



Bangladesh Krishi Bank gets 3 new DMDs

STAR BUSINESS DESK

Bangladesh Krishi Bank recently promoted three general managers to deputy managing directors.

Of them, Salma Banu previously served as general manager of Rupali Bank, where she began her banking career as a senior officer in 1998, according to a press release.

Banu had obtained her honours and master's degrees in economics from the University of Dhaka.

Similarly, Chanu Gopal Ghosh began his career as a senior officer at the Bangladesh House Building Finance Corporation in 1996 before going on to become the organisation's general manager.

Ghosh then joined Bangladesh Krishi Bank in the same capacity before his recent promotion.

He completed both honours and master's degree in economics from Chittagong University and also obtained certification as a master of business administration in accounting and information systems from the University of Dhaka.

Likewise, Mir Mofazzul Hossain, another new promotee, previously served Palli Sanchay Bank as general manager of the admin and accounts division.

Hossain also began his banking career at the Bangladesh House Building Finance Corporation as a senior officer in 1996.

He had obtained his honours and master's degrees in economics from Jahangirnagar University.

US, Japan launch talks to resolve steel, aluminum tariffs

AFP, Washington

The United States said Friday it had opened talks with Japan aimed at reducing US tariffs on steel and aluminum imports imposed under former president Donald Trump, after Washington reached a deal on the same issue with the European Union.

Citing “distortions” caused by global overproduction fueled by China, “the United States and Japan will seek to resolve bilateral concerns in this area,” US Trade Representative Katherine Tai and Commerce Secretary Gina Raimondo said.

“The United States and Japan have a historic alliance, built on mutual trust and respect,” Tai and Raimondo said in a statement, before taking aim at Beijing.

“These consultations present an opportunity to promote high standards, address shared concerns, including climate change, and hold countries like China that support trade-distorting non-market policies and practices to account.”

The US officials said market distortions from global non-market excess capacity “driven largely” by China “pose a serious threat to the market-oriented US steel and aluminum industries and the workers in those industries.”

Raimondo is due in Tokyo next week for talks with Japanese officials. Her first official Asian trip will also take her to Malaysia and Singapore, where she will meet

with officials from Australia and New Zealand.

In June 2018, Trump imposed tariffs of 25 per cent on steel and 10 per cent on aluminum from several economies, including the European Union and Japan.

The Republican said he was acting on national security grounds, a claim rejected by critics.

Last week, the United States

and the EU announced they would lift those tariffs in what President Joe Biden called a “new era in transatlantic cooperation.”

The conflict had poisoned trade links between Washington and Brussels.

The US-EU deal will allow limited quantities of European steel and aluminum products to be imported by the United States

without tariffs.

In exchange, the EU is lifting threatened retaliatory steps, which had been set to take effect December 1.

Japan and the United States are among the world's top steel producers, ranked behind China, the European Union and India, according to data from the World Steel Association.



Moazzem Hossain Moti

New office bearers of garment accessories' assoc

STAR BUSINESS REPORT

Moazzem Hossain Moti, a director of Classic Carton Industries, was elected president of the Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association for 2021-2023 yesterday.

Four vice-presidents -- Mohammad Belal, AKM Mostofa Selim, Zahir Uddin Alamgir and Monir Uddin Ahmed -- were also elected, according to a statement from the association, said a press release.

Another 16 were elected directors of the platform of makers of garment accessories such as zippers, buttons and hangers.

The election on the basis of consensus was held on November 6 in Dhaka although competition took place in the Chattogram office to elect five directors.

The directors later elected the president and vice presidents at the association office yesterday.

Dollar dips

REUTERS

The US dollar lost some ground on Friday as high inflation wreaked havoc on consumer sentiment, but the greenback was on track for its third straight weekly gain after a surprisingly strong US inflation print shocked markets on Wednesday, prompting investors to advance their bets for a US rate hike.

Rod prices go thru the roof

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Shafiqul Haque Talukdar, president of the Bangladesh Association of Construction Industry, said: “Our projects are facing problems due to the rising cost of raw materials.” He urged the government to move to keep the price stable.

Kamal Mahmud, a vice-president of the Real Estate & Housing Association of Bangladesh, and managing director of Skiros Builders, said the cost of construction had already increased, but the realtors could not adjust their prices since they signed agreements with the clients before the price hike.

“So, the realtors will incur losses,” he said, adding that steel millers had increased the price of MS rod illogically.

Iconic corporate names breaking up in trend to boost value

AFP, New York

Three multinational giants -- General Electric, Johnson & Johnson and Toshiba -- this week announced plans to split into multiple companies, joining a trend the firms hope will provide more growth opportunities.

It is a move in large part forced on them by financial markets, analysts say.

The break ups “represent a trend line that has been out there for 20 years,” said Michael Useem, professor at the University of Pennsylvania's Wharton School. The big names joining the trend indicate the model of a huge, diversified conglomerate “is unequivocally on its way out,” he told AFP.

Useem, who specializes in corporate restructuring, said the move allows the companies “to become more focused on single markets.

“GE, like Japan's Toshiba, announced it was splitting into three companies, involved in aviation, health and energy.

Toshiba, which had previously spun off several divisions, will break off infrastructure and electronic devices like semiconductors, leaving the flash memory business. Meanwhile, pharmaceutical giant Johnson & Johnson on Friday announced plans to spin off its consumer health arm that sells Band-Aids and Tylenol from its pharmaceutical division that includes the single-shot Covid-19 vaccine.

Last week DuPont, which in 2019 became an independent entity after it broke off from Dow Dupont, announced it was exiting the industrial products business line. And IBM floated Kyndryl, which manages companies' IT infrastructure.

Gregori Volokhine, portfolio manager at Mesechaert Financial Services, said this

process separates the wheat from the chaff.

He noted that GE was long weighed down by “black sheep” in the energy unit and its financial services division that suffered in the wake of the 2008 financial crisis. “All the other branches suffered” as a result, he told AFP, not just in the stock market valuation but “also from the capital allocation” between segments standpoint.

Useem said the depressed share prices amounted to a diversification penalty, reflecting the fact that analysts and investors can find it “intellectually challenging” to get a good read on the fortunes of the massive and complex corporations.

Volokhine said it is better for the companies to split up on their own terms and control the strategy “rather than being pushed to do so by activist shareholders.

But the breakups are not all driven by financial struggles, said Jim Osman of The Edge, who specializes in spinoffs.

“J&J is a fine company” with “two business segments, which are market leaders ... that they think can flourish on their own,” he told AFP.

For corporations like these, spinoffs are a way to create more value when the stock price is already at record levels, amid the Covid-19 market rally this year. “It's a natural thing to do” when the market is at a peak and “you can't get any more growth out the system,” he said.

Howard Yu, professor at the IMD in Switzerland, makes the case that some old conglomerates, such as Honeywell, have been able to withstand the pressure because they capitalized on digital advances.

Unlike GE, that company was able to “demonstrate the ability to make data flow ubiquitously across different business areas.

Are the days of cheap loans over?

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The state-run lender has been following 6 and 9 per cent rates for deposit and loans respectively for months, as instructed by the central bank in April last year.

“All state-run commercial banks have followed the same ceilings.”

Mohammad Shams-Ul Islam, managing director of Agrani Bank, said his bank had received a good number of credit proposals from businesses as firms were expanding.

“Against the backdrop, lending rate will increase as expected.”

But, Emranul Huq, managing director of Dhaka Bank, said the demand for loans was yet to pick up, and his bank now disbursed loans only to good borrowers.

The bank has kept the lending rate almost unchanged, he said. The lending rate would return to the normal level within six months.

Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank Ltd, echoed Huq to some extent, saying he had not seen any remarkable change in the credit demand at his bank except for the working capital.

APEC to cut vaccine tariffs, mulls US hosting offer

AFP, Wellington

Pacific Rim leaders agreed to cut tariffs on Covid-19 vaccines at a virtual summit Saturday, but failed to deliver meaningful movement on climate change and reacted coolly to US efforts to re-engage with the region.

The annual Asia-Pacific Economic Cooperation (APEC) summit brought together leaders from 21 member economies, including US President Joe Biden and his Chinese counterpart Xi Jinping, in a bid to chart a path to pandemic recovery.

New Zealand Prime Minister Jacinda Ardern said the group discussed an economic “reset” in the wake of the coronavirus crisis. “APEC leaders are determined to work together to defeat

Toyota to develop alternative fuels

REUTERS, Okayama

Toyota Motor Corp said on Saturday it will partner with four other Japanese vehicle makers to explore the viability of alternative green fuels for internal combustion engine cars, including hydrogen and synthetic fuels derived from biomass.

The companies, which in addition to Toyota include Mazda Motor Corp, Subaru Corp, Yamaha Motor and Kawasaki Heavy Industries, made the announcement at a race track in Okayama, western Japan, where Toyota is racing a hydrogen car.

The hydrogen race car is being driven by Toyota chief executive Akio Toyoda along with other Toyota drivers.

Converting internal combustion engines to green fuels such as hydrogen

Covid-19,” she said.

“We are focused on driving a coordinated economic response to the biggest downturn in 75 years, creating new models of growth and responding to climate change.

“The meeting's major outcome was a commitment to slash tariffs on vaccines and other pandemic-related medical supplies to streamline the international response to the deadly health crisis.

The leaders also agreed to push for a freeze on increases to fossil fuel subsidies as part of a plan to make the pandemic recovery environmentally sustainable.

But the pledge, first raised by APEC in 2010, did little to meet the soaring rhetoric of regional leaders in the build-up to the summit, who had talked up transitional change toward a green future.

is technologically difficult, but doing so would allow the companies to support decades-old existing supply chains employing hundreds of thousands of workers that they may otherwise have to drop as they switch to building electric vehicles (EV).

As nations tighten environmental regulations to cut carbon emissions, automakers including Toyota, are ramping up production of EVs. Japan has said it aims to be carbon neutral by 2050 and is promoting the use of hydrogen fuel.

Toyota plans for 15 EV models by 2025 and is investing \$13.5 billion over the next decade to expand battery production capacity. At the same, time however, it is continuing to develop vehicles powered by hydrogen.

Japanese firms keen on entering Bangladesh's e-commerce: envoy

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They said one of the challenges is related to logistics, as timely delivery is very crucial for the success of e-commerce and facilitation of e-logistics is very important,” the ambassador said.

Another challenge is shoddy or counterfeit goods and these goods should be excluded from the market as these do not give confidence to the system, he said.

Other challenges are a secure online payment system, regulatory framework and coordinated efforts, said Naoki.

“I really hope that Bangladesh will see a better future for the e-commerce sector in the near future,” he said.

“One of the important developments of Softbank's decision to buy some shares of bKash, a mobile payment service company, is very successful,” he said.

“The fact that Softbank decided to put money to bKash, its mean company like Softbank recognised overall running system by bKash,” he added.

“I think that is a very important message for outside investors to Bangladesh. If bKash goes more successful as a result of Softbank investment, following it prospective investors will come to the e-commerce area in Bangladesh,” said the ambassador.

“I think that will provide a tremendous opportunity for Bangladesh to make the e-commerce sector more mature,” he said, adding that Softbank's decision has a symbolic meaning for the future development of the sector.

Formulating a special law and introducing a regulatory authority are crucial for warding off future e-commerce frauds, said Hafizur Rahman,

an additional secretary to the commerce ministry.

“We should require an agency that would work promptly and immediately to address the irregularities in the e-commerce sector. I believe the government is working to take initiative to regulate the e-commerce in future,” he said.

“One issue is framing a special law and another issue is introducing one authority. Though we know that many laws may disrupt, may create problems for e-commerce,” said Rahman.

“Stringent laws will not help flourish the e-commerce smoothly. Our target is keep the system simple and easy, so that every entities and entrepreneurs can join e-commerce,” he said.

But law and authority should be operational so that scams and fraudulent activity cannot go ahead, he added.

There are some laws -- the consumers' right protection act, digital security act and penal code -- which are highly applicable to e-commerce, he said.

“I believe those laws that apply to our brick-and-mortar are not inadequate for e-commerce. Those can be applicable to e-commerce entities,” said Rahman.

But the e-commerce business has some specialty as it works on an online system, he said.

He went on to say that this was a good time, if not the best, for e-commerce in Bangladesh.

“Few days ago, we couldn't say this, but now time is going well with the e-commerce. For those who like to do business fairly and using the innovative ideas, this is a good situation,” said the additional secretary.

“We had problems a few days ago, different

kinds of online scams, fraudulent activities had taken place in the e-commerce. With regulatory changes and active intervention of some government agencies, we are in a situation that has controlled all kinds of fraudulent activities,” he added.

Customers and merchants who engaged in business with fraudulent e-commerce entities are facing some problems getting their payments or products back, said Rahman.

The government is working with those issues and finding ways over how customers or merchants will be paid back their money, he said.

“Though there is some uncertainty in some areas, because some money has already gone out of the country or not traceable, that would be difficult to bring back to customers,” he said.

“But money that is in government custody, in the payment gateway system—as we know a considerable amount of money is stuck in the payment gateway system—the government is working on how that money can be given back to the customers,” he added.

“The government has been working on some issues to regulate the e-commerce sector. I personally have been working with one issue that is unique business identification number for e-commerce sites to track all the activity,” said Rahman.

“In one or two months we will be able to introduce the system,” he added.

Now the industry is running a manual escrow system for payment. The government is trying to make it digital so that as soon as the delivery message is sent to the payment gateway, the money can be immediately sent to the e-commerce entities, he said.

Bangladesh offers best incentives for investors

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Jashim and France Bangladesh Economic Chamber President Kazi Enayet Ullah inked the deal in Paris on Friday, said a press release yesterday.

Jashim said the MoU would certainly help further promote cooperation for diversifying trade and expanding investment in a meaningful manner.

Manufacturers of Bangladesh are adopting greener technologies and modern production methods aligned with the 4th industrial revolution and challenges of climate change, he said. He said among the world's top 10 green garment factories, the top 7 were located in Bangladesh.

Jashim said Bangladesh requires a huge amount of foreign direct investment (FDI) for inclusive growth.

He also invited non-resident

Bangladeshis to invest in Bangladesh, availing the investment incentives. The FBCCI, as the apex trade body of Bangladesh, is always open to facilitate business interests in Bangladesh, he said.

Mostofa Azad Chowdhury Babu, senior vice president of the FBCCI, urged the non-resident Bangladeshi businesspersons to come forward for branding Bangladeshi products in France.

MA Momen, vice president of the FBCCI, emphasised regular networking among the business people of Bangladesh and France to enhance bilateral trade and economic activities.

Earlier on Wednesday, the FBCCI signed an MoU with MEDEF International (Mouvement des Entreprises de France International), the apex trade body of France.

Reform key to cutting logistics bottlenecks

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In her keynote paper, Tatiana Peralta Quiros, senior transport specialist of World Bank Group, said logistics costs increase the overall production and business operation cost by 4.5 per cent to 4.8 per cent.

“The implementation of just three initiatives, such as reducing dwell times in Chattogram port and congestions on national highways with the initiation of a national logistics strategy, could increase Bangladesh's overall exports by 19 per cent,” she added.

Masrur Reaz, chairman of the Policy Exchange of Bangladesh, said after the country graduates from the United Nation's

least developed grouping, it would have to face a most favoured nation duty of about 12 per cent if it was unable to secure GSP Plus status.

He focused on the need to initiate and implement a national logistics policy and identify the logistics demand from production houses, economic zones and priority sectors such agriculture and pharmaceuticals, and trade gateways.

Md Tofazzel Hossain Miah asserted that Bangladesh cannot move forward without supporting the private sector during this global economic transition period as it was the country's engine for economic growth.