

Harness potential of halal goods export to Middle East: experts

STAR BUSINESS REPORT

Bangladesh has been unable to develop its halal business outreach as the industry's limited infrastructure makes it difficult to fully utilise the potential of Middle Eastern markets, speakers said at a webinar yesterday.

Besides, technological know-how and financial cooperation are needed to set up joint venture halal certification and testing centres, they said.

The speakers also discussed how Bangladesh's trade imbalance with countries in the Middle East is increasing due to the lack of bilateral or multilateral free trade agreements.

The commerce ministry and Dhaka Chamber of Commerce & Industry (DCCI) jointly organised the webinar, styled

"Shaping Business Landscape: Economic Cooperation of Middle East & Bangladesh".

The Bangladesh Standards and Testing Institution (BSTI) is going to issue halal certification for processed products, particularly processed foods, to facilitate such exports.

The standards agency will be the second organisation in Bangladesh to award halal certification for locally made products while the Islamic Foundation Bangladesh is already issuing such certificates.

The BSTI, an agency of the industries ministry, added the provision of halal certification to the BSTI Regulations, 1989.

The BSTI aims to boost halal exports to the Middle East and other Muslim-majority regions.

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DISTRICTS IN FOCUS

AHMED HUMAYUN KABIR TOPU, Rooppur

Md Moslem Uddin, a resident of Rooppur village in Pabna's Ishwardi upazila, lost his job at the Pakshey Paper Mill about one decade ago and has seen considerable financial hardship ever since.

Recently though, Uddin took matters into his own hands by establishing a motorcycle garage on a 10-decimal plot leased from another local.

He now earns roughly Tk 40,000 to Tk 50,000 per month from the venture but this success was only made possible by the ongoing construction of the nearby Rooppur nuclear power plant.

"Several thousand people from across the region are working on the Rooppur project and many of them have to travel long distances by motorcycles to get there," Uddin said.

"After seeing that these people need a safe place to park their vehicles during work hours, I decided to set up a garage on previously unused land which can house more than 100 motorcycles daily," he added.

Similarly, many other residents of the village have set up garages in front of their homes, earning them huge amounts from unused land thanks to the present demand for public parking facilities in the area.

Locals are also taking advantage of the increased demand for accommodation near the project site, going as far as building new residential complexes for this sole purpose.

Besides, a number of shops and markets have sprung up across Rooppur, Shahpur, Pakshey and other adjoining areas of Ishwardi upazila in order to fulfil the needs of project workers.

Monjurul Haque, a resident of the Shahpur Notunhaat area, was working for a mobile network provider soon after completing his

ROOPPUR NUCLEAR POWER PLANT

A tale of rapid socio-economic change



With more than 4,500 Russian nationals engaged in the construction of the Rooppur Nuclear Power Plant in Ishwardi upazila of Pabna, most businesses in adjoining areas have set up signboards displaying their shop names in Russian language. Inset, two Russians are buying vegetables from a kitchen market in the region's Green City. The photos were taken recently.

PHOTO: AHMED HUMAYUN KABIR TOPU

academic studies a few years ago.

But when construction of the Rooppur nuclear power plant began on October 20, 2013, he decided to learn Russian and later joined a Russian company employed by the project.

Haque then opted to combine the two experiences and set up a mobile retail outlet in front of his house, where most Russian nationals involved with the power plant frequently visit due to his fluency in their language.

Haque shared his skills on how to handle Russian clients with other locals as well since thousands of Russian citizens live in the area.

"They often come to local markets and mingle with the

people. So, locals are trying to learn their language and traditions in a bid to cater to their needs," he said.

During a recent visit to the region, this correspondent found remarkable changes with all kinds of shops, hotels, tailors and other businesses bearing signboards in either Russian or English language.

"Considering the fact that Russian tastes differ from our own, we even imported salmon and other high quality fish from different countries as per the demand," said Md Abdullah Maruf, a worker of Glorious Fishes.

The number of rest and recreational activities available has gone up as well as many new resorts, clubs, and foreign food restaurants

have popped up in Rooppur, Shahpur and other adjoining areas centring the power plant project.

As such, people who last visited the region some eight to 10 years ago would now hardly recognise the area due to its rapid change.

Featuring brand new high-rise buildings, resorts, shopping malls, and signboards in foreign languages, the once backwater locality has turned into a city with a foreign flame.

"Locals get job opportunities in the project site while most of the others start various economic activities centring the mega project," said Md Amirul Islam, a primary schoolteacher of Rooppur village.

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BD-South Korea trade relations need revival

Ambassador says

STAR BUSINESS REPORT

Trade relations between Bangladesh and South Korea have not progressed much in the past decade although significant achievements were made prior to it, said the East Asian nation's ambassador to Bangladesh yesterday.

South Korea's exports to Bangladesh amounted to \$1.55 billion in 2010 and decreased to \$1.03 billion in 2020. It stood at \$1.05 billion in the first eight months of 2021, said the envoy, LEE Jang-keun.

As for Bangladesh's exports to South Korea, it was \$139 million in 2010 and grew to just \$392 million in 2020. It stood at \$336 million in the first eight months of 2021, he said.

"So, we need to look back what happened in the past and understand the current situation to improve it in the future," said the ambassador.

His comments came at a webinar on

"Exploring Korea-Bangladesh Relations in the Last Five Decades and Beyond" organised by the Bangladesh Institute of International and Strategic Studies (BISS).

However, of all foreign direct investment made in Bangladesh, South Korea's \$1.2 billion is the fourth biggest as of March 21, ahead of China's \$1.03 billion, said LEE Jang-keun.

He said since the early 1980s, South Korea has been the leading foreign investor in the readymade garment sector.

Back then, Dosh Garments Ltd started exports with Daewoo Group's machinery, technical expertise and training to staff, who have gone on to open hundreds of exporting firms of their own, he added.

He said another significant stride in bilateral trade relations was made with the inauguration of a Korean export processing zone, where 67 factories are now housed employing over 26,000 people.

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GLOBAL BUSINESS

World should shut nearly 3,000 coal plants to keep on climate track: study

REUTERS, Shanghai

The world will need to shut down nearly 3,000 coal-fired power plants before 2030 if it is to have a chance of keeping temperature rises within 1.5 Celsius, according to research by climate think tank TransitionZero.

In a report published days before the UN COP26 climate change summit in Glasgow, TransitionZero said there are currently more than 2,000 GW of coal-fired power in operation across the world, and that needs to be slashed by nearly half, requiring the closure of nearly one unit per day from now until the end of the decade.

The need to close nearly 1,000 gigawatts of coal-fired capacity would put the onus on China - the world's biggest source of climate-warming greenhouse gas and owner of around half of the world's coal-fuelled plants - to accelerate its shift towards cleaner electricity.

"The logical conclusion is that half of the effort will need to come from China," said Matt Gray, TransitionZero analyst and author of the report.

China has reduced the share of coal in its total energy mix from 72.4 per cent in 2005 to 56.8 per cent last year, but absolute consumption volume has continued to rise. President Xi Jinping vowed earlier this year that China would start to cut coal use, but only after 2025.

Its coal strategy has also come under added scrutiny in recent weeks as regulators try to find the extra volume required to resolve an energy crunch that has forced factories to shut and put winter heating and electricity supply at risk.

Gray said while coal consumption will rise in the short term, the crisis is forcing China to accelerate reform that will eventually help the country reduce its fossil fuel reliance.



Open-cast lignite mining is seen near the coal-fired power station Neurath of German energy giant RWE in Garzweiler, western Germany on October 27.

PHOTO: AFP

Bank of Japan lowers annual growth estimate

AFP, Tokyo

The Bank of Japan revised down its annual growth forecast on Thursday and maintained its ultra-loose monetary policy as the pandemic continues to weigh on the world's third-largest economy.

In a quarterly report on prices and the economy, the central bank predicted growth of 3.4 per cent for the year to March 2022, down from its previous forecast of 3.8 per cent.

"Downward pressure stemming from Covid-19 is likely to remain on service consumption, and exports and production are expected to decelerate temporarily due to supply-side constraints," the report said.

"Thereafter, however, with the impact of Covid-19 waning gradually, mainly due to widespread vaccination, the economy is likely to recover.

"Reflecting this more positive longer-term outlook, the bank revised up its growth forecast for the fiscal year to March 2023 to 2.9 per cent from the previous estimate of 2.7 per cent.

The BoJ maintained its longstanding target of two-percent inflation, which remains far off despite years of efforts and prices surging globally.

Although other central banks are starting to unwind their easing programmes, "we continue to expect that the BoJ will stay on hold with easing bias, at least until April 2023 when governor (Haruhiko) Kuroda and two deputy governors are scheduled to end their terms," said UBS economist Masamichi Adachi ahead of Thursday's decision.

As other leading economies worry about inflation risks, Japan has been slower to see prices pick up, with businesses afraid of passing on the increased cost to consumers, Kuroda told reporters.

US business spending on equipment strong

AFP, Washington

New orders for US-made capital goods increased to a record high in September and shipments surged, pointing to strong business spending on equipment, though stretched supply chains likely hampered overall economic growth in the third quarter.

Slower growth expectations were reinforced by other data from the Commerce Department on Wednesday showing the goods trade deficit widening sharply last month, with exports slumping.

While wholesale inventories increased, stocks at retailers fell as supply at auto dealerships continued to decrease rapidly amid a global semiconductor shortage.

The reports, which came ahead of the government's snapshot of third-quarter gross domestic product on Thursday, had some economists ratcheting down their growth estimates.

The economy is believed to have expanded at the slowest pace since the second quarter of 2020, when it suffered a historic contraction in the wake of stringent mandatory measures to contain the first wave of Covid-19 infections.

"The third quarter may be the weakest quarter for economic growth in over a year, but you would never know it looking at business capital spending setting records this month," said Christopher Rupkey, chief economist at FWD BOND in New York.

"Business is looking past the slowdown in consumer spending in the third quarter and betting consumers will return to the shops and malls later this year and clear the shelves."

Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, rose 0.8 per cent last month to an all-time high.

These so-called core capital goods orders advanced 0.5 per cent in August. Economists polled by Reuters had forecast core capital goods

orders gaining 0.5 per cent.

There were increases in orders for machinery, primary metals and fabricated metals products.

But orders for electrical equipment, appliances and components fell as did those for computers and electronic products, likely because of the worldwide chip shortage.

Shipments of core capital goods shot up 1.4 per cent last month after rising 0.6 per cent in August. Core capital goods shipments are used to calculate equipment spending in the GDP measurement.

Business spending on equipment has recorded double-digit growth for four straight quarters. While economists expect another strong quarter in the advance third-quarter GDP report on Thursday, the pace probably moderated because of the acute motor vehicle shortage, which has undercut auto purchases.

High inflation due to strained supply chains is seen eating into the growth in equipment investment.

Energy costs push Spain's inflation to 29-year high

AFP, Madrid

Spanish consumer prices rose at their fastest pace since 1992 in October on the back of higher energy prices, official data showed Thursday.

Inflation climbed year on year by 5.5 per cent, accelerating from a 4.0 per cent increase in September, national statistics institute INE said.

That is its fastest pace in 29 years, since September 1992, when the rate was 5.8 per cent.

The surge in inflation in the eurozone's fourth-largest economy was due largely to a spike in the price of electricity, and to a lesser extent to higher gas prices, it added.

Bank of Spain governor Pablo Hernandez de Cos warned Monday that

higher inflation rates are likely to be seen over the coming months since high energy prices are likely to last through the winter as demand rises due to colder weather.

As in other European Union nations, inflation in Spain has risen since the start of the year after consumer prices declined during most of 2020 due to the economic impact of pandemic lockdowns.

The European Central Bank (ECB) expects inflation will rise by 2.2 per cent in the entire 19-country single currency area this year, above its target of 2.0 per cent.

It has insisted that the inflation spike is "temporary" in nature, driven by one-off pandemic-related effects that will gradually dissipate over the course of 2022.