustafizur Rahman, a distinguished fellow of the CPD, moderated the discussion. Pankaj Kumar, country director of the Christian Aid, also spoke.

Bid to regain customer trust

FROM PAGE B1
"We want to change all the misconceptions with this campaign," he added.
The other participating companies are: Chaldal, Pickaboo, Pathao Food, Rokomari, Sheba, Ekshop, Aadi, and Star Tech.
According to the organisers, these are reputable e-commerce companies who have been in service for several years without controversy will take part in the campaign.
Mobile Finance service provider bKash will join the festival as payment partner while Delivery Tiger will act as a logistic partner.
The platforms are giving different gifts and discounts offers for customers as well as free delivery all over the country. For example, customers will get 10 per cent instant cashback of up to Tk 1,000 for payments through bKash.
The image of the e-commerce sector has recently been tarnished by some platforms

such as Evaly, E-orange, and Dhamaka. With the promise of providing hefty discounts for advance payments, such platforms are now unable to provide either the products or refunds to thousands of customers.
One of our common objectives for this campaign is to boost e-commerce sales through faster delivery and committed service, said Morin Talukder, chief executive officer of Pickaboo.
"We will continue to work together to build customers' trust in e-commerce. We want to establish that e-commerce is not a discount store, rather it's a convenience store," he Talukder.
Pathao is proud to partner with the 10-10 campaign, according to Fahim Ahmed, president of Pathao.
"Credible digital platforms coming together in this campaign can help instil consumer trust and confidence in e-commerce, and build a vibrant local tech ecosystem," he said.

China digs in on coal, oil gains as energy crisis deepens

REUTERS
China ordered miners in Inner Mongolia to ramp up coal production and oil prices jumped on Friday as a record surge in the cost of gas revived demand for the most polluting fossil fuels to keep factories open and homes heated.
The rebound in economic activity from coronavirus restrictions has exposed alarmingly low supplies of natural gas leaving traders, industry executives and governments scrambling as the northern hemisphere heads into winter.
The energy crisis which has led to fuel shortages and blackouts in some countries, has highlighted the difficulty in cutting the global economy's dependency on fossil fuels as world leaders seek to revive efforts to tackle climate change at talks next month in Glasgow.
In China, where coal production had been curtailed to meet climate goals, officials have ordered more than 70 coal mines in Inner Mongolia to ramp up production

by nearly 100 million tonnes or 10 per cent, as the world's largest exporter battles its worst power shortages in years.
Russia's Gazprom, a key supplier of gas to China, calmed fears that a

fire at a major gas processing plant could worsen the situation, saying it was able to continue exporting gas to China as normal.
India, the second largest coal consumer after China, is also

suffering electricity outages because of a lack of coal with over half of its coal-fired power plants having less than three days worth of fuel stocks, data from the federal grid operator showed.



REUTERS/FILE

A coal-burning power plant can be seen behind a factory in the city of Baotou, in China's Inner Mongolia Autonomous Region.

Oil prices rose on Friday, on track for gains of nearly 5 per cent this week, as industries switch fuel.
"A lot of catalysts are out there to keep the oil market tight," said Edward Moya, a senior market analyst at brokerage OANDA.
Reflecting the gravity of the situation, the United States has not ruled out tapping into its strategic petroleum reserves, which it typically only does after major supply disruptions such as hurricanes, or pursuing a ban on oil exports to bring down the cost of crude oil, though there are doubts it is ready to take such action yet.
"DOE is actively monitoring global energy market supply and will work with our agency partners to determine if and when actions are needed," a spokesperson for the Department of Energy said.

Import bills surpass pre-pandemic levels

FROM PAGE B1
Foreign exchange reserves might decrease to some extent in the coming months if export earnings and remittance flow don't go up proportionately.
The central bank has started injecting US dollars into the market to cool off the foreign exchange regime.
After purchasing a record \$7.93 billion of US dollars last fiscal year, the Bangladesh Bank sold \$946 million between August and September as many banks are facing a shortage of greenback amid rising imports, moderate exports and slowing remittance flow.
Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said a majority of countries had contained the pandemic, helping their economies rebound.
"Bangladesh has also contained the pandemic. So, the rise in imports will continue."
BB data showed the opening of LCs rose 48.6 per cent to \$12.13 billion in July and August, meaning import payments would increase further.

Recovering funds should be top priority

FROM PAGE B4
The commission, despite being empowered to penalise and imprison such fraudsters, has allowed evaly's monstrous rise instead. The competition watchdog's unforgiving failure to intervene has dared evaly to grow and prompted others to follow suit.
Authorities now scramble to cover up their spectacular failure to act and protect the deceived customers of the e-commerce syndicate. A populist idea of raising an e-commerce-specific regulator is also gaining momentum. It will merely add another point of failure in the already disoriented club of regulators.
The government should identify where, when and why the incumbent regulatory gatekeepers have collectively failed to contain the fraudsters' lust. But recovering and refunding the customers' money should be the government's topmost priority.

The author is senior policy fellow at LIRNEasia.

State banks themselves are problem-ridden

FROM PAGE B1
The bank's operating losses stood at Tk 120 crore in the first half of 2021, resulting from the Covid-19 induced economic slowdown.
The capital shortfall would amount to Tk 2,100 crore as of June this year, the central bank's letter said.
Finance Minister AHM Mustafa Kamal on September 29 said the government might allow Padma Bank to merge with a state bank.
"Of course we may do it," Kamal said while responding to queries from reporters on the day.

Cassava farming on fallow lands: low risks but high returns

FROM PAGE B4
When cultivating other crops, farmers have to source the capital along with bearing the risk of being unable to market and sell their produce.
But when it comes to cassava, Pran-REFL Group, one of Bangladesh's largest agribusiness, provides farmers with the funds to cultivate the crop, which is then bought back by the company.
So, with little personal investment, a farmer can earn about Tk 20,000 from roughly 2,500 kgs of the vegetable, said Abdus Samad, another cassava farmer in the region.
Abdul Khaleq, a cassava farmer based in Sylhet's Habiganj district, said cassava was a hardy plant that could cope with most extreme weather conditions, making it a low risk investment.
Around 190 maunds to 250 maunds (one maund equals around 37 kgs) of cassava can be produced on one acre of land, he added.
Mid Abdul Momin, an agriculture officer of Kulaura upazila, said they advise local farmers on cultivating cassava on fallow land since it saves money and does not require preparing the land for cultivation.
Lutful Bari, deputy director of the DAE office in Moulvibazar, said the profitable crop's cultivation has seen a gradual increase throughout the district.
Kamruzzaman Kamal, marketing director of Pran-REFL Group, told The Daily Star that the company was the first to introduce contract farming for cassava in 2014.
Pran also conducts training programmes and provides financial assistance and farming elements such as seeds and

fertilisers at low cost.
Farmers usually have to spend between Tk 25,000 to Tk 30,000 per acre to cultivate cassava. Pran helps deal with a large chunk of this production cost by providing seeds, a form of advance payment for the harvests, he said.
The cassava plant can play a vital role in developing the country's agricultural sector. At its processing plant in Habiganj Industrial Park in Shaistaganj upazila, Pran processes about 60,000 tonnes of the crop each year.
Pran turns the root into starch, which is mainly used as a raw material for baked goods. However, the material is now also being widely used in the garment and pharmaceutical industries.
Pran aims to procure 30,000 tonnes of cassava from 5,000 acres of land around the country this year.
Last year, the company collected more than 19,000 tonnes from 4,750 acres of land, Kamal said.
The company plans to start collecting cassava from mid-October and harvesting will continue till March 2022, he added.
Pran cultivated cassava, either directly or through contracts, in the Rangamati, Khagrachhari, Habiganj, Moulvibazar, Tangail, Mymensingh, Jamalpur and Cumilla districts this year.
Dilip Kumar Adhikari, additional director of the DAE office in Sylhet, said cassava was a staple food in many African countries.
Cassava is a popular food in tropical regions such as Africa, where it is the third major source of sugar.
"Pran uses cassava to make their various foods and chips and for starch," he added.

NBR observing developments

FROM PAGE B1
Financial Transparency Coalition said developing countries would be the main losers of the OECD minimum global tax deal, risking undermining Covid-19 vaccination and recovery effort.
It will benefit developed countries, particularly the US, a key player behind this agreement, it added.
Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue, said the deal was likely to raise tax rates in low tax jurisdictions, which was welcome.
"However, not all industries are included under the deal. The deal will mainly benefit the large OECD economies," he said.
"It is likely that the generated revenue will mainly be distributed to the headquarter

countries and countries in global south may not be adequately benefited," he added.
The deal overlooks concerns highlighted by G-24 countries including India, Pakistan and Sri Lanka regarding reallocation of profits.
The over-representation of low tax jurisdictions in the OECD process is indicative of the deeply unambitious threshold of 15 per cent to tackle tax abuse, said Khan.
"If this deal could be negotiated under the United Nations, a better outcome for developing countries may have been possible. It is critical that global tax matters are negotiated under a UN system where all countries can have an equal say," he said.



Cassava shrubs are being grown amidst other plants and trees on fallow land in Sylhet division, bringing utility through the harvest of its roots, the starch from which is used in making food, garments and medicine. Pran-RFL Group buys the roots offering contractual farming, lowering the risk of losses for producers. The photo was taken in Kulaura upazila of Moulvibazar recently.

PHOTO: MINTU DESHWARA

Cassava farming on fallow lands: low risks but high returns

MINTU DESHWARA

Farmers who cultivate cassava on fallow land in Sylhet division are in for a huge success this year with expectations of a bumper yield and good market prices.

The rugged vegetable has a relatively long growth cycle compared to other important crops, taking an average of eight to 10 months.

The weather has been favourable and harvests are due to begin within a couple of days and run till March, according to various farmers.

The roots can be consumed directly or fed to livestock. It can be processed into granulated flour, or high quality cassava flour, a substitute for some of the wheat flour in bread and confectionary, according to the Food and Agriculture Organization (FAO).

In Thailand and China, root starch goes into food products, plywood, paper and textiles, and is used as feedstock for production of sweeteners, fructose, alcohol and fuel ethanol. Two recent

DISTRICTS IN FOCUS

cassava mutations have starch properties that are highly valued by industry.

The root is not the only useful part of the plant - young cassava leaves make a nutritious vegetable, and plant tops can be fed to cattle, buffaloes, pigs, chickens and silkworms.

With the use of suitable cassava varieties and modern equipment having the highest production efficiency, the industrial yield of starch extraction exceeds 24 per cent, according to the FAO.

Bangladesh's garments, pharmaceuticals and food processing industries annually require about 3.5 lakh tonnes of starch extracted from the root crop, according to officials of the local Department of Agricultural Extension (DAE) and Pran-RFL Group.

The demand is growing by about 10 per cent

every year.

Around 7,000 tonnes to 8,000 tonnes of cassava starch are manufactured locally while the rest of the demand is met through imports from Thailand, India, Vietnam and other countries.

Farmers cultivated the nutty-flavoured vegetable on 630 acres of land in Sylhet this season and the production target is around 3,000 tonnes this year. It was on 480 acres last year, yielding 1,400 tonnes.

"We are not tense about selling our crops as Pran buys most of it under contract farming," farmer Polit Bhar told this correspondent during a visit to Kulaura upazila in Sylhet's Moulvibazar district.

Bhar went on to say that this year he planted around 8,500 cassava plants on five bighas of land. Each shrub produces about 10 kilograms (kg) to 15 kg of the tuber, which is then purchased by Pran for about Tk 7 to Tk 8 per kg.

READ MORE ON B3

E-COMMERCE SCAMS

Recovering funds should be top priority



ABU SAEED KHAN

An important job was pending, and "Everybody" thought "Somebody" would do that. "Anybody" could have done it, but "Nobody" did it. "Somebody" got upset, as it was "Everybody's" job. "Everybody" thought "Anybody" could do it, but "Nobody" realised that "Everybody" wouldn't do it. It ended up with "Everybody" blaming "Somebody" while "Nobody" did what "Anybody" could do.

This old satirical adage pretty much mirrors poor handling of wheezing worms out of e-commerce's can in Bangladesh. It is quite annoying rather than shocking. The government has allowed the incremental violation of law and all norms of doing business in the name of e-commerce only to advance its mythical doctrine of "Digital Bangladesh."

Rogue websites were allowed to fraudulently publicise impractically low prices of consumer goods, home appliances, vehicles etc. It sparked the nationwide wildfire of marketing hype. But the government did nothing. E-commerce outfits took advance payments against unusually belated deliveries. And the government did nothing. The consumers got angry when their deliveries never arrived. Yet, the government did nothing.

Even when the defaulted e-commerce outlets started procrastinating to refund, the government, armed with legal instruments and institutions, did nothing whatsoever to salvage the helpless citizens from such a brazen scam. Finally, when the media started exposing the frauds of epic proportion, the law enforcers woke up and nabbed a few culprits.

Then the soap opera of blame game began within the government.

Finance Minister AHM Mustafa Kamal made the commerce ministry public enemy number one. "They [the commerce

ministry] have to take the responsibility primarily. At the same time, other agencies involved should take the responsibility collectively," he said, The Daily Star reported.

Conventional and mobile banks, except Nagad, along with all payment gateways function under the central bank's jurisdiction. Therefore, when the finance minister says "other agencies involved should take the responsibility collectively" he, whatever inadvertently, also points the finger at Bangladesh Bank.

But Commerce Minister Tipu Munshi has questioned the central bank's ability to recover the money of disgraced e-commerce outlet Evaly. "The e-commerce company has spent a lot of money on promotional purposes or diverted funds elsewhere," he told the press.

The commerce minister is clearly in denial mode to handle the administrative and regulatory hot potato. He also keenly shields the competition commission's monumental failure of halting the rise of e-commerce crooks like Evaly and e-Orange.

Interestingly enough, the telecoms minister has said nothing whatsoever when over Tk 47 crore of Sirajganjshop customers' refund money in the custody of Nagad went missing in just two days.



OPINION

The contagion of fraud and irregularities that plague the budding e-commerce sector because of a few bad apples is now spreading to mobile financial services.

Just like e-commerce, a lack of regulatory oversight is putting the hard-earned financially inclusive ecosystem in jeopardy. By allowing opaque ownership and false advertising, customers' money entrusted with a mobile financial service is even getting swindled.

Evaly's fraudulence began with offering mobile phones at Tk 16 (\$0.19) on November 30, 2019. This campaign is still hanging in its website. What more it takes for the Bangladesh Competition Commission to wake up when mobile phones are sold at the price of a bottle of water?

READ MORE ON B3



GLOBAL BUSINESS

China presses US to cancel tariffs



US Trade Representative Katherine Tai testifies before the Senate Finance Committee on Capitol Hill in Washington, US on May 12.

REUTERS/FILE

REUTERS, Washington

China said on Saturday it pressed the United States to eliminate tariffs in talks between the countries' top trade officials that Washington saw as a test of bilateral engagement between the world's biggest economies.

The virtual talks between US Trade Representative Katherine Tai and China's Vice Premier Liu He follow Tai's announcement on Monday that she would seek "frank" talks and hold China to its commitments under a "Phase 1" trade deal negotiated by former President Donald Trump.

"The Chinese side negotiated over the cancellation of tariffs and sanctions, and clarified its position on China's economic development model and industrial policies," China's Xinhua state news agency said after the talks, held on Friday Washington time.

Tai intended to use the call, the second between the two, to test whether bilateral engagement can address US complaints about Beijing's trade and subsidy practices, a USTR official said.

"Ambassador Tai and Vice Premier Liu reviewed implementation of the US-China Economic and Trade Agreement and agreed that the two sides would consult on certain outstanding issues," USTR said in a statement.

Xinhua said the two sides "expressed their core concerns and agreed to resolve each other's reasonable concerns through consultation."

"Both sides agree to continue communicating with an equal approach and mutual respect, and to create the conditions for the healthy development of economic and trade relations between the two countries and the recovery of the world economy," it said.

In a briefing ahead of the call, a senior USTR official said Tai would give Liu an assessment of China's performance in implementing the Phase 1 deal, including promised purchases of US goods that are falling short of targets. She also would raise concerns about China's "non-market" economic practices.

"We recognize that Beijing is increasingly explicit that it is doubling down on its authoritarian state-centric approach and is resistant to addressing our structural concerns," the official said.

What is the global minimum tax deal and what will it mean?

REUTERS, Paris

A global deal to ensure big companies pay a minimum tax rate of 15 per cent and make it harder for them to avoid taxation has been agreed by 136 countries, the Organisation for Economic Cooperation and Development said on Friday.

The OECD said four countries - Kenya, Nigeria, Pakistan and Sri Lanka - had not yet joined the agreement, but that the countries behind the accord together accounted for over 90 per cent of the global economy.

Here are the main points of the accord: Why a global minimum tax?

With budgets strained after the Covid-19 crisis, many governments want more than ever to discourage multinationals from shifting profits - and tax revenues - to low-tax countries regardless of where their sales are made.

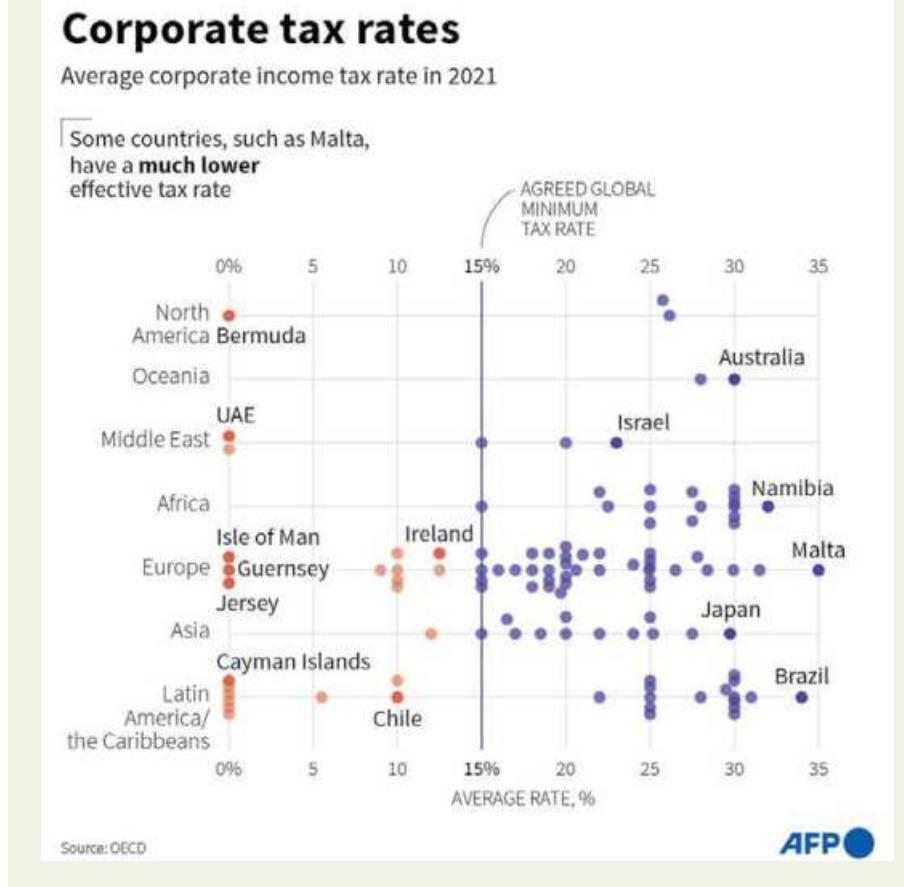
Increasingly, income from intangible sources such as drug patents, software and royalties on intellectual property has migrated to these jurisdictions, allowing companies to avoid paying higher taxes in their traditional home countries.

The minimum tax and other provisions aim to put an end to decades of tax competition between governments to attract foreign investment.

How would a deal work?

The global minimum tax rate would apply to overseas profits of multinational firms with 750 million euros (\$868 million) in sales globally.

Governments could still set whatever local corporate tax rate they want, but if companies pay lower rates in a particular



country, their home governments could "top up" their taxes to the 15 per cent minimum, eliminating the advantage of shifting profits.

A second track of the overhaul would

allow countries where revenues are earned to tax 25 per cent of the largest multinationals' so-called excess profit - defined as profit in excess of 10 per cent of revenue.

What happens next?

Following Friday's agreement on the technical details, the next step is for finance ministers from the Group of 20 economic powers to formally endorse the deal, paving the way for adoption by G20 leaders at an end October summit.

Nonetheless, questions remain about the US position which hangs in part on a domestic tax reform the Biden administration wants to push through the US Congress.

The agreement calls for countries to bring it into law in 2022 so that it can take effect by 2023, an extremely tight timeframe given that previous international tax deals took years to implement.

Countries that have in recent years created national digital services taxes will have to repeal them.

What will be the economic impact?

The OECD, which has steered the negotiations, estimates the minimum tax will generate \$150 billion in additional global tax revenues annually.

Taxing rights on more than \$125 billion of profit will be additionally shifted to the countries where they are earned from the low tax countries where they are currently booked.

Economists expect that the deal will encourage multinationals to repatriate capital to their country of headquarters, giving a boost to those economies.

However, various deductions and exceptions baked into the deal are at the same time designed to limit the impact on low tax countries like Ireland, where many US groups base their European operations.

UK and Gulf nations negotiate trade deal

AFP, Manama

The United Kingdom and the six Gulf Cooperation Council states have begun preliminary talks on a free trade agreement, Bahrain said, as London seeks to bolster its trade position post-Brexit.

"It brings me great joy and pleasure to officially announce the official launch of FTA negotiations between GCC countries and UK today," Zayed bin Rashid al-Zayani, Bahrain's minister of industry, commerce and tourism, said late Friday.

It is an "initiative that we have worked

tirelessly on realising since the kingdom of Bahrain's assumption of the GCC presidency at the beginning of this year", added Zayani. The UK already enjoys strong economic links with the nations of the GCC, comprised of Saudi Arabia, the United Arab Emirates, Qatar, Bahrain, Kuwait and Oman.

"We shall collectively embark on a new chapter, which will solidify our long standing trade and investment cooperation and build upon the strong foundations forged over the past centuries," Zayani said.

Trade between the UK and the Gulf nations topped 30 billion pounds (\$41 billion) in 2020, according to the British government.

"A trade agreement with the Gulf Cooperation Council is a huge opportunity to liberalise trade with a growing market for British business and deepen ties with a region that is vital to our strategic interests," said International Trade Secretary Anne-Marie Trevelyan.

"We want a modern, comprehensive agreement that breaks down trade barriers to a huge food and drink market and in

areas like digital trade and renewable energy which will deliver well-paid jobs in all parts of the United Kingdom," she said in a statement.

Friday's talks marked the launch of what the UK government has termed a "14-week consultation calling for the public and business to share their views ahead of negotiations starting in 2022".

Since its exit from the European Union, London has sought to bolster trade ties with partners including the United States, Australia and hydrocarbon-rich Gulf countries.