

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday STANDARD CHARTERED BANK			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 1.36%	▼ 1.52%	\$1,769.26 (per ounce)	\$84.86 (per barrel)	▲ 0.94%	▲ 1.81%	▲ 0.29%	▲ 0.40%	BUY TK 84.70	97.18	114.93	12.93
7,243.27	12,682.97			61,305.95	29,068.63	3,173.91	3,572.37	SELL TK 85.70	100.98	118.73	13.59



# Star BUSINESS

DHAKA SUNDAY OCTOBER 17, 2021, KARTIK 1, 1428 BS • starbusiness@thedailystar.net

## Heyday for junk stocks as manipulation drives prices up

AHSAN HABIB

Production of Emerald Oil, a listed rice bran oil producer, has discontinued since 2017, so it has been incurring losses every year since then. But its stock has risen a staggering 223 per cent in the last one year.

The astounding surge has propelled the manufacturer to the list of the top 20 gainers of the Dhaka Stock Exchange (DSE).

Emerald Oil is not the single case. Rather, some other junk stocks are also on the list, raising the question about the overall efficiency of the market.

Since October 2020, 10 companies in the list were from the B and Z category. Of them, seven were from the B category and three from the Z category.

When a company does not provide at least 10 per cent dividend, it is categorised in the B

category. It is included in the Z category, if it fails to make a profit or halts production.

"I am happy to see the market index is rising after a long time. But I am not happy to see the abnormal rise of such companies," said Faruq Ahmed Siddiqi, a former chairman of the Bangladesh Securities and Exchange Commission (BSEC).

"The abnormal rise of these companies proves that our stock market is driven by rumour, greed and manipulation."

He says some people trade among themselves to bid up the prices and spread speculations. Out of greed, general investors poured funds into these stocks.

"Quality investment is rare in the market, so the index is also unrelated to the economy. Therefore, when profit-taking takes place, people panic."

Among the 10 low-performing companies, the production of C&A

### PRICE SPIKE: JUNK STOCKS VS DSEX

Period: last one year

DSEX gained 51%  
15 junk stocks soared 52%-235%

All 29 junk stocks rose 52% on average

### STATUS OF TOP 20 GAINERS

A category: 10  
B category: 7  
Z category: 3\*

\*Two firms shut for years; one incurring losses



Textiles and Emerald Oil has been closed for several years. Aramit Cement, another Z category stock, has been in the red since 2017.

Dacca Dyeing, Maksons Spinning, Salvo Chemical, RD Food, Beacon Pharmaceuticals, Metro Spinning, and Mozaffar Hossain & Spinning Mills are placed in the B category for declaring an insignificant amount of dividends for years.

"The abnormal price surge of these companies indicates that the market has inefficiency, and it is driven by speculation," said

Shahidul Islam, CEO of VIPB Asset Management Company.

"This is not a good sign for a market."

When poor companies outpace the growth of the index, the fundamental purpose of the capital market, which is capital allocation, is hampered, Islam clarified.

The DSEX, the benchmark index of the premier bourse of the country, went up 51 per cent between October last year and October 12 this year.

READ MORE ON B3

## E-COMMERCE SCAMS

# No remedy in sight for victims

REFAJET ULLAH MIRDHA

The wait for tens of thousands of customers and merchants who are victims of scams perpetrated by 10 e-commerce firms is lingering on as there are no strong efforts on the part of the government to realise the money and compensate them.

The commerce ministry has said it has little to do as per laws as some customers have already filed cases against digital commerce firms such as Evaly and E-orange, and the court will now decide how to recover the funds.

However, legal experts say the ministry should form a board or appoint administrators to run the companies and work to repay the money to customers and vendors.

Figures quoted by law-enforcement agencies, customers and merchants indicate that nearly Tk 3,000 crore of payments and dues are stuck with the e-commerce platforms, namely Evaly, E-orange, Qcoom, Dhamaka Shopping, and Dalalplus.

The commerce ministry has formed three committees, published standard operating procedures and held several inter-ministerial meetings, and all of the attempts are aimed at thwarting future cons in the e-commerce industry.

But no visible initiative has been taken to recoup the money from the errant e-commerce firms and refund customers who had been lured by deep discounts on expensive items such as mobile phones, television sets, motorbikes, and cars.

"We do not have options to recover the

### TAKEAWAYS

- ▶ Three committees formed so far
- ▶ Standard operating procedures published
- ▶ Nearly Tk 3,000cr stuck with Evaly, e-Orange, Qcoom, Dhamaka Shopping, Dalalplus
- ▶ Platforms accused of not delivering goods on time
- ▶ They were delaying delivery against advance payments

money from the companies as the ministry can't go beyond the law," said AHM Shafiquzzaman, additional secretary to the commerce ministry.

"The ministry is working to safeguard the interests of the consumers, e-commerce companies and merchants so that they are not cheated."

The new committee will assign various government agencies like the National Board of Revenue and Bangladesh Bank to play their parts.

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## Evaly website down

STAR BUSINESS REPORT

The website of Evaly, an e-commerce platform that is currently embroiled in controversy, yesterday became unavailable as its server was down, according to a post on the company's official Facebook page.

Evaly's banking activities have been temporarily halted as its Chairperson Shamima Nasrin and Managing Director Mohammad Rassel were recently placed behind bars, it said.

Under these circumstances, uncertainty emerged over how Evaly would bear the cost of its servers and office maintenance alongside the salaries paid to employees.

"We are sincerely sorry that our servers have gone down and our efforts to restart the servers are ongoing," the company said.

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## 17 e-commerce firms fined

AT A GLANCE

- ▶ A total of Tk 6 lakh was imposed as fines
- ▶ Period: July 2017 to August 2021
- ▶ Daraz Bangladesh was fined the highest Tk 323,000
- ▶ Evaly, e-Orange and Dhamaka not fined
- ▶ e-CAB and a2i building complaint resolution system

SUKANTA HALDER

The consumer rights watchdog of Bangladesh has fined 17 e-commerce firms for their failure to deliver products as promised and deceiving customers through false advertisements.

The Directorate of National Consumer Rights Protection (DNCRP) imposed a combined fine of around Tk 6 lakh on the platforms.

The firms are Daraz Bangladesh, Ajkerdeal, Daily Shopping, Othoba, Shohoz, Picaboo, Rokomari, BoiBazar, BDSHOP, Gharbazar, PriyoShop, Bikroy, Foodpanda, Pathao, Chaldal, Falguni Shop, and Kiksha.

A DNCRP official said the e-commerce firms were fined for violating consumers' right protection laws for the period from July 2017 to August 2021.

The offences include not handing over products as promised, not showing price list, not using cover of goods, and deceiving buyers with false advertisements.

Daraz Bangladesh, a popular e-commerce company, was fined the highest Tk 323,000.

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## \$11.38B LOANS FOR NUCLEAR POWER PLANT

# Govt to repay \$569m in first instalment in 2027

REJAUL KARIM BYRON and REFAJET ULLAH MIRDHA

The government will pay \$569 million as the first annual instalment against the loan taken from Russia for the construction of the Rooppur nuclear power plant, the largest infrastructure development project in Bangladesh.

The first instalment will be paid in March 2027, according to Shaukat Akbar, the project director.

The \$11.38 billion loan covers 90 per cent of the project cost.

As per the agreement, the government has to complete repaying the loan in 20 years, running from March 2027 to 2047, he said.

The repayment period is 30 years, including a grace period of 10 years which will come to an end in 2027.

However, the government has been paying the interest of the loan and till date has not missed a payment.

The Russian loan carries an interest rate of LIBOR plus 1.75 per cent. The interest rate will not exceed 4 per cent.

The agreement was signed between Bangladesh and Russia in 2016 while disbursements began in 2017.



Of the Rooppur nuclear power plant's two units which would generate a combined 2,400 megawatts of electricity, the first (1,200MW) is expected to become operational from 2023 and the second in 2024. The photo was taken at the project site in Pabna's Ishwardi upazila yesterday.

AHMED HUMAYUN KABIR TOPU

Akbar shared this information with a group of journalists at the Bangladesh Atomic Energy Commission in Dhaka last Thursday.

### The Electricity Cost

The price at which each unit of electricity will be purchased from the Rooppur plant will not exceed the existing price level of base load power plants, said Akbar, indicating coal-based power plants.

He, however, declined to state the exact figure.

A Bangladesh Power Development Board (BPDB) official said the government has gradually started purchasing electricity from the coal-based power plant at Payra.

It is around Tk 6 per unit, said the BPDB official.

Of the Rooppur plant's two units which would generate a combined 2,400 megawatts (MW) of electricity, the first (1,200MW) is expected to become operational from 2023 and the second unit in 2024.

### Fuel Requirement

Uranium will fuel the Rooppur plant, according to the project director.

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## GUARDIAN KEY PERSON Insurance Plan

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IMF-WORLD BANK MEETINGS

# Supply chains, inflation cloud vaccine, debt woes

REUTERS, Washington

Supply chain woes and growing inflation concerns pushed aside a widening gap in Covid-19 vaccinations and mounting debt problems for developing countries as the top concerns for global policymakers at International Monetary Fund and World Bank annual meetings this week.

Relatively little new progress was made on increasing vaccine supplies to developing countries, although officials highlighted an increasing divergence between rich and poor countries as a growing financial and economic risk.

The focus on the normalization pains that wealthier economies are experiencing and a World Bank data-rigging scandal that had clouded the future of IMF Managing Director Kristalina Georgieva proved a disappointment for anti-poverty groups.

"Given how the pandemic is becoming worse in most of the world's countries, I'm concerned by the lack of action at the meetings on vaccine distribution, debt relief and general pandemic response," said Eric LeCompte, executive director of the Jubilee USA Network, a religious development group.

Communiqués issued by G20 finance leaders and the IMF's steering committee pledged to increase vaccine supplies, but did not identify specific new goals or initiatives to expand financing or distribution.

Instead, they gave greater

prominence to growing inflation pressures, calling on central banks to monitor closely whether they are transitory or could unanchor inflation expectations.

World Health Organization chief Tedros Adhanom Ghebreyesus told an IMF forum that the world is falling behind on goals to immunize 40 per cent of the world's population by the end of this year, and criticized wealthy countries for approving

third booster shots when much of the world's population has yet to receive a single vaccine dose.

"The donations are not enough. It's very disappointing that it's taking so long for the world to really commit" to reaching vaccination goals, he said.

The IMF said a "great vaccine divide" was keeping developing countries mired in low growth as they struggle with high coronavirus infection rates.

This, along with supply chain bottlenecks, semiconductor shortages and rising price pressures in advanced economies, prompted the IMF to trim its global growth forecast for 2021.

Some policymakers were more focused on managing the next phases of economic recovery after unprecedented fiscal support, and other multilateral issues, such as implementing a deal to revamp global corporate taxation.

"My feeling about all the meetings we had in Washington, and during these IMF meetings, is that we are beyond Covid," French Finance Minister Bruno Le Maire told reporters.

"Even if we have to monitor the situation, even if there remains some decisions to be taken on vaccination, especially for the poorest countries, now we are beyond Covid," Le Maire said.

He added, however that France was advocating for increased financial support for developing economies, including diverting at least \$100 billion in new IMF monetary reserves to poor countries after a \$650 billion distribution in August.

But advocacy groups were disappointed with a lack of progress on debt relief for the poorest countries, especially since payments on official bilateral debts will resume for 46 countries in January when the G20 Debt Service Suspension Initiative expires.

Jean Saldanha, director of debt and development watchdog group Eurodad, said the G20 and IMF steering committees' statements on debt were "shameful" for not going beyond encouraging wider participation in the G20 Common Framework on Debt restructuring.

"Maintaining an almost blind faith that the Common Framework will be enough to tackle debt distress in an increasing number of countries in the global South is irresponsible to say the least," Saldanha said.

# Wall Street banks set to profit again when Fed withdraws stimulus

REUTERS, New York

Wall Street banks have been among the biggest beneficiaries of the pandemic-era trading boom, fueled by the Federal Reserve's massive injection of cash into financial markets.

With the central bank nearing the time when it will start winding down its asset purchases, banks are set to profit again as increased volatility encourages clients to buy and sell more stocks and bonds, analysts, investors and executives say.

The Fed has been buying up government-backed bonds since March 2020, adding \$4 trillion to its balance sheet, as part of an emergency response to the Covid-19 pandemic.

The strategy was designed to stabilize financial markets and ensure companies and other borrowers had sufficient access to capital.

It succeeded but also resulted in unprecedented levels of liquidity, helping equity and bond traders enjoy their most profitable period since the 2007-09 financial crisis.

The top five Wall Street investment banks - JP Morgan Chase & Co, Goldman Sachs, Bank of America, Morgan Stanley and Citigroup - made an additional \$51 billion in trading revenues last year and in the first three quarters of 2021, compared with the comparative quarters in the year prior to Covid, according to company earnings statements.

The trading bonanza, along with a boom in global deal-making, has helped bank stocks outperform the broader market. The KBW Bank index has risen by 40 per cent in the year-to-date compared with a 19 per cent advance in the S&P 500.

Now, banks with large trading businesses are expected to profit a second time as the Fed starts to withdraw the stimulus, prompting investors to rejig their portfolios again.

"As investors look to position based on that volatility, that creates an opportunity for us to make markets for them. And obviously that would lend itself to improved performance," Citigroup Chief Financial Officer Mark Mason told reporters this week.

Fed Chair Jerome Powell signaled in late September that tapering was imminent.



The sun sets behind container cranes at the Port of Los Angeles in California on October 14.

REUTERS

# Boeing workers stage protest over US vaccine mandate

REUTERS, Everett, Wash

Waving signs like "coercion is not consent," and "stop the mandate," some 200 Boeing Company employees and others staged a protest on Friday over the planemaker's Covid-19 vaccine requirement for US workers.

Boeing said on Tuesday it will require its 125,000 US employees to be vaccinated by December 8 under an executive order issued by President Joe Biden for federal contractors.

Biden and his team have struggled to vanquish the coronavirus pandemic because a large swath of the US population continues to resist taking safe and widely available vaccines.

"It's my choice and it's my body," one avionics engineer said, his voice nearly drowned out by anti-Biden chants and trucks honking to show support along the busy street outside Boeing's factory in Everett, north of Seattle.

"It's an experimental drug given under a pseudo-emergency," he added.

Another worker, an assembly mechanic, said: "This is America. We don't just do what we're told because one person says to."

A Boeing spokesperson did not immediately respond to a request for comment.

Earlier this week, Boeing said employees must either show proof of vaccination or have an approved reasonable accommodation based on a disability or sincerely held religious belief by December 8.

Major US airlines including American Airlines have said they will also meet the deadline imposed on federal contractors, as has aircraft parts manufacturer Spirit AeroSystems SPRN.

"Now that he has issued the Executive Order, it is our responsibility to comply with that order," Spirit Chief Executive Officer Tom Gentile wrote in a memo to employees and seen by Reuters on Friday.

Spirit was calling back former employees as it prepares for what Gentile characterized as "one of the fastest increases in production rates in the history of our industry."

Several Boeing employees at the protest said they were applying for exemptions. One engineer said he might seek early retirement, rather than complying with the mandate.

# China coal prices hit record highs

REUTERS, Beijing

China's energy crisis deepened on Friday as cold weather swept into much of the country and power plants scrambled to stock up on coal, sending prices of the fuel to record highs.

Electricity demand to heat homes and offices is expected to soar this week as strong cold winds move down from northern China. Forecasters predict average temperatures in some central and eastern regions could fall by as much as 16 degrees Celsius in the next 2-3 days.

Shortages of coal, high fuel prices and booming post-pandemic industrial demand have sparked widespread power shortages in the world's second-largest economy. Rationing has already been in place in at least 17 of mainland China's more than 30 regions since September, forcing some factories to suspend production and disrupting supply chains.

The most-active January

Zhengzhou thermal coal futures hit a record high of 1,669.40 yuan (\$259.42) per tonne early on Friday. The contract has risen more than 200 per cent year to date.

The three northeastern provinces of Jilin, Heilongjiang

and Liaoning - among the worst hit by the power shortages last month - and several regions in northern China including Inner Mongolia and Gansu have started winter heating, which is mainly fuelled by coal, to cope with the

colder-than-normal weather.

Beijing has taken a slew of measures to contain coal price rises including raising domestic coal output and cutting power to power-hungry industries and some factories during periods of peak demand. It has repeatedly assured users that energy supplies will be secured for the winter heating season.

But power shortages are expected to continue into early next year, with analysts and traders forecasting a 12 per cent drop in industrial power consumption in the fourth quarter as coal supplies fall short and local governments give priority to residential users.

Earlier this week, China in its boldest step in a decades-long power sector reform said it would allow coal-fired power prices to fluctuate by up to 20 per cent from base levels from October 15, enabling power plants to pass on more of the high costs of generation to commercial and industrial end-users.



Fishermen sail a boat past a power plant of the State Development and Investment Corporation outside Tianjin, China on October 14.

REUTERS

# UK toy firms battle to prevent nightmare before Christmas

AFP, Amersham

At a warehouse northwest of London, dozens of workers sort boxes of Christmas toys, scanning barcodes and moving them on forklift trucks.

The depot for The Entertainer chain of toy shops is getting busier as the festive season approaches, running three shifts of 50 workers every day.

But as Christmas nears, the company's chairman, Gary Grant, is concerned about meeting sustained demand as the UK grapples with a supply chain crisis. "Our challenge is now releasing containers from the port, we're struggling with lorry drivers," he told AFP.

"We need more warehouse workers," he added, shouting instructions to a foreman in the depot, one of the company's two, that ship to their 172 shops across the country.

Caught between post-Brexit labour shortages and rising costs for raw materials and transport, the British toy retail industry is facing a potential nightmare before Christmas.

The Entertainer, which with its online business claims a 10 per cent share of the UK toy market, makes half its turnover between the beginning of October and December.

It usually hires temporary staff before the annual rush to receive, handle and dispatch lorries full of Lego sets, Barbie dolls and other popular toys in the busy period.

In November and December, up to 150 people can be working at any one time in the Amersham facility 24 miles (38 kilometres) from the capital.

But 2021 has caused a real headache, Grant explained, with many temporary workers, many of them from eastern Europe, now missing because of tighter post-Brexit immigration rules.

A shortage of lorry drivers across the UK is also a serious problem when thousands of items have to be transported from ports to warehouses, then on to the high street.

Britain is short of some 100,000 lorry drivers, which has caused delivery problems across various sectors for weeks, leading to delays and empty shelves.

At the same time, fears about the supply of fuel because of a lack of tanker drivers caused panic-buying, long queues at filling stations, as

well as frustration and anger.

To compound problems, Britain's largest port, Felixstowe, has been battling a backlog, with container ships full of Christmas goods being diverted to the European mainland.

Britain's full departure from the European Union in January has piled extra administrative hassles and costs onto companies like The Entertainer, which also has 34 stores in Spain.

"When we export to Europe to our stores (there) we have to pay more duties," said Grant, who began in business in the 1970s selling skateboards in Amersham, his hometown.

Imports also mean more paperwork and cost, now that Britain has left the European single market and customs union. "Leaving Europe has had quite a large impact on efficiency and large impact on cost," he added.

Brexit woes are far from the only thorn in the side of the executive as he deals with the snarl-up in the supply chain and the resulting costs.

"The freight costs from the Far East, from

China to the UK, have gone up 10 times more," he said. The price of essential materials like metal, wood, plastic and electrical components have "absolutely rocketed in the last three months", he added.

That, inevitably, means Santa will have to pick up the bill. Grant expects that with inflationary costs, the price of toys from Asia will rise by between 10 per cent and 15 per cent over the coming year.

The British government has blamed global container and lorry driver shortages, as well as coronavirus travel restrictions, which meant many foreign workers were unable to return.

It has been at pains to reassure consumers, even as the turkey and pig industry also warn of a shortage of festive food because of a lack of staff, including butchers and abattoir workers.

Christmas tree sellers have similarly said the price of traditional firs could rise because of greater import costs and the price of raw materials.



A Hamleys toy store in London is well stocked, but UK retailers say it is becoming more difficult to ensure adequate supplies.

AFP/FILE

<p><b>ESSENTIAL DRUGS COMPANY LIMITED</b> 395-397, Tejgaon Industrial Area Dhaka-1208</p>	
<p><b>QUALIFICATION OF CONSULTANT FOR VACCINE MANUFACTURING PLANT &amp; INSTITUTE ESTABLISHMENT</b></p>	
<p><b>Name of the Post: Consultant for Development of Vaccine Manufacturing Facilities (Contractual Appointment)</b></p>	
<p>Number of Post: 01</p>	
<p><b>01. Academic Qualification:</b> The consultant must have MSc. degree in Microbiology/Biochemistry/ Molecular Biology/Biotechnology and Genetic Engineering/Medical graduate having post-graduation in Microbiology/Biochemistry. Candidate having PhD in the above-mentioned disciplines will be preferred.</p>	
<p><b>02. Experiences:</b> At least 10 years practical experience in the vaccine manufacturing field (in vaccine project/vaccine development/production/R &amp; D of vaccine/experience in vaccine and biologic plant development).</p>	
<p><b>03. Requirements:</b></p>	
<p>3.1: Age: Not less than 45 years(Age limit may be considered in case of exceptional candidate regarding exception Academic Qualification, Experiences and TOR)</p>	
<p>3.2: <b>TOR:</b></p>	
<p>a) Consultant will be responsible for designing plant/ share idea to engineering department to design plant.</p>	
<p>b) Helps in selecting machineries and equipment.</p>	
<p>c) Supporting qualification work of utilities, as well as machineries.</p>	
<p>d) Support R &amp; D to develop formulation of vaccine dosage form.</p>	
<p>e) Support R &amp; D for planning and starting individual vaccine item manufacturing from Seed Bank concept.</p>	
<p>f) Support to select technical personnel for production, QC and R&amp;D for vaccine manufacturing</p>	
<p>g) Communicating with appropriate organization overseas to get vaccine bulk/master seed/cell line for vaccine manufacturing with special emphasis to COVID-19Vaccine.</p>	
<p>h) To provide support to develop 'Master Plan' of the project.</p>	
<p>i) Assistance in plant designing.</p>	
<p>j) Potential in foreign technical collaboration related discussions.</p>	
<p>k) Managing ability to setup entire projects.</p>	
<p>l) Must be efficient in input and output capacity balancing of machineries.</p>	
<p>m) Organizing ability of raw material sourcing as per plant requirement.</p>	
<p>n) According to the understanding between both parties (vice versa) the contract will be able to terminate prior 01 (one) month notice.</p>	
<p>o) Contract period for 01 (one) year perhaps extended based on situation.</p>	
<p>p) Any other related appropriate job assigned by Managing Director of EDCL.</p>	
<p>Interested applicants are requested to submit their Expression of Interest (EOI) to the company secretary within 15(fifteen) working days from the date of publication of this notice.</p>	
<p>Essential Drugs Authority reserves the right to accept or reject any or all application without assigning any reason whatsoever.</p>	
<p><b>General Manager</b> Procurement Department For: Managing Director</p>	

(8"x 3")



## City Bank wins 'Leading Partner Bank Award' collaborating with ADB

STAR BUSINESS DESK

The City Bank Limited recently won a "Leading Partner Bank Award" partnering with Asian Development Bank (ADB) in Bangladesh from July 1, 2020 to June 30, 2021.

This is the second consecutive time the lender won the recognition in Trade and Supply Chain Finance Program (TSCFP) Awards 2021 since 2020, said a press release.

Representatives from over 200 partner banks attended the ceremony and 27 banks were recognised in 21 categories.

The City Bank Limited has collaborated with the ADB for coverage of trade transactions of small and large deals for corporate and SME clients. It has been participating with the ADB under their TSCFP as issuing bank since 2016.



Golam Hasnain Rassel, mayor of Bhangura Municipality, recently inaugurated Pubali Bank's 483rd branch with online banking facilities at Bhangura, Pabna. Md Rafiqul Islam, deputy general manager of the bank, and Md Anisur Rahman, branch manager, were present.

PUBALI BANK

## Guardian Life offers policy with bKash

STAR BUSINESS DESK

Guardian Life Insurance Limited recently launched an "Easy Life" policy jointly with mobile financial service provider bKash in Dhaka.

Customers can purchase the policy, pay premiums, make claims and receive claim disbursements through the bKash app, according to a press release.

Sheikh Rakibul Karim, acting CEO of the Guardian, and Ali Ahmmad, chief commercial officer of bKash, inaugurated the service at the insurance company's head office.

Yearly premiums range from Tk 150 to Tk 3,499. Customers can get life coverage of Tk 1 lakh to Tk 3 lakh along with health coverage of Tk 50,000 for Covid-19 and other health treatment.

## Singer campaign for cricket World Cup

STAR BUSINESS DESK

Singer Bangladesh recently launched two campaigns focusing the upcoming cricket World Cup and autumn season.

Customers can win a "free Singer TV" everyday sending an SMS on purchasing a TV alongside cash discounts of up to Tk 4,000, said a press release.

They can also avail 5 per cent cash discount on refrigerators, washing machines and microwave ovens.

The products offer interest free instalments of up to 12 months.

## WB-IMF panel calls for steps to ensure data integrity

REUTERS, Washington

The World Bank-International Monetary Fund Development Committee on Friday urged the bank to take additional steps to "assure the integrity and credibility of data" in the wake of a data-rigging scandal involving its now-canceled "Doing Business" report that embroiled IMF Managing Director Kristalina Georgieva.

## No remedy in sight for victims

FROM PAGE B1

For instance, Bangladesh Bank may be asked to find out ways to recoup the money, said Shafiquzzaman, also the new chief of the Digital Commerce Cell under the ministry.

In the absence of refunds or delivery of the products, the misery of the consumers and merchants is only lingering.

Convinced by attractive advertisements, Rana Khan and his four friends, who all live in the Motijheel area, ordered 17 bikes worth Tk 39.40 lakh from E-orange at a 50 per cent discount. Their plan was to resell them at higher prices.

"However, we did not get delivery of the bikes," the 30-year-old said.

Instead, 30 people were injured when police dispersed them from a protest rally at the Jatiya Press Club and Matshya Bhaban areas a few days ago, he said on Thursday.

"We want the government to take measures so that the companies pay back our money."

Ahsanul Karim, a lawyer of the Supreme Court, says the commerce ministry should have appointed administrators to the troubled e-commerce companies a lot earlier so that the owners could not launder the money.

"An immediate action was needed to save both companies and protect the

interests of consumers and merchants. It is too late to recover the money from the companies."

The formation of multiple committees might not be enough to protect the interests of consumers.

After the scams related to Destiny, Jubok and Unipay2u, the government had also constituted several committees to recoup funds, compensate victims and stop a recurrence of fraudulent activities. But the scams did not stop.

"So, the commerce ministry should form several committees and bodies with more focus on the recovery of money and refunds to affected consumers and merchants," Karim said.

Sayedda Anzu, a professor of the law department at Rajshahi University, says there are still ways to recover the money from the rogue e-commerce companies.

She suggested tracking the transactions made by consumers and merchants to the e-commerce companies.

"After tracking the transfers, the ministry can claim the money from them and compensate the consumers and merchants."

"If an e-commerce firm can't return the money, a board can be formed to sell its assets to pay its debts," Prof Anzu said, adding that the commerce ministry should handle the issue.

## Govt to repay \$569m in first instalment in 2027

FROM PAGE B1

The agreement covers the fuel cost for the first three years, so Bangladesh will not have to pay any additional money during that time.

Each unit will require 30 to 35 tonnes of fuel in a year, he said.

After three years, when the agreement's tenure expires, Bangladesh will have to purchase the fuel following a new pricing formula.

The prices of fuels used in nuclear power plants do not fluctuate as do the prices of other fuels, he added.

The power plant's lifespan has been fixed at 60 years.

### Trained Manpower

The nature of the Rooppur power plant necessitates the use of manpower with specialised knowledge and skill.

Some 1,700 trained personnel will be required for running the two units by gradually taking over charge from Russian

experts.

Long term training from Russia is needed for 1,000 personnel. Some 600 have already come back from Russia on receiving training. By 2022, the training of the rest is expected to be complete, Akbar said.

Some 700 personnel will receive training at the plant site, he added. Apart from trained manpower, a significant number of non-technical manpower will also be required.

Once the plant goes into operation, it will not only produce electricity, but also create a lot of economic opportunities and change the livelihoods of a good number of people in the area, he added.

Sharing his experience, Akbar said he has been travelling to the plant site since 2013, when he saw a lot of workers coming to their workplaces riding on bicycles.

Now they come on motorcycles. "I dream of seeing the workers come to their workplaces riding cars," he added.

## World stocks notch best day in 5 months

REUTERS, New York

Stocks surged globally on Friday in their best day in five months as strong US corporate earnings reports fueled optimism about the economy, though three-year-high oil prices kept inflation risks alive and lifted government bond yields.

US investment bank Goldman Sachs Group Inc was the latest on Wall Street to trounce market expectations when it reported a 66 per cent surge in third-quarter profit, thanks to a record wave of investment banking activity. Though some analysts warned investors against complacency so early in the earnings season, especially given

current constraints in the supply chain, US stocks joined Friday's rally in global equities.

The Dow Jones Industrial Average jumped 1.1 per cent in its best weekly performance since June 25. The S&P 500 climbed 0.75 per cent to notch its best week in 2-1/2 months, and the Nasdaq Composite added 0.5 per cent.

The pan-European STOXX 600 index rose 0.74 per cent and MSCI's gauge of stocks across the globe gained 0.86 per cent, the biggest daily rise since May 14. "We are clearly off to a good start of the third-quarter earnings season, but have miles to go before we sleep," said Arthur Hogan, chief market strategist at National Securities Corp.

## Evaly website down

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The Daily Star tried to contact Mahbi Chowdhury, senior vice president of Evaly, for a comment on the matter but he did not respond by the time this report was filed.

The e-commerce company, which grabbed a huge number of customers by offering eye-catching discounts on popular products such as smartphones and motorcycles, came under the spotlight amid rising allegations from customers and merchants regarding its failure to deliver products, payments or refunds despite taking advance payments.

With this backdrop, the commerce ministry had earlier asked various government agencies, including the home ministry and Anti-Corruption Commission, to take the required action. On September 16, Rapid Action Battalion arrested Evaly's chairperson and managing director on the grounds of numerous cases filed by customers.

Two days later, the company declared that its employees would continue to work from home until further notice.

In its submissions to the commerce ministry in August and early September, Evaly said its total liabilities stood at Tk 543 crore, including Tk 311 crore to customers while its dues to merchants were Tk 205 crore.

However, according to Evaly's data obtained by The Daily Star, the e-commerce company owes at least Tk 408 crore to 1,026 sellers.

In its social media post, Evaly said its top executives have informed through their lawyers that it is possible to overcome all the complexities if given four months' time.

Moniuruzzaman Rony, a businessperson, said he saw the notice on Evaly's verified Facebook page regarding its website closure. "Following the notice, I have nothing to do but to give up hope of getting delivery of the product I ordered," he added.

Rony ordered some products, including mobile phones and microwave ovens, through Evaly by paying Tk 1 lakh against the company's T10 offer in July. The whereabouts of his products, which were supposed to be delivered within ten working days, still remain unknown.

## Heyday for junk stocks as manipulation drives prices up

FROM PAGE B1

The junk stocks collectively rose 52.08 per cent, on average, during the same period, DSE data showed.

"These companies were mainly low paid-up capital-based, and it is easy to manipulate since the number of their shares is low. So, they are targeted by rogue traders," said Ahsanur Rahman, CEO of Brac EPL Stock Brokerage.

"If a company has no expansion plan, its stock should not rise. But speculation fuels their price."

Attracted by the price movement, some investors rushed to the stock market in the last one year to make quick bucks, Rahman said. "But they should not invest in such stocks."

Earlier this year, rumours were going round that a foreign investor was going to buy Emerald Oil. But in a regulatory filing, the local company ruled out the possibility.

A top official of a merchant bank, preferring anonymity, says the junk and low-performing companies have surged mainly due to the speculations, and company officials are often involved with it.

Referring to the Emerald Oil case, he said the company's disclosure raised a question.

On July 12 this year, it said the board of Emerald Oil decided to start its full-fledged commercial operation from September 1 with a daily output capacity of 48 tonnes of rice bran oil.

But on August 26, it said the company was not in a position to begin the commercial operation.

As offices were closed from July 23 to August 10 due to the strict lockdown, the company could not renew or obtain most of the required licences, according to a disclosure on the website of the DSE.

"The BSEC should monitor the activities of the companies to cut the opportunities for manipulation. Otherwise, the goodwill of the market will be hampered," the merchant banker said.

Like its predecessors, the present commission of the BSEC pays more attention to whether the index is rising or falling though it is not its duty, he added.

So, investors need to be cautious and invest after assessing the potential of companies. "Otherwise, they will lose money," Siddiqi said.

VIPB CEO Islam added: "If investors invest in good stocks, it will give them a better return in the long run."

Mohammad Rezaul Karim, a spokesperson of the BSEC, says people investing in low-performing stocks is not unusual in a bullish market.

"But at a certain stage, investors return to the stocks with good fundamentals. The same will happen soon," he said, adding that the commission was trying to raise awareness among the investors.

## 17 e-commerce firms fined Apparel diplomacy to widen the horizon

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Shohoz was fined Tk 68,000, AjkerDeal Tk 45,000, Chaldal Tk 25,000, Foodpanda Tk 15,000, and Pathao Tk 9,000.

Hasinul Qudus, chief corporate affairs officer of Daraz Bangladesh, said the DNCRP imposed two major fines against Daraz in 2018.

Daraz has filed a writ petition against the decision of the DNCRP, and the matter is now pending with the High Court, he said.

Maliha M Quadri, managing director of Shohoz, said: "We are awaiting the DNCRP's revert on the eight unresolved cases published recently."

"However, of the 85 cases over the last four years, we won the vast majority of them and paid fines for a handful of cases. These were solely due to the service quality of offline third-party vendors, over which we have no control."

AKM Fahim Mashroor, CEO of AjkerDeal, said: "If you provide a service, something could always go wrong."

Zia Ashraf, chief operating officer of Chaldal, said if consumers made any complain, the company tried to solve it with utmost importance.

"Sometimes we do not get the time required to sort out a problem."

In a statement, Foodpanda said: "We immediately address any issue our customers face and try to resolve their complaints as fast as possible."

"However, sometimes customers reach out to the DNCRP with their complaints, and the issues are then resolved as per DNCRP's procedures."

Bablu Kumar Saha, director-general of the DNCRP, said of the 17 e-commerce firms, 90 per cent were fined for not selling or delivering goods or services properly.

He said the number of e-commerce firms facing fines had started rising from early 2020. "Consumers have to be more careful."

EVALY, E-ORANGE AND DHAMAKA NOT FINED

Despite being the most talked e-commerce firms, Evaly, E-orange and

Dhamaka Shopping did not face any fines.

So far, 7,138 complaints have been filed with the DNCRP against Evaly with a settlement rate of about 63 per cent.

E-orange has seen 2,643 complaints with a settlement rate of 1.25 per cent. In addition, 323 complaints were lodged against Dhamaka Shopping with a settlement rate of about 18 per cent.

At present, the owners and top officials of Evaly, E-orange and Dhamaka are in jail in connection with fraud and money laundering cases.

When asked why the three firms were not fined, Saha said consumers ordered products in large volumes. But the DNCRP can impose a maximum fine of Tk 50,000, jail the offenders for a maximum of one year, or impose both. "The penalty will give a consumer Tk 12,500. As a result, they will face a huge loss," Saha said.

Consumers Association of Bangladesh President Gulam Rahman feels that there are some limitations in the law.

"But the firms that have deceived many people in the same manner should be severely punished. Large scale fines should be imposed."

Abdul Wahed Tamal, general secretary of the e-Commerce Association of Bangladesh (e-Cab), says big companies deal with millions of customers, so there will be some allegations against them.

He says the e-Cab and the Access to Information Programme of the Prime Minister's Office are building a digital system that will automatically receive and settle customer grievances.

The Central Complaint Management System will connect customers to e-commerce platforms, the commerce ministry, the e-Cab and the DNCRP. Complaints that are not immediately addressed by an e-commerce platform will be automatically sent to the relevant government agencies.

There are about 2,500 e-commerce platforms and 2.5 lakh Facebook-based sites in Bangladesh.

FROM PAGE B4

In those meetings I highlighted the country's continued economic growth over the last one decade, political stability, massive infrastructure development, favourable investment climate and so forth. I asked US businesspeople and the NRBs to invest more in Bangladesh, requested US brands and retailers to ensure ethical sourcing by giving fair prices, and urged the US government to consider reducing duty on apparel products from Bangladesh. I also called upon the AAFA, Bangladeshi missions and NRBs to promote Bangladesh as a safe and sustainable apparel-sourcing destination and encourage consumers and buyers to source more garments including non-cotton items from the country.

We can increase the RMG sector's global market share significantly through industry upgradation, particularly in the areas of skills, efficiency and technology, and diversification of products. In this regard I urged US brands and buyers to collaborate with their suppliers in Bangladesh to build their capacities in manufacturing those items which have demand in the US market. Diversification of products is very important to ensure sustained growth of Bangladesh's apparel industry. I also sought support and cooperation from the US Green Building Council to portray the positive image of Bangladesh as a sustainable apparel-sourcing destination in the world and highlight the significance of the green price issue among brands and buyers.

Besides, we want cooperation and support from our foreign missions as well as national and international media in telling the world about the achievements and positive stories of the apparel industry of Bangladesh, by dispelling the myths, misconception and propaganda against us in the international arena.

Bangladesh is scheduled to graduate from its LDC status to a middle income country in 2026. With an extra three years to prepare for a smooth transition, Bangladesh could avail the European Union's Generalised Scheme of Preferences (GSP) facility till 2029. But if we can achieve the GSP plus facility through our diplomatic

manoeuvres, we will have the opportunity to enjoy tariff free export to the EU, which is one of our main markets accounting for more than 60 per cent of our total apparel exports.

With this in mind we have held several meetings in Brussels with Bangladesh's representatives in the European Union on the post-GSP tariff facility "GSP Plus".

We requested that one of the conditions of GSP Plus be exempted from the import threshold of 7.4 per cent or an alternative formula be introduced. Upon request, the EU removed this import threshold condition in their proposed 2024-2034 GSP regulation. As a result if Bangladesh loses GSP benefits, there will be no major barriers to getting GSP Plus benefits.

We want to work in coordination with our foreign missions to explore new markets. Our RMG industry can no longer just depend on the two traditionally preferred business markets: the US and the EU. While we need apparel diplomacy to keep the benefits of the traditional markets alive, we should also explore and exploit non-traditional markets like Japan, South Korea, Russia, Latin American countries, and even China and India. Moreover, this year we are going to take part in the Dubai expo with a view to expand our market to the Middle East.

During our North America tour we met with the chiefs and other high officials of Bangladesh's mission in the US, UN and Canada, where we requested them to keep up diplomatic efforts so that Bangladesh can enjoy duty-free export benefits for 12 years after LDC graduation. All the international forums must be told forcefully that Bangladesh needs duty-free export facility so that it can recover from economic impacts of Covid-19 and sheltering of more than 1.1 million Rohingyas, and also for countering terrorism through economic growth. We also hope that our foreign missions will take steps to properly disseminate positive stories of Bangladesh's apparel industry, especially the sector's remarkable progress in the areas of workplace safety, social and environmental sustainability and workers' wellbeing.

Under the visionary leadership of Prime

Minister Sheikh Hasina Bangladesh is now marching forward on the highway of development, following the footsteps of Father of the Nation Bangabandhu Sheikh Mujibur Rahman. We have already achieved the status as a developing country and hope to become a developed country by 2041. However, we do not have sufficient foreign investment yet to become a developed country, although there are a lot of potential sectors for investment. In fact Bangladesh is an ideal country for investment in the textile sector; especially the scope and potential for investment in high value-added apparel products in the manmade fibre sector is quite high. Almost 75 per cent of the total consumption of global textiles is non-cotton, where the share of Bangladesh is only 25 per cent. Bangladesh is also heavily dependent on imports to meet demand for non-cotton fabrics. Therefore, the scope for investment in non-cotton textile is wide open, which can provide us import substitution as well. We hope non-resident Bangladeshis will come forward to invest in these potential and fast-evolving sectors, and thus they can make an important contribution to the national economy.

In its journey of four decades, the Bangladesh RMG industry has gone through tremendous changes, overcoming a myriad of problems. Especially the changes in the last one decade in terms of workplace safety, workers' wellbeing and empowerment, and social and environmental sustainability have attracted worldwide acclaim. Hong Kong-based supply chain compliance solutions provider QIMA ranked Bangladesh second in "Ethical Manufacturing" in the world. The famous brand Walt Disney has decided to reinstate apparel sourcing from Bangladesh. These are the sweet outcomes of our hard labour, massive investment and patience, and we have to convey these messages to the consumers and buyers across the world through fruitful and persistent apparel diplomacy. In this way we can tap into the full potentials of the RMG sector.

The author is the president of the Bangladesh Garment Manufacturers and Exporters Association.



# Customs to auction off 110 cars

Most are luxury brands brought duty-free



### KEY POINTS

- Customs authority plans to auction off **110** luxury cars
- Brands include BMW, Land Rover, Mitsubishi, Mercedes, Lexus and Toyota
- Auction to be held on Nov 3 and Nov 4
- Bidders can participate online or physically
- The vehicles arrived at Chattogram port between 2008 and 2012
- Authorities failed to sell the cars in the last five auctions due to low price

MOHAMMAD SUMAN, Chattogram

Customs authorities are set to auction off 110 vehicles, most of which are luxury brands such as BMW, Land Rover, Mitsubishi, Mercedes-Benz and Lexus brought to the Chattogram port around a decade ago duty-free under a UN convention.

The "UN Customs Convention on the Temporary Importation of Private Road Vehicles of 1954" facilitates a privilege known as Carnet de Passage.

It allows tourists to bring their vehicles to a country without payment of customs duties, provided the vehicles are taken back with the foreign nationals.

Bangladesh was not a signatory, and the National Board of Revenue (NBR) in April 2011 introduced a rule which stipulated that foreign nationals provide security deposits

amounting to the duties and taxes of the imported cars.

From 2013, the NBR decided to stop entertaining the facility altogether.

However, 369 luxury vehicles were brought to the Chattogram port between 2008 and 2012 under the facility. By 2013, 249 were released from the port.

The customs authority is now auctioning off 110, reasoning that the government has been denied of due revenues.

According to the auction notice, bidders will be able to submit related documents clicking on the e-auction link on the Bangladesh Customs website or physically at Dhaka, Chattogram, and Mongla customs stations between November 3 and November 4 this year.

At the individual level, bidders need to provide their national

identification card and TIN (taxpayer identification number) certificate. For organisations, trade licence, VAT registration number and TIN are required.

"Arrangements have been made to inspect these vehicles on the spot during office hours from October 27 to November 2," Md Al Amin, deputy commissioner of the Custom House Chittagong, told The Daily Star.

On Monday, it organised a learning session for bidders to gain interest and how to participate in the auction.

"We took several initiatives to ensure transparency in the auction activities and increase general people's participation," Amin said.

"We hope that due to these initiatives, the number of participants will increase this time as compared to other auctions in the past."

According to the auction's

inventory report, all of the cars are from the United Kingdom, but most were produced in Germany.

Of them, 28 are of the BMW brand, 24 Mercedes-Benz, 23 Mitsubishi, 10 Land Rover, nine Lexus, four Toyota, four Ford, and two Honda. There are also cars of the Jeep brand.

Keys of 43 vehicles could not be found, the report said. This correspondent saw over 20 with no wheels and windows broken.

Produced anywhere from 15 years to 26 years ago, the vehicles have engine displacements ranging from 1,796cc to 4,398cc.

Bangladesh does not allow importing cars aged over five years. For this reason, a "clearance permit" has to be availed from the Ministry of Commerce for 95 of the vehicles.

The reserve value (product price plus tax) of each of 76 vehicles is over Tk 1 crore, four over Tk 4 crore, while the rest from Tk 47 lakh to Tk 99 lakh.

Auctions were held four or five times in the last couple of years, but the vehicles never attracted figures expected by the customs, said Manjurul Alam, a regular bidder.

The cars have become unusable for being abandoned for a long time in the port yards, said Alam, also the proprietor of Multination Company Ltd.

Their value has depreciated, so they should be sold off at whatever the highest bids are in the interest of attaining revenue. Otherwise, they would need to be declared as scrap, he added.

Amin of the Chattogram customs said the values of the vehicles had been estimated afresh as per their current condition in line with the NBR's instructions.

"The bidders will be able to estimate prices after physical observation by contacting the designated phone number."

# Apparel diplomacy to widen the horizon



FARUQUE HASSAN

We cannot help but take pride and feel happy when Secretary-General of the United Nations António Guterres terms Bangladesh a "development miracle" and showers heaps of praise on our Prime Minister Sheikh Hasina for achieving this miracle. Prime Minister Sheikh Hasina is truly "the jewel in the crown" in Bangladesh's development journey. The way she has been leading the country towards becoming a knowledge-based developed country defying all odds is unparalleled in the present-day world. Even in the time of the worldwide coronavirus crisis, thanks to her bold and astute leadership, the pandemic situation in Bangladesh is much better than that in many developed countries and the economy is rebounding pretty fast.

Congratulations are also due to the premier for achieving "SDG Progress Award" while attending the 76th UN General Assembly. It is a testament to her leadership capabilities, riding on which Bangladesh managed to maintain steady progress in achieving Sustainable Development Goals (SDGs) in spite of the pandemic.

However, while the premier is leading from the front to transform Bangladesh into a developed country as envisioned by Father of the Nation Bangabandhu Sheikh Mujibur Rahman, all patriotic citizens of the nation are required to do their bit from their respective positions.

It is a matter of great pride and prestige for the readymade garments (RMG) entrepreneurs, workers and other stakeholders that the apparel sector is playing a key role behind the country's SDGs progress and UN status graduation from a least developed country (LDC) to a

developing one as well. Moreover, the sector has a crucial role to play in materialising the long term development vision of the country. The sector has immense potential. But it will be difficult to tap into these potentials if we cannot properly highlight the sector's capacity, progress towards sustainability and other positive stories.

Here apparel diplomacy can play a crucial role. That is why we are working to make apparel or economic diplomacy one of the core components of Bangladesh's foreign policy. Be it finding out ways for retaining or extending market access facilities after LDC graduation, signing new trade deals such as free trade agreements with potential exporting countries, branding "Made in Bangladesh" products, attracting foreign investment or enhancing the country's image and exploring new markets, apparel diplomacy can do wonders for the RMG sector in particular and the country in general.

As a part of our apparel diplomacy with a renewed focus on the export market, I along with former BGMEA president Md Shaful Islam (Mohiuddin), Vice President Miran Ali and Director Abdullah Hil Rakib have toured around the US and Canada, two of our main export destinations, throughout the month of September. During our visit we met with various stakeholders of the fashion supply chain, especially buyers



## OPINION

and delegates of brand associations, and focal persons in the government, media, academia and development organisations, and non-resident Bangladeshis (NRBs).

In total we held more than 30 meetings with various stakeholders, including the US-Bangladesh Business Council of the US Chamber of Commerce, American Apparel and Footwear Association (AAFA), International Cotton Advisory Committee, International Finance Corporation and Worldwide Responsible Accredited Production, and with brands like VF Corporation, Ralph Lauren, Amerex Group, Dreamwave and Canadian Tire Corporation Limited.

READ MORE ON B3

## GLOBAL BUSINESS

# EU to press ahead with emergency relief for energy prices

REUTERS, Brussels

European Union leaders are set to press ahead with measures to shield consumers from record-high energy prices that have curtailed industrial production and hiked consumer bills.

EU leaders will meet on October 21-22 to discuss the energy price spike and a "toolbox" the European Commission published this week which confirmed the measures national governments can use to provide immediate relief to consumers.

A draft of the leaders' conclusions, seen by Reuters, invites the Commission and EU countries to use that toolbox "to provide short-term relief to the most vulnerable consumers and to support European companies."

As of Wednesday, twenty EU countries had drawn up such measures, including price caps, cuts to energy taxes and subsidies for poorer households.

That number is set to grow, with Germany planning to cut the surcharge on consumers' energy bills which helps fund renewable energy investments.

The Commission said it would also assess measures the EU could take in the longer term to protect countries against price spikes, including joint purchasing of gas.

EU leaders will ask the Commission to "consider medium and long-term measures that would mitigate excessive price fluctuations, increase the EU's energy resilience and ensure a successful green transition," the draft conclusions said.

EU ministers "will take this work forward immediately" at an emergency meeting on energy prices on October 26, according to the draft, which could change before it is adopted by leaders.

The leaders will also ask the European Investment Bank, which is owned by EU governments, to "look into its capital headroom to speed up investment in the green transition, with a view to reducing future disruption risks."

Brussels has said a faster shift to green energy is the best defence against future price spikes, since it would reduce exposure to the volatile price of imported fossil fuels.



REUTERS/FILE

European Union flags flutter outside the EU Commission headquarters in Brussels, Belgium on July 14.



PHOTO: REUTERS/FILE

A liquefied natural gas (LNG) tanker leaves the dock after discharge at PetroChina's receiving terminal in Dalian, Liaoning province, China.

# China looks to lock in US LNG as energy crunch raises concerns

REUTERS, Singapore/New York

Major Chinese energy companies are in advanced talks with US exporters to secure long-term liquefied natural gas (LNG) supplies, as soaring gas prices and domestic power shortages heighten concerns about the country's fuel security, several sources said.

At least five Chinese firms, including state major Sinopec Corp and China National Offshore Oil Company (CNOOC) and local government-backed energy distributors like Zhejiang Energy, are in discussions with US exporters, mainly Cheniere Energy and Venture Global, the sources told Reuters.

The discussions could lead to deals worth tens of billions of dollars that would mark a surge in China's LNG imports from the United States in coming years. At the height of a Sino-US trade war in 2019, gas trade briefly came to a standstill. LNG export facilities can take years to build, and there are several projects in North America in the works that are not expected to start exporting until the middle of the decade.

Talks with US suppliers began early this year but speeded up in recent months amid one of the biggest

power-generating, heating fuel crunch in decades. Natural gas prices in Asia have jumped more than fivefold this year, sparking fears of power shortages in the winter.

"Companies faced a supply gap (for winter) and surging prices. Talks really picked up since August when spot prices touched \$15/mmbtu," said a Beijing-based senior industry source briefed on the talks.

Another Beijing-based source said: "After experiencing the recent massive market volatility, some buyers were regretting that they didn't sign enough long-term supplies."

Sources expected fresh deals to be announced over the coming few months, after privately controlled ENN Natural Gas Co, headed by the ex-LNG chief of China's largest buyer, CNOOC, announced a 13-year deal with Cheniere on Monday.

It was the first major US-China LNG deal since 2018. The new purchases will also cement China's position as the world's top LNG buyer, taking over from Japan this year.

"As state-owned enterprises, companies are all under pressure to keep security of supply and the recent price trend has deeply changed the image of long-term supplies in the

mind of leadership," said the first Beijing-based trader.

"People may have taken the spot (market) as the key in the past, but are now realizing that long-term cargoes are the backbone."

The sources declined to be identified as the negotiations are private. Sinopec declined comment. CNOOC and Zhejiang Energy did not immediately respond to requests for comment.

Venture Global and Cheniere both declined comment.

"We expect more deals to be signed before year-end. It's primarily driven by the global energy crunch and prices we're seeing now... US supplies now stand out as attractive," said a third Beijing source briefed on the talks.

US cargoes used to be expensive versus oil-linked supplies from Qatar and Australia for example, but are cheaper now.

A deal at \$2.50 + 115 per cent of Henry Hub futures, similar to ENN's deal according to traders, would be roughly about \$9-\$10 per million British thermal units (mBtu) on a delivered basis into Northeast Asia. This includes an average shipping cost of \$2 per mBtu for the US-China route.

# China central bank says Evergrande risks 'controllable'

AFP, Beijing

China's central bank said Friday that the risk of spillover from embattled property giant Evergrande to the financial sector was "controllable", breaking its silence on the company's debt troubles, state media reported.

Concerns are mounting that the cash crunch at Evergrande -- which is struggling with more than \$300 billion in liabilities -- could lead to contagion for the wider Chinese economy.

Authorities are "carrying out risk disposal and resolution work in accordance with the principles of rule of law and marketisation," People's Bank of China official Zou Lan said at a briefing, according to an outlet under the Xinhua state news agency.

Zou went on to say that the company had been poorly managed, and had not operated "cautiously" within the confines of the changing market, Shanghai Securities News reported.

"Instead, it blindly diversified and expanded, causing the serious deterioration of operating and financial indicators, and eventually an explosion of risk," said Zou, who heads the PBOC's financial market department.

However he added that "on the whole, the risk of spillover into the financial sector is controllable." Authorities will also help ensure that financial support is provided for the resumption of work on Evergrande's property projects, he said, stressing that the real estate sector remained "generally healthy".

The firm's liquidity crisis came as the country's property sector found itself under tightened scrutiny, after regulators announced caps for three different debt ratios in a scheme dubbed "three red lines" last year.

## \$590m in ransomware payments reported to US in 2021

AFP, Washington

New data out Friday showed \$590 million in ransomware-related payments were reported to US authorities in the first half of 2021 alone, setting a pace to beat totals for the whole previous decade as cyber-extortion booms.

The figure is also 42 per cent higher than the amount divulged by financial institutions for all of 2020, the US Treasury report said, and there are strong indicators the true cost could be in the billions.

"If current trends continue, (reports) filed in 2021 are projected to have a higher ransomware-related transaction value than... filed in the previous 10 years combined," said Treasury's Financial Crimes Enforcement Network.

The heists involve breaking into a company or institution's network to encrypt its data, then demanding a ransom, typically paid via cryptocurrency in exchange for the digital key to unlock it.

Washington has sought to crack down on a sharp rise in attacks, including issuing its first sanctions against an online exchange where illicit operators have allegedly swapped cryptocurrency for cash.