

## World food prices hit 10-year high in 2021

REUTERS, Paris

World food prices jumped 28 per cent in 2021 to their highest level in a decade and hopes for a return to more stable market conditions this year are slim, the UN's food agency said on Thursday.

The Food and Agriculture Organization's (FAO) food price index, which tracks the most globally traded food commodities, averaged 125.7 points in 2021, the highest since 131.9 in 2011.

The monthly index eased slightly in December but had climbed for the previous four months in a row, reflecting harvest setbacks and strong demand over the past year.

Higher food prices have contributed to a broader surge in inflation as economies recover from the coronavirus crisis and the FAO has warned that the higher costs are putting poorer populations at risk in countries reliant on imports. In its latest update, the food agency was cautious about whether price pressures might abate this year.

"While normally high prices are expected to give way to increased production, the high cost of inputs, ongoing global pandemic and ever more uncertain climatic conditions leave little room for optimism about a return to more stable market conditions even in 2022," FAO senior economist Abdolreza Abbassian said in a statement.

A surge in the price of fertilisers, linked in turn to spiralling energy prices, has ramped up the cost of so-called inputs used by farmers to produce crops, raising doubts over yield prospects for next year's harvests.

In December, prices for all categories in the food price index bar dairy products fell, with vegetable oils and sugar falling significantly, the agency said in its monthly update.



People shop for food items at a Waitrose supermarket in London on December 29, 2021. Higher food prices have contributed to a broader surge in inflation as economies recover from the coronavirus crisis.

PHOTO: AFP

## US private payrolls surge

REUTERS, Washington

US private payrolls increased more than expected in December, pointing to underlying labor market strength, but sky-rocketing Covid-19 infections could slow momentum in the months ahead.

Private payrolls surged by 807,000 jobs last month, the ADP National Employment Report showed on Wednesday.

Data for November was revised lower to show 505,000 jobs added instead of the initially reported 534,000. Economists polled by Reuters had forecast private payrolls would increase by 400,000 jobs.

The survey was conducted in mid-December just as Covid-19 cases, driven by the Omicron variant, were rising sharply across the country. Economists expect some disruption from the winter wave of infections, though not on the scale of last summer.

The United States reported nearly 1 million new coronavirus infections on Monday, the highest daily tally of any country in the world.

ADP's chief economist, Nela Richardson, told reporters Omicron's impact could be reflected in the January data. "The labor market continues to recover," said Gus Faucher, chief economist at PNC Financial in Pittsburgh,

**Worker shortages are constraining the labour market's recovery. The government reported on Tuesday that there were 10.6 million job openings at the end of November**

Pennsylvania. "However, the Omicron variant is a substantial downside risk to the near-term labor market recovery."

Still, demand for labor is strong amid an acute shortage of workers. The broad increase in private hiring last month was led by a rise of 246,000 in the leisure and hospitality industry. Professional and

business services added 130,000 jobs.

Manufacturing hired 74,000 more workers and construction payrolls increased by 62,000 jobs.

The ADP report is jointly developed with Moody's Analytics and was published ahead of the Labor Department's more comprehensive and closely watched employment report for December on Friday.

It has, however, a poor record predicting the private payrolls count in the department's Bureau of Labor Statistics employment report because of methodology differences.

Still, it was another sign that job growth probably accelerated in December. The government surveyed businesses and households for last month's employment report in mid-December.

"It is unclear exactly why job growth would have firmed so much in December," said Daniel Silver, an economist at JPMorgan in New York.

"But the ADP report is at least broadly supportive of our view that the labor market is

continuing to tighten despite the recent Covid spread and some signs that consumer activity has weakened lately."

First-time applications for unemployment benefits declined significantly between mid-November and mid-December. The Institute for Supply Management's measure of factory employment rose to an eight-month high in December, with manufacturers noting an improvement in labor supply.

According to a Reuters survey of economists, private payrolls likely increased by 365,000 jobs in December. Overall nonfarm payrolls are forecast to rise by 400,000 jobs. The economy created 210,000 jobs in November.

But worker shortages are constraining the labor market's recovery. The government reported on Tuesday that there were 10.6 million job openings at the end of November.

There were signs in November that unemployed Americans were starting to slowly return to the workforce, but the surging coronavirus infections could force some to stay home.

## Padma Bank can clean balance sheet on 2 conditions

STAR BUSINESS REPORT

Bangladesh Bank has allowed Padma Bank, albeit under two conditions, to list its accumulated loss as "intangible loss" so that it does not show up in its balance sheet, thereby enabling it to attract foreign direct investment (FDI).

Intangible losses are adverse consequences to property that are not economic in nature, including property related to social, cultural, unique, or resource-based values, including the loss of irreplaceable and unique historic and cultural features.

The accumulated loss of the erstwhile Farmers Bank now stands at around Tk 805 crore.

However, it has to be gradually adjusted from its net profit in the next 10 years, which includes a one year grace period, said a BB official.

Moreover, the bank has to bring in the FDI of \$700 million for which it is being allowed to showcase a clean balance sheet.

The central bank granted the permission on January 4 following the bank's request.

Padma Bank signed a memorandum of understanding with DelMorgan & Co, a US-based investment bank, in September last year to manage FDI from different interested companies.

Samir Asaf, managing director of DelMorgan, met with BB Governor Fazle Kabir yesterday to discuss the issue. The investment bank has proposed to bring in foreign investment of \$700 million for Padma Bank.

The private lender will have to show its balance sheet as transparent in order to attract the FDI.

Padma Bank's capital shortfall stood at Tk 540 crore as of September 2021.

Default loans surged to Tk 3,586 crore, which is 62.4 per cent of its outstanding loans.

Around three years ago, the government rescued the lender from collapse in the wake of massive financial irregularities.

Five state-run financial institutions, namely the Investment Corporation of Bangladesh, Sonali Bank, Janata Bank, Agrani Bank and Rupali Bank, injected Tk 715 crore into the bank to acquire 60 per cent of its stakes. Established in 2013 as Farmers Bank, the lender had fallen prey to scammers. A Bangladesh Bank investigation found that more than Tk 3,500 crore was siphoned off between 2013 and 2017.

## Google, Facebook fined for 'cookies'

AFP, Paris

French regulators have hit Google and Facebook with 210 million euros (\$237 million) in fines over their use of "cookies", the data used to track users online, authorities said Thursday.

US tech giants have come under growing pressure over their businesses practices across Europe, where they have faced massive fines and plans to impose far-reaching EU rules on how they operate.



Md Tofazzel Hossain Miah

Shoaeb Ahmed

## 9th BCS Forum re-elects president, secy

STAR BUSINESS REPORT

Md Tofazzel Hossain Miah, senior secretary at Prime Minister's Office, and Shoaeb Ahmed, former member of the National Board of Revenue, have been re-elected as president and secretary of the ninth BCS Forum respectively.

With them, a 31-member executive council of the forum has been elected for the year 2022-23, said a press release.

The election was held at Zam Zam Convention Hall in Mirpur on January 1. The annual general meeting of the forum also held there.

## Turning a hobby into a successful business

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these statues have gained a strong reputation in the field of practical art. They also see a business opportunity here as well.

Md Shamim Reza, an assistant professor of the fine arts department of Jahangirnagar University,

said, "When aesthetics and functionally side come into the art, we call it crafts or industrial art."

Though they compromise with the grade of art, it has a good commercial market."

"That market is expanding day by day."

## Japan's service sector activity growth eases

REUTERS, Tokyo

Japan's services sector activity expanded at a slower pace in December as growth in new and outstanding business softened and expectations for the 12 months ahead eased to a four-month low.

The world's third-largest economy is expected to rebound in the final quarter of last year after Covid-19 cases fell, as it seeks to catch up with other advanced nations in its recovery from the pandemic's hit.

The final au Jibun Bank Japan Services Purchasing Managers' Index (PMI) dropped to a seasonally adjusted 52.1 from the prior month's 53.0, which was the highest reading since August 2019.

The figure compared to a 51.1 flash reading.

"Japanese service sector businesses signalled a sustained expansion in business conditions at the end of 2021," said Usamah Bhatti, economist at IHS Markit, which compiles the survey.

"The easing of Covid-19 restrictions allowed customer-facing businesses to operate more freely throughout the final quarter of the year."

But firms reported raw material and labour shortages, with employment levels dipping to a 15-month low, while business optimism rose at its weakest pace.

## UK car sector stalls on Covid, semiconductor shortage

AFP, London

Britain's car manufacturing stalled last year on pandemic fallout including a semiconductor shortage, despite record demand for greener electric vehicles, industry data showed Thursday.

The nation's mainly foreign-owned automakers produced 1.65 million vehicles in 2021, the Society of Motor Manufacturers & Traders (SMMT) said in a statement.

That was up just one percent from 2020 -- but almost 29 per cent lower than the market's pre-pandemic level in 2019.

"It's been another desperately disappointing year for the car industry as Covid continues to cast a pall over any recovery," SMMT chief executive Mike Hawes said in the statement.

The SMMT has predicted a recovery to 1.96 million cars for this year, but the forecast predates the arrival of the Omicron coronavirus variant in late November.

The pandemic erupted in early 2020 and has ravaged demand for new vehicles, while the market has also been impacted by a supply-chain crunch.

Global car output has been held back by a worldwide shortage in computer chips, which are vital components in all types of vehicle.

The UK car industry is also grappling with trade fallout from Britain's exit from the European Union at the start of 2021.

"Manufacturers continue to battle myriad challenges, with tougher trading arrangements, accelerating technology shifts and, above all, the global semiconductor shortage which is decimating supply," added Hawes.

In more upbeat news, the SMMT revealed record-breaking demand for electric cars last year, as UK consumers sought more environmentally-friendly transport ahead of a ban on high-polluting vehicles.

"The undeniable bright spot is the growth in electric car uptake," noted Hawes.

"A record-breaking year for the cleanest, greenest vehicles is testament to the investment made by the industry over the past decade and the inherent attractiveness of the technology."



Akhlaur Rahman Bhuiyan, deputy managing director of Trust Bank, and Md Mahfuzur Rahman, chief financial officer, received a Silver award in private commercial bank category from Commerce Minister Tipu Munshi at ICMAB Best Corporate Award-2020 in Le Méridien Dhaka recently.

PHOTO: TRUST BANK



Abdul Haque, chief executive officer of Eastland Insurance Company, cuts a ribbon to inaugurate the company's 28th branch at Dhaka Export Processing Zone in Savar recently. Md Shafiu Alam Bhuiyan and M Golam Hafez, additional managing directors, MA Sattar Howlader, deputy managing director, and Md Abul Kalam, assistant managing director, were present.

PHOTO: EASTLAND INSURANCE COMPANY