

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES						
DSEX	CSCX		Gold ▲ \$1,863.11 (per ounce)		Oil ▲ \$80.84 (per barrel)	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.16%	▲ 0.16%					▲ 0.05%	▲ 0.56%	▲ 0.38%	▼ 0.16%	BUY TK	84.85	96.13	112.98	13.08
6,941.36	12,215.06					60,718.71	29,776.80	3,240.58	3,533.30	SELL TK	85.85	99.93	116.78	13.75

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BUSINESS

DHAKA TUESDAY NOVEMBER 16, 2021, AGRAHAYAN 1, 1428 BS ● starbusiness@thedailystar.net

Rice price remains high despite huge imports, stocks

REJAUL KARIM BYRON and REFAYET ULLAH MIRDHA

Rice price in Bangladesh has remained at an elevated level despite higher imports in recent months on the back of lower customs duty and reduced price in the international market as well as a record stock in government warehouses.

The retail price of coarse rice, consumed by a majority of the population, rose to Tk 44 to Tk 48 per kg on November 11, up from Tk 42.63 in May, according to the Department of Agricultural Marketing.

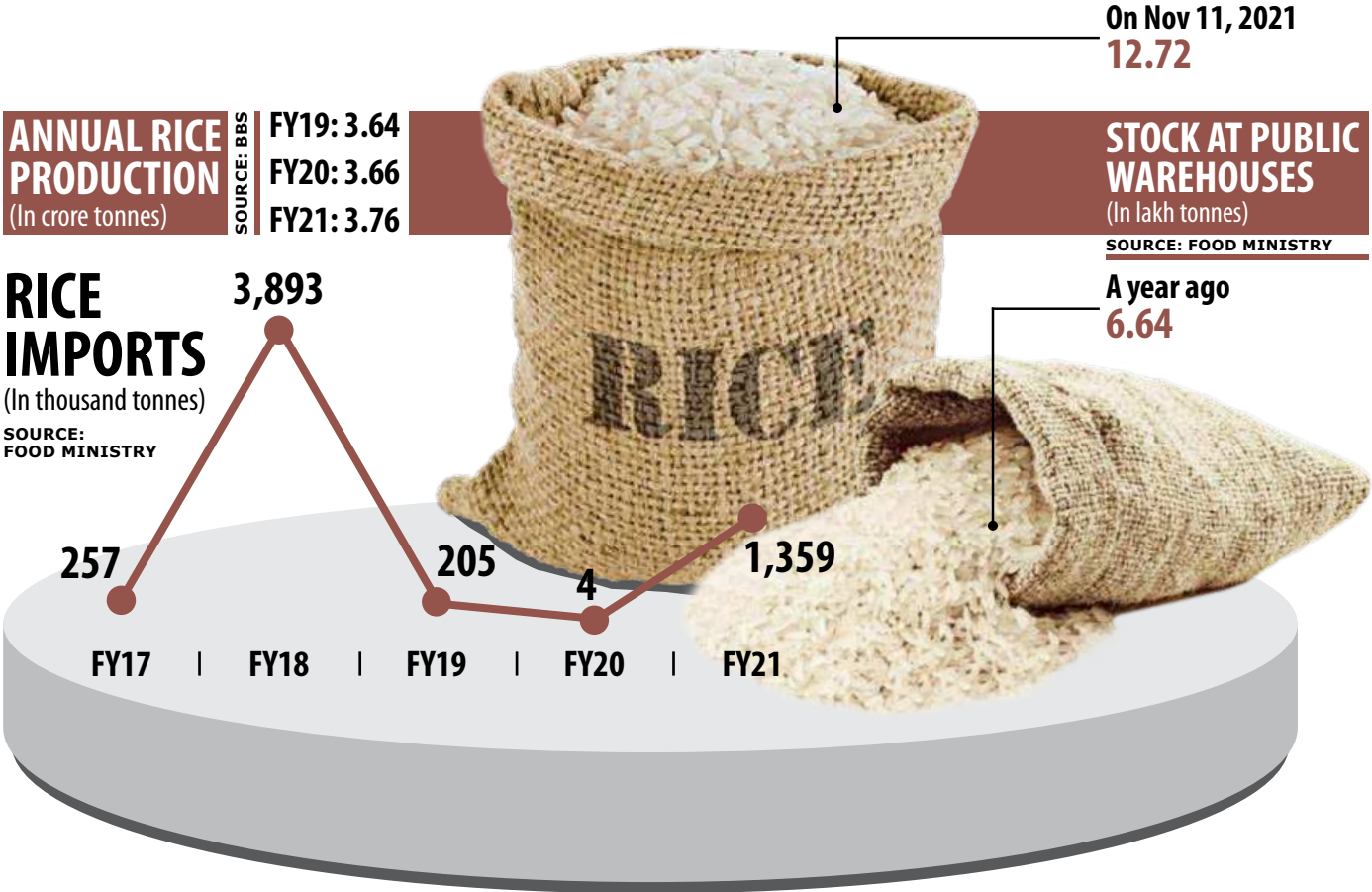
The higher price of the staple food came at a time when the harvesting of Aman, the second-largest paddy crop in the country, is underway.

Between July and November 10 in the current fiscal year, 7.73 lakh tonnes of rice were imported, compared to zero imports in the same period last fiscal year, according to data from the food ministry.

Of the quantity, 4.94 lakh tonnes were brought in by the government and 2.79 lakh tonnes by the private sector to meet the growing demand.

Although no imports took place between July and October in 2020-21, the scenario changed in the subsequent months because of the depletion of the food stock at state-run warehouses and a high price of the item in domestic markets.

The situation prompted the government to cut the import duty to 25 per cent from



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62.5 per cent to encourage imports. As a result, rice imports went up to 13.59 lakh tonnes at the end of the last fiscal year.

The government has initiated moves to import rice under state-to-state agreements. It signed deals with supplying nations

to buy 12.50 lakh tonnes of rice between 2020-21 and 2021-22. It purchased 10.66 lakh tonnes of rice between January and November. Towards the end of the last fiscal year, the food ministry permitted 320 private companies to import 15.61 lakh tonnes of rice. Another 415 private firms obtained consent to buy 16.93 lakh tonnes of rice in FY22, food ministry documents showed.

As of November 10, the private sector

imported 10.65 lakh tonnes of rice.

Chitta Majumder, managing director of Majumder Group of Industries, attributed the gap between demand and supply as well as the reduction in the import duty for the increase in imports.

"However, the import will come down because of the reinstatement of the previous 62.5 per cent duty in October.

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Pathao introduces Bangladesh to 'Pay Later' feature

MAHMUDUL HASAN

Bangladeshi consumers can now get a taste of the global 'Buy Now, Pay Later' (BNPL) phenomenon thanks to the digital services platform Pathao, which is rolling out the feature today on a test basis.

Globally, BNPL has exploded in popularity over the past year thanks to the pandemic-driven boom in online shopping.

The feature allows shoppers to split the cost of goods into instalments with no interest but a late fee if payments are missed. In so doing, it offers consumers more purchasing power without pressuring their finances.

Over in neighbouring India, BNPL has dragged e-commerce sales out of the pandemic slump during Diwali, the peak shopping season.

Globally, the industry is dominated by Sweden's Klarna -- Europe's heftiest fintech unicorn at a valuation of over \$45 billion -- and Sydney-based AfterPay, which in August was acquired by Twitter founder Jack Dorsey's Square for \$29 billion, the largest takeover in Australia's history.

Even traditional payment service providers like Mastercard are jostling for a slice of the fast-growing pie, which is based on an emerging thesis that millennials and Gen Z consumers distrust credit but still want to borrow money to buy goods.

For Pathao, which has a sizeable population of young users for its ride-hailing, food delivery and logistics services, the feature makes the perfect business case: it offers an excellent route for accelerating customer acquisition, according to Redburn, a British equity research house.

Currently, Pathao Food users can choose 'Pay Later' as their payment method to complete their order with a single tap. The initial spending limit is Tk 2,000, which will be replenished upon repayment.

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RIGHTING THE DIGITAL MARKETPLACE: STAKEHOLDERS' SAY

Bangladesh's e-commerce sector has seen a lot of turbulence in the last couple of months following findings of a Bangladesh Bank inspection that unearthed a massive asset-liability mismatch of Evaly. The number of complaints against rogue platforms also surged. Now, the commerce ministry plans to frame a new law to regulate the budding industry. Legal experts and consumers welcome the move while e-commerce platforms oppose it. The Daily Star's Mahmudul Hasan writes

Consumers, experts back new law

Although industry people do not want a new law or regulatory agency, some legal experts and a consumer rights body said those were necessary to oversee the industry now plagued with scams and controversies and protect the interests of stakeholders, including merchants.

"A group is advocating that it is possible to regulate e-commerce keeping the existing National Digital Commerce Policy-2018 in place or amending it," said Mohammad Golam Sarwar, an assistant professor of law at the University of Dhaka.

"However I think there should be a separate act to address the current situation in the sector," he added.

The rules in the digital commerce policy have no binding effect and no enforceability, and if anyone violates the directions, they will not be punished. Even a recently issued guideline under the policy has no legal remedy.

So in the context of Bangladesh, it is challenging to implement a policy that cannot ensure punishment for violations.

Secondly, a comprehensive law contains a proper objective and a new law would address the nature and dynamics of the e-commerce sector.

And to achieve the objective, it is important to have an administrative mechanism and a judicial mechanism, which is not possible without an act.

"Some say amending the consumer protection act is the solution. But we have to remember that the Directorate of National Consumer Rights Protection's pecuniary jurisdiction is very meagre," Sarwar said.

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What India is doing

India too has been facing widespread fraudulence involving e-commerce in recent years.

It prompted its government to formulate a Consumer Protection (E-Commerce) Rules, 2020 under the consumer protection act to thwart dubious trade practices and protect consumers' interests and rights in

e-commerce.

Some of the act's provisions are very beneficial to customers.

This includes a mandatory appointment of a consumer grievance redress officer and a nodal contact person or an alternative senior appointed official with contact details.

Two other sections are for

acknowledging buyers' grievances within 48 hours of receipt with a ticket number and resolving complaints a month from receipt of the complaint.

As widespread cheating and unfair trade practices in the e-commerce ecosystem continued during the pandemic, the government in June

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New law, regulatory body would impede growth

Say industry people

A new law with numerous provisions will thwart the expansion of e-commerce in Bangladesh, according to industry operators.

Instead, ensuring proper enforcement of existing laws and introducing strong fraud control measures are adequate to ensure healthy growth and discipline in the sector, which registered an average annual growth rate of about 50 per cent in the last five years.

Entrepreneurs of e-commerce demanded strengthening the Directorate of National Consumer Rights Protection (DNCRP) and Bangladesh Competition Commission to monitor and facilitate growth of e-commerce.

They also urged for proper vigilance from Bangladesh Bank, Bangladesh Financial Intelligence Unit (BFIU) and the commerce ministry.

"If these institutions and related laws are properly implemented, the government will be able to contain fraud in the future," said AKM Fahim Mashroor, chief executive officer of bdjobs.com and ajkerdeal.com.

The DNCRP is the prime resort for customers to get remedies for any issues but it has not taken any stern action against fraudulent platforms, especially when it comes to Evaly, which has over 8,000 complaints filed against it, he added.

These views come in the wake of a string of e-commerce scams unfolding over the last couple of months amidst an outcry from customers over digital commerce companies not providing refunds for failing to deliver products.

Merchants are also complaining of non-payment of dues by e-commerce firms.

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Mitsubishi car for Tk 50,010!

MOHAMMAD SUMAN, Cg

A Mitsubishi car has attracted the highest bid of Tk 50,010 at the auction of the Chattogram Custom House although the price of the vehicle was Tk 1.39 crore.

The bid came as the customs authorities auctioned off 112 vehicles on November 4. The bidders showed interests in 110 vehicles.

A total of 551 bidders participated in the auction, and a list of the top 110 bidders was published yesterday.

All of the cars were brought to the Chattogram port around a decade ago duty-free under a United Nations convention, a source said.

The UN Customs Convention on the

Temporary Importation of Private Road Vehicles of 1954 allows users to bring vehicles to a country without paying customs duties, provided the cars are taken back when they return home.

Bangladesh is not a signatory to the convention, and in 2011, the National Board of Revenue (NBR) introduced a rule, saying foreign nationals had to provide security deposits equal to the duties and taxes of the imported cars to have a car released. But the prospective beneficiaries did not take the delivery.

In 2013, the NBR stopped the facility altogether. At the auction, the highest bid for a 1995 model Mitsubishi was only Tk 50,010.

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WTO MINISTERIAL CONFERENCE

LDCs to demand continuation of fisheries subsidies

REFAYET ULLAH MIRDHA

Bangladesh has joined other least-developed countries (LDCs) to demand the continuation of partial fisheries subsidies as nations are set to agree to new rules for the industry and limit state support contributing to unsustainable fishing and the depletion of global fish stocks.

Talks on the fisheries subsidies at the World Trade Organisation (WTO) have remained stalled since 2001 for the overfishing and overcapacity by a number of countries.

Fisheries subsidies need to be continued for the LDCs at least for capacity-building, technology upgrade, purchase of ships, training, and developing human resources, as the fisheries sector has become a major source of jobs and

economic development, said Hafizur Rahman, director-general of the WTO Cell under the commerce ministry.

"The LDCs have already agreed to place the demand for the continuation of fisheries subsidies at the 12th WTO Ministerial Conference." The conference will take place in Geneva between November 30 and December 3.

Bangladesh's mission in Geneva is negotiating with other LDCs in favour of the continuation of the fisheries subsidies, at least partially so that the livelihood of low-income people is secured as their lives are largely dependent on fishing, said Rahman.

The commerce ministry has already sent Bangladesh's position to the Geneva mission. The creation of fisheries subsidies disciplines

has been the subject of work in the WTO's Negotiating Group on Rules since the Doha Development Agenda was launched in 2001.

That mandate was elaborated in 2005 at the Hong Kong Ministerial Conference, including with a call for prohibiting certain forms of fisheries subsidies that contribute to overcapacity and overfishing.

At the 2017 Buenos Aires Ministerial Conference, ministers decided on a work programme to conclude the negotiations by aiming to adopt an agreement on fisheries subsidies at the next ministerial conference.

Based on the mandate from the last ministerial conference and the UN Sustainable Development Goal Target 14.6, negotiators in the

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