



Abdul Halim Sarkar Tuhin



Mizanur Rashid Russell

New body for Paper Cone and Tube Manufacturers Association

STAR BUSINESS DESK

The Bangladesh Paper Cone and Tube Manufacturers Association has recently witnessed the election of new office bearers.

Abdul Halim Sarkar Tuhin and Mizanur Rashid Russell were elected president and general secretary, said a press release.

A total of 18 candidates contested for the post of 13 directors in the bi-annual election held at Khandaker Tower, Kaptan Bazar in Dhaka.

Akbar Ali, senior vice-president, Mosharraf Hossain Sunny and Mohammad Mohsin Mollah, vice-presidents, Mohammad Jahangir Alam, vice-president for finance, and Farid Mia, Abul Kalam Azad, Md Kamal Hossain, Md Mominur, Anisul Islam Palash, Faye Ahmed and Hasan Al Mamun, directors, were elected executive committee members.

Oil price jumps on global energy crunch

REUTERS, London

Oil prices rose by about 2 per cent on Monday, extending gains as an energy crisis grips major economies amid a pick-up in economic activity and restrained supplies from major producers.

Brent crude was up \$1.45, or 1.8 per cent, at \$83.84 a barrel by 1336 GMT, its highest since October 2018. US West Texas Intermediate (WTI) crude rose \$1.71, or 2.2 per cent, to \$81.06 for its highest since late 2014. "Oil prices are likely to continue climbing in the short term," said Commerzbank analyst Carsten Fritsch.

Prices have risen as more vaccinated populations are brought out of coronavirus lockdowns, supporting a revival in economic activity, with Brent advancing for five weeks and US crude for seven.

The pace of economic recovery combined with cold weather have increased the demand for energy, while pressure on governments to accelerate the transition to cleaner energy have slowed investment in oil projects to boost supplies. World leaders are due to meet in November at the United Nations Climate Change Conference (COP26) taking place in Glasgow to flesh out commitments on energy transition.

Prices for coal, gas and electricity have also surged to record highs in recent weeks, driven higher by widespread energy shortages in Asia, Europe and the United States.

Qatar, the world's largest seller of liquefied natural gas (LNG), told consumers it was powerless to cool energy prices as British steelmakers said they could be forced to halt

output in the face of soaring costs.

In India, some states are experiencing electricity blackouts because of coal shortages. China's government, meanwhile, has ordered miners to ramp up coal production as power prices surge. "The news from last week that the (US) Department of Energy is not planning to tap into strategic reserves for now is keeping the

oil market tight and is supporting prices," said UBS analyst Giovanni Staunovo.

US Energy Secretary Jennifer Granholm last week said the administration was considering tapping the country's emergency oil reserves to cool gasoline prices, though the Energy Department later said it had "no plans to take action at this time".



REUTERS/FILE

Prices for coal, gas and electricity have also surged to record highs in recent weeks.

City Bank adopts Mastercard's value-added services

STAR BUSINESS DESK

City Bank Limited has partnered with Mastercard to integrate Mastercard Payment Gateway Services (MPGS) that enables a range of value-added services for customers.

Cardholders can pay for product and service purchases online and add money from cards to mobile wallets, said a press release.

"...this service platform is designed to give City Bank's businesses and customers the most convenient and secured way to conduct business online," said Mashrur Arefin, managing director of City Bank.

"...Mastercard aims to partner with City Bank to deliver enhanced purchase experiences," said Syed Mohammad Kamal, country manager of Mastercard.

Leather goods export exceeds pre-pandemic level

FROM PAGE B1

"The export performance of the leather sector is better in the first quarter of the fiscal year compared to the last fiscal year as shipment increased to the US and Japan. However, the export to European countries is yet to pick up," said Syed Nasim Manzur, managing director of Apex Footwear Ltd.

The exporters who sell products in the North American markets posted tremendous growth in the last quarter. The trend may continue in the coming days, he said. According to the entrepreneur, manufacturers worked hard during the pandemic to explore new markets and protect factories and employees. This led to the discovery of some non-traditional markets such as Russia and Morocco.

"This is helping the export rise," Manzur said.

Non-leather footwear exporters fared better throughout the pandemic than those involved in exporting leather products as the demand for footwear items made from the low-priced synthetic increased remarkably in the global market.

Manzur believes the sector's recovery would accelerate as the economic activities resumed in the western countries.

Mohammed Nazmul Hassan Sohail, managing director of Leatherex Footwear Industries Ltd, said the easing of

coronavirus lockdowns in the key markets pushed up the demand for leather footwear and goods.

He said investors suffered in 2020 because of the pandemic as revenues dried up. "The business people worked hard to keep their businesses afloat."

Sohail, also the vice-president of the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh, said international buyers had no option but to close their outlets due to a decline in sales.

"We passed a terrible year in 2020. Now, the situation has improved, so the export is rising," he said, adding that the export earnings would improve in 2022 if the pandemic came under control.

Leather products are formal items, so customers splash out on them when they have steady incomes. As the devastating impacts of the pandemic seem to be over, the incomes of the customers increased, industry people say.

Rubina Akhter Munni, owner of Design by Rubina, a leather product manufacturer, says she is receiving some queries from buyers from home and abroad.

The entrepreneur is optimistic about the business. "The business will improve further within the next two months if the coronavirus situation continues to improve."

Mercedes-Benz doubles down on China

REUTERS, Beijing/Shanghai

Mercedes-Benz, the German company founded by the inventors of the motor car, is pouring more resources into its cutting-edge research and design capabilities in China as the centre of gravity of the new auto world shifts eastwards.

In a drive to create a "home away from home", Mercedes-Benz is doubling down on bases in Beijing and Shanghai to stay ahead of regulations and consumer trends in a car market that outstrips the United States and Germany combined. Three years after initially announcing plans to strengthen its research and development (R&D) in the country, the luxury car brand owned by Daimler will unveil its new Tech Center China in Beijing this month.

Reuters has spoken to four people close to the tech centre and the brand's Chinese design studio who are familiar with the company's new China strategy. All declined to be named because they are not allowed to speak with the media.

With 1,000 engineers, the new tech centre is more than three times the size of the one Mercedes-Benz opened in 2014 and the first outside Germany that can test "everything", putting it more "on par" technically with the far bigger R&D headquarters near Stuttgart, a person close to the centre said.

Mercedes-Benz has also invested significantly in upgrading its Chinese design studio and has moved the whole team from Beijing to Shanghai, a megalopolis of about 25 million people known as the car design capital of China. Mercedes-Benz has good reason to elevate its Chinese operations.

Its car sales in China jumped 12 per cent last year to a record 774,000 despite the pandemic, streets ahead of its next two markets, Germany on 286,000 and the United States with 275,000.

About 80 per cent of the cars it sold in China were also made there, typically with an array of China-only features and models, and Asia overall accounted for almost half its global sales in 2021. China's auto market, the biggest in the world since 2009, is expected to carry on growing steadily, with demand forecast to reach 35 million vehicles by about 2030 versus 25 million now.

But Mercedes-Benz, like all foreign automakers in China, is under growing pressure from local EV startups such as Xpeng, Li Auto and Nio and their stylish vehicles with high-tech features tailored to Chinese consumers.

That's why the German carmaker's "second home" strategy for China is focused on making its design and technology more agile, to respond quickly to the ever-shifting landscape and to firmly entrench the Mercedes-Benz brand, the four sources said.

China property bonds dive

REUTERS, Shanghai/London

Chinese property firms' bonds were hit with another wrecking ball on Monday as Evergrande looked set to miss its third round of bond payments in as many weeks and rivals Modern Land and Sinic became the latest scrambling to delay deadlines.

High-yield Chinese bond markets were being routed once again as fears about fast-spreading contagion in the \$5 trillion sector, which drives a sizable chunk of the Chinese economy, continued to savage sentiment.

Wary investors had been holding out little hope that Evergrande would suddenly stump up Monday's near \$150 million of coupon payments, but the fact bondholders said they hadn't received anything this time either just bolstered expectations for a full-scale default.

Once China's largest developer, the firm has more than \$300 billion in liabilities that are now at risk.

Other signs of stress included smaller developer Modern Land asking investors to push back by three months a \$250 million bond payment due on October 25 in part "to avoid any potential payment default."

Sinic Holdings said it too was likely default next week as it didn't have enough financial resources to make its remaining bond payments this year. It has one at the start of next week, although that bond was already down 75 per cent.

Modern Land's April 2023 bond with a coupon of 9.8 per cent plunged more than 25 per cent to 32.25 cents on the day, according to financial data provider Duration Finance, while the company's shares have lost a third of their value over the last month.

Kaisa Group, which was the first Chinese property developer to default back in 2015, also saw some of its bonds slump to well under half their face value. R&F Properties and Greenland Holdings, which both have prestige projects in global cities like London, New York and Sydney, were also widely sold.

"It's a disastrous day," said Clarence Tam, fixed income portfolio manager at

Avenue Asset Management in Hong Kong, highlighting how even some supposedly safer "investment grade" firms had now seen 20 per cent wiped off their bonds.

"We think it's driven by global fund outflow Fundamentally, we are worried the mortgage management onshore hits the developers' cash flow hard," he added, referring to concerns people could stop putting deposits down on new homes.

Analysts at JPMorgan also highlighted how international investors were now demanding the highest ever premium to buy or hold 'junk'-rated Chinese debt.

There is now a whopping 1,200 basis point difference between the bank's closely-followed JACI China high yield index and a similar index of investment grade AA-rated local Chinese market bonds, known as "onshore" bonds.

"Evergrande's contagion risk is now spreading across other issuers and sectors," JPMorgan's analysts said.

Another London based analyst who asked not to be named said: "Slowly and gradually we are seeing the rest of the Chinese property sector fall apart."

In equity markets, the Hang Seng Property and Construction sub-index fell 0.4 per cent against a nearly 2 per cent rise in the broader index.

Fantasia Group China Co, whose controlling shareholder is Fantasia Holdings, said on Monday it would adjust the trading mechanism of its Shanghai-traded bonds following credit downgrades by China Chengxin International Credit Rating Co (CCXI).

Fantasia had appointed advisers on Friday after it shocked markets by missing a bond payment earlier in the week. It saw its bonds dive from almost 100 cents on the dollar to just 20 cents, as just a couple of weeks earlier it had said its liquidity was fine.

"We believe policymakers have zero tolerance for systemic risk to emerge and are aiming to maintain a stable property market, and policy support could be forthcoming if the deterioration in property activity levels worsen," said Kenneth Ho, head of Asia Credit Strategy at Goldman Sachs.

Capital market can help achieve SDGs: experts

FROM PAGE B1

"It's a collaborative approach and so, we should all work together to bring highly reliable, creditworthy companies to the market," he added.

Many companies submit audit reports that do not depict the actual scenario of their businesses and that withhold price sensitive information, which creates the scope for scams.

"So, we are working to ensure good governance as a whole so that the stock market can attract investors and play a pivotal role in sustainable financing for the long-run," Ahmed said.

Company boards need to be prompt in ensuring adequate environmental, social and corporate governance (ESG), he said.

Sustainable finance could contribute to the implementation of sustainable development goals, said Asif Ibrahim, chairman of Chittagong Stock Exchange (CSE).

The money market, which refers to trading in very short-term debt investments, and the stock market as a whole could help

elevate the ESG in the country through adequate financing.

Besides, green financing should be more easily accessible for all, he added.

"If we can issue green bonds, then it would attract ESG investors from abroad," said Anis Ud Dowla, chairman of ACI Limited. Regarding the country's post-Covid recovery, he said it was going to be a slow and painful process, with many countries having already revisited their plans.

"We also need to review our plans taking into consideration poverty reduction, job creation and environmental safeguarding," he added. Bangladesh is one of the most environmentally challenged countries in the world, according to Nihad Kabir, president of the Metropolitan Chamber of Commerce and Industry.

"The pressure will be higher in the upcoming years so we can't avoid the environmental issues in our business," Kabir said, adding that the capital market was now in good hands and could contribute to sustainable finance for the long-term.

Govt eyes \$2b exports in 2yrs

FROM PAGE B1

The draft, prepared by a panel formed in June 2021, said the absence of suitable varieties of tomato, potato, chili, turmeric, peanut, cassava and cashew nut was a major barrier to bolstering export.

Safe and quality fresh produce cannot be ensured in absence of Good Agricultural Practices (GAP) and good management practices.

The draft roadmap identified inadequate space for fresh produce in the cargo area of the airport while the absence of a dedicated scanner hampering fresh produce shipment.

Moreover, the absence of lab facilities to conduct required tests is a hindrance for

exporters, said the draft roadmap.

A lack of availability of cargo space in planes also affect shipments of fresh produce to major markets, mainly the Middle East, United Kingdom and Malaysia. Dry and other processed foods and spice are shipped by sea.

"The exports will increase a lot if we can solve the problems," Mohammed Razu Ahmed, member secretary to the roadmap preparation committee, told The Daily Star over the phone.

Md Mesbahul Islam, senior secretary to the agriculture ministry, said higher exports would increase income of farmers. "On the other hand, we will earn foreign currency," he added.

State banks far away from targets

FROM PAGE B1

Regulatory forbearance is when the regulator refrains from exercising its right to put an insolvent bank out of business.

Mohammad Shams-Ul Islam, managing director of Agrani Bank, said the high NPL ratio of the state lenders had been inherited.

"But, we are giving our best to recover the bad loans."

The central bank ordered the four banks to narrow the large capital shortfall. The lenders had a collective capital shortfall of Tk 20,777 crore as of June.

The banks were also instructed to explore avenues, including the issuance of bonds, to raise capital. The excess liquidity has put the lenders in trouble in recent months due to a lack of investments.

The central bank had instructed them to speed up the loan disbursement following corporate governance.

The excess fund at the banks stood at Tk 102,177 crore, which is 44 per cent of the surplus liquidity in the banking sector.

"Deposits are on the rise. Against the backdrop, the central bank has asked us to invest the funds," Azad said.

No tax fair this year: NBR

FROM PAGE B1

30, so that taxpayers can furnish returns easily.

Field offices will open booths and help desk in open spaces to receive tax returns and help taxpayers this year, according to a decision taken in a meeting at the end of last week.

The meeting also decided to have an arrangement for providing E-TIN registration and re-registration services at the booths.

The NBR had been holding the month-long annual tax fair for years, which usually takes place in November. But due to the coronavirus pandemic, taxpayers had to submit their income tax returns at tax offices last year.

The NBR said this year it would set up separate booths at the secretariat and Officers' Club for the first two weeks of November, so that the government officials and employees can submit their tax returns.

Besides, separate booths will also be set up for the members of the armed forces.

It would observe National Income Tax Day on November 30, the final day of submission of tax returns.

Osman re-elected BKMEA president uncontested

FROM PAGE B1

In fact, Hatem has been running the BKMEA behind the scenes while Osman held on to the ceremonial post of president.

"The elected board of directors declared Salim Osman as the president and me as the executive president along with seven other vice-presidents," Hatem told The Daily Star over the phone.

Osman and the new office bearers briefed journalists at its Dhaka office yesterday while a press release was also issued.

Northern malta growers grab hold of domestic market

FROM PAGE B4

Panchagarh, Thakurgaon and Dinajpur collectively accounted for about 787 tonnes of this amount, said the DAE sources.

Abu Hossain, deputy director of the DAE office in Thakurgaon, said malta cultivation was first introduced in the northern districts under a "Citrus Development Project" back in May 2013.

The initiative was later extended under a new title, "Citrus Fruits Extension, Management and Increasing Production Project", in 2018.

The acidic soil and climatic conditions in the three northern districts are most suitable for orange cultivation as they border Indian districts such as Darjeeling, Jalpaiguri and Siliguri, where high quality varieties of the fruit have been grown for a long time now.

Interested people can collect malta tree saplings from the Dinajpur and Thakurgaon horticulture centres for about Tk 50. Here, the Bari Malta-1 and Vietnamese varieties of orange tree saplings are being supplied.

Md Asaduzzaman Ripon, a farmer of Bolla village in Boda upazila of Panchagarh, told this correspondent that he planted Bari Malta-1 saplings about eight years ago on about 1.5 bighas of land.

Last year, he sold fruits worth Tk 3 lakh and secured Tk 4.5 lakh this year at an average cost of Tk 3,200 per maund.

Encouraged by the increasing profit,

Ripon gradually expanded his orchard to more than 7.5 bighas.

Tariqul Islam, a farmer of Pramanikpara village under the same upazila, said he planted 40 malta saplings in 2018 on one acre of land.

He expects to sell over 120 maunds of the fruit from his orchard for about Tk 4 lakh.

Malta farming is comparatively easy since the plants need little care. However, the vitamin-rich fruit offers high returns and can always be sold with little hassle thanks to high demand, Isam added.

Nur Nabi, a malta grower of Choupukuria village in Birganj upazila, said he started planting malta saplings in 2017 and now has covered 11 acres of land with about 2,300 malta plants.

He sold fruits from his orchard worth Tk 10 lakh so far and expects sales to reach Tk 18 lakh this year. After deducting expenses, his profit will be around Tk 12 lakh this season.

In response to a query, Nabi said after facing an acute shortage of farm hands for usual crop cultivation, he decided to switch to malta farming as it can be conducted with just two or three workers.

After seeing how much success the juicy, high-value fruit has brought these farmers, many others are being attracted to the profession, according to various growers and officials.