STAR/FILE

According to the Department of Fisheries, hilsa has the highest contribution of over 12.09 per cent to the total fish production of Bangladesh.

Hilsa exported to India just a quarter of quota

STAFF CORRESPONDENT, *Ctg*

Exporters have utilised just around 24 per cent of a government quota on selling hilsa to India within the stipulated timeframe which came to an end on Friday.

Bangladesh has maintained a ban on the export of its national fish since August 2012. But it annually lifts the restriction for neighbouring India during Durga Puja, the biggest religious festival of Bangalee Hindus, as a goodwill gesture.

This year the commerce ministry in two circulars on September 20 and September 23 informed of having allowed 115 companies to each export 40 tonnes for the celebrations, which ran from October 11 to October 15.

But this coincided with a government conservation programme, specifically a 22-day ban on netting, selling and transportation from October 4 to October 25 focusing the main breeding season.

It prompted the government to extend the export period until November 5.

But only 1,100 tonnes were exported from Bangladesh to Kolkata until October 3 and none afterwards, well below the limit of 4,600 tonnes.

In the second phase after October 25, no trader exported hilsa, said Shafiqul Islam, customs revenue officer (exports) at the Benapole land port, which is the sole port through which the export is allowed.

Exporters said there was no such conservation-focused ban in India, for which their fishermen continued catching the fish at sea and supplying it to their markets.

At present, hilsa is cheaper in Kolkata.

In late September, each kg was being sold to India at $10 or roughly Tk 854. In contrast, in the wholesale markets of Bangladesh, those weighing over one kg were being sold at around Tk 1,200 and less than one kg at Tk 650.

The exporters said the price difference dissuaded them.

There is not that much of a demand for hilsa in India now, said Amin Ullah, president of the Bangladesh Frozen Foods Exporters Association.

The 24-day time window for the export was too short for collections and transportation and too many companies were granted export permission, he said.

READ MORE ON B2

E-commerce conundrum: an alternative solution

SAIFUR RAHMAN

Recently, there has been a hue and cry in the e-commerce sector of Bangladesh with massive allegations of fraud. Customers paid the e-commerce merchants for different goods, but they did not receive the product.

In response, the relevant authorities implemented an escrow system where there is a third party (escrow), who retains the authority on the release of money until delivery of the product is established.

Different media agencies emphasised that in Bangladesh, the escrow agency follows a process that is largely manual. Such a model can't be sustainable or serve millions of transactions that can happen in the e-commerce domain each day. Moreover, the government of Bangladesh is, currently, in the process of implementing a policy requiring an e-commerce-based entrepreneur to keep enough deposit as security so that in the case of default, affected customers can be compensated.

Sounds good, but such a policy would restrict thousands of small and medium-sized entrepreneurs who do not have enough deposit money. This will create a few handful of giant e-commerce merchants with the power of monopoly—a state of affairs that nobody wants. An IT solution can resolve these issues. But before I explain, let me discuss the general process of an e-commerce transaction.

There are different models of e-commerce, but the most prevalent one is the one where the merchant owns the e-commerce site but has no stocks. Sellers and buyers use that site for their business dealings.

The transaction starts when a customer places an order through that site. The e-commerce site forwards the order to the seller and the transaction information along with credit card details to the payment gateway. The payment gateway sends the transaction details to the card association (Visa, Mastercard etc.).

The card association forwards that to the card-issuing bank. The bank checks the available balance and verifies other details before authorising the transaction. This authorisation goes back to the payment gateway via the same channel but in reverse order. The gateway then releases the payment.

The whole process is automatic and happens in seconds. When the supplier or the merchant receives the payment, they initiate the product delivery process. In the end, the purchaser receives the ordered item.

Anybody can take notice that here, the customer is the weakest link who has already paid but has no control over product delivery. But the process is still being followed worldwide in the e-commerce business because of the mutual trust between merchants and clients. That confidence had been established after long years of doing business together. If trust is lacking, as in the case of Bangladesh, this process simply can't work.

In order to safeguard customer's interests, authorities in Bangladesh introduced an escrow model in the Standard Operating Procedure (SOP) of e-commerce transactions. The model has severe limitations. Hence, I am proposing an IT solution that can be implemented as a viable alternative.

OPINION

A Product Delivery and Payment Tracking Application (PDPTA) can be designed, developed and implemented to coordinate the activities of the merchant, supplier, escrow agency and payment gateway and for the tracking of the delivery process.

This is a database-driven web application that captures all the information about an item and records all the events from the order to delivery. This application would be under the control of the payment gateway or the escrow agency and preferably mounted on their server. Merchant, supplier and delivery services (e.g. courier services) would interact with the PDPTA website through an Application Programming Interface (API).

READ MORE ON B2

GLOBAL BUSINESS

Shortages hit French, German industrial output

AFP, *Berlin*

Industrial output fell in September in both France and Germany as delays in receiving materials hampered production, data released Friday showed.

In Germany, where manufacturing for export is the lynchpin of the economy, industrial production fell by 1.1 per cent in September from August, the national statistics agency Destatis said. That followed a 3.5 percent drop in August.

The September drop confounded some analysts who had been expecting a gain and on an annual basis output is now down 1.0 percent from last year, having been higher in previous months.

Industrial production was also 9.5 per cent below the pre-pandemic February 2020 level, in seasonally and calendar-adjusted terms.

"The main problem is well known: it's persistent supply chain disruptions," said LBBW economist Elmar Voelker.

Germany's auto industry has been particularly hard hit due to a shortage of semiconductors, with production way below pre-pandemic levels.

Meanwhile in France, industrial output recorded its first fall in several months in September, dropping by 1.3 per cent from August, according to the French statistics agency INSEE.

AFP/FILE

Germany's car industry has particularly been hit hard by a shortage of semiconductors, with production way below pre-Covid levels.

US economy adds 531,000 jobs in October: govt

AFP, *Washington*

The US economy added 531,000 jobs last month and the unemployment rate dropped to 4.6 per cent, the government reported Friday, a better-than-expected result indicating hiring is resurging as Covid-19 infections decline.

A wide range of industries added jobs in October, including manufacturing, transportation and warehousing, and the hard-hit leisure and hospitality sector, though public education employment declined, the Labor Department said.

A spike in coronavirus infections fueled by the fast-spreading Delta variant held employment down in August and September, but the report brought welcome news: upward revisions to both months that indicated hiring was 235,000 higher than first reported.

"We got an unambiguously strong October jobs report -- big job gain, unemployment fell, hours worked increased and wage growth is strong," tweeted Mark Zandi of Moody's Analytics.

"Strong evidence that as the Delta-wave of the pandemic winds down, the economy is revving back up.

"However, evidence of the massive damage done to the American workforce by the historic downturn that began in March 2020 remained evident.

The labor force participation rate indicating the share of the people working or looking for a job was unchanged in October at 61.6 per cent, which the Federal Reserve will surely take note of as it gauges whether the economy has returned to full employment.

The numbers of permanent job losers and people on temporary layoff changed little over the month, and remains higher than before the pandemic, the data said.

US Democrats pass $1t infrastructure bill

REUTERS, *Washington*

After a daylong standoff, Democrats set aside divisions between progressives and centrists to pass a $1 trillion package of highway, broadband and other infrastructure improvement, sending it on to President Joe Biden to sign into law.

The 228-to-206 vote late on Friday is a substantial triumph for Biden's Democrats, who have bickered for months over the ambitious spending bills that make up the bulk of his domestic agenda.

Biden's administration will now oversee the biggest upgrade of America's roads, railways and other transportation infrastructure in a generation, which he has promised will create jobs and boost US competitiveness.

Democrats still have much work to do on the second pillar of Biden's domestic program: a sweeping expansion of the social safety net and programs to fight climate change. At a price tag of $1.75 trillion, that package would be the biggest expansion of the US safety net since the 1960s, but the party has struggled to unite behind it.

Democratic leaders had hoped to pass both bills out of the House on Friday, but postponed action after centrists demanded a nonpartisan accounting of its costs - a process that could take weeks.

After hours of closed-door meetings, a group of centrists promised to vote for the bill by November 20 - as long as the nonpartisan Congressional Budget Office found that its costs lined up with White House estimates.

"Welcome to my world. This is the Democratic Party," House Speaker Nancy Pelosi told reporters earlier in the day. "We are not a lockstep party."

The $1.75 trillion bill cleared a procedural hurdle by a vote of 221 to 213 early on Saturday, which will enable Democratic leaders to quickly schedule a final vote when the time comes.

The standoff came just days after Democrats suffered losses in closely watched state elections, raising concerns that they may lose control of Congress next year.

The infrastructure bill passed with the support of 13 Republicans, fulfilling Biden's promise of passing some bipartisan legislation. The phrase "infrastructure week" had become a Washington punch line during his predecessor Donald Trump's four years in the White House, when plans to focus on those investments were repeatedly derailed by scandals.

India, Indonesia and Philippines join coal transition programme

REUTERS, *Glasgow*

India, Indonesia and the Philippines will join South Africa as the first recipients of a multibillion dollar pilot programme aimed at accelerating their transition from coal power to clean energy, the Climate Investment Funds (CIF) said on Thursday.

The four countries account for 15 per cent of global emissions related to coal, the dirtiest fossil fuel. Cutting their emissions more quickly will help the global effort for net zero carbon emissions by 2050, a key goal of the ongoing United Nations COP26 climate summit in Glasgow, Scotland.

Indonesian Energy Minister Arifin Tasrif said his country was committed to reducing and replacing its coal power plants with renewables in energy transition.

"Climate change is a global challenge that needs to be addressed by all parties through leading by example," he said in a statement.

The CIF said the Accelerating Coal Transition (ACT) programme was the first to target developing countries that lack adequate resources to finance the shift away from coal, a move considered vital to limit the global temperature rise to 1.5 degrees Celsius by 2030.

South Africa said on Tuesday it would be the first beneficiary.

The new programme has been endorsed by the Group of Seven advanced economies and is supported by financial pledges from the United States, Britain, Germany, Canada, and Denmark, the CIF said.

Denmark said it would donate 100 million Danish crowns ($15.5 million) to the programme's "efforts to purchase and decommission coal power plants and invest in new energy sources".

"We must have sustainable plans for decommissioning coal power plants. For example, we need to ensure alternative employment for the local population, including retraining programmes," said Danish Foreign Minister Jeppe Kofod.