

Invest more in Bangladesh

Foreign minister urges US entrepreneurs

STAR BUSINESS REPORT

Foreign Minister AK Abdul Momen yesterday urged foreign entrepreneurs to invest more in Bangladesh considering the increased competition amid the fourth industrial revolution.

"Many foreign investors are moving their industries out of China to survive the high competition there and so, they could consider Bangladesh as an alternative," he said. Besides, Bangladesh has low energy prices and huge manpower while its government is investment centric.

"So we are ready to help investors," Momen added.

He then thanked the American Chamber of Commerce in Bangladesh (AmCham) for its continuous endeavour to enhance trade between the US and Bangladesh.

Termining them as movers and shakers, the foreign minister said AmCham works to solve the problems of entrepreneurs.

The US is a major source of foreign investment for Bangladesh, accounting for about 20 per cent of the country's total foreign direct investment.

"However, most of these investments are concentrated on a few sectors so it is time to diversify," he added.

Momen made these comments at an

AmCham event at the InterContinental Dhaka, where the business chamber unveiled a research paper, styled "USA-Bangladesh Trade and Investment: Next Generation Priorities", to celebrate its 25 years presence in the country.

He also sought tariff advantages from the US for garments made from American cotton.

"Bangladesh will buy cotton from you [the US] and you should cut the tariff from the current 15.2 per cent on our garment exports produced from your cotton," the foreign minister said.

Earl R Miller, US ambassador in Dhaka, said trade between the two countries has been rising significantly.

As a result, Bangladesh's exports to the US amounted to \$6.7 billion in 2019 while the country's imports from the western nation stood at \$2.3 billion.

Women make up about half of the country so more attention should be given to bring them into proper jobs and increase their economic contribution, he added.

Salman F Rahman, the prime minister's adviser on private industry and investment, said Bangladesh's economy is termed a miracle worldwide and most of its miraculous development happened in the last twelve years.

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PHOTO: KONGKON KARMAKER

Local trucks are seen carrying off stone imported from India through the Hili land port in Hakimpur upazila of Dinajpur. Despite being a major land port for both the countries, traders are increasingly turning to alternatives with better facilities. The photo was taken recently.

Hili land port packed with potential but lacks facilities

Officials say traders now turning to other ports with better facilities

KONGKON KARMAKER

Although the Hili land port in Dinajpur's Hakimpur upazila has a tendency to exceed its annual revenue target, things may be different this year as traders are opting for other ports with better facilities, according to local experts.

With a current storage capacity of 2,000 tonnes, the port has high potential to facilitate bilateral trade with neighbouring India due to its geographic location.

"However, traders are now turning to other ports with better facilities," said Rabiul Islam, general secretary for customs and port affairs of Hili Land Port Importers-Exporters Group.

Around 95 clearing and forwarding (C&F) agents and 85 traders once regularly used Hili land port to conduct their import and export activities but now, most are using multiple ports.

About 15 years after Bangladesh gained independence, both the Indian and local

government took initiatives to establish the port in fiscal 1985-86. However, it was not officially inaugurated until 2002.

"And ever since the beginning, there has been a trend of imports exceeding exports," said Abdul Aziz, former vice-president of a C&F agents' association at the port.

But as traders faced a number of difficulties, including narrow approach roads on both sides of the border, the government took a major step in 2005 by appointing Panama Hili Port Link to handle port operations.

After developing the necessary infrastructure on 22 acres of land, cross-border trade under private-public partnerships finally began on November 26, 2007.

The Hili land port features a warehouse, open stackyard, truck terminal, weighbridge, standby power supply, an administrative building, security posts and boundary wall.

These facilities are mostly used to handle import shipments of stone, maize, wheat, cumin, onion, chili and other items while only

a small quantity of rice bran oil is exported to India, traders said.

Besides, the trade balance between Bangladesh and India at Hili land port has not seen any significant improvement as the present infrastructure is inadequate.

"But the situation is the same in both countries," said trader Gausul Azam.

Around 300 trucks come to Bangladesh every day but the port has insufficient facilities to handle such a large number of shipments, he added.

Another trader, Abdul Aziz, said road connectivity issues in both countries was a bit challenging to navigate.

In the Indian part, there is only a single road stretching between a truck stop to the land port that needs to be widened immediately.

The road on Bangladesh's side, starting from the land port to Panama Hili Port Link Ltd, also needs to be widened as the distance between the two points is around one kilometre, he said.

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SME fair Dec 5-12

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The ninth national small medium enterprise (SME) products fair 2021 is going to be organised from December 5 to December 12 with the aim of promoting entrepreneurs and expanding this market through the diversification of products.

SME Foundation is going to organise the fair at Bangabandhu International Conference Center in the capital where there will be 325 stalls for wholly local products.

Md Mafizur Rahman, managing director of SME Foundation, disclosed this at a press conference at Bangladesh Parjatan Corporation yesterday.

The fair will highly prioritise agriculture, food processing and agro machinery manufacturers, ICT, software, leather and leather products, light engineering, jute and jute products, plastics, handicrafts and

imitation jewellery.

The same has been done in the national industrial policy 2016.

Rahman said only local manufacturers and service-oriented micro, small and medium enterprises would get the opportunity to exhibit and sell products and services at the fair.

The fair will remain open to visitors for free every day from 10:00am to 8:00pm.

This time 60 per cent of the participating entrepreneurs are women. A total of 116 companies focusing fashion and boutique are participating in the fair.

Besides, 37 companies producing leather products, 36 food and agro-processing, 33 handicrafts, 29 jute, 17 light engineering, four IT, six electrical and electronics, four herbal, four imitation jewellery, and three plastic companies are participating in the fair.

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GLOBAL BUSINESS

US economy gaining steam as manufacturing forges ahead

REUTERS, Washington

US manufacturing activity picked up in November amid strong demand for goods, keeping inflation high as factories continued to struggle with pandemic-related shortages of raw materials.

Signs that the economy was gathering momentum halfway through the fourth quarter were underscored by other data on Wednesday showing private employers maintained a strong pace of hiring last month. But there are fears that the Omicron variant of Covid-19 could hurt demand for services as well as keep the unemployed at home, and hold back job growth and the economy.

"Manufacturing should continue to contribute positively to GDP growth over the next year as businesses replenish inventories and supply-chain issues improve," said Ryan Sweet, a senior economist at Moody's Analytics in West Chester, Pennsylvania.

"There are risks, including the potential for businesses overbooking orders now and the Omicron variant magnifying price and supply chain issues."

The Institute for Supply Management (ISM) said its index of national factory activity increased to a reading of 61.1 last month from 60.8 in October.

A reading above 50 indicates expansion in manufacturing, which accounts for 12 per cent of the US economy.

Economists polled by Reuters had forecast the index rising to 61.0.

"The US manufacturing sector remains in a demand-driven, supply chain-constrained environment, with some indications of slight labor and supplier delivery improvement," said Timothy Fiore, ISM chair of the manufacturing business survey committee.

Global economies' simultaneous recovery from the Covid-19 pandemic, fueled by trillions of dollars in relief money from governments, has strained supply chains, leaving factories waiting longer to receive raw materials.

The Federal Reserve's Beige Book on Wednesday described economic activity as growing at "a modest to moderate pace" during October and early November, but noted that "growth was constrained by supply chain disruptions and labor shortages."



The Sangre de Cristo Mountains seen near Taos, New Mexico, part of an area where Colorado company Western Weather Consultants proposed cloud seeding to increase snowfall during an historic drought.

REUTERS/FILE

Asia's informal workers risk losing out in green economy push

REUTERS

Asia's huge pool of informal workers must not be left behind in the global push for greener economies, officials and experts said, warning of social repercussions if the transition away from fossil fuels leaves unprotected labour more vulnerable.

Despite decades of economic growth, Asia-Pacific accounts for about two-thirds of the world's 2 billion informal workers, in sectors from industry to agriculture, according to the International Labour Organization (ILO).

The rate of informal employment across the region, including those in part-time and temporary jobs without social protection, is on average 68 per cent of the workforce. That poses a challenge to Asian governments seeking to

shift to a low-carbon economy and employ a larger share of labour in areas such as renewable energy, officials told an ILO forum on the theme of "just transition" this week.

Amina Maharjan, an expert on livelihood and migration in Nepal with the non-profit International Centre for Integrated Mountain Development, said it was important to ensure informal workers do not simply lose their traditional livelihoods.

In coal-dependent countries like India and Indonesia, for example, many local communities earn a living from coal mining - work that is set to disappear as the world steps up efforts to ditch fossil fuels and curb climate change.

Workers need help - including social safety nets and skills training - to benefit from "quality jobs" in new, greener areas such as

solar power or clean transport, Maharjan added. How to achieve a socially fair, green transition emerged as a top priority when countries met in Scotland last month for the COP26 climate talks, working to limit global temperature rise to 1.5 degrees Celsius (2.7 Fahrenheit) above preindustrial times.

Broadly, a just transition seeks to ensure the benefits of a green economy shift are shared widely, while supporting those who could lose out economically in the move away from fossil fuels and other high-carbon industries.

Some developing countries have said they will struggle to transition without international support in the form of finance and technology, while in parts of Asia, the highly informal workforce could further complicate efforts, officials say.

EU countries struggle to find joint response to energy price spike

REUTERS, Brussels

Some European Union countries including France and Spain stepped up calls to reform the bloc's energy market rules to cope with high prices, a stance challenged by a rival group of states including Germany, as EU energy ministers met on Thursday.

European energy prices surged to record highs in autumn as tight gas supplies collided with high demand in economies recovering from the Covid-19 pandemic.

While gas prices have retreated from the record highs seen in October, they remain relatively high.

EU member states have struggled to find a common response to the high prices, despite leaders and ministers holding multiple emergency meetings in recent months to debate the issue.

Germany, Denmark, the Netherlands and six other countries published a joint statement on Wednesday opposing EU energy market reforms.

Price caps or switching to a different system of setting national power prices could discourage electricity trade between countries and undermine incentives to add low-cost renewable energy to the system, the countries said.

Oil climbs as investors focus on Opec+ decision

REUTERS, London

Climbing oil prices on Thursday erased the previous day's losses, with investors adjusting positions ahead of an Opec+ decision on supply policy, though gains were capped by fears that the Omicron coronavirus variant could hit fuel demand.

Brent crude futures rose \$1.56, or 2.3 per cent, to \$70.43 a barrel by 1040 GMT, having eased 0.5 per cent in the previous session.

US West Texas Intermediate (WTI) crude futures gained \$1.52, or 2.3 per cent, to \$67.09 after a 0.9 per cent drop on Wednesday.

Global oil prices have lost more than \$10 a barrel since last Thursday, when news of Omicron first shook investors.