

STOCKS		Week-on-week	COMMODITIES		As of Friday	ASIAN MARKETS				Friday Closings	CURRENCIES				As on Thursday
DSEX	CSCX			Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	CNY	STANDARD CHARTERED BANK
▼ 3.38%	▼ 3.20%			\$1,792.30 (per ounce)	\$72.72 (per barrel)	▼ 2.87%	▼ 2.53%	▼ 1.72%	▼ 0.56%		BUY TK 84.85	94.09	113.53	13.04	
6,852.09	12,060.26					57,107.15	28,751.62	3,166.27	3,564.09		SELL TK 85.85	97.89	117.33	13.72	

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BUSINESS

DHAKA SUNDAY NOVEMBER 28, 2021, AGRAHAYAN 13, 1428 BS ● starbusiness@thedailystar.net

Profit growth signals strong economic rebound

Return to normalcy, increased export and remittance spurred recovery, experts say

AHSAN HABIB

Listed companies across almost all sectors saw their profits rise 8.6 per cent on average in the first quarter of the ongoing fiscal year, indicating that Bangladesh is making a strong economic recovery from the Covid-19 pandemic.

The collective profits of 288 listed companies stood at Tk 7,203 crore in the July-September period of 2021-22, up from Tk 6,631 crore a year earlier, according to Sandhani Asset Management Company.

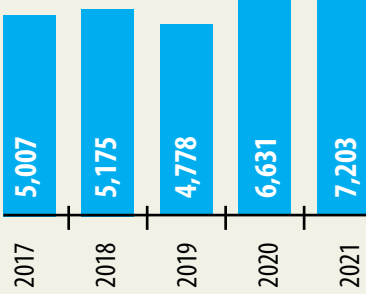
Although the Dhaka Stock Exchange features a total of 384 enterprises, some 288 were analysed as the remainder were either listed after 2018 or are yet to publish their quarterly financial reports.

"As the economy is returning to normalcy, most listed companies saw higher profit," said AB Mirza Azizul Islam, a former finance adviser to the caretaker government.

However, there is conflicting data regarding Bangladesh's recovery as some private organisations' surveys show that poverty rates rose when the demand for non-essentials

QUARTER-WISE PROFITS OF LISTED COMPANIES

In Tk cr; in 3rd quarter



TOP FIVE PROFIT-MAKERS

GP: Tk 8,560cr

Square Pharma: Tk 4,999cr

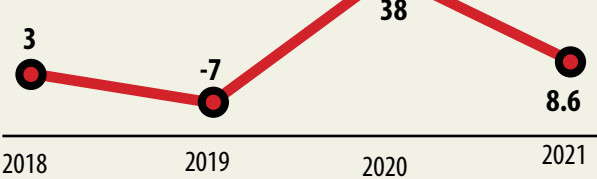
Beximco Ltd: Tk 3,601cr

BATBC: Tk 2,943cr

United Power: Tk 2,898cr

GROWTH RATES OF PROFITS

As % in 3rd quarter



dropped significantly amid prolonged countrywide economic shutdowns aimed at combating the rogue virus.

"So, the fact that most listed companies registered increased profits might be because they are export-oriented, as evinced by the country's rise in export earnings," said Islam, also a former chairman of the Bangladesh Securities and Exchange Commission.

Bangladesh earned about \$11.02 billion from exports in the first three months of the current fiscal, up 11.37 per cent year-on-year from \$9.89 billion, data from the Export Promotion Bureau showed.

Islam also attributed the increased consumption for this year's growth in profits as the demand for all goods and services rocketed soon after the country observed a two-month strict nationwide lockdown in 2020.

As such, listed companies saw their profits climb 38 per cent year-on-year to Tk 6,631 crore in the first quarter of FY2020-21. With this backdrop, the profit growth in the recently ended quarter is seemingly low even though it is at a considerably normal level, Islam added.

Mominul Islam, managing director of IPDC Finance, said one positive aspect of the pandemic was that people were now more bullish about the economy.

READ MORE ON B3

NBFIs seek deferral of BB rules seeking to restore discipline

AKM ZAMIR UDDIN

Non-bank financial institutions have demanded postponement of the application of a Bangladesh Bank guideline that is seeking to restore credit discipline in the fragile sector.

The Bangladesh Leasing and Finance Companies Association (BLFCA), an organisation of the managing directors of the NBFIs, sent a letter to the central bank governor on November 22, requesting him to push back the guidelines until December 2023.

The central bank issued the guidelines on September 14, saying that no NBFI would be allowed to inflate the income segment of the balance sheet artificially without realising cash from borrowers after rescheduling default loans.

It came after many NBFIs were found to have overstated their income segment in the past without getting back any cash from the rescheduled loans, in order to give a hefty amount of dividends to the shareholders, including their directors.

In addition, they had also not kept provision against the default loans, but many of them subsequently rescheduled the loans.

As per the new rules under the guidelines, the NBFIs have to preserve

WHAT NBFIS DEMAND FOR RESCHEDULED LOANS

- Want to show inflated income without realising cash
- Want to avoid provision right after rescheduling NPLs
- Want to transfer provision to income after rescheduling
- Deferral of guidelines to Dec 2023

required provisions against the rescheduled loans. The NBFIs should have kept the amount previously given the merit of the non-performing loans.

Besides, NBFIs have been barred from transferring the provision of the NPLs right after the rescheduling of the loans. They can, however, shift the specific amount of provision equaling to the actual income realised from the borrowers from time to time.

A loan loss provision is an income statement expense set aside as an allowance for uncollected loans and loan payments. This provision is used to cover different kinds of loan losses such as NPLs and customer bankruptcy.

READ MORE ON B3

WTO postpones ministerial meeting after new variant outbreak

REFAAT ULLAH MIRDHA

The World Trade Organisation (WTO) has postponed the imminent Ministerial Conference after an outbreak of a particularly transmissible strain of Covid-19 led several governments to impose travel restrictions that would have prevented many ministers from reaching Geneva.

The 12th Ministerial Conference (MC12), the first such meeting of the WTO in four years, was due to start on November 30 and run until December 3. But the General Council of the global body agreed late Friday to postpone the meeting, according to a statement.

The announcement of travel restrictions and quarantine requirements in Switzerland and many other European countries led General Council Chair Ambassador Dacio Castillo of Honduras to call an emergency meeting of all WTO members to inform them of the situation.

"Given these unfortunate developments and the uncertainty that they cause, we see no alternative but to propose to postpone the Ministerial Conference and reconvene it as soon as possible when conditions allow," Castillo told the General Council.

"I trust that you will fully appreciate the seriousness of the situation."

WTO Director-General Ngozi Okonjo-



Iweala said the travel constraints meant that many ministers and senior delegates could not have participated in face-to-face negotiations at the conference. This would render participation on an equal basis impossible.

She pointed out that many delegations have long maintained that meeting virtually does not offer the kind of interaction necessary for holding complex negotiations on politically sensitive issues.

"This has not been an easy recommendation to make ... But as Director-General, my priority is the health and safety of all MC12 participants – ministers, delegates and civil society. It is better to err on the side of caution," she said, noting that the postponement would continue to keep the WTO in line with Swiss regulations.

WTO members were unanimous in their support of the recommendations from the Director-General and the General Council chair.

READ MORE ON B3

New law lists bankers' digital books as legal evidence

STAR BUSINESS REPORT

Parliament yesterday passed the Bankers' Book Evidence Bill 2021, defining digitally recorded documents used in the ordinary business of banks as legal evidence admissible in court.

Finance Minister AHM Mustafa Kamal placed the bill that was passed by voice vote.

The new law is going to replace the Bankers' Book Evidence Act 1891 that lacked the concept of digitally recorded evidence.

Many aspects of the current law are not consistent with present day practices. Besides, banks are now working digitally, a setting not mentioned in the previous law. The new law states of it clearly.

The new law has suggested making information public, except for privileged and personal information, on taking permission from a court of law and fixing authorities who can do that.

It also spoke of some information which it authorises to be published. It defines court jurisdictions for any bank-related information. Making public such information was totally prohibited in the old one.

The new law also states of some offences, punishments and trials to prevent unauthorised and behind the scenes leak of any information.

Credit card spending keeps growing as virus recedes

AKM ZAMIR UDDIN

Spending through credit cards maintained an upward trend in September as people kept flocking to online sites in the tourism and hospitality sector as the coronavirus crisis continues to wane.

Credit card transactions collectively stood at Tk 1,840 crore in September, up 10 per cent from a month earlier and 51 per cent year-on-year, data from Bangladesh Bank showed.

The tourism and hospitality sector reopened in August after the Covid-19 infection rate began receding.

This has had a positive impact

on the upward trend of spending through credit cards, according to bankers engaged in expanding the card business.

What is more, people buoyed by the improving coronavirus and economic situation are increasingly purchasing lifestyle products through their cards.

As such, credit card transactions witnessed magnificent growth in June this year due to advance purchases for Eid-ul-Azha as spending stood at Tk 1,934 crore that month, up 13.25 per cent from a month earlier and 115.46 per cent year-on-year.

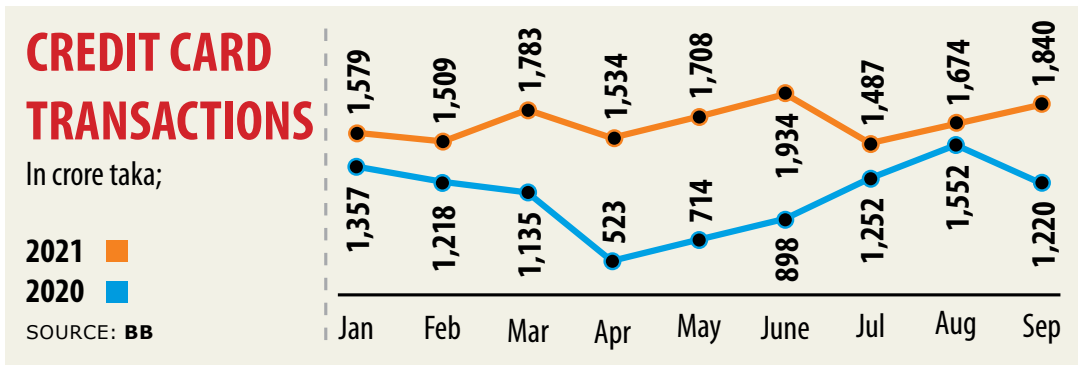
The transactions went down in July due to the post-Eid effect before rising again in August.

Syed Mohammad Kamal, country manager of MasterCard, said people are now purchasing lifestyle products and engaging in both domestic and international travel as coronavirus curbs have been eased.

A good number of international flight routes recently reopened as well, encouraging travellers to go abroad. Against this backdrop, the use of credit card is on the rise, he added.

However, he expressed concerns about the new coronavirus variant that has already spread to some countries, creating a tense situation in the business community.

READ MORE ON B3



Tourism's share 3.02pc in GDP

Says BBS's Tourism Satellite Account

REJAUL KARIM BYRON and MAHMUDUL HASAN

Tourism's contribution to the gross domestic product (GDP) is estimated at 3.02 per cent by the Bangladesh Bureau of Statistics (BBS).

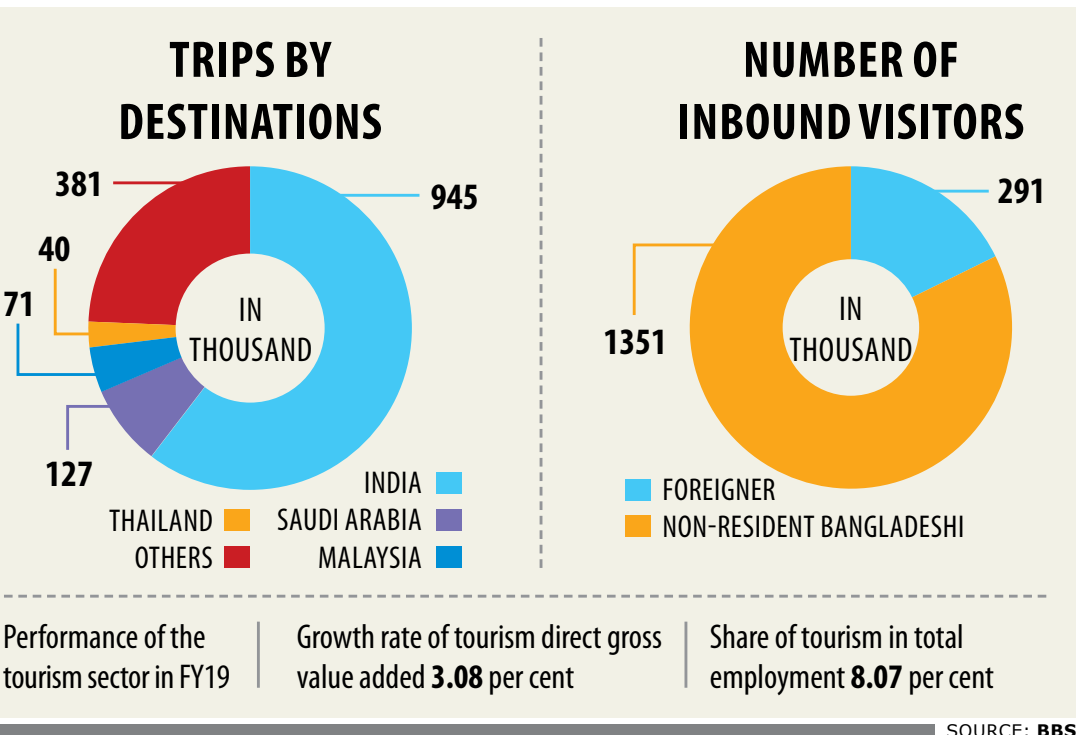
In local currency, this amounts to Tk 76,690.7 crore. The sector also accounted for 8.07 per cent of total employment, according to the BBS's Tourism Satellite Account 2020, which was based on the data of the fiscal year of 2018-19.

The report basically gives an economic measurement of tourism, integrating data about the supply and use of tourism-related goods and services.

Published last Thursday, it is said to have been prepared using international standards and methodological recommendations of the United Nations agency World Tourism Organisation.

The publication presents the structure of the country's domestic, outbound and inbound tourism activities, said Mohammad Tajul Islam, director-general of the BBS.

READ MORE ON B3



SOURCE: BBS

StanChart arranges country's first-ever green bond

STAR BUSINESS REPORT

Standard Chartered Bangladesh has arranged the first-ever green bond in Bangladesh as it mobilised Tk 150 crore for Pran Agro Ltd, a concern of Pran-RFL Group.

The bond proceeds will be used to finance green and energy-efficient initiatives of the conglomerate, the bank said in a press release yesterday.

The financial closure ceremony was arranged at the head office of Pran-RFL Group.

Pran Agro will use the proceeds of the bond for initiatives such as recycling waste water, climate action through waste decomposing, building sustainable communities by providing employment among rural and poverty-stricken communities, and preserving life on land through contract-based organic farming.



Standard Chartered was the mandated lead arranger for the transaction.

"In the last 50 years, Bangladesh has come a long way and is seen in the international stage as a role model of sustainable growth," said Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

Bangladesh's very first green bond is another milestone in this journey, one in which Standard Chartered is proud to have played a role."

It is not only the first green bond in the country; it is a bold statement to Pran's commitment to sustainability.

READ MORE ON B3

Bank Asia celebrates 22nd anniversary

STAR BUSINESS DESK

Bank Asia Ltd yesterday celebrated its 22nd anniversary at Bank Asia Tower in Dhaka in honour of benefactors and well-wishers.

Rumee A Hossain, chairman of the Board Executive Committee of Bank Asia, as chief guest cut a cake to inaugurate the programme.

Md Arfan Ali, president and managing director of the bank, Anisur Rahman Sinha, former chairman, Enam Chowdhury, director, Moshir Rahman, former director, and Syed Anisul Huq, former managing director, were present.

Maj Gen (retd) Mohammad Matiur Rahman, Ashraf Haq Chowdhury, Helal Ahmed Chowdhury and Nafees Khundker, directors of the bank, virtually joined the programme.

The bank's deputy managing directors and divisional heads were physically present while branch managers virtually.



Rumee A Hossain, chairman of the board executive committee of Bank Asia, cuts a cake to inaugurate the bank's 22nd Anniversary Day celebration at the conference hall of the Bank Asia Tower at Karwan Bazar in Dhaka yesterday.

EU ministers back bloc's Big Tech clampdown

AFP, Brussels

European Union member states on Thursday agreed their common position on two landmark legislations that could set unprecedented oversight on Big Tech.

Ministers from the EU's 27 member countries agreed the texts at a meeting in Brussels, which will serve as their marching orders in negotiations with the European Parliament that should start early next year.

The Digital Services Act (DSA) and its companion Digital Markets Act (DMA) were proposed by the European Commission last year and are intended to give Facebook, Google, Apple, Amazon and Microsoft never seen limitations on the way they do business.

The versions approved on Thursday stayed quite close to the original proposals, while the drafts making their way through parliament are expected to make the demands on Big Tech much tougher.

Black Friday draws shoppers but many shun stores for online



Black Friday shoppers leave a Best Buy store in Washington, DC on November 26.

AFP, New York

Americans returned to stores for the "Black Friday" kickoff of the holiday shopping season, but online data shows that consumers have been spending big for weeks amid worries over shortages.

The day after the US Thanksgiving celebration is the traditional start to the holiday shopping season, and normally sees Americans line up outside stores before they open to clinch deals on popular items.

After the pandemic kept crowds away last year, many shoppers were out in force Friday, a sign of how Covid-19 vaccines have returned life in the United States to something closer to normal.

"I just wanted to make sure that this Christmas was a good Christmas for all my friends and family," said a masked Sylvia Gonzalez as she waited in line outside the jewelry chain Pandora in New York.

But even before retailers opened their doors early Friday morning, e-commerce

shoppers in the United States had already spent \$76 billion since early November, up more than 20 per cent from the year-ago period, according to data from software company Adobe, which has projected somewhat fewer promotions this year in light of rising costs.

The jump has added to companies' optimism about the season, suggesting some shoppers heeded calls from businesses to purchase items early this year after port backlogs and other logistics problems sparked worries that popular goods would be in short supply.

Toys led the buying spree, with Adobe pointing to actions by "anxious parents increasingly aware of supply chain challenges."

The National Retail Federation projects overall spending could rise as much as 10.5 per cent to \$859 billion.

Nonetheless, out-of-stock listings online are up 261 per cent compared with two years ago, according to Adobe.

Stocks, oil tumble on virus variant fears, safe havens gain

REUTERS, London

Global stocks tumbled on Friday and oil fell below \$80 a barrel after news of a possibly vaccine-resistant coronavirus variant sent investors scurrying to the safety of bonds, the yen and the Swiss franc.

Little is known of the variant, detected in South Africa, Botswana and Hong Kong, but scientists say it has an unusual combination of mutations, may be able to evade immune responses and could be more transmissible.

British authorities think it is the most significant variant to date and have hurried to impose travel restrictions on southern Africa, as did Japan, the Czech Republic and Italy on Friday.

The European Union also said it aimed to halt air travel from the region.

"Markets have been quite complacent about the pandemic for a while, partly because economies have been able to withstand the impact of selective lockdown measures. But we can see from the new emergency brakes on air travel that there will be ramifications for the price of oil," said Chris Scicluna, head of economic research at Daiwa.

The World Health Organization is convening an experts' meeting later on Friday to evaluate whether the new variant is a "variant of concern."

Global shares fell 0.8 per cent and were on course for their worst week since early October.

European stocks plunged 2.7 per cent, on track for their worst day since September 2020, with travel and leisure stocks particularly badly hit.

Germany's DAX sank 3 per cent and Britain's FTSE 100 fell 2.7 per cent to its lowest in more than a month.

MSCI's index of Asian shares

outside Japan fell 2.2 per cent, its sharpest drop since August.

Casino and beverage shares were hammered in Hong Kong, while travel stocks dropped in Sydney and Tokyo.

Japan's Nikkei skidded 2.5 per cent and S&P 500 futures were last down 1.8 per cent.

Giles Coghlan, chief currency analyst at HYCM, a brokerage, said the closure of the US market for the Thanksgiving holiday on Thursday had exacerbated moves.

"We need to see how transmissible this variant is, is it able to evade the vaccines - this is

crucial," Coghlan said.

"I expect this story to drag on for a few days until scientists have a better understanding of it."

Oil prices slid, with US crude futures down 5.7 per cent to \$73.96 a barrel and Brent crude down 4.66 per cent to \$78.38 amid fresh demand fears.

As investors dashed for safe-haven assets, the yen jumped more than 1 per cent to around 113 per dollar, having languished earlier this week at five-year lows.

The euro rose 0.4 per cent to \$1.1251, as safety rather than policy differentials drove trade.

The single currency, however, fell to near 6-1/2 year lows against the Swiss franc at 1.044 francs per euro.

"You shoot first and ask questions later when this sort of news erupts," said Ray Attrill, head of FX strategy at National Australia Bank in Sydney.

South Africa's rand fell 2 per cent to a one-year low and its 2030 bond yield soared 25.5 basis points (bps).

Bond yields move inversely to price.

Other bond markets strengthened, benefiting from their safe haven status.



REUTERS/FILE

A pedestrian in protective suit rides an escalator near an overpass with an electronic board showing stock information, following an outbreak of the novel coronavirus in the country, at Lujiazui financial district in Shanghai.

Germany's energy plan to have limited impact on EU carbon prices

REUTERS, London

Germany's new energy transition plan is unlikely to have a big impact on prices in Europe's carbon market, analysts said on Friday, despite plans to introduce a minimum carbon price domestically.

The incoming German coalition government on Wednesday announced plans to ideally bring forward Germany's coal exit to 2030, from a previous target of 2038, and said it could introduce a minimum domestic carbon price of 60 euros/tonne if a floor price cannot be implemented at an EU wide level.

The benchmark EU carbon allowance (EUA) price rocketed to a record high above 75 euros a tonne on Thursday, which some market participants attributed to bullish sentiment surrounding the German announcement.

However, Florian Rothenberg



REUTERS/FILE

Steam rises from the cooling towers of the coal power plant of RWE, one of Europe's biggest electricity and gas companies in Niederaussem, Germany.

EU power and carbon markets analyst at ICIS, said he thought the rally was overdone, with Germany's push to set a minimum price in the wider EU carbon market likely to fail as previous attempts by countries such as France have done.

"I cannot see a floor price being adopted at an EU level. Countries, especially those already saying their energy prices are too high, would oppose," he said.

Germany's coal-fired power plants are big buyers of permits in the EU's Emissions Trading System (ETS) but early closures are also unlikely impact EU carbon prices, analysts said. There is already a mechanism in the ETS to remove surplus permits to prevent oversupply, called the market stability reserve (MSR), and Germany has also indicated it would cancel extra allowances arising from the phase-out.

Responsible banking: new dimension of green banking

FROM PAGE B4

The ESRM guideline is also a prudent move to refrain financial institutions from financing projects adversely responsible for carbon emission. As per the guideline, each manufacturing concern under large and medium enterprise financing and sector-wise selected manufacturing concerns under small enterprises financing require environmental and social due diligence.

Under the regulation, the BB has given disbursement target of 5 per cent for green loans and 20 per cent for sustainable financing to the banks and financial institutions of their yearly disbursement.

The banks are also required to submit quarterly reports on their individual green and sustainable financing. The BB has recently published its top banks and NBFIs list under the Sustainability Rating 2020. This will also encourage the financial institutions to enhance their participation in sustainable or responsible banking practices. Truly, all these initiatives of the government aim to develop a green economy under broader agenda of the SDGs.

Carbon emission is one of the biggest driving forces negatively impacting the climate and increasing its temperature.

In order to mitigate this and protect the environment from further adversity, organisations like the UNEP FI have been very steadfast.

The UNEP FI has started another initiative under the Net Zero Banking Alliance (carbon-neutral economy by 2050) for the banks/FIs to take one step forward towards a better and sustainable future. IDLC became a proud signatory member of this initiative in 2021 and is diligently working towards setting smart targets with an aspiration of decreasing carbon emission.

Now, the banking sector needs to show its strong commitment and actions to augment the movement. Undoubtedly, green finance can be an alternative financing opportunity. Some banks and financial institutions have established a partial green portfolio and are in the process of building an overall sustainable portfolio on the demand and need of sustainable economy. Our banks need to be very focused on this issue and need to set their own vision towards sustainability.

The author is head of corporate at IDLC Finance Ltd.



STANDARD CHARTERED BANGLADESH

Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh (SCB), hands over a crest to Ahsan Khan Chowdhury, chairman of Pran-RFL Group, during the financial closure ceremony of a green bond at the Pran-RFL Group headquarters in Dhaka yesterday. Enamul Haque, head of client coverage of corporate, commercial and institutional banking at SCB, Muhit Rahman, head of financial markets of the bank, and Uzma Chowdhury, finance director of Pran-RFL Group, were present. Story on B1.



COLLECTED

India's Manipal Hospitals signed a partnership agreement with AFC Health Ltd to provide operational and management support to hospitals in Bangladesh. Md Sarwar Hossain, chairman of AFC Health, disclosed it at a press conference at the Pan Pacific Sonargaon Hotel in Dhaka recently. Jewel Khan, managing director of AFC Health, Karthik Rajagopal, group chief operational officer of Manipal Health Enterprise Pvt Ltd, and Vikas Tayer, head of international healthcare services of the Indian company, were present.

Daraz wins Mastercard Excellence Award 2021

STAR BUSINESS DESK

Online marketplace Daraz Bangladesh recently won a "Mastercard Excellence Award 2021" in "Excellence in Mastercard Business (Merchant)- Online 2020-21" category.

Khondoker Tasfin Alam, chief operating officer of Daraz Bangladesh, received the award at the Sheraton Dhaka, said a press release.

"We...look forward to bringing further excellence to our business operations," said Monjuri Mallik, head of product management and payments.

MA Mannan, planning minister, Md Khurshid Alam, executive director of Bangladesh Bank, and Helen LaFave, charge d'affairs of the US embassy in Dhaka, were present.

Credit card spending keeps growing as virus recedes

FROM PAGE B1

"Economic hardship may return if another wave of Covid-19 hits the country," the country manager said while calling for all relevant parties to promote contactless payment as it could play a vital role in containing the spread of the deadly virus.

A lack of confidence in e-commerce caused by massive irregularities recently unearthed in the sector came as a major blow to the digital payment segment.

Some e-commerce platforms were found to have not delivered products and services to clients despite receiving advance payments.

Clients now largely pay the value of the products based on the cash on delivery system, avoiding settlements through card transactions.

The amount of e-commerce transactions totalled Tk 778 crore in September, up 0.25 per cent from one month ago and 91 per cent year-on-year.

Mahiul Islam, head of retail banking at Brac Bank, said the use of credit cards had increased to a large extent.

The bank has set a target to issue around 7,000 credit cards to clients this month.

Up until September, the number of credit cards in the market totalled about 18.03 lakh, up 1 per cent from a month ago and 11 per cent year-on-year.

"But, we are now a bit worried about the latest variant of the coronavirus. If it spreads alarmingly, the purchasing power of people will face another disruption," Islam said.

"This will have an adverse impact on the economy's current upward trend," he added.

Well-timed regulatory, policy reforms to draw more FDI

FROM PAGE B4

"We need to remain competitive and provide a comparative advantage as an investment destination when investors are deciding where to invest," she noted.

According to Anwar, Bangladesh needs to be fully welcoming, open and adaptive to the needs of foreign investors and provide support similar to that enabled for the garments sector at its nascent stage.

"There should be a clear mandate on this to attract new investments."

Bangladesh also needs to scale up bankable projects in the areas like power logistics, transmission, city development and renewable energy for investors while ensuring environmental and social standards that are at an international level, she suggested.

"The private and public sectors need to work together to develop and maintain a robust and effective public-private partnership framework."

WTO postpones ministerial meeting after new variant outbreak

FROM PAGE B1

They pledged to continue working to narrow their differences on key topics like the WTO's response to the pandemic and the negotiations to draft rules slashing harmful fisheries subsidies.

Okonjo-Iweala and Castillo urged delegations to maintain the negotiating momentum that had been established in recent weeks, the WTO said in the statement.

"This does not mean that negotiations should stop. On the contrary, delegations in Geneva should be fully empowered to close as many gaps as possible. This new variant reminds us once again of the urgency of the work we are charged with," the Director-General said.

Okonjo-Iweala said she had scheduled a series of discussions over the weekend with ambassadors and visiting negotiators and that she planned to go ahead with these meetings. Negotiating group chairs said the same thing.

This marks the second time that the pandemic has forced a postponement of the 12th Ministerial Conference. The meeting was originally due to take place in June 2020 in Nur-Sultan, Kazakhstan. Although the General Council decided to move the meeting to Geneva, Kazakhstan was chosen to chair the meeting. No date has been set for the rescheduling of the Ministerial Conference.

Malaysia to investigate Dyson decision to cut ATA ties

REUTERS, Kuala Lumpur

Malaysia said on Friday it will investigate British home appliance maker Dyson's decision to sever ties with ATA IMS over the Malaysian supplier's labour practices.

Dyson told Reuters on Thursday that it was ending its contract with ATA after an audit of the company's labour practices and allegations by a whistleblower.

Malaysia's Human Resources Minister M Saravanan said the government wanted to hear the reasons from both parties.

"I am informed that Dyson did not want to continue the contract due to (a) worker shortage. There are two different stories," Saravanan told reporters.

Malaysia has faced scrutiny over claims that migrant workers are subjected to abusive working and living conditions, while ATA is already being investigated by the United States over forced labour allegations.

Saravanan said he has received complaints on the use of forced labour in Malaysia, specifically forcing workers into excessive hours due to labour shortages.

Tourism's share 3.02pc in GDP

FROM PAGE B1

"In addition to that, this report is also furnished with different macro-economic aggregates related to the tourism sector. Detailed data on tourism consumption and production account of tourism industries are included," he said.

DOMESTIC TOURISM

Domestic tourists spent an estimated Tk 74,959.2 crore.

Some 44.30 per cent of households reported to have embarked on at least one same-day trip with an average of 2.72 participants.

Around 64.14 per cent reported at least one overnight trip with 2.56 participants. The average duration was 3.46 nights.

Of the same-day visitors, the highest 41.26 per cent had gone to visit friends and relatives. Another 20.78 per cent sought health and medical services and 16.69 per cent went shopping.

Most overnight visitors (76.70 per cent) also visited friends and relatives. Around 10.36 per cent sought health and medical services and 4.32 per cent went for a holiday, leisure or recreation.

Nearly all (96.60 per cent) same-day trips were not under any package. The same was for overnight trips (97.13 per cent).

The majority of overnight visitors (52.05 per cent) availed buses for transport, 14.48 per cent rented transport, and only 0.28 per cent air transport.

December accounted for the highest number of the same-day trips (10.68 per cent), followed by August (10.01 per cent) and February (9.85 per cent).

The year's closing month also topped the chart for overnight trips (12.60 per cent), followed by June (10.30 per cent) and January (9.27 per cent).

For same-day trips, Tk 13,458.3 crore was spent. The highest (44.76 per cent) was for shopping, followed by health and medical service.

For overnight trips, the expenditure was Tk 61,501 crore. The highest was on transport (36.02 per cent), followed by

shopping (17.82 per cent) and health and medical services (15.76 per cent).

Around Tk 2,260 was spent for each same-day trip whereas Tk 9,071 for overnight ones.

OUTBOUND TOURISM

Some 29.21 lakh Bangladeshi residents are estimated to have gone on visits abroad in fiscal 2018-19.

Every outbound trip comprised 1.87 participants while the duration was 5.76 nights.

The majority (60.41 per cent) was to India, followed by Saudi Arabia (8.12 per cent) and Malaysia (4.57 per cent).

Some 45.11 per cent went to visit relatives and friends, 15.76 per cent for health and medical purposes, and 12.77 per cent for holidays, leisure and recreation purpose.

Dhaka division generated the highest 25 per cent of outbound visitors, followed by Khulna (19.84 per cent) and Sylhet (17.66 per cent). Mymensingh generated the least (0.54 per cent).

For outbound tourism, the expenditure appeared to be Tk 33,686.8 crore, of which Tk 7,494.3 crore (22.25 per cent) was pre-trip expenditure (domestic expenditure for outbound trip).

The outbound visitors spent mostly on health and medical purposes (29.49 per cent), followed by transport (25.28 per cent) and shopping (22.94 per cent).

INBOUND TOURISM

Around 16.4 lakh tourists visited Bangladesh in 2018-19. Some 80.28 per cent were non-resident Bangladeshis while the rest foreigners.

Most (72 per cent) preferred air travel and the rest over land.

The highest expenditure (23.78 per cent) was attributable to food and beverage serving services, followed by accommodation services (18.39 per cent) and road passenger transport services (17.4 per cent).

This segment spent Tk 23,780.3 crore, a majority of which (82.38 per cent) was by non-resident Bangladeshis.

Profit growth signals strong economic rebound

FROM PAGE B1

"People have confidence in the country's economic rebound as their earnings are now in good shape," he added.

Besides, remittance earnings also increased and so peoples' consumption and expenditure in construction, fast-moving consumer goods, and all other sectors saw a marked rise.

Among the 288 companies, 48 incurred losses while the remaining 240 registered profit, as per DSE data.

Grameenphone logged the highest first-quarter profit of Tk 856 crore, followed by Square Pharmaceuticals at Tk 499 crore.

Profits of Beximco Ltd, British American Tobacco Bangladesh, and United Power Generation stood at Tk

360 crore, Tk 294 crore and Tk 289 crore respectively.

Not all sectors enjoyed such stellar performances though: the service and the fuel and power sectors witnessed a fall in profits in the July-September period.

Due to the expiration of power purchase agreements, the profitability of some listed electricity generation companies was negatively impacted, said Shahidul Islam, chief executive officer of VIPB Asset Management.

Low interest rates on bank deposits also impacted the profitability of some cash-rich companies.

"Their quarterly profit reports for the last five years show that there was huge volatility in corporate earnings, but an average growth of about 11

per cent is in line with the growth of nominal gross domestic product," he said.

Some big companies incurred losses in the July-September quarter of FY2018-19 and this had a negative impact on the total profits of all listed companies for that period, Islam added.

The profits of listed companies during the period had dropped 7 per cent year-on-year to Tk 4,778 crore compared to Tk 5,175 crore the year before.

ICB, ACI, Al-Arafah Islami Bank, Exim Bank, RN Spinning Mills, and Heidelberg Cement incurred a combined loss of Tk 260 crore in July-September 2019 after logging profits in the same quarter the previous year.

NBFIs seek deferral of BB rules seeking to restore discipline

FROM PAGE B1

In the letter to the BB, the BLFCA said that the guidelines would have a serious impact on the recovery aspect for most of the borrowers as well as the industry.

Mominul Islam, chairman of the association, said that they had requested the central bank to suspend the guidelines as many businesses were still struggling to manage daily cash flow and were yet to recover from the damages caused by the coronavirus pandemic.

These borrowers may start to pay regular instalments if adequate support is provided to them to absorb the shock, said Islam, also the managing director of IPDC Finance,

in the letter.

A central bank high official says that there is no relation between the pandemic and the guidelines.

He explained that a majority of the country's 35 NBFIs were now unable to repay depositors because of the absence of the credit discipline.

"If the central bank entertains the BLFCA demands, it will be quite difficult to establish the corporate governance in the NBFI sector," he said.

Md Serajul Islam, a spokesperson and executive director of the central bank, described the BLFCA proposals illogical.

"There is no scope to show an inflated income segment without

realising money from clients," he said.

Bangladesh's NBFI sector has been going through a crisis owing to irregularities and scams. The woes widened after Proshanta Kumar Halder, also known as PK Halder and his accomplices, embezzled a large amount of money from at least four NBFIs.

NPLs in the NBFI sector rose 16 per cent year-on-year to Tk 10,328 crore in June, data from the central bank showed. The ratio of the bad loans accounted for 15.38 per cent of the outstanding loans.

A number of NBFIs have recently failed to repay depositors despite their funds reaching maturity.

LankaBangla Finance gets \$21m foreign loans

STAR BUSINESS DESK

LankaBangla Finance has recently received \$21 million in foreign currency loans from two companies with prior approval from Bangladesh Bank.

Financing for Healthier Lives DAC, an Ireland-based special purpose vehicle, provided \$5 million whereas five funds managed by responsAbility Investments AG, a Swiss impact investment manager, provided \$16 million, said a press release.

The funds will mainly be utilised to provide loans to small and medium enterprises and finance projects with positive social impacts.

Prime Bank wins bronze at Efma-Accenture Banking Innovation Awards 2021

STAR BUSINESS DESK

Prime Bank has won a bronze at an Efma-Accenture Banking Innovation Awards 2021 in an analytics and artificial intelligence category.

The bank got the accolade for its artificial intelligence driven platform "PrimeAgrim" that focuses on innovation to cater to banking needs and propel financial inclusion, said a press release.

The Bank of Santander of Spain won gold while ING Bank of Turkey silver.

"Global recognitions like this assures that we are indeed on the right path and we shall keep working to bring even more innovative and customer-centric digital initiatives in the future," ANM Mahfuz, deputy managing director of Prime Bank.

"Our focus is to deploy technology and innovation for financial inclusion and this recognition certainly adds to that motivation," said Hassan O Rashid, chief executive officer of Prime Bank.

Efma recognises banking innovation, this time attracting 816 entries from nearly 300 financial institutions in 73 countries.

Investment summit begins today

FROM PAGE B4

The international community sees Bangladesh as a poor and disaster-prone country, said the adviser.

"But they do not have any idea about the new Bangladesh, which has grown significantly under the present government."

In the last 12 years, Bangladesh has achieved unprecedented growth, as its gross domestic product has reached over \$300 billion from only \$80 billion, he said.

Prime Minister Sheikh Hasina will virtually inaugurate the summit, which will be joined by around 2,574 people from 54 countries. Of them, 465 are foreigners and the rest 2,109 Bangladeshis.

Some deals will be signed at the summit, Md Sirazul Islam, executive chairman of the Bida, said at the press briefing.

He said the investment promotion agency had selected 11 promising sectors, for which it would seek investment.

All guests have already reached Dhaka and the rest will take part virtually, he said.

Some high-level participants have also sent video messages to the Bida, Islam said.

StanChart arranges country's first-ever green bond

FROM PAGE B1

"So, we hope that this bond will pave the way for others, highlighting that finance can play a role as an important force for good," he added.

Ahsan Khan Chowdhury, chairman of Pran-RFL Group, said: "We are entering a new era of green finance. The transition to a greener, more sustainable future presents new opportunities for businesses and communities."

"We see significant potential in the green finance space in Bangladesh, and look forward to more exciting developments in the future," he added.

Standard Chartered is leading the debt capital market in Bangladesh. Since 1997, the financing solutions unit of the international lender has put together more than the equivalent of \$7 billion in local and foreign currency syndicated loans/debt facilities in the power, telecommunication, infrastructure, food and beverage, textile, service, and other key sectors.

Uzma Chowdhury, finance director of Pran-RFL Group, and Fakhru Ahsan, manager for corporate finance, were present at the event alongside Enamul Haque, head of client coverage of corporate, commercial and institutional banking at SCB, and Muhit Rahman, head of financial markets.

Well-timed regulatory, policy reforms to draw more FDI

Says acting IFC country head marking Bida's international investment summit

JAGARAN CHAKMA

Timely adoption of regulatory changes and policy reforms will help attract more foreign direct investment (FDI) and access foreign finances, said Nuzhat Anwar, acting country manager for Bangladesh, Bhutan and Nepal of the International Finance Corporation (IFC).

"There is a need to have a better coordination among various ministries, and support for FDI needs to come from all levels of the government, not just from the top level," she said.

Anwar was giving an online interview to The Daily Star recently when the focus was a two-day international investment summit beginning today at the Radisson Blu Dhaka Water Garden.

The IFC is a sponsor of the event, which is being organised by the Bangladesh Investment Development Authority (Bida) to shine the spotlight on developing the country's investment scenario.



Nuzhat Anwar

The summit aims to attract investors from various countries to 11 thriving sectors promoting Bangladesh as one of the lucrative destinations for private sector investment.

Focus will be on the sectors most promising for the FDI, including

agribusiness, transport, transmission, logistics, and financial services.

The IFC has been working with the Bida since its establishment in 2016 to accelerate private sector growth in the country.

"We all agree that Bangladesh has achieved its current growth with own resources till now, but to move to the next level of development, Bangladesh needs to have a diversified source of capital," said Anwar.

She also said initiatives such as this summit and establishment of economic zones by the government were steps in the right direction.

Anwar said these events help build the Bangladesh brand, showcasing the country's remarkable achievements and opportunities before the world to attract new investments critical for achieving sustainable growth.

"This is a pivotal time for Bangladesh's development journey, and the summit can help Bangladesh adopt policies to cater to the needs of new investors," said Anwar.

READ MORE ON B3

Investment summit begins today

STAR BUSINESS REPORT

The International Investment Summit, which begins today, will see a new Bangladesh, said Salman F Rahman, private industry and investment affairs adviser to the prime minister.

The government has not set any investment target like an exposition, but the summit will help in highlighting the changes Bangladesh will gain during the tenure of the present government, he said yesterday.

He spoke at a press briefing on the summit at the conference room of the Bangladesh Investment Development Authority (Bida) in the capital's Agargaon.

The Bida is organising the two-day investment summit at the Radisson Blu Dhaka Water Garden with the sponsorship of the International Finance Corporation.

READ MORE ON B3

Responsible banking: new dimension of green banking



MESBAH UDDIN AHMED

With the culmination of climate change and its adverse impact, we are all concerned about our habitat, economy, life-style and future generation. The banking sector is not far off this. As society's expectation changes, banks must be transparent and specific about how their products and services create value for their customers, clients, investors and society.

In this backdrop, the United Nations Environment Programme for Finance Initiative (UNEP FI) has taken a praiseworthy initiative to change the banking strategy by setting up a framework titled Principle of Responsible Banking (PRB), which consists of six principles. These principles will help any bank align its business strategy with society's goals.

The principles are:

Alignment: This principle will ensure that the business strategy is consistent with individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement, and relevant national and regional frameworks.

Impact and target setting: Financial institutions will continuously increase their positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services.

Clients and customers: Financial institutions will work responsibly with their clients and customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Stakeholders: Financial institutions will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Governance and culture: Financial institutions will implement UNEP FI members' commitments through effective governance processes, management systems, and a culture of responsible banking.

Transparency and accountability: Financial institutions shall periodically review individual and collective implementation of these principles and be transparent about and accountable for its positive and negative impacts and contribution to society's goals.

In a nutshell, the principles provide the framework for a sustainable banking system and help the industry demonstrate how it makes a positive contribution to the society and environment. These will accelerate the banking industry's contribution to achieve society's goals as expressed in the Sustainable Development Goals and the Paris Climate Agreement.

The Principles for Responsible Banking were launched by 130 banks from 49 countries, representing more than \$47 trillion in assets, during the annual UN



OPINION

General Assembly in 2019. More than 45 CEOs, along with the UN Secretary-General, attended the launching ceremony. IDLC Finance Ltd, the only member of the UNEP FI from Bangladesh, signed the PRB.

As we know the government of Bangladesh took proactive role in promoting sustainable banking practices and green loans through the central bank. The Bangladesh Bank issued dedicated Green Banking Policy for banks and non-banking financial institutions in 2011 to take the initiative forward.

It rolled out green refinancing scheme with low-cost funding for eligible sectors and components, and issued Environment and Social Risk Management (ESRM) guideline for banks and non-banks that gave a huge incentive for the inception of sustainable banking practices.

READ MORE ON B2

US-Bangla adds two Boeing 737s to its fleet

Plans to continue expansion, open new routes by next year

STAR BUSINESS REPORT

US-Bangla Airlines will start flying on three new routes -- Dhaka to Colombo, Sharjah and Delhi -- with two Boeing 737-800 aircraft that were added to its fleet on Friday.

Besides, US-Bangla now officially operates the country's largest private fleet with 16 aircraft, according to a press release from the company issued yesterday.



The two planes touched down at the Hazrat Shahjalal International Airport in Dhaka at

11:00pm and 11:30pm on Friday after flying in directly from Jordan.

Captain Lutfur Rahman, director for business development of US-Bangla, received the two airplanes, each equipped with 189 economy class seats.

US-Bangla plans to add an Airbus 330-200/300 aircraft to operate flights from Dhaka to Jeddah, Riyadh and Medina from June next year.



GLOBAL BUSINESS

UK sets out plans to boost global digital trade

REUTERS, London

Improving digital trade would provide huge opportunities for British businesses and help boost economic growth, the government's Board of Trade said, setting out how it aims to become a world leader in modern services and online goods.

In a report on digital trade to be published on Friday, the board, headed by trade minister Anne-Marie Trevelyan, said the government should look to strike digital trade deals and help shape global trade rules suitable for the modern world.

"By addressing digital protectionism on the global stage and championing a free, open, and competitive digital economy, more UK companies will be able to export their innovative, high-quality services and goods globally," Trevelyan said in a statement.

In October, Britain helped broker a deal between the Group of Seven wealthy nations on principles to govern cross-border data use and digital trade in a first step to reducing barriers.

The Board of Trade, a government body tasked with championing exports and inward investment, said Britain should aim to build on the G7 agreement by working with partners to pursue a wider international consensus on digital rules, norms and standards.

Digital trade is broadly defined as trade in goods and services that is either enabled or delivered digitally, encompassing activities from the distribution of films and TV to professional services.

The report said Britain should focus particularly on securing Free Trade Agreements with the fast-growing Indo-Pacific market and large, service-based economies, as well as rapidly progressing the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

It should also seek a Digital Economy Agreement with Singapore, viewed as a global leader on digital, in order to demonstrate the potential for digital trade rules to others in the World Trade Organization, it said.

Xiaomi to open car plant in Beijing

REUTERS, Shanghai

Chinese smartphone giant Xiaomi Corp will build a plant that can produce 300,000 vehicles annually in Beijing for its electric vehicle unit, authorities in the capital said on Saturday.

The plant will be constructed in two phases and Xiaomi will also built its auto unit's headquarters, sales and research offices in the Beijing Economic and Technological Development Zone, the government-backed economic development agency Beijing E-Town said on its official WeChat account.

Beijing E-Town said it anticipated the plant reaching mass production in 2024, a goal announced by Xiaomi's Chief Executive Lei Jun in October.

In March, Xiaomi said it would commit to investing \$10 billion in a new electric car division over 10 years. The company completed the business registration of its EV unit in late August.

The company has been opening thousands of stores to spur domestic sales growth for its smartphone business but eventually intends to use these shops as a channel for its plans to sell electric vehicles.

India tells public to shun Musk-backed Starlink

REUTERS, New Delhi

The Indian government advised people against subscribing to Starlink Internet Services, a division of billionaire Elon Musk's SpaceX aerospace company, as it does not have a licence to operate in the country.

A government statement issued late on Friday said Starlink had been told to comply with regulations and refrain from "booking/ rendering the satellite internet services in India with immediate effect".

Starlink registered its business in India on November 1. It has begun advertising, and according to the government, it has started pre-selling its service.

Responding to a Reuters email, Starlink said: "No comment for now".

New Covid scare sparks rate rethink in markets

REUTERS, London

Risks of a new Covid hit to economic activity are clobbering expectations for rate hikes next year from the world's major central banks, a potential setback for the dollar and other currencies where wagers had been most aggressive.

Money markets no longer fully price a 25-basis-point interest rate rise by the Federal Reserve by June 2022, nor are they positioned for a full 10-bps hike from the European Central Bank by the end of 2022, as they were just a few days ago.

And the chances of the Bank of England raising rates next month are seen around 53 per cent, from 75 per cent on Thursday.

Those shifts come after the detection of a new coronavirus variant in South Africa triggered stricter border controls from several governments, as scientists sought to determine if the mutation was vaccine-resistant.

"While central bank commentary has been focused on upside risks to inflation, this (new Covid variant) highlights that there are significant downside risks and we are in a significant phase of uncertainty for the economy," said Chris Scicluna, head of economic research at Daiwa.

In an echo of the panic that swept markets when Covid was spreading early last year, oil prices slid over 6 per cent on Friday, travel industry shares notched up falls of 6 per cent or more and two-year US Treasury yields fell 12 bps in their biggest daily drop since March 2020.

Currency traders had been favouring the US dollar and others where rate hike prospects appeared strong, driven by higher inflation and stronger economies.

Now a shake-out appears on the cards.

The dollar index had hit 17-month highs after President Joe Biden said on Monday he would nominate Fed Chairman Jerome Powell to a second term.

Then, minutes of the Fed's November 2-3 meeting showed more policymakers open to speeding up the tapering of asset purchases and raising rates.

So with three 25 basis-point



Pedestrians walk past the Bank of England and The Royal Exchange in the City of London.

AFP/FILE

Fed increases factored in for 2022, speculators accumulated a \$20 billion "long" position in the dollar, data from the US CFTC showed.

Positioning on yen, Swiss franc and euro meanwhile has been bearish, reflecting the view policy tightening is distant for those countries.

If the new Covid variant has indeed disrupted Fed policy, "the dollar may be a bit more vulnerable than the euro because we are already talking of two-three rate hikes next year from the Fed," Francesco Pesole, FX strategist at ING Bank said.

The sharp yield drop on 2-year Treasury notes -- a bond segment particularly sensitive to interest rate changes -- pushed its yield premium over Germany 10 bps lower.

Unsurprisingly, the yen and Swiss franc gained over 1 per cent versus the dollar while the euro shot up 0.75 per cent in one of its

biggest daily jumps of this year.

Some saw the moves as a reality check.

UBS Investment Bank chief economist Arend Kapteyn said while confidence in improving US labour markets could fade if a new variant takes hold, it was still early days in terms of gauging the impact.

But he added that "the market had gotten too far ahead of itself in terms of pricing a shortened taper window and multiple hikes next year".

The new variant may also complicate the task for central banks if it worsens the supply chain delays that are partly blamed for stoking inflation.

Britain, where inflation has hit 10-year highs, had some 70 bps of policy-tightening priced by mid-2022, despite a lacklustre economic recovery.

But on Friday, sterling fell 0.6 per cent against the euro; alongside the Kiwi, Aussie and Canadian dollars,

the pound was most vulnerable to easing rate expectations, MUFG analysts predict.

In Europe, the new strain could strengthen the hand of doves on the ECB's Governing Council.

While the ECB is expected to wind down its 1.85 trillion euro (\$2.08 trillion) pandemic emergency stimulus scheme, Mizuho strategist Peter McCallum now sees a greater chance the programme gets extended beyond the March deadline.

That view resonated across southern European bond markets, the programme's biggest beneficiaries. Italy's 10-year borrowing costs slid under 1 per cent, with the biggest daily fall in three weeks.

"They (ECB) were saying that the European situation doesn't change the PEPP outcome but if there is a new variant requiring new vaccines that surely does change the picture," said McCallum.