Real estate fair kicks off in Ctg tomorrow

REHAB leaders said the spiralling prices of rod may leave a negative impact on the real estate sector. PHOTO: STAR/FILE

STAFF CORRESPONDENT, *Ctg*

A four-day housing fair, styled "REHAB Chattogram Fair 2021", will begin tomorrow at the Radisson Blu Chattogram Bay View hotel in the port city.

It will be the 14th fair of its kind organised by the Real Estate and Housing Association of Bangladesh (REHAB).

Nasrul Hamid, the state minister for power, energy and mineral resources, is scheduled to inaugurate the fair while Rejaul Karim Chowdhury, the mayor of Chattogram, and Zahirul Alam Dobhas, chairman of the Chattogram Development Authority (CDA), will be special guests.

REHAB leaders provided this information during a press conference at Chittagong Club yesterday.

REHAB Vice President Md Abdul Kauiam Chowdhury, also chairman of the REHAB Chattogram Regional Committee, said Bangladesh's real estate industry is in a crisis due to some policy issues that it is trying hard to overcome.

Informing that the government has reduced the registration cost for the sector by 2 per cent, Chowdhury said REHAB is trying to convince the government to reduce the cost by 4 per cent more.

READ MORE ON B3

Bid to carry out sector-wise research to support businesses

Dhaka chamber signs deal with IBA

STAR BUSINESS DESK

Dhaka Chamber of Commerce & Industry (DCCI) has signed a memorandum of cooperation with the Institute of Business Administration (IBA) under the University of Dhaka to carry out sector-wise research to help businesses thrive.

Rizwan Rahman, president of the chamber, and Prof Mohammad Abdul Momen, director of the IBA, inked the agreement at the DCCI headquarters yesterday, according to a press release.

Speaking at the event, Momen said the research facilities at the universities in Bangladesh were still unexplored and under-utilised.

He urged the private sector to invest for the expansion of university research for the sake of industrial development.

Both the DCCI and the IBA will conduct sector-wise business research activities and organise job fairs, seminars, workshops, and business conferences.

As per the cooperation agreement, training courses will be arranged for the DCCI, and the chamber will provide internship opportunities to the students of the IBA.

Rahman underscored a need-based curriculum as per the demand of the industry. "It is time to bridge the gap between the industrial sector and the academia in this era of rapid industrialisation."

"Skill development is the priority area of the government and the private sector. We must have better skills in every sector to compete on the international stage," he said.

Rahman called for extensive research and development works under the universities so that they could contribute to the economy.

Momen backed greater collaboration between industry and academia.

"To cope up with the changing global geo-political and technological transformation, we have to be competitive in terms of skills and education."

He gave the examples of some successful countries such as the US, Germany and Korea that are utilising their universities for extensive research and innovation activities.

NKA Mobin, senior vice-president of the DCCI, Monowar Hossain, vice-president, and Golam Zilani, a director, were present.

CPD POWER AND ENERGY STUDY

Private sector's engagement in COP26

KHONDAKER GOLAM MOAZZEM

OPINION

The private sector took part in the COP26 and made commitments and initiatives with a view to contributing to reducing carbon emission, thereby achieving net zero emission by 2050.

Their engagements were in the form of improvement in corporate governance, capital mobilisation for climate action, financing, offering technologies, and data support.

Such engagements are being planned to attain through different forms of cooperation within the private sector such as alliance building, developing blended finance initiatives, issuing joint statement in support of the sectoral value chains and collaborating with the government in developing climate-related criteria and standards, and involvement with development financial institutions in exploring financing options.

Majority of the private sector-led initiatives have started over the last several years. They have been concretised and strengthened during the COP26.

Engagement of the private sector can be categorised into three categories: climate finance and investment; climate governance; and technology and data support.

CLIMATE FINANCE AND INVESTMENT

The Glasgow Financial Alliance for Net Zero (GFANZ), launched in April, 2021, announced in the COP26 that its coalition partners, including 450 finance firms, across 45 countries will align their financing activities to net zero emissions.

The firms include banks, insurers, pension funds, asset managers, export credit agencies, stock exchanges, credit rating agencies, index providers and audit firms. A major drive of this alliance will be to support companies working in carbon-intensive sectors to help in the transition process to decarbonise their activities. It will soon publish a list of Net Zero Banking Alliance members.

The total finance managed by these companies is about $130 trillion.

The private sector has also come forward to work on climate risk management. The cooperation will target to help transform financial architecture through climate risk management, climate-related investment returns and mobilisation of private finance. As part of the process, 33 central banks have committed to undertaking climate-related stress tests of financial firms with a view to facing climate-related risks.

Another partnership called Climate Finance Partnership (CFP) comprising Black Rock and the governments of France, Germany, and Japan as well as a number of leading impact US organisations have undertaken an initiative to accelerate the flow of capital for climate-related investments in emerging markets. This will be a blended finance initiative, which will help private finance to de-risk their investments in emerging countries considering the climate-related vulnerabilities.

However, the private sector is still behind in climate finance although their participation has increased over the years. In FY2020, the private sector has contributed about $310 billion with a rise in investment of 18 per cent on a year-on-year basis.

A major weakness of this investment is that over 90 per cent of these investments are targeted to mitigation-related activities. Only a negligible amount ($46 billion) is targeted at adaptation purpose.

READ MORE ON B2

GLOBAL BUSINESS

Sri Lanka shuts only oil refinery as dollar shortage bites

AFP, *Colombo*

Sri Lanka shut its only oil refinery Monday after running out of dollars to import crude, in an escalating economic crisis that has triggered shortages of food and other staples.

The country's foreign reserves had fallen to $2.3 billion at the end of October, down from $7.5 billion when the current government came to power almost two years ago.

International rating agencies have downgraded Sri Lanka's credit worthiness as the economy shrank an unprecedented 3.6 per cent last year with the Covid-19 pandemic.

The island's tourism earnings and foreign worker remittances have dropped, sparking an import ban on a host of goods including vehicles, spare parts and spices since March last year.

Energy Minister Udaya Gammanpila said it was the first time the Sapugaskanda refinery has been shut down since it was built by Iran in 1969.

Gammanpila said the country instead planned to import refined petrol and diesel and that the government would save an unspecified amount of money by doing so.

"When we refine crude at Sapugaskanda, we get 37 per cent furnace oil and 19 per cent aviation fuel and only 43 per cent petrol and diesel," he told reporters in Colombo.

"There is no big demand for furnace oil and aviation fuel so it is better to import refined petrol and diesel which are in high demand," Gammanpila said.

Top Sri Lankan officials have warned of fuel rationing by the end of the year unless consumption is cut drastically.

Sri Lanka's oil import bill was $2.32 billion last year when a barrel of crude had fallen to about $45, but 2021 imports were expected to be about $4.0 billion because of the sharp rise in oil prices in the international market, according to an official report five months ago.

AFP

Auto rickshaw drivers wait to buy petrol in Colombo as the government shut its only oil refinery on November 15 after running out of dollars to import crude amid a deepening economic crisis that has triggered shortages of food and other essentials.

Shell plans UK relocation, sparking Dutch outrage

AFP, *London*

Energy giant Shell on Monday announced plans to switch headquarters from the Netherlands to the UK and drop Royal Dutch from its name, in a major shakeup that angered the Dutch government.

The plan, hailed by UK Business Secretary Kwasi Kwarteng as "a clear vote of confidence in the British economy" post Brexit, will see Shell switch its tax residence and top executives to Britain.

The move deprives the Netherlands of its biggest company, which has for more than 130 years been a symbol of Dutch entrepreneurial spirit and is headquartered in The Hague.

"We are unpleasantly surprised by this. The cabinet deeply regrets this intention," Dutch Economic Affairs Minister Stef Blok said on Twitter.

"We are in talks with Shell about the implications of this move for jobs, critical investment decisions and sustainability. Those are hugely important," Blok added. The Dutch business association VNO NCW said: "This is a huge bloodletting for the Netherlands."

"Shell in a statement said the changes were designed to strengthen the company's "competitiveness and accelerate both shareholder distributions and the delivery of its strategy to become a net-zero emissions business".

It insisted that the plans "will have no impact on" a Dutch court ruling that the company must slash greenhouse gas emissions.

The legal decision this year was a landmark victory for climate activists, while Monday's announcement comes after activist investor Third Point demanded Shell be broken up, bolster low-carbon investment and return more cash to shareholders.

Friends of the Earth Netherlands, which helped bring the case, agreed that a Shell move would have "no effect" on the case and could even lead to other legal action in Britain.

Shell chair Andrew Mackenzie later blamed Shell's move on a 2018 decision by Dutch Prime Minister Mark Rutte to abandon plans to scrap a tax on big companies' dividends.

"The reality of looking for the simplification was that the imposition of a withholding tax on dividends here in the Netherlands meant that we were driven to go to the UK," Mackenzie told an investors conference call.

Shell said it did not expect any major financial effect from relocating, except for a departure tax that could be as high as 400 million euros.For the Dutch treasury, however, the tax hit from Shell's departure could amount to billions of euros, local media said.

The Dutch government was now seeing whether there was support in parliament to scrap the dividend tax after all in a bid to persuade Shell to stay, broadcaster RTL reported.

The GroenLinks (Green-Left) party said it would push instead for the "departure tax". "Leaving now? Fine, but then you pay your fair share," said leader Jesse Klaver.

UK unemployment drops as vacancies hit new high

AFP, *London*

Britain's unemployment rate has fallen further with the economy reopen following a pandemic lockdown, with vacancies hitting a fresh peak, data showed Tuesday.

The unemployment rate dropped to 4.3 per cent in the three months to the end of September, the Office for National Statistics said in a statement.

That compared with a rate of 4.5 per cent in the quarter to the end of August, the ONS added. At the same time job vacancies in the three months to the end of October hit a new record high at 1.17 million.

This was despite the UK government ending in September its furlough jobs support programme that kept millions of private sector workers in their roles during the pandemic.

"It might take a few months to see the full impact of furlough coming to an end, as people who lost their jobs at the end of September could still be receiving redundancy pay," noted Sam Beckett, head of economic statistics at the ONS.

Outlook starting to brighten for aviation: Airbus CEO

AFP, *Dubai*

The global aviation sector has begun to emerge from the Covid pandemic, its worst-ever crisis, and the "outlook is starting to brighten", Airbus CEO Guillaume Faury told journalists Monday.

A large order of 255 of Airbus' single-aisle A231 planes announced Sunday at the Dubai Airshow "completely justifies" a shift to ramping up manufacturing, the CEO said, predicting production of long-haul planes could pick up by the second half of the decade.

On Monday, US Air Lease signed a letter of intent for 111 Airbus aircraft, the manufacturer said.

Faury spoke to journalists, including AFP, on the sidelines of the Dubai Airshow. The following is a summarised and translated version of his comments in French: Has the airline sector recovered?

"The crisis was very brutal, lasting 15 months at its worst stage. We are in the process of emerging, we can see aerial traffic recovering, the reopening of travel lines, the planes travelling here to Dubai were full or nearly full.

"The United States has largely resumed, Europe is also resuming. Asia will probably take a little longer, but globally the figures point to a recovery in the global economy and air traffic.

"When we say we are on the way out of the crisis, it is because we are coming back from the low point, we are progressively climbing back up.

"Airbus began the gradual recovery some months ago on short and medium-haul aircraft, the A320 family, but not on long-haul aircraft.

"We continue to believe that we can return to 2019-level air traffic at some point between 2023 and 2025 -- regionally likely in 2023 and internationally in 2025.

"We are much more optimistic because the outlook is starting to brighten. "We can see from yesterday's order that the airlines are also starting to look to the horizon and prepare for a post-crisis situation.

"We quickly understood in 2020 that airlines and charter companies did not want to make decisions during the crisis that would have had too great of an impact on their future growth and their ability to remain key players.

"At the start of 2021, I said that I was not expecting big orders in 2021 and they would come in 2022.