





DHAKA WEDNESDAY OCTOBER 13, 2021, ASHWIN 28, 1428 BS 🔴 starbusiness@thedailystar.net 🛽

Banks hold on to a few borrowers despite risks

AKM ZAMIR UDDIN

State banks in Bangladesh are maintaining an elevated level of loan concentration among a handful of clients, putting their own financial health and the interest of depositors at grave risk.

Four state banks - Sonali, Janata, Agrani and Rupali – lent a combined Tk 67,264 crore among only 78 companies as of June, data from the Bangladesh Bank showed.

As a result, the credit risk of the banks has widened to a large extent. If the borrowers default on their loan payments, the health of the lenders will deteriorate alarmingly, analysts say. Depositors also face risk

because of the loan concentration. If the non-funded loans given

out by the banks are taken into account, the credit concentration will be larger than the funded ones. crore in the form of funded loans.



Funded loans refer to the credit facility where there is an actual transfer of money from banks to borrowers. In the case of nonfunded loans, transfers of funds don't take place.

Funded loans are disbursed in the form of term loans and working capital, whereas nonfunded credits are extended through letters of credit, bank

guarantees and so on. Sonali Bank gave out funded loans amounting to Tk 15,490 crore as of June. Loans totaled Tk 94,719 crore if the non-funded

credit is taken into account. The lender disbursed the loans in favour of 15 companies. Of the sum, about Tk 70,000 crore was given to settle the LCs of Rooppur Nuclear Power Plant.

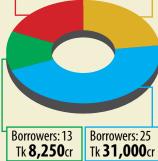
Two borrowers of the bank held default loans of Tk 1,987 crore as of June.

Janata Bank lent Tk 31,000

STATE BANKS' LOANS TO LARGE BORROWERS

As of June 2021 Sonali Janata Agrani Rupali Borrowers: 25 Borrowers: 15

Tk **12,520**cr Tk **15,490**cr



The non-funded credits took the total to Tk 37,733 crore.

Four companies out of 25 have already become defaulters, with combined bad loans of Tk 7,144 crore

Md Abdus Salam Azad, by AnnonTex stand at Tk 6,700 managing director of Janata Bank, said the bank was trying to cut the loan concentration by disbursing loans among small and medium crore. enterprises.

SHARE OF TOP 5 BRANCHES IN TOTAL DISBURSEMENT DISBURSED BY 5 BRANCHES

TOTAL LOANS

BANKS

AnnonTex

non-performing loans.

and

The outstanding loans held

crore, with more than half turning

sour. Defaulted loans at Crescent

Group are more than Tk 3,500

Janata Bank is desperately trying

¥CNY

Tk 60,988cr Tk **18,737** cr Sonali Tk 63,435 cr Janata Tk **45,662**cr Tk **25,452**cr Agrani Tk **54,385**cr Rupali Tk 35,691cr Tk **21,610**cr As of June, 2021

Crescent to recover the funds, said Azad. groups, which were earlier given Agrani Bank disbursed Tk 12,893 crore among 13 a large amount of loans in breach of rules, hold a good amount of companies. Of the amount, Tk 8,255 crore is funded.

Mohammad Shams-Ul Islam, managing director of the state bank, said the lender had already taken initiatives to distribute loans among SMEs and underprivileged borrowers. READ MORE ON B3

IMF cuts growth forecast to 6.5pc

AKM ZAMIR UDDIN

The International Monetary Fund yesterday cut the economic growth forecast for Bangladesh to 6.5 per cent for the current fiscal year from its April projection of 7.5 per cent.

It came as the IMF said the outlook for the low-income developing countries has darkened considerably due to worsening coronavirus pandemic dynamics.

The Washington-based multilateral lender came up with the projection in its latest World Economic Outlook (WEO) report. The projection is lower than the government's target of 7.2 per cent for FY22.

The report also projected that Bangladesh's gross READ MORE ON B3

E-COMMERCE SCAMS Complaint resolution system on cards

MAHMUDUL HASAN

Amid a deluge of complaints against some beleaguered e-commerce companies, the e-Commerce Association of Bangladesh (e-CAB) and Access to Information Programme (a2i) have stepped up to build a digital system that will automatically receive and settle customer grievances.

The system, called the Central Complaint Management System (CCMP), will be an app or website that will connect customers to various e-commerce platforms, the commerce ministry, e-CAB and Directorate of National Consumer Rights Protection (DNCRP).

Under this initiative, complaints that cannot be immediately addressed by the concerned e-commerce platform will be automatically sent to relevant government agencies. READ MORE ON B3

Local IT firms to get preference in govt procurement

STAR BUSINESS REPORT

The government is set to provide preference to local IT and software companies in public procurements for setting up

STAR BUSINESS REPORT

Manufacturers of raw materials used in making medicines will receive tax exemption until 2032 as the government looks t

Pharma raw material makers get tax exemption until 2032



Ambiguities in the public procurement rules have barred local software companies from taking part in different programmes, said Prof Dr Shamsul Alam, state minister for planning, yesterday.

We should facilitate the local companies so that they participate more in government programmes," he said.

Alam was addressing a meeting with officials of the Implementation Monitoring and Evaluation Division (IMED), representatives of different government agencies and leaders of the Bangladesh Association of Software and Information Services (BASIS) at the planning ministry.

The software industry is still very much dependent on foreign companies. However, their capacity has grown significantly, he said.

"We have already sat down a few times with local entrepreneurs and we have taken measures so that they can take part in the process easily," said Mohammed Shoheler Rahman Chowdhury, director general of Central Procurement Technical Unit.

"We will sit with them more and we will issue a circular to make it easier to include them in government purchases," he said.

He said a high-powered committee headed by the finance secretary was working on amending the public procurement rules.

The BASIS has recently requested the government to formulate rules such that local software companies find it easy to participate in bidding, which would also promote locally manufactured IT and information technology enabled services. READ MORE ON B3

encourage local production of active pharmaceutical ingredients (APIs) to cut import reliance and bolster exports.

The National Board of Revenue said APIs and laboratory

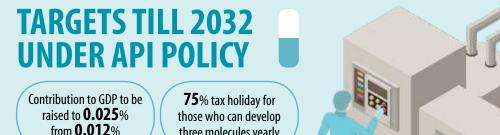
reagent makers that are already making the raw materials would enjoy the tax benefit, effective retrospectively from July 1, 2016.

Firms need to make at least five APIs and laboratory reagents annually from July 2022 to qualify for the tax holiday, the

NBR said in an order on Monday. The benefit will reduce in the case of production of less than five APIs and reagents.

The NBR said a 7.5 per cent tax will be payable for drug makers who will produce three new APIs and reagents every year from July 2022.

"The government has done a commendable job. The tax benefit will attract investment and expand our capacity to manufacture more APIs," said SM READ MORE ON B3



from **0.012**% three molecules yearly Import to be brought Will create down to **80**% employment for from 97% 550,000 Export earnings to be **20**% cash incentive raised to \$**0.9**m from to be provided \$**0.15**m for export **100**% tax holiday for Manufacturers can export **20**% of total those who can develop production five molecules yearly

Technical textiles a promising sector Govt bans soybean

Says a study by German development agency GIZ

meal exports STAR BUSINESS REPORT

Akanda Muhammad Jahid

The government yesterday banned the exports of soybean meal in order to rein in the spiralling prices of the key ingredients of poultry and cattle feed and protect consumers from paying more for animal protein.

In a notification, the commerce ministry said the shipment of soybean meal would be stopped from October 14.

But exporters could ship the feed ingredient until October 20 against the settlement of letters of credit or telegraphic transfers until October 13, it said.

The move comes in the face of demands READ MORE ON B3

Bangladesh has a significant opportunity to expand its hold on the global technical textile and personal protective equipment (PPE) markets once local manufacturers find reliable raw material sources and upgrade their operations, according to a study published yesterday.

The international technical textile market is projected to grow from \$179.2 billion in 2020 to \$224.4 billion by 2025 with an annual average growth rate of about 4.2 per cent, it said.

The study, styled "Feasibility Study on Upscaling the Production of TT/PPE in Bangladesh", was carried out by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) with help from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Similarly, the global PPE market

the end of 2025.

The EU currently leads the charts the demand from North American countries is growing in a trend products, the world of technical

which is expected to continue. And although the Covid-19 for medical textile imports while pandemic has jump started the interest in medical textile



Bankers wearing personal protective equipment (PPE) offer services at a bank in Dhaka. The global PPE market is projected to surpass \$93 is projected to pass \$93 billion by billion by the end of 2025, according to a study. STAR/FILE

textiles and their end-use products is endless.

Bangladesh also benefits from the EU's Everything but Arms scheme which allows for dutyfree imports from least developed countries

This feasibility report is intended to broaden awareness on what is required to develop the sub-sector in technical textiles and PPE in Bangladesh, the study said.

The potential of technical textiles and its PPE sub-sector will inevitably hinge on Bangladesh's well-established reputation as a leading supplier of apparel made from traditional textiles.

Most apparel manufacturers in Bangladesh tend to be mediumsized companies. Even large apparel groups are not known by international procurement agencies for technical textile products.

The sourcing supply channel for medical PPE is far more complex than that of apparel.

Disaster risk management centre opens in Dhaka

STAR BUSINESS REPORT

A private sector emergency operation centre focusing on disaster risk management was opened at the office of the Dhaka Chamber of Commerce and Industry (DCCI) yesterday.

State Minister for Disaster Management and Relief Enamur Rahman inaugurated the centre, jointly established by the DCCI and European Commission Humanitarian Aid and Civil Protection (ECHO)-funded Strengthening Urban Public-Private Programming for Earthquake Resilience Project.

The government and private sector should work together for disaster risk management in the country, said Rahman. He said the emergency operation centre could play a ital role in the fight against any disaster.

He informed that the government has taken an initiative to establish a "National Emergency Operation Centre" in Tejgaon with Chinese technical and financial assistance.

READ MORE ON B3

CORRECTION

In a report headlined "Broadband internet users drop" published in The Daily Star on October 11, 2021, we mistakenly mentioned that broadband internet users had declined since June this year. In fact, the number of broadband internet users was shown unchanged in July and August on the website of the Bangladesh Telecommunication Regulatory Commission as it updates $\frac{1}{1}$ READ MORE ON B3 | the data on a quarterly basis. We regret the error.



Indian port operator to shun cargo from Afghanistan, Pakistan and Iran

AFP, New Delhi

India's largest port operator has said it will not handle cargo from Afghanistan, Iran and Pakistan from next month following the seizure of almost three tonnes of heroin

Group conglomerate, said Monday that its "trade advisory" will apply to all the terminals it operates including third-party terminals from November 15. It did not give a reason but the decision follows the seizure of



Adani Ports, which operates the Mundra port in India, has said it will no longer handle cargo from Afghanistan, Iran and Pakistan. AFP/FILE

Adani Ports, part of the Adani almost three tonnes (6,600 pounds) of heroin from two containers at the Mundra port off India's western coast in Gujarat state last month.

The consignment, which authorities said originated from Afghanistan, was worth an estimated \$2.65 billion, one of the biggest such hauls ever in the country. Indian authorities had also seized heroin worth over \$20 million and detained six Iranian men in a deep-sea drug bust off the Gujarat coast in September.

In response to the seizures, Adani Ports had said it did not have the authority to examine the millions of tonnes of cargo that pass through its terminals. Mundra port, a major economic and logistics gateway in India, handled 144.4 million tons of cargo last year and also has the country's largest coal import terminal.

A vast majority of the world's opium and heroin comes from Afghanistan, despite major efforts by the United States to combat the drugs trade.

Russia, Iran, Pakistan and China are major smuggling routes and huge markets for Afghan drugs.



Mirza Elias Uddin Ahmed, managing director of Jamuna Bank Ltd (JBL), and Redwan-ul Karim Ansari, managing director of Circle FinTech Ltd (CFL), recently exchanged signed documents of an agreement at the lender's head office. The deal will allow the users of JustPay, the digital banking application of the bank, to make payments to merchants using a QR code-based system. Mohammed Fazlur Rahman Chowdhury, Fazle Quayum and AKM Atiqur Rahman, deputy managing directors of the JBL, Md Abdus Sobhan, senior vice-president, and Muqtasid Haque, marketing manager of the CFL, were present. JAMUNA BANK

Evergrande misses 3rd round of bond coupon payments

REUTERS, Hong Kong

Debt-saddled Chinese property firms took heavy fire in bond markets on Tuesday, after the poster child of the sector's woes, Evergrande Group, missed its third round of bond payments in as many weeks and others warned of defaults.

A wave of developers faces payment deadlines before the end of the year and with Evergrande's fate looking increasingly bleak, fears are mounting of a wider crisis. Weary Evergrande bondholders still haven't received almost \$150 million worth of coupon payments that had been due on Monday, although there was little surprise after the firm had skipped two other payments in recent weeks.

Evergrande didn't reply to a Reuters request for comment. It has maintained radio silence for weeks and markets are now counting down to an October 18-19 deadline when it will be formally declared in default if due next year. it still hasn't stumped up.

"It is pretty serious now and it looks like it is going to be long and drawn out process," said Londonbased Trium Capital fund manager Peter Kisler about Evergrande and the wider crisis.

″I don't see the recovery being particularly high," he said referring to what Evergrande bondholders would get if Evergrande gets broken up. "I think 20 cents (for every dollar of the bonds' original face value) is more or less fair." Problems have already spread well beyond just Evergrande.

Mid-sized rival Fantasia also missed a payment and Modern Land and Sinic Holdings are trying to delay deadlines that would still most likely be classed as a default by the main rating agencies.

Refinitiv data shows there is at least \$92.3 billion worth of Chinese property developers' bonds coming more savage selling.

The \$5 trillion Chinese property sector, accounts for around a quarter of the Chinese economy by some metrics and is often a major factor in Beijing policymaking.

"We see more defaults ahead if the liquidity problem does not improve markedly," said brokerage CGS-CIMB in a note, adding developers with weaker credit ratings would find it very difficult to refinance debt at the moment.

Shanghai Stock Exchange data showed the top five losers among exchange-traded bonds in morning deals were all issued by property firms.

Modern Land's dollar bond due for repayment in 2023 plunged 25 per cent to 32.250 cents on the dollar, while Kaisa Group, which was the first Chinese property developer to default back in 2015, and Greenland Holdings, which wants to build western Europe's tallest residential building, both saw



Asian markets down on Macron launches 30b-euro inflation, energy worries

AFP, Hong Kong

Asian markets retreated Tuesday as investors grew increasingly concerned about a growing energy crisis, spiking inflation, signs of a slowdown in the global economy and an end to central bank financial support.

China's ongoing crackdown on the private sector and the debt woes of the country's property giant Evergrande were also acting as a dampener on sentiment. World markets have come under pressure in recent weeks as the reopening of economies and supply chain snarls ramp up inflation, with a rally in commodity prices a major factor.

All eyes are on the release this week of inflation data in the United States and

while New Zealand and South Korea have already done so.

The pressure to hike is coming as energy prices rocket to multi-year or record highs as demand ramps up ahead of the northern hemisphere winter, at the same time as supplies are limited in the wake of the pandemic lockdowns.

The issue is hitting countries across the planet and increasing worries of a worldwide fuel squeeze, with WTI oil hitting a seven-year peak, while Chinese coal prices are at a record. WTI and Brent were slightly lower Tuesday though some observers are predicting they could possibly hit \$100 by the year's end.

"Stocks are struggling as investors start grow nervous knowing markets won't to

'France 2030' investment plan **REUTERS**, Paris France wants to be a leader

in green hydrogen by 2030 and build new, smaller nuclear reactors as part of a 30 billion euro (\$35 billion) investment plan aimed at fostering industrial champions and innovation, President Emmanuel Macron said on Tuesday.

Speaking six months before the presidential election, Macron said his long-term road map, dubbed "France 2030", would ensure the country massively decarbonizes its industry and brings industrial production in key areas closer to home. 'We must wage the

battle of innovation and industrialization at the same time," he told a group of entrepreneurs, adding: 'We need a country that produces more.'

Macron said the plan would give a key role to small, agile start-ups in building France's industrial future alongside well-

established giants. Pointing to a shortage of face masks when the Covid-19 pandemic first



People wearing protective masks, amid the coronavirus disease outbreak, are reflected on an electronic board displaying Japan's stock prices outside a brokerage in Tokyo on October 5. REUTERS

China, with expectations for multi-high readings that will add pressure to central banks to tighten monetary policy.

The Federal Reserve has already signalled it will begin tapering its vast bond-buying programme by the end of the year as it looks to prevent prices from running out of control and the economy overheating.

While the move has been widely expected for some time, consistently high inflation is increasing the likelihood that interest rates will rise as early as next year.

The Bank of England appears close to lifting borrowing costs sooner than later,

see any quick fixes over the brewing energy crisis and inflationary pressures," said OANDA's Edward Moya.

"The rest of the year will be all about inflation and the nagging supply chain issues that seem poised to last for at least a couple more quarters.

"Hong Kong, Shanghai, Tokyo, Sydney, Seoul, Singapore, Taipei and Wellington were all in negative territory, with a little profit-taking after recent gains adding to the weakness.

Manila and Jakarta bucked the trend, however.

Road Division, Pirojpur

মুজিন ।

কার্যকর, নিরাপদ, গতিশীল পথ

গড়বে সড়ক ও জনপথ"

Date: 11/10/2021

erupted, Macron said the crisis had shown, on one side, a real vulnerability for all, and, on the other side, how crucial innovation and industrial production close to home are. "We must rebuild the framework for productive independence for France and Europe," he said. France would aim to build the first low-carbon plane by 2030 and also to build large numbers of electric vehicles. The 30 billion euros come in addition to a 100-billion-euro recovery plan announced last year to help France weather the coronavirus pandemic, a large share of which went to promoting greener energy policies.

Tesla sold record 56,006 China-made vehicles in Sept

US electric vehicle (EV)

the highest since it started

from a year earlier.

maker Tesla Inc sold

56,006 China-made vehicles in September,

REUTERS, Beijing

Memo No. 35.01.7980.462.07.001.20-2004

GD-1824

Invitation for e-Tender (OTM)

Government of the People's Republic of Bangladesh

Office of the Executive Engineer (RHD) Road Division, Pirojpur

E-mail: pirdivisionrhd@gmail.com

	production in Shanghai		
e-Tender is invited in the National e	about two years ago, data		
Tender ID & Package No.	618470 & e-GP/01/PMP/BC/PRD/2021-2022	from the China Passenger Car Association (CPCA)	
Name of tender	Construction of 26.75m (2x8.00m+10.00m) Long RCC Slab Bridge Shialkathi Biswash Bari Bridge at 10th Km (Ch: 09+051m) of Rajapur-Naikathi-Bekutia-Pirojpur (Z-8702) under Pirojpur Road Division during the year 2021-2022.	showed on Tuesday. The September sales included 3,853 that were exported, the data showed. Tesla, which is making Model 3 sedans and Model Y sport-utility vehicles in Shanghai, sold 44,264	
Tender last selling date and time	Date 09 Nov-2021 & time 17:00	China-made vehicles in	
Tender closing & opening date and time	Date 10-Nov-2021 & Time 13:00	August, including 31,379 that were exported. Chinese EV makers	
no offline/hard copy will be accepted	y e-Tender will be accepted in e-GP Portal and d. To submit e-Tender, please register on e-GP d). For more details, please contact e-GP help	Nio Inc and Xpeng Inc. delivered over 10,000 vehicles each last month. Volkswagen Group said it sold 10,126 ID series EVs in	
,,	Tuhin Al Mamun ID No. 602230 Executive Engineer (C.C), RHD	China in September. CPCA said passenger car sales in China in September totalled 1.6	
GD-1824	Road Division Piroinur	million, down 17 per cent	

SI No	Tender ID No.	Package No.	Name of work	Document last selling date & time)	Tender clos date & tim
01	ID: 617949	Mad/NGSS/VerFurniture/ 2021/GD-01	Saleh Adarsh High School, Shibchar Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
02	ID: 617950	Mad/NGSS/VerFurniture/ 2021/GD-02	Munshi Kadirpur High School, Shibchar Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
03	ID: 617951	Mad/NGSS/VerFurniture/ 2021/GD-03	Kutubpur High School, Shibchar Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
04	ID: 617952	Mad/NGSS/VerFurniture/ 2021/GD-04	Bajitpur Hajera Khatun High School, Shibchar Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
05	ID: 617953	Mad/NGSS/VerFurniture/ 2021/GD-05	Shikder Hat High School, Shibchar Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
06	ID: 617954	Mad/NGSS/VerFurniture/ 2021/GD-06	Bhandarkandi M M High School, Shibchar Upazila of Madaripur District	02-Nov-2021 17:00	03-Nov-20 13:00
07	ID: 617956	Mad/NGSS/VerFurniture/ 2021/GD-07	Manikpur High School, Shibchar Upazila	02-Nov-2021 17:00	03-Nov-20 13:00
08	ID: 617957	Mad/NGSS/VerFurniture/	of Madaripur District Utrail M. L. High School, Shibchar	02-Nov-2021	03-Nov-20
09	ID: 617959	2021/GD-08 Mad/NGSS/VerFurniture/ 2021/GD-09	Upazila of Madaripur District. Ditiokndo Khalifa Kandi Liton Chowdhury High School, Shibchar Upazila of Madaripur District.	17:00 02-Nov-2021 17:00	13:00 03-Nov-20 13:00
10	ID: 617960	Mad/NGSS/VerFurniture/ 2021/GD-10	Kathal Bari High School, Shibchar Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
11	ID: 617961	Mad/NGSS/VerFurniture/ 2021/GD-11	Moddo Hausdi Achmat Ali Khan High School, Sadar Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
12	ID: 617962	Mad/NGSS/VerFurniture/ 2021/GD-12	Mithapur L. N High School, Sadar Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
13	ID: 617963	Mad/NGSS/VerFurniture/ 2021/GD-13	Charmugaria Girls High School, Sadar Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-2 13:00
14	ID: 617964	Mad/NGSS/VerFurniture/ 2021/GD-14	Alamdastar High School, Rajoir Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-2 13:00
15	ID: 617965	Mad/NGSS/VerFurniture/ 2021/GD-15	Tekerhat Popular High School and College, Rajoir Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-2 13:00
16	ID: 617966	Mad/NGSS/VerFurniture/ 2021/GD-16	Satgarh Dwigchand High School, Rajoir Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-2 13:00
17	ID: 617967	Mad/NGSS/VerFurniture/ 2021/GD-17	Alipur High School, Kalkini Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-2 13:00
18	ID: 617968	Mad/NGSS/VerFurniture/ 2021/GD-18	Uttar Ramjanpur High School, Kalkini Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-2 13:00
19	ID: 617969	Mad/NGSS/VerFurniture/ 2021/GD-19	Ramjanpur High School, Kalkini Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-2 13:00
20	ID: 617972	Mad/NGSS/VerFurniture/ 2021/GD-20	Shasikar Girls High School, Kalkini Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
21	ID: 617971	Mad/NGSS/VerFurniture/ 2021/GD-21	S.P.S High School, Kalkini Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
22	ID: 617973	Mad/NGSS/VerFurniture/ 2021/GD-22	Lakkhipur High School, Kalkini Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
23	ID: 617974	Mad/NGSS/VerFurniture/ 2021/GD-23	Bahadurpur High School, Sadar Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00
24	ID: 617976	Mad/NGSS/VerFurniture/ 2021/GD-24	Mollar Hat High School, Kalkini Upazila of Madaripur District.	02-Nov-2021 17:00	03-Nov-20 13:00

registration in the National e-GP Portal (http://www.eprocure.gov.bd) is required. Further information & guidelines are available in the National e-GP System Portal and from e-GP helpdesk: (helpdesk@eprocure.gov.bd).

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GD-1831

survey today

A field office of the National Board of Revenue (NBR) will

start a survey from today in order to bring more people

Zone-12 organised at Kamrangirchar in Dhaka yesterday

to enhance revenue collection and raise awareness

The announcement came at a workshop the NBR's Tax

The event hoped for the number of taxpayers to increase.

Mohammad Ashraful Islam, joint commissioner for

taxes at the Taxes Zone-12, presided over the workshop.

WB taking steps to boost

The World Bank is taking steps to rebuild the credibility of

its research after a data-rigging scandal forced it to cancel

its flagship "Doing Business" report on country business

International Monetary Fund annual meetings this week,

Malpass said strong research products remain a high priority

for the bank and it would work on new ways to help countries

after the scandal, Malpass the bank had taken "several steps" to improve research integrity, including elevating chief economist Carmen Reinhart to a role in senior

Asked how the bank would rebuild its credibility

Malpass declined to answer questions on the IMF

executive board's review of a World Bank external

investigation report alleging that IMF Managing Director

Kristalina Georgieva pressured World Bank staff to alter

data to favor China in the Doing Business report in 2017,

Speaking to reporters ahead of the World Bank and

climates, bank President David Malpass said on Monday.

with taxable incomes under the tax net.

among the public about its necessity.

research integrity

STAR BUSINESS DESK

REUTERS, Washington

improve their business climates

when she was the bank's CEO

NBR field office |IMF lowers global growth outlook starts income tax

REUTERS, Washington

Persistent supply chain disruptions and inflation pressures are constraining the global economy's recovery from the Covid-19 pandemic, the International Monetary Fund said on Tuesday as it cut growth outlooks for the United States and other major industrial powers.

In its World Economic Outlook, the IMF trimmed its 2021 global growth forecast to 5.9 per cent from the 6.0 per cent forecast it made in July. It left a 2022 global growth forecast unchanged at 4.9 per cent.

"This modest headline revision, however, masks large downgrades for some countries," the IMF said in

the report, adding that worsening pandemic dynamics have darkened outlook for low-income the developing economies, while wealthy countries are struggling with supply disruptions.

The IMF said it expects elevated inflation to subside to pre-pandemic levels in 2022.

But the IMF's chief economist, Gita Gopinath, signaled that the global lender is growing more concerned about persistent inflation, saying: "Central banks should be prepared to act quickly if the risks of rising inflation expectations become more material in this uncharted recovery."

Gopinath, speaking in a virtual news conference, said policymakers

needed to be "particularly vigilant" for signs that wage inflation is spreading more broadly from certain sectors and whether rising housing prices are contributing to a de-anchoring of inflation expectations.

she But cautioned against 1970s-style comparisons to "stagflation," noting that underlying demand was strong, and problems were mainly on the supply side.

Global manufacturing activity has been slammed by supply-demand mismatches and shortages of key components such as semiconductors, clogged ports and a lack of cargo containers, and a labor crunch as global supply chains optimized for efficiency remain in disarray after pandemicinduced shutdowns last year.

The United States is taking the brunt of these effects, and the IMF slashed its 2021 US growth forecast by a full percentage point, to 6.0 per cent, from 7.0 per cent in July - a level that was seen as the strongest pace since 1984.

US growth could shrink further, the IMF said, because its forecasts assume a deeply divided US Congress will approve President Joe Biden's proposed infrastructure and social spending worth \$4 trillion over a decade.

Lawmakers now are trying to achieve consensus on a smaller package, and the IMF said a significant reduction would reduce growth prospects for the United States and its trading partners.

The report, which was issued at the outset of the IMF and World Bank fall meetings, also cut growth forecasts for other industrial economies.

German growth was reduced by half a percentage point from the July forecast to 3.1 per cent while Japan's growth was lowered 0.4 point to 2.4 per cent.

IMF cuts growth forecast to 6.5pc

FROM PAGE B1 domestic product (GDP) might have expanded by 4.6 per cent in the last fiscal year, down from 5 per cent it

previously estimated. The government's provisional GDP growth figure for FY21 is 5.47 per cent. The economic growth is expected to jump to 7.1 per cent in FY26, according to the IMF.

The estimate is in line with the projection made by the World Bank, which said last week that the GDP would grow by 6.4 per cent this fiscal year.

The IMF trimmed the projection of the global growth to 5.9 per cent for this year in contrast to its previous estimation of 6 per cent. It, however, kept unchanged the global growth at 4.9 per cent for the next year.

"The global recovery continues, but the momentum has weakened, hobbled by the pandemic," the report said.

In South Asia, India's growth forecasts were kept unchanged at 9.5 per cent for 2021 and 8.5 per cent for 2022.

Nepal is expected to grow by 1.8 per cent in 2021 and 4.4 per cent in 2022, while the Maldives will grow at a staggering pace of 18.9 per cent this year and 13.2 per cent next year. Sri Lankan economy is projected to expand by 3.6 per cent this fiscal year and 3.3 per cent next fiscal year. Pakistan will have a GDP growth rate of 3.9 per cent in FY21 and 4 per cent in FY22.

The IMF said Bhutan's economy would contract by 1.9 per cent in 2021 before returning to the growth of 4.2 per cent in the next year.

According to the lender, pandemic outbreaks in critical links of global supply chains have resulted in longer-thanexpected supply disruptions, further feeding inflation in many countries.

"Óverall, risks to economic prospects have increased, and policy trade-offs have become more complex."

Partially offsetting these changes, projections for some commodity exporters have been upgraded on the back of rising commodity prices.

If higher inflation becomes entrenched, it could force central banks to respond aggressively, and higher interest rates would slow the recovery, the IMF cautioned.

"Central banks should be prepared to act quickly if the risks of rising inflation expectations become more material in this uncharted recovery," said IMF Chief Economist Gita Gopinath.



An employee inspects a Fiat Chrysler Automobiles NV side panel at FCA's Sterling Stamping Plant in Michigan. The IMF slashed its 2021 US growth forecast by a full percentage point to 6 per cent from 7 per cent in July - a level that was seen as the strongest pace since 1984. REUTERS/FILE

Complaint resolution Banks hold on to a few borrowers system on cards

management.

With access to the relevant data, customers will also be able to see each company's settlement rate, ensuring that buyers are more informed in this regard before making a purchase.

"A link to the CCMP will be available on the website of every e-commerce company," said Rezwanul Haque Jami, principal at Ekshop, an integrated assisted rural e-commerce platform of the a2i and the ICT Division.

Besides, there will be a Uniform Resource Locator (URL), or web address, that enables customers to make complaints directly, he added. Ekshop is developing the platform, which is the brainchild of e-CAB, according to Iami

Once a complaint is made, the CCMP will send a notification to the company.

"The notification will tell the company

including strengting DNCRP, cater to compliants in a centralised way, and speed up the process of compliant resolution, said Muhammad Abdul Wahed Tomal, general secretary of e-CAB. "Since it will be transparent -- visible

to everyone -- the e-commerce companies will also be vigilant to settle complaints quickly. Many complaints will be mitigated before being submitted to the DNČRP," he added.

By analysing data with artificial intelligence, this system will be able to identify the companies against which there are many complaints, understand their business model, and pursue quick and effective action.

Who will operate it?

Although the a2i has already proposed the commerce ministry to operate the system, the ministry is reluctant to do so.

despite risks

FROM PAGE B1

Rupali Bank gave out Tk 13,711 crore, of which Tk 1,189 crore non-funded. Twenty-five clients took the loans.

Concentration risk is relevant for the stability of both individual institutions and whole financial systems.

Exposures to large borrowers such as Enron and WorldCom contributed to financial problems of several US banks in the early 2000s, according to a paper of the International Monetary Fund.

"A housing crisis combined with concentrated mortgage portfolios resulted in a number of bank failures in Scandinavian countries in the 1990s, and contributed to the global financial crisis of 2007-08.

The four state-run lenders disbursed heavily among 25 clients, bypassing the single borrower exposure limit set by the BB.

Banks are allowed to disburse a maximum of 35 per ent of their capital in the form of funded and non-funded

Pharma raw material makers get tax exemption until 2032

FROM PAGE B1

Shafiuzzaman, secretary-general of the Bangladesh Association of Pharmaceutical Industries, which represents about 250 local drugmakers.

Besides, API molecules and reagent makers will have to spend at least one per cent of their annual turnover on research and development and increase their involvement with academic and research organisations gradually.

The offer comes when local companies are setting up plants in the API industrial park in Munshiganj to manufacture raw materials and meet a portion of requirements for the burgeoning pharmaceuticals industry, estimated at \$3 billion in 2020.

Bangladesh relies on China, Korea and India to meet most of its demand for raw materials and reagents owing to scanty local production. It spends more than Tk 1,000 crore to import raw materials for drugs, industry people say. Nearly 10 drugmakers such as Active Fine Chemicals, Square, Eskayef and Beximco produce some raw materials. Some companies are preparing to begin production. API makers are already exempted from paying advance income tax during the imports of molecules. They also enjoy duty-free import benefits.

pharmaceutical industry and boost export receipts by taking advantage of the patent waiver under the Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Local manufacturers were able to make 41 API molecules and reagents in 2017. The government aims to raise it to 370 by 2032, according to the national policy on API and reagent production and export framed by the commerce ministry in 2018.

Through domestic manufacturing, the government has targeted to bring down API and reagent imports to 80 per cent of the requirement.

'We have offered the tax exemption to enable local pharmaceuticals producers to reap the benefits of the TRIPS waiver," said a senior official of the NBR.

The government expects that tax and other incentives will allow Bangladesh to fetch nearly \$1 million by exporting APIs by 2032 and create nearly 5.5 lakh jobs.

that a complaint has been made against it, and customers will also be informed when his complaint has been successfully received," he said.

Then, the company will be given a seven-day period to resolve it. If the company claims that the complaint has been resolved, the platform will verify it from the customer.

Once the customer gives a positive nod, the platform will update it as a settled complaint. However, if the complaint is not resolved, the platform will be notified and after a certain period, the complaint will be flagged and a warning of breaching of the rules will be generated

Then, the CCMP will launch a complaint to the DNCRP with the consent of the consumer.

"About 80 per cent of this system has already been developed and it is set to launch in January next year," Jami said, adding that beta testing has started and will continue for the next three months.

The CCMP will help combat the current challenges in the e-commerce sector, to avoid any chance of misuse, he added.

"We have already received a proposal, but we do not have enough resources to handle the task," said Hafizur Rahman, additional

secretary to the commerce ministry. Besides, the task of complaint management is generally overseen by the DNCŘP.

A commerce ministry official said the ministry was told that it will take Tk 30 lakh to establish the system while it remains unclear who will bear the cost.

Jami of Ekshop said he is also not sure which government agencies would bear the expenses of this initiative.

"I think it will be regulated by the DNCRP, which is the directorate of the commerce ministry," he added

"It's a very new concept and I haven't heard about it before," said AKM Fahim Mashroor, chief executive officer of Bdjobs and AjkerDeal.

Since there will be a link to the platform on every e-commerce site, a detailed discussion with e-commerce firms should be organised before officially launching it loans to a single borrower.

The aggregate outstanding principal amount of funded loans to a client can't be more than 15 per cent of banks' capital at any point of time.

The banks are disbursing a large volume of loans through a small number of branches.

For instance, Sonali disbursed Tk 18,737 crore, or 31 per cent of the total outstanding loans, through five branches, while Janata distributed 72 per cent of the total loans of Tk 63,435 crore through a similar number of outlets.

The ratio is 47 per cent for Agrani Bank and 61 per cent for Rupali Bank.

Salehuddin Ahmed, a former governor of the central bank, said that the state lenders had set a rare example in the field of loan concentration.

"This is not seen internationally."

"This has created a risky situation for their financial health and depositors. If the borrowers turn defaulters, the banks will face dire consequences."

Besides, small borrowers are deprived of loans due to the concentration, which also contradicts ethical banking, Ahmed said. Fahmida Khatun, executive director of the Centre for Policy Dialogue, said the state banks should strictly follow the single borrower exposure limit to avoid the concentration.

On October 11, the central bank instructed the banks to avoid loan concentration in the financial sector's interest and lend more among SMEs.

Disaster risk management

FROM PAGE B1

"Over 42 lakh volunteers have already been trained and equipped with necessary instruments to mitigate the losses of disaster," Rahman said.

DCCI President Rizwan Rahman said they should focus on risk resilient infrastructure systems to ensure risk free industrialisation and investment.

He urged to shun traditional mindset regarding disaster risk management and to be aware of its impacts and stressed for more involvement of the private sector

"Any disaster hampers industrialisation and economic growth, so this is the duty of all of us irrespective of business or nonbusiness sector to respond to this critical issue," said the DCCI president.

"The private sector should allocate

more fund for research on disaster risk management and also to create a database of skilled manpower for disaster management," said Farah Kabir, country director of ActionAid Bangladesh.

She also said trade organisations in rural areas should adopt more policies in this regard.

Secretary to the ministry Md Mohsin said Bangladesh now was a role model for disaster management and the participation of private sector reflects the preparedness to create awareness in this sector.

Daniela D'Urso, head of office, Directorate-General for European Civil Protection and Humanitarian Aid Operations, Suresh Bartlett, national director of World Vision Bangladesh, and NKA Mobin and Monowar Hossain, senior vice presidents of the DCCI, also spoke.

Technical textiles a promising sector

FROM PAGE B1

Comprehensive details regarding performance, testing and certification requirements for the EU and the US are provided in the report.

Since the Bangladesh technical textile and PPE supply chain is still in its earliest stage, the study was unable to evaluate unit selling costs, manufacturing losses, order lead time, or the impact of current environmental and social standard practices.

Most manufacturers are aware that compared to the fashion industry, with its strong tie-ups with well-known international buyers, access to the technical textile marketplace will be difficult due to the complexity of material sourcing and testing, certification standards.

The overall findings reveal a local industry aware of the global market realities but is reluctant to react to the challenges presented by those realities.

The German development agency GIZ along with the BGMEA shared these findings during a virtual programme

"We are proud to share the results, particularly critical gaps, key actions and an overall strategy to support Bangladesh in entering this new market and, most importantly, in succeeding there in a sustainable and compliant way," Werner Lange, textile cluster coordinator of GIZ Bangladesh, said in his welcome remarks.

Achim Tröster, Germany's ambassador to Bangladesh; Angelika Fleddermann, country director of GIZ Bangladesh; Faruque Hassan, president of the BGMEA; and Shahidullah Azim and Miran Ali, BGMEA vice presidents, also spoke at the event.

The NBR said the privilege would continue until 2032 as the government aims to ensure a strong footing of the

"The local production will decrease the cost of locally manufactured drugs and increase our competitiveness in the global market," said Monjurul Alam, director for global business development at Beacon Pharmaceuticals.

Beacon Pharmaceuticals expects to start API production soon.

Alam expects multinational companies may establish API manufacturing plants in Bangladesh as the production cost is cheaper than in the advanced countries.

"There is a huge possibility for foreign investment."

Preparations not enough for mango export plan: experts

For example, the Khisrapati mango variety arrived at markets in Satkhira on May 15 this year. So, details on what type of mango and from which region can be collected in time need to be set in advance

Md Nazrul Islam, deputy director of the DAE office in Chapainawabganj, said they have been conducting their regular duties and were yet to get any specific roadmap or outline from the higher-ups to execute the export target.

Besides, Islam's counterparts such as KJM Abdul Awal in Rajshahi and Md Nurul Islam in Shatikhra, echoed the same.

Asked whether any activities have been initiated at the field level to increase exports, Md Asadullah, director general of the DAE, said it would begin soon.

"We will initially select how much mango we will export from which area. Moreover, various activities, including following the GAP in mango production, will be started as well," he added.

BARI's Uddin went on to say that a monitoring committee should be formed with representatives of the agriculture and commerce ministries, agriculture researchers, exporters, and farmers to look into whether cultivation is being carried out in the best possible way.

"It is not possible to achieve the export target by collecting mango from a specific region. So, the whole country can be divided into four zones," he said.

For example, Satkhira and Chattogram could make up one zone while another might be comprised of Rajshahi, Chapaiwabganj and Naogaon.

To increase institutional capacity, vapour treatment plants could be established in every district, the senior scientific officer added. Other impediments to increasing exports include a lack of cargo space and storage facilities at airports.

So, the infrastructure needs to be built up first to achieve this export target, said Ismail Khan Shamim of Shibganj Mango Producers Co-operative Society

As such, at least five packing houses and five vapour treatment plants should be set up in the country to treat around 100 tonnes of mango per day.

'One plant quarantine station should be set up in each of the packaging houses as well. Then the air cargo facility has to be increased," he added.

Besides, there is no such authority in Bangladesh that provides certificates for GAPs, which is mandatory for mango export. "So, there should be a proper authority for issuing (GAP) certificates," Shamim said.

Local IT firms to get preference in govt procurement

FROM PAGE B1

"The proposals of the BASIS will be included in the amendment of PPR (public procurement rules)," said Chowdhury.

The capability required for domestic organisations in large projects is not clear in the rule, said the proposals.

It should make mandatory local production and assembling for digital

displays, devices and software to expand the local market and reduce the risk of foreign dependence, it added.

Software made in Bangladesh should be a prerequisite for all projects funded by donors/development partners. It will create many backward linkage industries in the country and create employment, added the proposals.

Govt bans soybean meal exports

FROM PAGE B1

from feed millers, poultry industry operators, and dairy farmers as prices of the soybean cake shot up 41 per cent yearon-year to Tk 53-55 per kilogram in August after India allowed imports to meet its domestic shortage of soybean meal.

Soybean meal accounts for 25-35 per cent of animal feed.

Earlier this month, the fisheries and livestock ministry said the production at feed mills was hampered by the reduced supply of soybean meal. As such, the prices

of fish, meat and eggs are increasing.

If this continues, the production will be affected, the market will be unstable, and many firms will go out of business, it said.

According to the Trading Corporation of Bangladesh, the price of broiler chicken rose by 22 per cent to Tk 175 per kg in Dhaka in the last one month.

Bangladesh requires 20 lakh tonnes of soybean meal, and 80 per cent of the ingredient come from local seed crushing mills that import soybean seeds to cater to both edible oil and feed industries.



BUSINESS

Stocks fall for second

straight day

Preparations not enough for mango export plan: experts

Akanda Muhammad Jahid

Although the government has set an ambitious target to export one lakh tonnes of mango annually within the next three to five years, no meaningful measures have been taken as of yet to achieve this lofty goal.

Bangladesh is the seventh largest mango producing nation in the world with about 25 lakh tonnes of the fruit having been grown across the country last season, according to the Department of Agricultural Extension (DAE).

However, the country's mango exports for the year stood at about 1,623 tonnes, or just 0.06 per cent of its total production.

It should be noted though that this is still a massive improvement from the 283 tonnes shipped in fiscal 2019-20, when export earnings from mango and associated fruit amounted to \$3,287 million.

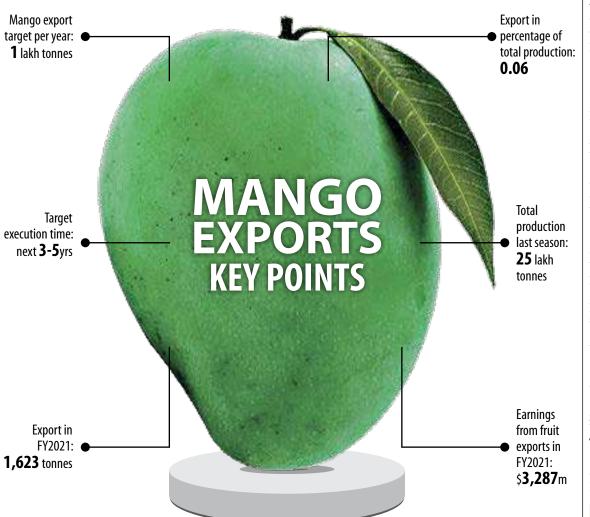
Considering how insignificant mango exports have been in past years, Agriculture Minister Muhammad Abdur Razzaque on August 23 instructed the authorities concerned to prepare a roadmap that would take Bangladesh's annual shipments of the fruit to one lakh tonnes within the next three to five years.

"As the export target is about 25 times higher than the volume of the past season, it is not possible to achieve this goal if the stakeholders fail to execute their plans in time," said Sorof Uddin, a senior scientific officer at Horticulture Research Centre of Bangladesh Agricultural Research Institute (BARI) in Gazipur.

In order to meet the export target next year, preparations should have been made immediately after the end of last season.

This means that the pruning and training of mango trees should have been completed by September, Uddin said.

Determining the number of farmers that can collectively provide the required quantity of mangoes for export under a contractual basis is



also imperative to realise the target. Besides, the farmers need to be trained by specialists to increase their production capacity to an extent that allows them to meet the export quota in light of Good Agriculture Practices (GAP), he added.

The GAP, as defined by the Food and Agriculture Organization, are a "collection of principles to apply for on-farm production and postproduction processes, resulting in safe and healthy food and non-food agriculture products, while taking into account economic, social and environmental sustainability". But according to various farmers

Rajshahi, the country's main mango producing region, there are have yet to be any measures taken at the field level to meet the export target. Salauddin Ahmed, a mango farmer in Bagha upazila of Rajshahi, said he has not seen any efforts in his neighbourhood to ramp up mango production or export since learning about the new export target.

In the past years, mangoes meant for export were taken from a selective crowd, limiting the overall amount for shipment. "So if such nepotism is not

stopped, the export target cannot

in Chapainawabganj district of be fulfilled even in the next 20 years," he added.

Ismail Khan Shamim, general zsecretary of Shibganj Mango Producers Co-operative Society Limited, said a definitive plan on from where, when, and how many mangoes would be collected for export was needed to meet the export target.

For example, the Khisrapati mango variety arrived at markets in Satkhira on May 15 this year. So,

GLOBAL BUSINESS

details on what type of mango and from which region can be collected in time need to be set in advance. **READ MORE ON B3**

STAR BUSINESS REPORT

Stocks fell for the second consecutive day yesterday as investors kept booking profits.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), edged down 31 points, or 0.43 per cent, to 7,313. The DS-30, the blue-chip index, dropped seven points to 2,749.

Investors were taking profits as many shares went up by as high as 5 per cent in the last few days, said a stockbroker.

Some big paid-up capital-based companies fell, dragging the key index down, he said. Major firms contribute more to the movement of the index.

Shares of Robi Axiata, LafargeHolcim and Grameenphone wiped around 23 points off the DSEX, according to amarstock.com, a share-related data provider.

"Investors are very smart, so they take profits whenever they see any. It is a good sign for the market," the broker said.

Turnover, another important indicator of the market, rose to Tk 1,863 crore from Tk 1,848 crore a day earlier. At the exchange, 93 stocks advanced, 244 fell, and 38 were unchanged.

NRB Commercial Bank topped the gainers' list rising 9.71 per cent, followed by GBB Power, ICB Islamic Bank, Kattali Textiles, and Deshbandhu Polymer.

Fortune Shoes advanced only 4.68 per cent to Tk 96, although there was no price limit on the trading of the share yesterday

following its corporate declaration.

Earlier on the day, it announced a 10 per cent cash and a five per cent stock dividend for the year ended on June 30.

The stock of the shoe-maker has surged 336 per cent since June 1, when it stood at Tk 22, DSE data showed.

A merchant banker said the stock had been rising on the back of rumours that manipulators were buying the shares.

The low dividend proved that the speculation was driving the stock up, and the price was not supported by the company's performance, he added.

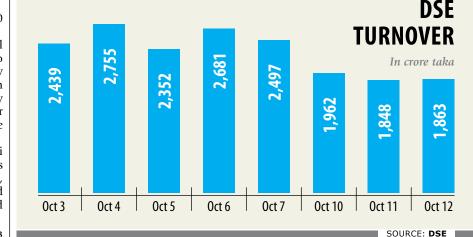
Among the major sectors, tannery, general insurance and pharmaceutical sectors experienced price appreciation, while services, real estate, cement and non-bank financial institutions faced correction, said UCB Stock Brokerage in an analysis.

Tamijuddin Textile gave up the most as it lost 7.5 per cent, followed by Envoy Textiles, Tallu Spinning, Alif Industries, and Maksons Spinning.

LafargeHolcim Bangladesh was the most traded stock as its securities worth Tk 150 crore changed hands, followed by Orion Pharmaceuticals, IFIC Bank, Power Grid, and Delta Life Insurance.

Share on the Chittagong Stock Exchange also dropped on the day. The CASPI, the general index of the bourse, edged down 128 points, or 0.59 per cent, to end the day at 21,360.

Of the 301 stocks traded, 73 rose, 206 fell, and 22 remained unchanged.



US earnings seen strong, but costs worry investors UK jobs hit record high

KEUTERS, New York

Investors are primed for another period of strong US profit growth as third-quarter reports from Corporate America flow in starting this week. But as business continues to emerge from the coronavirus pandemic, new problems are arising that are taking center stage for Wall Street, including supplychain snags and inflationary pressures.

In the run-up to earnings season, a number of companies have issued downbeat outlooks. FedEx Corp said labor shortages drove up wage rates and overtime spending, while Nike Inc blamed a supplychain crunch and soaring freight costs as it lowered its fiscal 2022 sales estimate and warned of holiday-season delays.

"The pace of growth is decelerating, but still it's at a meaningful level," said Terry Sandven, chief equity strategist at US Bank Wealth Management. With the product and labor shortages and inflationary pressures, "we'll be looking to see to what extent demand is there, and what does it mean for the important holiday spending period."

Analysts see a 29.6 per cent year-overvear increase in earnings for S&P 500 companies in the third quarter, according to IBES data from Refinitiv as of Friday, down from 96.3 per cent growth in the second quarter. The third-quarter forecast is down a touch from several weeks ago, a reversal of the recent trend for estimates.



A trader works on the floor at the New York Stock Exchange in Manhattan, New York City, US on September 24. REUTERS

Third-quarter earnings growth was always expected to be much lower than the blowout gain of the second quarter, when companies had much easier year-ago comparisons because of the pandemic.

"We were going up at such a high clip. The positive revision momentum has lapsed," said Nick Raich, CEO of independent research firm The Earnings Scout. Earnings

season is kicking off this week with the big banks including JPMorgan Chase.

Investors are weighing the impact of sharply higher energy costs on businesses and consumers after a recent surge in oil and natural gas prices. While higher energy prices should be a boon for energy producers, they are an inflationary risk for many other companies like airlines and other industrials rate as in recent quarters.

ind cut into consumer spending

US companies have so far this year kept profit margins at record levels because they have cut costs and passed along high prices to customers. Some investors are anxious to see how long that can go on.

Third-quarter earnings arrive with the market still wobbly after a weak and volatile September. The S&P 500 in September registered its biggest monthly percentage drop since the onset of the pandemic in March 2020. It was also the index's first monthly decline since January. Analysts are skeptical about how much is priced in.

'Covid-related supply chain issues have spread beyond consumer goods. And longerterm signs of global friction are easy to find," Savita Subramanian, head of US equity & quantitative strategy at BofA Securities, and other BofA strategists wrote in a note on Friday. These issues are far from being fully priced into stocks, they wrote.

Also, while supply chain issues have grabbed investor attention, wage inflation "just as big of a headwind (if not bigger," BofA strategists wrote in a note Monday. Guidance from companies "could be ugly," they added.

Morgan Stanley's analysts say that consensus earnings expectations also have not fully priced in the supply-chain constraints facing companies, making it much harder for companies to surpass estimates at the same

British employers increased their payrolls to a record high in September, shortly before the end of the government's wage subsidies scheme, potentially encouraging the Bank of England's progress towards a first post-pandemic interest rate hike.

The number of workers on companies' books rose by the most on record in data going back to 2014, up by 207,000 from August.

Employers turned to recruitment agencies to find staff and hotel and food firms created jobs as they recovered from Covid-19 lockdowns.

Separate official data published on Tuesday (12) showed the unemployment rate edged down to 4.5 per cent in the three months to August from 4.6 per cent in the May-July period, as expected by economists in a Reuters poll.

The BoE is gearing up to become the first major central bank to raise rates since the coronavirus crisis struck. Inflation is heading towards four per cent or higher - above its two per cent target.

But the BoE is watching to see how many people became unemployed after the end of the furlough programme that subsidised wages to keep people employed during the pandemic.

About one million people are likely to have been on the scheme when it ended on September 30, according to an estimate by the Resolution Foundation think tank. Hussain Mehdi, macro and investment strategist at HSBC Asset Management, said the data left open the possibility of a BoE rate increase before the end of the year.

"A decent October jobs report could open the door to a hike as soon as the December meeting," he said.

Liquidity needed to stem Afghanistan economic crisis: UN chief

REUTERS

The international community must find ways to inject cash directly into Afghanistans economy to avert its total collapse as a growing humanitarian crisis impacts half the population, UN Secretary General Antonio Guterres said on Monday.

Guterres, speaking to reporters at UN headquarters, also accused the Taliban of breaking promises they made after seizing power in August to uphold the rights of women and girls, including allowing girls to attend school.

"Broken promises lead to broken dreams for the women and girls of Afghanistan," Guterres said, asserting there "is no way" to heal the economy if the Taliban continue barring women from working.

need for steps to ease the economic and humanitarian crises that have grown since the Taliban took power as the 20year US military intervention ended.

The Islamists' takeover saw billions in central bank assets frozen and international financial institutions suspend access to funds, although humanitarian aid has continued.

Banks are running out of money, civil servants have not been paid and food prices have soared.

"The crisis is affecting at least 18 million people - half the country's population," said Guterres, adding that a massive UN humanitarian aid operation is underway in a "race against time" as winter approaches. Guterres noted that the Afghan economy - kept afloat by foreign aid for two decades - was being buffeted by drought and Covid-19 His comments underscored the urgent before the Taliban seized power.

IMF reaffirms 'full confidence' in head Georgieva

The IMF Executive Board reaffirmed on Monday its "full confidence" in the Washington-based crisis lender's chief, Kristalina Georgieva, keeping her on as managing director after she was hit with allegations of data tampering.

"Having looked at all the evidence presented, the Executive Board reaffirms its full confidence in the Managing Director's leadership and ability to continue to effectively carry out her duties," the institution's governing body said.

An investigation by law firm WilmerHale has concluded that the Bulgarian economist manipulated data in favor of China while in a senior role at the World Bank.

WilmerHale's controversial findings center on the drafting of the 2018 and 2020 editions of the World Bank's report ranking countries according to their ease of doing business.

The push came while bank leadership was engaged in sensitive negotiations with Beijing over increasing the bank's lending capital.

The IMF board said it "considered that the information presented in the course of its review did not conclusively demonstrate that

the Managing Director played an improper role regarding the Doing Business 2018 Report when she was CEO of the World Bank.

'Georgieva welcomed the decision, saying the allegations were "unfounded."

"This has obviously been a difficult episode for me personally," said the 68-year-old, who took the helm of the International Monetary Fund in October 2019 after Christine Lagarde departed to lead the European Central Bank.

"I want to express my unyielding support for



KRISTALINA GEORGIEVA IMF MANAGING DIRECTOR

the independence and integrity of institutions such as the World Bank and IMF; and my respect for all those committed to protecting the values on which these organizations are founded," she said in a statement.

"I am pleased that after a comprehensive, impartial review of the facts, the IMF Board agrees that the allegations were unfounded. I want to thank the Board for expressing its full confidence in my leadership," she added

"Trust and integrity are the cornerstones of the multinational organizations that I have faithfully served for more than four decades.

"The investigation has deeply divided the 24 members of the IMF's Executive Board. While France, Britain and other European countries expressed their support for Georgieva, the United States has been more reluctant to keep her in post.

It was only at the end of nearly four weeks of discussions that Washington joined the Europeans in agreeing to retain Georgieva.

A native of Sofia, she taught economics there for 26 years, and built up environmental experience with a focus on agriculture and sustainable development.