

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
1.66%	1.68%	\$1,824.70	\$84.54	0.13%	0.61%	0.37%	0.41%	84.85	97.23	114.14	13.04	
6,982.18	12,278.40	(per ounce)	(per barrel)	60,352.82	29,106.78	3,231.32	3,492.46	BUY TK	85.85	101.03	117.94	13.71

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Business confidence jumps as pandemic wanes: study

STAR BUSINESS REPORT

Businesses in Bangladesh made a stride in terms of recovery from the fallout of the coronavirus pandemic in the third quarter of 2021, helped by buoyancy in exports and resumption of economic activities, said a new survey.

The survey of 500 firms was carried out by the South Asian Network on Economic Modeling (Sanem) between October 10 and 27. It measured business confidence on a scale of 0 to 100 with a score above 50 points marking improvement.

It found that the present business status index (PBSI) jumped to 52.31 in the July-September quarter from 42.57 a quarter ago.

What is more, the overall PBSI has crossed the 50-point mark for the first time since the survey was launched in July 2020, indicating business activities are improving. This was the sixth round of the survey.

"There have been some visible recoveries in business activities. The improvement is visible in most of the sub-indicators of the PBSI," said Sanem Executive Director Selim Raihan while presenting the findings of the survey at a webinar.

"All economic activities have resumed. The Covid-19 situation has also improved, powering recovery in business activities," he said, adding that faster recovery was observed in the restaurant, garment, textile, and light engineering sectors, among others.

The overall business confidence improved to 60.67 in the October-December period from 49.74 in the previous quarter.

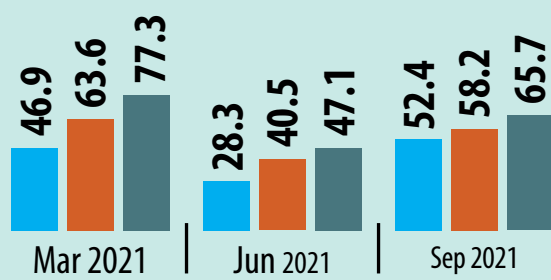
Firms in the sectors such as transport, light engineering, tourism, textile, RMG, and ICT expressed greater confidence in the upcoming quarter, reflecting their optimism about the better



MAGNITUDE OF RECOVERY BY FIRM SIZE

(In %)

Micro & small
Medium
Large



SOURCE: SANEM

prospect in the near future, said Prof Raihan.

Most of the time over the last one and a half years, the business status and confidence were worse for micro, small-and-medium firms compared to large firms, for non-exporter firms as opposed to exporter firms, and for firms from

the services sector, according to the survey report.

Twenty-one per cent of respondents observed that Bangladesh was on the path to a strong recovery, versus 27 per cent who said the economy was having a weak recovery.

READ MORE ON B3

HC asks govt to explain failure to probe IDRA chief's alleged graft

STAR BUSINESS REPORT

The High Court has asked four government agencies to explain why they failed to investigate the corruption allegations against the chief of the Insurance Development & Regulatory Authority (IDRA).

A High Court bench of Justice M Enayetur Rahim and Justice Md Mostafizur Rahman issued the rule on Tuesday on a writ petition filed on October 28 by Abu Saleh Mohammad Amin Mehedi.

The finance ministry, the Anti-Corruption Commission (ACC), the National Board of Revenue, and the Bangladesh Financial Intelligence Unit were made respondents to the rule.

Concrete evidence was found that IDRA Chairman M Mosharraf Hossain invested around Tk 4 crore using the gratuity and the provident funds of the two companies, namely Loves & Lives Organics, and Gulshan Valley Agro Industries, said the petition.

The four funds are still active in both the primary and secondary markets of

ALLEGATIONS AGAINST IDRA CHIEF

Owning two companies anonymously

Questionable source of funds for two firms

Investing in insurance stocks

Taking bribes

Laundering money

Abusing power

the capital market, and a portion of the funds was invested in Padma Islami Life Insurance as of September 30 last year.

Recently, all four funds applied for and were allotted shares in the initial public offering of Sena Kalyan Insurance Company, said the petition.

The two companies are stated to be non-operative in their income tax returns. Yet, the funds together hold an investment portfolio of Tk 4 crore built over the past two to three years.

In order for the employees' funds to have such an extent of investment, which is comprised of the contributions from employees and employers, the total salary bill of the two firms ought to be Tk 33 crore over the past two years.

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Incepta fifth to produce molnupiravir

STAR BUSINESS REPORT

A fifth drugmaker -- Incepta Pharmaceuticals Ltd -- received authorisation yesterday for the emergency production and marketing of molnupiravir, said a senior official of the Directorate General of Drug Administration (DGDA).

Earlier, the DGDA gave approval to Eskayef, Beximco, Square and Renata to make the anti-Covid pill.

Five other drugmakers are in line to get the same approval, said Md Salauddin, director of the DGDA.

Of those, the ACI received permission to produce molnupiravir, according to a letter issued by the DGDA yesterday.

The company will now need to submit a sample along with relevant documents and if it passes the quality test, the DGDA will provide emergency use and marketing authorisation.

The ACI will roll out the drug under the brand name "Melovir".

Developed by American pharmaceutical Merck and Ridgeback Biotherapeutics, the pills are designed to be taken as soon as possible after a positive coronavirus test and within five days of the onset of symptoms.

During that time the virus replicates rapidly and the immune system is yet to mount a defence.

Patients need to take four capsules twice a day for five days, with the full course costing Tk 2,000.

Aziz Pipes' production closure raises questions

AHSAN HABIB

Closure, resumption, and closure. This is what described Aziz Pipes in the last 10 months in a nutshell.

What seems to be a simple course for a company has not been that simple for the investors in the Dhaka Stock Exchange, as the directors of the listed plastic pipe and door producer seemed to have benefited from the price swings while retail traders found themselves on the receiving end.

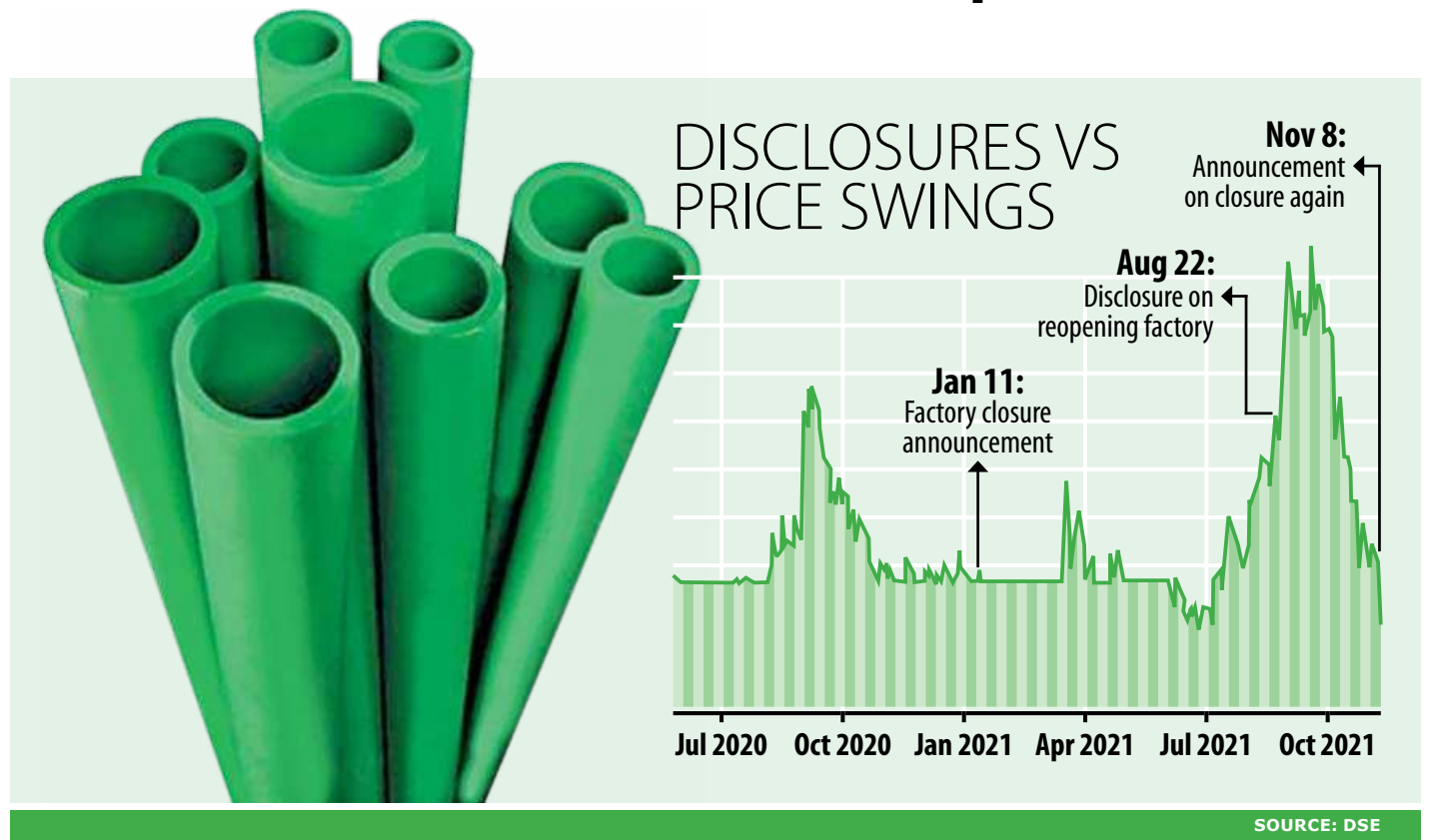
When Aziz Pipes announced the closure of its operations on January 11, the company's stock price plummeted to Tk 87 from Tk 136 in a span of three months. It rebounded to Tk 165 after the company said on August 22 that it would resume production from October 1.

But when it suspended production for the second time this year on Monday, the stock slipped to Tk 96.4 and further to Tk 88.8 on Tuesday, raising questions whether the announcement stemmed from fundamental reasons or was a part of a ploy to manipulate the stock price.

"The suspicion is much deeper because a huge price movement occurred a few days before the announcement," said a top official of an asset management company, preferring anonymity.

Normally, a sharp price swing just before a regulatory filing indicates that there was insider trading, he said, adding the regulator should investigate.

Insider trading involves trading in a public company's shares by someone who has non-



SOURCE: DSE

public, material information about the stock, and this is illegal. The disclosure related to the resumption of production came on August 22, but the share of the company rose to Tk 131 from Tk 89 since July 7.

Before plunging on Monday, the stock had risen to as high as Tk 165 on September 19, data from the DSE showed.

The company closed the factory's production activities because of a lack of

working capital, complexity with bank loans, financial crisis, loan liability, raw material crisis, and lack of reserves, according to a regulatory filing on the exchange.

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World congress on IT begins today

STAR BUSINESS REPORT

The World Congress on Information Technology (WCIT) 2021 is all set to begin at the Bangabandhu International Conference Centre in Dhaka today.

The theme of this year's event is "ICT the Great Equalizer". It is jointly organised by the ICT Division, Bangladesh Computer Council and Bangladesh Computer Samity at the initiative of the World Information Technology and Services Alliance.

The Bangladesh Association of Software and Information Services, Bangladesh Association of Call Center and Outsourcing, e-Commerce Association of Bangladesh and Internet Service Providers Association of Bangladesh are partners of this event.

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Country's first hydrogen fuel plant nears completion

Production begins in June

MOHAMMAD SUMAN, Ctg

Bangladesh's first hydrogen fuel production plant, a project initiated by the Bangladesh Council of Scientific and Industrial Research (BCSIR), is all set to begin operations by June next year.

The plant will produce hydrogen by

converting household waste and water into highly combustible fuel through a process known as biomass gasification and electrolysis of water, respectively, according to BCSIR officials.

The BCSIR has already set up a unit of the plant, and the works to set up another are going on in full swing.

Once both units begin operations, they will collectively produce about 5.8 kilogrammes of hydrogen fuel daily. The volume could go up to 29 kgs if the plants run round the clock.

In a bid to locally produce highly sustainable and environment-friendly hydrogen fuel, the BCSIR took up a pilot project involving Tk 54 crore for the "Establishment of Hydrogen Energy Laboratory" at its Chattogram centre in October 2018.

The main aims of the project are to conduct research, ensure quality control related to hydrogen production, provide storage and supply solutions, develop infrastructure, and provide services in the form of a national level reference centre.

In Bangladesh, the demand for hydrogen is growing in the transportation, energy and power generation, oil refining, steel, methanol, electronics and food industries.

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Debt Capital Market Transaction

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ACTIVA Management Development Institute has organised a two-day workshop for the female officers, executives and managers of Pubali Bank Ltd at a hotel in Gulshan recently to develop their skills. Titled "Work Life Balance for Women in Banks", the workshop was conducted by Sharbari Saha, a faculty of ICFAI Business School, Kolkata as a trainer. Safiul Alam Khan Chowdhury, managing director of Pubali Bank, and Ahmed Enayet Manzur, general manager of the human resources division, were present.



The Dhaka Regional Committee of the Institute of Chartered Accountants of Bangladesh has brought out a rally in the capital yesterday to observe the International Accounting Day 2021. CA members and students from CA firms, public and private universities took part in the rally. Mahmudul Hasan Khusru, president of the ICAB, Md Selim Reza, chairman of the ICAB's Dhaka Regional Committee, and Md AKH Hasif Sowdagar, secretary, were present.

Global stocks lower on inflation fears

AFP, New York

European and US stock markets ended Tuesday's trading in the red, dragged lower by continued inflation concerns and fatigue on Wall Street after a string of record-setting sessions.

The cryptocurrency market, however, reached a new summit as bitcoin surged to \$68,513.

The three major US equity indices finished lower after closing at records on Monday for the second session straight as traders cheered good jobs data and passage of a massive infrastructure overhaul legislation.

A pullback was imminent, analysts said, and Karl Haeling of LLBW told AFP the drop was "technical in nature. The market is overbought and due for a slight correction, for a pause."

"Europe's major stock exchanges were higher for most of the session, but slipped back towards the close of trading, weighed down by Wall Street's weakness."

US government data showed wholesale prices remained high in October and with signs of accelerating again, as the world's largest economy battles a wave of inflation.

The US Labor Department will release consumer price data on Wednesday, which economists also expect to show an acceleration last month.

"Because of rising energy costs and supply chain constraints, inflation is likely to have surged," said AvaTrade analyst Naem Aslam.

Bitcoin, meanwhile, scaled new historic heights as the combined value of all cryptocurrencies topped \$3 trillion, according to data provider CoinGecko.

"Crypto prices have been driven higher by both institutional demand and retail buying, as evidenced by soaring market capitalization of cryptos, which has roughly quadrupled since the end of 2020," ThinkMarkets analyst Fawad Razaqzada said.

"As well as growing expectations over widespread adoption and use of cryptos, there is undoubtedly a level of speculative buying that is causing prices to rally as traders take advantage of the moment in the hope of making profit from even higher prices."

The specter of inflation continues to loom large, with prices at multi-year highs owing to supply chain snarls, surging energy costs and a pick-up in demand as the economy returns to normal.

The Federal Reserve has said it will be patient in hiking borrowing rates, though Vice Chair Richard Clarida on Monday said the economy could be ready for liftoff by the end of next year.

Other top Fed officials have taken an even more dovish view on the outlook and the timing of a rate increase, but some economists think the central bank will have to be more aggressive to contain inflation.

"So, the conclusion is that just like the market, Fed officials are not a hundred percent sure how inflation dynamics will play out," said Rodrigo Catril at National Australia Bank.

Thailand plans to reopen borders to foreign workers

REUTERS, Bangkok

Thailand plans to reopen its borders to workers from neighbouring Myanmar, Cambodia and Laos, a government official said on Tuesday, in a bid to ease a labour shortage that is hurting its export and tourism-dependent economy.

Pairote Chotikasathien, from the Ministry of Labor, said the rules relating to vaccination status for the migrant workers, quarantine procedures and Covid-19 testing will be decided on Wednesday.

Thailand's big exporting industries such as food and rubber production rely heavily on migrant labour. But strict border controls and quarantine rules have virtually halted all labour migration.

Pairote estimated the country needed 420,000 foreign workers at this time, mostly in the construction, manufacturing and seafood industries. Many workers left the country as it battled its worst Covid-19 outbreak earlier this year and have not returned.

Some workers who remained in the country were placed in bubble and seal policies under factory and construction quarantine schemes.

Thailand has nearly 2 million confirmed infections and 19,764 deaths, the majority of which came after April when the Delta variant was detected among migrant workers in a construction camp.

Six carmakers agree to phase out fossil-fuel vehicles by 2040

REUTERS, Glasgow

Six major automakers on Wednesday will commit to phasing out the production of fossil-fuel vehicles around the world by 2040, as part of global efforts to cut carbon emissions, the British government said in a statement.

But sources familiar with the pledge's contents said some big carmakers including the world's top two, Toyota Motor Corp and Volkswagen AG, and crucial car markets China, the United States and Germany have not signed up.

That highlighted the challenges that remain in shifting to a zero-emission future.

Cars, trucks, ships, buses and planes account for about a quarter of all global carbon emissions, data from the International Energy Agency showed, of which the bulk comes from road vehicles.

Sweden's Volvo, US automakers Ford Motor Co and General Motors Co, Daimler AG's Mercedes-Benz, China's BYD Co Ltd and Jaguar Land Rover, a unit of India's Tata Motors Ltd, were set to sign the pledge at climate talks in Glasgow, the latest initiative to help cap global warming by mid-century.

Volvo has already committed to going fully electric by 2030.

Britain, which is hosting the COP26 summit, said four new countries including New Zealand and Poland were joining other nations already committed to ensuring all new cars and vans are zero emission by 2040 or earlier.

The statement comes on a day dedicated to transport at the conference.

But the apparent unwillingness of China, the world's largest car market, and the United States - the world's largest economy and second-largest car market - to join the pledge raises questions about its effectiveness.

GM said it is "proud to now stand alongside other companies, governments and civil society organizations to support the declaration to commit to working towards a transition to 100 per cent zero emission vehicles by 2035."

Ford confirmed its participation and said: "It will take everyone working together to be successful."

Sources said that while the United States is not joining the pledge, key car-buying states like California and New York have signed up.

An auto industry source said some carmakers are wary of the pledge because it commits them to a costly shift in technology, but lacks a similar commitment from governments to ensure that the necessary charging and grid infrastructure would be built to support electric vehicles.

In the summer, the European Commission proposed an effective ban on fossil-fuel vehicles by 2035, accompanied by a commitment to charging infrastructure that carmakers had demanded.

The world's No 4 carmaker, Stellantis, was also missing from the latest pledge, as were Japanese carmakers Honda Motor Co Ltd and Nissan Motor Co Ltd; Germany's BMW and Korea's Hyundai Motor Co.



Manzurul Islam, chairman of Eastern Housing Ltd, virtually presides over the company's 57th annual general meeting yesterday. The shareholders approved 15 per cent cash dividend for the year 2020-2021. Suraiya Islam, Abu Luthfe Fazle Rahim Khan, Abdur Rahim Choudhury, Md Abdul Wadud, Mostafizur Rahman, directors of the real estate company, Md Rafiqul Islam and Kashem Humayun, independent directors, Dhiraj Malakar, managing director, Salim Ahmed, company secretary, and Md Asadul Islam, chief financial officer, also attended.



Mohammad Masoom, managing director of Citizens Bank PLC, and Ahmed Kamal Khan Chowdhury, group adviser of SSL Wireless, exchange signed documents of an agreement for mobile airtime recharge and online merchant payment solution at the bank's head office recently. Reazul Islam, CEO of SSL Wireless, and Mohammad Iqbal, senior executive vice-president of the bank, Mohammad Wahidur Rahman Chowdhury, executive vice-president, and Kazi Md Ehasanuzzaman, senior vice-president, were present.

Adidas muddles through supply chain mess in Q3

AFP, Berlin

Global supply-chain issues dampened the German sportswear giant Adidas's third quarter results, with the company revising down its estimated gross profit margin for the year on Wednesday.

The company "performed well in an environment characterised by severe challenges on both the supply and demand side," Adidas CEO Kasper Rorsted said in a statement.

Difficult market conditions in China and lockdowns in the Asia-Pacific region, leading to the closure of factories in Vietnam for several weeks, as well as global supply chain disruptions, reduced revenues in the third quarter by 600 million euros (\$694 million), the group estimated.

Revenues between July and September reached 5.8 billion euros, up by three per cent on the same period last year and with the brand still on course to increase their overall sales by 20 per cent in 2021.

Growth in revenues, as well as net profit and the company's operating margin, a measure closely watched by investors, would "come in at the lower end" of the company's estimates for the year on the back of disruptions.

At the same time, Adidas lowered its gross profit margin expectations to between 50.5 and 51 per cent from 52 per cent previously "due to significantly higher supply chain costs as well as a less favourable market mix."

In August, Adidas agreed the sale of the ailing sportswear maker Reebok to the American company Authentic Brands Group for 2.1 billion euros.

Emirates airline on 'recovery path' as losses cut by half

AFP, Dubai

Emirates airline said it was on the path to recovery from the Covid pandemic on Wednesday as six-month losses dropped by more than a half from a year earlier.

The Dubai-based carrier posted an April-September loss of \$1.6 billion, compared with \$3.4 billion during the same period in 2020.

"Across the group, we saw operations and demand pick up as countries started to ease travel restrictions," CEO Sheikh Ahmed bin Saeed Al Maktoum said in a statement.

"This momentum accelerated over the summer and continues to grow steadily into the winter season and beyond."

Revenue was up 86 per cent year-on-year and passenger numbers rose 319 per cent to 6.1 million, Emirates said, adding that cargo volumes had recovered to 90 per cent of pre-pandemic levels.

The airline also received a \$681 million injection from its owner, the Dubai government, following a \$3.1 billion payment announced earlier.

In June, Emirates announced its first annual loss in more than three decades after the coronavirus crisis forced it to suspend operations and slash staff last year.

"While there's still some way to go before we restore our operations to pre-pandemic levels and return to profitability, we are well on the recovery path," Sheikh Ahmed said.

Like other major carriers, Emirates began announcing heavy layoffs when its fleet of A380 superjumbos and Boeing 777s was grounded last year.

On Wednesday, it said the overall group workforce has shrunk again by 2.0 per cent to 73,571, but a recruitment drive is underway prioritising employees who were furloughed or made redundant.

By the end of September, Emirates was operating passenger and cargo flights to 139 airports, using its entire fleet of Boeing 777s and 37 Airbus A380s. It launched services to Miami, a new destination, in July.

"The strong revenue recovery reflects quick return of passenger demand wherever flight and travel restrictions were eased around the world," the Emirates statement said.

Operating costs rose 22 per cent against overall capacity growth of 66 per cent, with fuel costs more than doubling, partly because of higher oil prices. The financial results come ahead of next week's Dubai Air Show, where Emirates is expected to discuss its delayed 777X order with Boeing.

The airline has repeatedly complained about the delivery of the long-haul jet, whose launch has been set back by a series of safety and technical problems.

Emirates announced an order of 150 777Xs at the 2013 Dubai Air Show and later revised the deal. In May, Emirates president Tim Clark was quoted as saying he feared a delay until 2025.

"There will be a discussion before and during the air show," Sheikh Ahmed told journalists last week.

After an initial strict lockdown, life in the Gulf emirate -- one of the first destinations to welcome visitors again last July -- has largely returned to normal, with restaurants and hotels up and running and beaches open to the public.

US Treasury's Yellen says investment bills will boost productivity

REUTERS, Washington

US Treasury Secretary Janet Yellen said on Tuesday that the bipartisan infrastructure package approved by Congress and President Joe Biden's proposed social and climate spending plan would increase US productivity and the size of its labor force.

Yellen said in prepared remarks to a University of Nevada-Las Vegas economic conference that together, the two bills would increase long-term US economic output without increasing the national debt, and their revenue-raising measures would reduce deficits over time.

"I do believe that the passage of these pieces of legislation will lead not only to higher rates of productivity but to positive changes across a wide array of metrics. They will increase the size of our labor force and expand the productive capacity of our economy," Yellen said.

The "Build Back Better" bill's investments in child care would allow many American mothers to return to the work force, she said, citing studies showing that from 2018 to 2019 some 2 million parents of young children had to quit a job, forego a job or greatly change their job to deal with child care issues.

Universal pre-school as proposed in the bill will also help parents stay in the workforce and pay dividends in future decades by improving graduation rates and the income-earning prospects of future workers, Yellen said.

She said the tax provisions in the proposal would make the US tax code "substantially more progressive by imposing higher taxes on the wealthy and improving compliance by wealthy taxpayers."

DBL Pharmaceuticals starts journey

STAR BUSINESS DESK

DBL Group has made a foray into the pharmaceutical industry after enjoying success in its export-based garments and ceramic tiles businesses.

Following the guidelines of US Food and Drug Administration, World Health Organisation and Good Manufacturing Practices, the company set up the factory at the cost of Tk 700 crore in the Kashimpur area of Gazipur. The plant was inaugurated by Zahid Maleque, minister of health and family welfare yesterday.

"The number of Covid-19 cases considering Bangladesh's population is low if we compare with many other countries, especially our neighbouring India. Definitely this is a sign of improvement of our health sector," he said.

"We have already stepped into US markets through contract manufacturing by one of our sister concerns, DBL Pharmaceuticals Inc. We are marketing two generic medicines in the US with success," said MA Jabbar, managing director of DBL.

"In the near future, we have plans to export products manufactured in this Kashimpur plant to the US along with other developed countries," he added.

Habib-E-Millat, a member of parliament from Sirajganj; Maj Gen Md Mahbubur Rahman, director general of the Directorate General of Drug Administration; SM Abdur Rahman, dean of the faculty of pharmacy at the University of Dhaka; Abdul Wahed, chairman of DBL Group; MA Jabbar, managing director; MA Rahim, vice-chairman; and MA Quader, deputy managing director, were also present at the event.



DBL Group officially entered the pharmaceutical market yesterday with the Minister of Health and Family Welfare Zahid Maleque inaugurating its first production unit in the Kashimpur area of Gazipur. Habib-E-Millat, a member of parliament from Sirajganj and Maj Gen Md Mahbubur Rahman, director general of the Directorate General of Drug Administration, were present.

PHOTO: DBL GROUP

RAMPURA-AMULIA-DEMRA HIGHWAY Chinese firms to turn it into four lanes

STAR BUSINESS REPORT

The cabinet committee on purchase yesterday awarded two Chinese joint venture companies a public private partnership project on upgrading the Rampura-Amulia-Demra highway into four lanes for Tk 2,094 crore.

The two -- Consortium of China Communications Construction Company Ltd and China Road and Bridge Corporation -- obtained the approval as investors.

The Roads and Highways Department under Road Transport and Highways Division will supervise the project.

Chairing the meeting, Finance Minister AHM Mustafa Kamal said the joint ventures would also maintain the highway for 25 years.

The committee also decided to import 60,000 tonnes of urea fertiliser from Saudi Basic Industries Corporation in two lots at higher than previous rates as prices have soared in international markets, said Shamsul Arefin, additional secretary to the cabinet division.

The first 30,000 tonnes will cost Tk 206.31 crore at \$778 per tonne, up \$56 per tonne.

The second lot will cost Tk 200.31 crore at \$802 per tonne, up \$44 per tonne.

The government will also source 30,000 tonnes of granular urea fertiliser from the Karnaphuli Fertilizer Company Limited for Tk 198.72 crore. The rate is \$767 per tonne, down \$11 per tonne from a previous rate.

The meeting also decided not to construct a flyover from Shantinagar to Jhilmil on the Dhaka-Mawa road, something which has been under consideration for nearly 15 years.

The minister, in a briefing afterwards, said as per the current situation, there was no need to build such a flyover as the infrastructures on the Dhaka-Mawa highway have already been improved a lot.

However, if the ministry concerned wants to do something else regarding this, it can conduct a study on it, Kamal said.

Besides, eight proposals were raised in the meeting for approval.

Of the financing meant for those, Tk 167,79,54,900 will be spent from government funds and Tk 982,38,08,793 from local banks, World Bank, Asian Development Bank and the Saudi Fund for Development.

US wholesale prices may be accelerating again: govt

AFP, Washington

US wholesale prices remained high in October and showed signs of accelerating again, the government reported Tuesday, as the world's largest economy battles a wave of inflation.

The producer price index (PPI) rose 0.6 per cent, seasonally adjusted, in October, according to the Labor Department, which was in line with analyst expectations and slightly higher than September's increase.

Compared to the same month in 2020, PPI increased 8.6 per cent, the same rate as the prior month, the report said. The United States has seen prices increase throughout this year as business normalized with the help of widespread Covid-19 vaccines. But rising inflation has been fueled by shortages of workers and components, amid a global snarl in supply chains.

Goods made up the majority of the wholesale price increases, particularly energy, which rose 4.8 per cent last month.

Among services, transportation and warehousing prices increased 1.7 per cent.

"With supply dynamics showing few signs of abating before year end, we look for PPI inflation to peak later in (the fourth quarter) before price pressures gradually moderate across 2022," Mahir Rasheed of Oxford Economics said.

The PPI data signaled building price pressures in the pipeline that could spill over to consumers.

With volatile food, energy and trade costs excluded, PPI rose 0.4 per cent last month, faster than the 0.1 per cent increase in September, and it was up 6.2 per cent year-over-year in October after a 5.9 per cent gain the month prior.

The Labor Department will release consumer price data on Wednesday, which economists also expect to accelerate.

Higher inflation raises the possibility the Federal Reserve will have to raise interest rates sharply to contain the price increases, but Fed officials say inflation should retreat once the supply and labor issues are resolved.

China factory-gate inflation hits new high in October

AFP, Beijing

China's factory-gate inflation hit a 26-year high in October while fresh virus outbreaks and soaring food and energy prices sent consumer prices up more than forecast, official figures showed Wednesday.

The producer price index (PPI) has been rising for four straight months, putting pressure on authorities to stop costs from running out of control, just as officials battle to kickstart a recovery in the world's number two economy.

The reopening from lockdowns around the world has ramped up energy demand just as stockpiles are low, with supply struggles made worse by China's drive to meet environmental targets.

The PPI, which measures the cost of goods at the factory gate, jumped a bigger-than-expected 13.5 per cent on-year in October, said the National Bureau of Statistics.

"The rise in PPI expanded due to the combination of imported global factors and the tight supply of major domestic energy and raw materials," said NBS senior statistician Dong Lijuan.

These include a sharp increase in domestic coal prices, rising oil and gas prices globally and supply chain disruptions, said Rajiv Biswas of IHS Markit.

Another recent factor, he added, was a sharp uptick in shipping costs around the world "due to the strong rebound in trade flows" between China, the United States, and Europe.

PPI reached 10.7 per cent in September, which was then the highest on record in NBS data since the mid-1990s.

"The surge of PPI inflation is especially negative for investment demand as developers and local governments are financially stretched this year due to the unprecedented property

curbs," Nomura chief China economist Lu Ting told AFP.

Factory prices have also been pushing up export costs and "impairing Chinese exporters' competitiveness", although the PPI may have now peaked as Beijing moved to contain coal prices.

Dong said 36 out of 40 industrial sectors surveyed saw price increases, including spikes in coal mining and oil and natural gas extraction.

The consumer price index (CPI), a key gauge of retail inflation, meanwhile picked up more than expected in October after four months of decline.

The CPI hit 1.5 per cent -- up from 0.7 per cent in September.

Vegetable costs surged almost 16 per cent owing to poor weather, coronavirus outbreaks and rising transportation costs, Dong said.

The government this month urged people to stock up on food amid increasingly tight measures to contain its latest Covid outbreak -- prompting reports of panic buying across the country.

The commerce ministry notice also told authorities to take measures to facilitate agricultural production, keep supply chains smooth, and maintain stable prices.



Employees work on the assembly line of X1 compact sport-utility vehicles at the Tiexi Plant of BMW Brilliance Automotive in Shenyang, Liaoning province, China on October 23.

AFP/FILE

UK to consult on possible central bank digital currency

REUTERS, London

The Bank of England and Britain's finance ministry said on Tuesday that they would hold a formal consultation next year on whether to move forward on a possible central bank digital currency (CBDC) that would take years to introduce.

Central banks across the world are studying digital versions of their currencies to avoid leaving digital payments to the private sector as the decline of cash has accelerated in some cases due to the Covid-19 pandemic.

"No decision has been made on whether to introduce a CBDC in the UK, which would be a major national infrastructure project," the BoE said in a statement.

"The earliest date for launch of a UK CBDC would be in the second half of the decade," it added.

The consultation paper will set out an assessment from the ministry and BoE of the case for a CBDC before a decision on whether to proceed.

Aziz Pipes' production closure raises questions

FROM PAGE B1

The shareholding of the directors of the company dropped during these periods so the question came to the fore whether the directors benefited from the share price movement, the asset manager added.

On June 30 of 2020, the company's sponsors held 33.83 per cent shares of Aziz Pipes. It reduced to 23.93 per cent on August 31 this year.

Here, the sponsors have breached laws as they did not give any announcement about the sales though it is mandatory as per the Corporate Governance Code of 2018.

The code stipulates that every sponsor or director of a company must submit a written report to the exchange and the Bangladesh Securities and Exchange Commission about their intention to buy or sell. The exchange will disseminate such information.

"ICB is our director, and it sold shares, but it said that they don't need to give any disclosure about the share sale," said AHM Zakaria, company secretary of Aziz Pipes, referring to the state-run Investment Corporation of Bangladesh.

"I do what our directors instruct me to do," he said.

Abdul Mannan, a retail trader, said he

had bought shares of Aziz Pipes at a market price of Tk 154 after it disclosed its plan to restart production.

"Suddenly, the stock started to fall. Now, with the announcement of the shutdown, the stock fell further, and I incurred losses. This is upsetting," he added.

As the raw material price surged, the price of the products manufactured by Aziz Pipes doesn't cover the production cost, he said. "So, we decided to close the factory," said Zakaria.

A senior official of the BSEC said the commission would look into how the directors sold shares without giving any disclosure and whether any insider trading took place.

In the 2020-21 financial year, Aziz Pipes incurred a loss of Tk 43.9 lakh, after logging a profit of Tk 13.91 lakh a year earlier, according to the company's financial report.

Due to the loss, the company declared no dividend for shareholders. It provided a one per cent cash dividend in 2019-20.

The company has defaulted on its payments to loans with Dutch-Bangla Bank Ltd and Uttara Bank.

Shares of Aziz Pipes closed 4.5 per cent higher at Tk 92.80 on the Dhaka Stock Exchange yesterday.

HC asks govt to explain failure to probe IDRA chief's alleged graft

FROM PAGE B1

The companies also ought to have earned revenue that justifies their contribution to the funds. "This is not possible for the companies that are stated to be non-operative," said the petitioner.

The more likely scenario is that the two companies and their four funds are being used by Mosharraf Hossain as a conduit for laundering money obtained through corruption, it said.

The bank accounts of the companies bear no evidence of periodic and regular contributions to the funds.

Hence, the transactions are proof of corruption, it added.

This was not the first time the IDRA chairman is facing corruption allegations.

In December, Delta Life Insurance complained to the ACC against the IDRA chief for demanding Tk 50 lakh in bribes to give approval for the reappointment of the company's chief executive officer and renewal of the actuarial valuation basis.

The IDRA also appointed an administrator in Delta Life Insurance in February, saying it was needed to protect policyholders' interests and unearth breaches of rules that came to light following special and investigative audits into the insurer.

The VAT Audit, Intelligence and Investigation Directorate of the NBR has filed a case against Delta for evading Tk 35.18 crore in value-added tax. Hossain could not be reached for comments.

UK sets out post-Brexit financial regulation aims

AFP, London

Britain on Tuesday outlined plans for new financial regulation laws following its departure from the European Union, with the aim of securing long-term UK economic growth and international competitiveness.

The country finalised its divorce from the European Union late last year, but a Brexit trade deal omitted the powerhouse financial services sector and has hampered its access to the continent.

The UK's key financial sector known as the City and based in the heart of London is already facing fierce competition from Amsterdam, Frankfurt, New York and Singapore.

"Reflecting the importance of the sector as an engine for growth, the government

will set UK regulators an objective to facilitate the long-term growth and international competitiveness of the UK economy," a statement from Britain's Treasury said Tuesday.

UK regulators will be handed powers to set their own rules, it added.

Finance minister Rishi Sunak said the "proposals will support the future strength of the UK as a global financial centre".

This he added would ensure "an agile and dynamic approach to regulation that supports the growth of the UK economy, without diverging from our continued commitment to high international standards".

The Treasury said its proposals would allow for the "repealing of the majority of retained EU financial services law that is no longer appropriate for the UK".

Business confidence jumps as pandemic wanes: study

FROM PAGE B1

Fifty-two per cent called the recovery moderate.

The research organisation listed the emerging challenges for the economic recovery, such as fuel price hike, inflationary pressure, falling remittances inflow, and the risk of new Covid-19. It suggested a wider coverage of coronavirus vaccination. The survey said 46.2 per cent of the firms availed loans in the last one year. Of them, 77.5 per cent borrowed from the formal sector such as banks and the rest took loans from informal sector such as friends, relatives, and cooperatives.

The Sanem also asked the businesses about the problems they faced in getting loans under the stimulus package.

Thirty per cent of the respondents complained that they were asked to pay a bribe for a loan, up from 12 per cent alleged in the fifth round of the survey.

In the latest survey, 75 per cent of firms complained about the lengthy procedure in securing loans, up from 63 per cent in the previous one.

World congress on IT begins today

FROM PAGE B1

The ICT Division organised a press conference to announce the four-day show yesterday.

The Asia-Oceania International Conference ASOCIO "Digital Summit 2021" will also be held at the same time.

The entire event will be held on both physical and virtual platforms. President Mohammad Abdul Hamid is scheduled to inaugurate the event as chief guest.

Country's first hydrogen fuel plant nears completion

FROM PAGE B1

Tawfiq-e-Elahi Chowdhury, adviser to the prime minister for energy, power and mineral resources, yesterday visited the hydrogen plant.

After his visit, Chowdhury told reporters that the government had taken several initiatives to increase the domestic use of hydrogen fuel. "Since this is the first plant in Bangladesh, the government is emphasising research in this sector," he said.

Hydrogen is becoming more popular all over the world as an environment-friendly alternative to fossil fuels.

"So, the main aim of the project is to make the fuel more affordable and popular," Chowdhury added.

Since the raw materials required, such as biomass and water, are readily available in Bangladesh, hydrogen fuel could play a big role in the future as renewable energy.

"The project also aims to promote private investment in hydrogen fuel plants," he said.

Md Abdus Salam, project director of the BCSIR, told The Daily Star that one kg of hydrogen could be generated from nine litres of water. About 33.33 kWh (Kilowatt-hour) of energy comes from one kg of hydrogen fuel, while petrol and

concentrated natural gas provided 12 kWh and 14.7 kWh, respectively.

A car can run 100.131 kilometres using one kg of hydrogen fuel, whereas a traditional vehicle runs 16 km using one litre of petrol.

Besides, production, delivery and distribution costs were taken into consideration to determine the price of hydrogen fuel for usability, with the current unit price ranging from \$1.60-10.

Hydrogen fuel systems do not require extensive infrastructure development and investment along with traditional fuel systems. Besides, hydrogen production is very promising in Bangladesh due to the abundance of water and biomass.

"In addition, hydrogen fuel will boost energy security, energy reserves and the national economy," Salam said.

Energy from fossil fuels and renewable sources can be stored in the form of hydrogen, which can be used later by converting it into fuel or different forms of energy if required.

"This would add a large-scale renewable energy source to the national grid," he said, adding that training workshops are already underway to ensure skilled human resources for the industry.

Stock recovery picks up as investors return

STAR BUSINESS REPORT

The domestic stock market continued its recovery yesterday as major indices maintained an upward trend for the past two trading sessions thanks to increased investor participation, according to experts.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE) soared by 114 points, or 1.66 per cent, to 6,982 yesterday. This is the highest single-day leap since October 26, when the prime index grew by 1.75 per cent.

Similarly, turnover at the DSE reached Tk 1,163 crore, up 15 per cent from Tk 1,007 crore a day earlier.

Of the stocks listed with the Dhaka bourse, 301 rose, 43 fell and 31 remained the same.

ADN Telecom topped the gainers' list, rising 9.79 per cent, followed by Sena Kalyan Insurance, Islamic Finance, Advent Pharmaceuticals, and Dominage Steel Building.

The Dhaka stocks observed a bullish session as bargain hunters continued their buying spree on sector specific issues amid optimism, International Leasing Securities said in its daily market review.

The market started with buoyancy and ended in the same line as optimistic investors showed their appetite by pouring money into stocks.

As a result, the prime index of the country's premier bourse has come within arm's reach of the 7,000-point mark.

"The investors' enthusiasm in the financial institution, cement, ceramic and textile sectors helped the DSEX stay in the green," it added.

Stocks of Beximco Limited traded the most, worth Tk 145 crore, followed by Orion Pharmaceuticals, LafargeHolcim Bangladesh, Beximco Pharmaceuticals, and IFIC Bank.

Doreen Power shed the most, dropping 7.62 per cent, followed by Hamid Fabrics, Eastern Insurance, Eastern Cables, and Fortune Shoes.

The Chittagong Stock Exchange (CSE) also rose yesterday. The CASPI, the main index of the port city bourse, rose by 336 points, or 1.67 per cent, to 20,434.

Among 282 traded stocks, 228 rose, 30 fell and 24 remained unchanged.

Container handlers hike charges, irking businesses

DWAIPAYAN BARUIA, Ctg

Private inland container depots (ICDs) have raised five types of operational charges, amounting to around Tk 145 crore in additional costs if last fiscal year's trade volumes are taken into account.

The change in handling costs of import and export containers comes hot on the heels of a 23 per cent increase of the price of diesel.

Following a virtual meeting of members of Bangladesh Inland Container Depots Association (Bicda) on Tuesday evening, the association issued a circular saying the new rates would have a retrospective effect from November 4.

Stakeholders, including exporters, mainly readymade garment exporters, importers, freight forwarders and shipping lines, termed the Bicda decision "illogical and one sided" and said it contradicted an ICD policy.

The change will not affect import and export containers passing directly through the Chattogram port.

However, almost 90 per cent of exports are currently loaded into containers at the 19 private ICDs, known as off-docks, located in and around the port city before being shipped.

Moreover, 21 per cent of import-laden containers are sent from the port to these ICDs where the goods are unloaded for delivery to the consignees.

Besides, once emptied of imports at the port, containers are sent to the ICDs for temporary storage.

According to the Bicda circular, part of the changes in charges came to a package involving handling import containers, starting from the pickup at the port to loading onto consignees' trucks.

That for a 20-foot container went up from Tk 7,930 to Tk 9,754 while for a 40-foot container from Tk 9,150 to Tk 11,255.

On an average, it has been an increase of Tk 1,964.

Last fiscal year, the 19 ICDs handled 2,82,733 TEUs (twenty-foot equivalent units) of import-laden containers.

Had it been last year, importers would have had to bear an additional Tk 55 crore



Goods are being unloaded from an inland container depot in Chattogram. The change in handling costs of import and export containers comes following a 23 per cent increase in the prices of diesel.

PHOTO: STAR/FILE

in costs.

As for the package for handling export-laden containers, the 20-foot ones saw a rise from Tk 4,140 to Tk 5,092 and 40-foot ones from Tk 5,520 to Tk 6,790.

Moreover, the ICDs also raised a verified gross mass charge, meaning that for weighing an export-laden container, by Tk 265. Thus, the average charge has been raised by Tk 1,376.

Taking into consideration the fact that the ICDs handled 6,5600 TEUs of export-laden containers last fiscal year, exporters would have had to bear an additional Tk 90 crore.

Bangladesh Garment Manufacturers and

Exporters Association First Vice President Syed Nazrul Islam said such a sudden decision was in no way acceptable.

A rising number of orders had provided an opportunity for the garment sector to make a rebound from the pandemic-induced losses but such a hike would ruin it, he opined.

BICDA Secretary Md Ruhul Amin Sikder said the rise was to adjust with additional fuel costs of vehicular and equipment operations.

Syed M Tanvir, managing director of leading denim exporting firm Pacific Jeans, said exports would be badly affected by this increase.

"Although our shipping term is FOB (where buyer pays the shipping cost), customers will reduce price offers... therefore we will lose competitiveness," he said.

Chittagong Chamber of Commerce and Industry President Mahbul Alam said such decisions should be taken through discussions with all stakeholders.

Bangladesh Freight Forwarders Association Vice President Khairul Alam Sujan said the Bicda decision contradicted the ICD policy, which says changes in charges need to be fixed by a tariff committee of the shipping ministry comprising all stake holders.



GLOBAL BUSINESS

Biden looks to reap rewards of huge infrastructure bill

AFP, Washington

US President Joe Biden hits the road Wednesday to show off the huge new infrastructure bill passed last week, hoping to reap its benefits politically even as he watches his approval ratings slump.

The Democratic president chose Baltimore, a port city less than an hour's drive from Washington, to explain to the nation why and how the country will spend \$1.2 trillion on its sagging infrastructure.

On Monday evening, in an interview on local television in Cincinnati, Ohio, the Democratic leader insisted it would only be a "matter of weeks" before the effects of the massive investment plan would start to be seen.

Days earlier he had predicted it would be "two to three months" before the public starts to see the real effects of the bill on expanding internet networks, roads, bridges, drinking water pipes, electric car charging stations and a slew of other projects.

The president is counting on the program producing an impact -- at least politically -- before Americans vote in midterm elections in a year's time. That election, traditionally a challenge for the party in power, could well cost the Democrats their slim majority in Congress.

In the meantime, Biden's cabinet has been rallying to play up the legislative win, while the president is trying to mobilize local party officials to provide after-sales service for the gigantic spending bill.

It is popular in principle, but its precise details remain unclear to the wider public, especially after weeks of complicated negotiations in Congress.

And another battle is already underway in Congress over the other part of Biden's ambitious economic and social reform agenda: an up to \$1.85 trillion plan that includes major investments in health, education, tackling climate change and expanding social welfare programs.

After Baltimore, the president will continue to plug his message on the ground, deputy White House spokeswoman Karine Jean-Pierre said Tuesday. Biden likely has the experience of Barack Obama -- under whom he served as vice president -- in mind.

Obama steered through a huge stimulus package totaling almost \$800 billion in 2009, with vastly differing economic and political results.

China's slowdown raises questions for global economy



AFP/FILE

The economic slowdown in China represents a kind of extinction of engines for the world economy.

AFP, Washington

The Chinese economy, weighed down by electricity shortages and a vast real estate crisis, has lost its luster recently, to the point where economists are starting to question its impact on the global growth it has helped drive for more than 20 years.

The difficulties of the real estate sector in China triggered by the troubles of giant Evergrande could pose risks for the world economy and affect the United States, the Federal Reserve warned in its report on financial stability released Monday.

That is a marked change of tone from September, when Fed Chairman Jerome Powell still believed the world's largest economy was not really directly exposed to difficulties in China.

Evergrande, estimated to be worth some 260 billion euros, is one of the biggest companies in China.

Its financial situation is closely scrutinized because its collapse would deal a serious blow to the growth of the Asian giant.

The real estate sector is estimated to account for 25-30 per cent of China's GDP.

In the third quarter, gross domestic product, suffering drag from the Evergrande crisis, grew by 4.9 per cent year-on-year, down from 7.9 per cent in the second quarter.

"So far, the likes of the Evergrande debacle has been contained by Chinese official sector buffering," said Padhraic Garvey, regional head of research for the Americas at financial institution ING.

But he admitted there were "unknown risks." And he said the Fed cannot ignore the fact that "China is right up there as a factor given its size, and the size of its financial sector."

"In October, the International Monetary Fund revised downwards its expansion forecasts for China, counting on eight percent, or down 0.1 per cent. Its chief economist Gita Gopinath stressed that the institution is "paying very close attention" to developments in the Evergrande crisis.

"Our view is that the [Chinese] government has the resources and the ability to ring-fence the problem, which means that while we will see a shakeup happening in the real estate sector, that it will be contained and will not spill

over more broadly" to China's economy, Gopinath told CBS news.

The IMF expects global GDP to rise 5.9 per cent this year against six percent in July.

Beyond the real estate crisis, a slowdown in the world's second-largest economy had been anticipated by many economists as the Chinese government, which is anxious to reduce debt, slows down investments by local authorities and tightens conditions for bank loans.

China is expected to experience an average growth of around 3.5 per cent for the next decade, or about half the growth rate of the 2010s, according to Conference Board projections released last week.

The US research group estimates that the Chinese economy will settle on "a long soft fall" trajectory over the next decade.

Still, "the economic slowdown in China represents a kind of extinction of engines for the world economy," said Gregory Daco at Oxford Economics.

However, he noted that "the dynamic still remains favorable for the moment," especially since the slowdown in China is partly offset by "relatively robust growth in the United States" and in Europe.

APEC ministers say free trade key to pandemic recovery

AFP, Wellington

Pacific Rim trade and foreign ministers agreed at a virtual summit Wednesday that free trade and open economies will drive the region's recovery from the coronavirus pandemic.

Ministers from the 21-nation Asia-Pacific Economic Cooperation (APEC) group met online to discuss their Covid-19 response ahead of a meeting of national leaders on Saturday, including US President Joe Biden and his Chinese counterpart Xi Jinping.

New Zealand Trade Minister Damien O'Connor, hosting the meeting, said highlights included a plan to voluntarily freeze fossil fuel subsidies and commitments to liberalise tariffs on vaccines and other pandemic medical supplies.

O'Connor said there was overarching agreement on the need to avoid erecting trade barriers in response to the challenges thrown up by the pandemic.

"It is free, fair and open trade that will help economies move forward out of this pandemic... we need openness to drive global growth, indeed it is trade that presents the solution to our challenges," he said.

"Some 81 million jobs have been lost across the region due to Covid-19 and the impact on supply chains has been significant, but APEC members have rejected protectionism during this crisis."

"APEC's 21 member economies collectively account for almost 40 per cent of the world's population and around 60 per cent of the global economy."

The summit was originally slated to be held in Auckland but is being held online for a second time due to Covid-19 after Malaysia hosted virtually in 2020.

Prime Minister Jacinda Ardern this week conceded "it means our ability to put New Zealand on the world stage isn't quite what it would have been".

Evergrande manages \$144m before payment deadline

AFP, Beijing

Crisis-hit property developer Evergrande has managed to raise around \$144 million by slashing its stake in an internet company, days before a looming debt interest payment deadline.

Evergrande sold a 5.7 per cent stake totalling HK\$1.12 billion (\$144m) in HengTen Networks Group in three separate transactions from last Thursday, Hong Kong stock exchange filings showed.

The indebted property developer faces a Wednesday deadline for an overdue \$148 million offshore bond coupon payment it initially missed last month.

The crisis at one of China's biggest property developers has hammered investor sentiment, rattled the key real estate market and fuelled fears of a spillover into the wider economy. Battered down in a sea of debt worth more than \$300 billion, Evergrande has been trying to dispose of its assets to raise cash.

But some offshore bond holders said they had not received payments of over \$80 million that were due Saturday, Bloomberg reported.

The HengTen sale reduced Evergrande's stake in the internet services firm from 26.55 per cent to 20.82 per cent, according to the filings.