



Industries Minister Nurul Majid Mahmud Humayun and State Minister Kamal Ahmed Majumder present "Bangabandhu Sheikh Mujib Industrial Award" to ASM Mohiuddin Monem, chairman of ServEngine Ltd, at Osmani Memorial Auditorium in the capital recently.

MONEM BUSINESS DISTRICT



Benazir Ahmed, chairman of Community Bank Bangladesh Ltd, presides over the bank's 27th board meeting at the police headquarters in Dhaka recently. Directors Md Moinur Rahman Chowdhury, Chowdhury Abdullah Al-Mamun, Abu Hasan Muhammad Tarique, Habibur Rahman, Shobeb Reaz Alam, Md Ferdoush Ali Chowdhury, independent directors Masud Khan, Kazi Masihur Rahman, Abdullah Al Mahmud, and Managing Director Masihul Huq Chowdhury were present.

COMMUNITY BANK BANGLADESH

## Top US oil firms crank up shale output after cashing gains

REUTERS, Houston

Exxon Mobil Corporation and Chevron Corporation on Friday disclosed plans to expand drilling in the top US shale basin after posting their biggest quarterly profits in years.

Latecomers to the west Texas shale fields, both last year slashed shale production and cut drilling as oil demand tanked. They could soon add two rigs each and rev up output, executives said on earnings calls.

Exxon last quarter produced about 500,000 barrels of oil and gas a day (bpd) from the Permian basin using 9 drilling rigs.

"We may see a couple more rigs come on here," said Chief Executive Darren Woods, based on its latest well results. The company's third quarter Permian output rose about 30 per cent above the prior period, he said.

Chevron plans to add two drilling rigs and two crews to complete new wells in the Permian this quarter, Chief Financial Officer Pierre Breber told analysts.

Its Permian production could rise to 1 million barrels per day from 600,000 bpd, Chevron said, on a day it reported \$6.11 billion in net income, its best quarter since 2013. Exxon paid \$30 billion for US shale producer XTO Energy in 2010 in an ill-timed bet on natural gas prices and later spent up to \$6.6 billion to add to its west Texas shale assets.

In 2017, it took a \$2 billion charge against its natural gas reserves from the XTO buyout, and last year wrote down the value of natural gas properties by about \$20 billion, most associated with XTO, as demand for fuels tanked during the pandemic.

AFF, London

US and European stock markets mostly retreated on Friday, dragged down by disappointing earnings from Apple and Amazon, with additional pressure coming from news of rising eurozone inflation.

The US tech titans announced billions of dollars in quarterly profits on Thursday, but supply chain bottlenecks, rising prices and the global chip shortage dented performance.

Ahead of the Apple and Amazon results, US stocks had closed higher on Thursday, with the tech-heavy Nasdaq striking a new all-time high.

But they fell back at the open of trading on Friday, although the Dow later moved back into positive territory.

"Disappointing results from the tech giants after hours offset positive momentum from Wall Street's record close," noted Victoria Scholar, head of investment at Interactive Investor. Asian stock markets closed mixed on Friday.

The dollar climbed against its main rivals, gaining 1 per cent against the euro as speculation mounts the Federal Reserve will begin next week to tighten monetary policy and US government bond yields rise.

Forecast-beating profits from some of the world's biggest companies have helped fan a rally across global equities this month, helping to temper concerns about surging inflation and the end of the era of central bank largesse.

But the results from Apple and Amazon, coupled with eurozone inflation data on Friday, soured sentiment heading into the weekend break.

Data out Friday showed overall the eurozone economy was so far maintaining its steady recovery from Covid-19 restrictions, growing at 2.2 per cent in the third quarter of the year.

But inflation in the single-currency bloc surged to a record rate this month as high energy prices jumped and supply woes bit, Eurostat said on Friday, casting a cloud over the recovery from the coronavirus pandemic.

## Inflation concerns and tech miss weigh on stocks



AFF/FILE

The US dollar surged by more than 1 per cent against the euro as speculation mounts that the Fed will tighten monetary policy.

Year-on-year inflation hit 4.1 per cent in October, more than double the European Central Bank's (ECB) target and tying the record rate last seen in July 2008, as energy prices jumped almost a quarter, the agency said.

"Today's surprise jump in EU October CPI to 4.1 per cent is

another reminder of the risks of the ECB's current ultra-loose monetary policy and if anything adds to the pressure on a central bank that appears to be in denial as markets price in ever increasing inflation risks," said analyst Michael Hewson at CMC Markets. The ECB held fast Thursday

that the medium-term inflation outlook is still below its 2.0 per cent target and therefore a rate hike is still off the table.

Rising inflation expectations are helping push up yields on government bonds in Europe.

A growing number of countries have hiked interest rates to battle inflation.

All eyes next week will be on the Federal Reserve, which is widely expected to announce plans on tapering its vast stimulus package ahead of hiking rates next year.

The Bank of England is meanwhile set to raise its main interest rate from a record-low 0.1 per cent at its meeting also next week.

In Asia, Hong Kong and Shanghai stock markets were handed some support by a report that property group China Evergrande had made an overdue interest payment ahead of a Friday deadline, buying it a little more breathing space as it struggles to address a debt crisis that many fear could spill over into the wider economy.



MEGHNA GROUP

Fresh LP Gas, a concern of Meghna Group of Industries, organised its annual sales conference at the Royal Tulip Sea Pearl Beach Resort in Cox's Bazar recently. The top performers were awarded for their dedication and achievement at the conference. Mohammed Nurul Alam, chief operating officer of Fresh LP Gas, Gobinda Chandra Das, general manager of accounts, and Md Ariful Haque Maruf, senior deputy general manager of sales, were present.

## Saudi to bid to host Expo 2030 world fair

REUTERS, Dubai

Saudi Arabia intends to bid to host the Expo 2030 world fair, Saudi Crown Prince Mohammed bin Salman said on Friday, part of the de facto ruler's push to transform the kingdom's economy and diversify it away from oil.

The Saudi capital Riyadh has submitted a formal request to host Expo 2030 under the theme "The era of change: Leading the planet to a foresighted tomorrow", a statement said.

Gulf neighbour and regional business hub the United Arab Emirates, which is increasingly in economic competition with Saudi Arabia, is currently hosting the Expo 2020 world fair, which was delayed for a year by the Covid-19 pandemic.

The UAE Vice President and ruler of Dubai Sheikh Mohammed bin Rashid Al-Maktoum tweeted his support for the Saudi bid, saying "We will give our brothers access to the knowledge and experience we gained



Saudi Crown Prince Mohammed bin Salman

throughout seven years of preparation for the Expo". The bid, which was submitted to the expo organising body the Bureau International des Expositions (BIE), will be led by the Royal Commission for Riyadh City.

Prince Mohammed said the 2030 Expo in Riyadh would coincide with the culmination of the kingdom's economic reform program known as Vision 2030, and allow the kingdom to share lessons from that programme.

## IMF struggling over long-awaited 'green debt swap' push

REUTERS, Rome

The IMF is narrowing its push for debt-for-climate swaps to focus on countries without major debt issues and has dropped plans to release a joint proposal with the World Bank before next week's UN climate conference, according to sources familiar with the matter.

In April, International Monetary Fund (IMF) chief Kristalina Georgieva said green debt swaps could spur accelerated action on climate change in developing countries, and pledged to work with the World Bank to "advance that option" in time for the United Nations Climate Change Conference 26 in Glasgow.

Her comments drew strong support from civil society groups pushing for solutions addressing both climate change and rising debt burdens facing many low-income countries, which saw debt levels soar to a record \$860 billion in 2020.

But the endeavor has run into concerns about the potential impact and utility of such swaps given the small

scale of previous swaps, limited interest by creditors, and the slow progress seen on a broader, more straightforward debt restructuring program launched by the Group of 20 last year.

Georgieva hosted a meeting on the swaps issue with officials from the United Nations, World Bank and outside experts in July, but there has been little progress on specific proposals, multiple sources familiar with the matter told Reuters.

Asked whether the IMF would unveil any concrete plans next week, a spokesperson said the global lender was continuing to "explore ideas" and expected discussions to extend for some time.

"Debt-climate swaps could be a useful complement to existing climate finance instruments, particularly in countries with sustainable debts but limited fiscal space," the spokesperson said.

"We are supportive of creating an environment that allows these swaps to flourish and achieve greater scale." World Bank officials have been skeptical, preferring to focus on changing climate-related policies

rather than requiring additional spending from already heavily indebted countries, said sources familiar with the discussions.

IMF officials also raised questions internally about the impact of such targeted instruments, noting some donor countries may prefer grants due to greater simplicity, sources said.

Kevin Gallagher, who leads the Global Development Policy Center at Boston University, said the lack of progress on Georgieva's plans was disappointing.

Gallagher's think tank and two others in June called on G20 economies to launch a new global facility to guarantee new bonds that could be swapped by private creditors for old debt with a haircut, a plan modelled on the so-called Brady bonds issued by Latin American countries in the late 1980s.

"The IMF needs to increase its sense of urgency," Gallagher told Reuters, underscoring the confluence of problems facing countries that were heavily indebted and at risk of climate change-related weather events.

## Affordable housing: a billion-dollar opportunity

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The location of the potential project is a vital factor to consider when providing affordable housing. Housing schemes can be connected to export processing zones (EPZs) as thousands of workers from the middle-income segment are employed there.

There are eight EPZs across Bangladesh. The EPZs, which are located in Chattogram, Dhaka, Mongla, Ishwardi, Cumilla, Uttara (Syedpur), Adamjee and Karnaphuli, collectively employ 461,460 people. Beyond this, there are hundreds of localised industrial belts around the EPZ areas.

The people working in these areas can also be potential buyers. Their employers could act as a guarantor for home loans, or a scheme could be created so that a specific percentage from an employee's salary would go towards paying off their home loans. This would also increase job stickiness and reduce the turnover rate, which has traditionally been high in this sector, thus acting as an incentive for the employers to be part of such a scheme.

According to the Bangladesh Economic Zones Authority (Beza), there are a total of 88 economic zones spread throughout the country, 59 of

which are government-owned and the rest are privately owned. This means that there are hundreds of thousands of employees who could be targeted for an affordable housing scheme, resulting in billions of dollars being added to the GDP.

In the global scenario, other countries have been successful in their efforts to provide affordable housing to the middle class.

For instance, Singapore went from having one of the worst housing shortages in the world in the 1950s to having about 90 per cent home-ownership today. This is because citizens are able to take loans from their pension fund from the first day they start earning.

India has also started a "Housing for all" initiative. The government has decreased the interest rates on home loans, incentivising buying homes. Renowned real estate companies have also started to provide affordable housing. As the affordable housing complexes are developing, localised amenities such as schools, hospitals and shopping malls are growing.

Providing affordable housing to middle and lower-middle segments of society in Dhaka will be a massive undertaking, which will need cooperation between the government,

financial institutions, and real estate developers. With the substantive gap in the housing market, this project is very much needed.

The demand for housing will only continue to increase over the years, especially with the rising number of climate refugees and other migrants moving into urban areas. Thus, affordable housing should partly be funded by the World Bank's Climate Change Fund.

There should be a public-private partnership in policy preparation about housing and a target on how many affordable housing units will be provided per year.

The government has mentioned in the eighth five-year plan for 2020-2025 that for addressing the shortage in the supply of housing, PPP can be used and that the government can hand over government-owned land to lower and lower-middle-income people. With adequate support from international lending institutions such as the IFC, the World Bank and the Asian Development Bank, as well as conducive government policies, providing affordable homes in our country will be possible.

The author is managing director of Rangs Properties Ltd.