

Indian states clamour for Tesla plant

AFP, Mumbai

Indian politicians are clamouring for Elon Musk's attention on Twitter, chasing the coveted right to host a Tesla factory, after the billionaire said government "challenges" were delaying his electric car company's local launch.

Tesla's hopes to sell its vehicles in one of the world's biggest markets have been stalled by efforts to negotiate lower import duties, which can be as high as 100 per cent.

After being quizzed about a potential launch date last week, Musk tweeted that his California-based company was "still working through a lot of challenges with the government", without giving further details.

The comments have since prompted ministers from several Indian states to respond on Twitter with public overtures to the world's wealthiest man – himself a prolific user of the social media platform.

"Hey Elon, I am the Industry & Commerce Minister of Telangana state in India," KT Rama Rao tweeted in response to Musk on Friday.

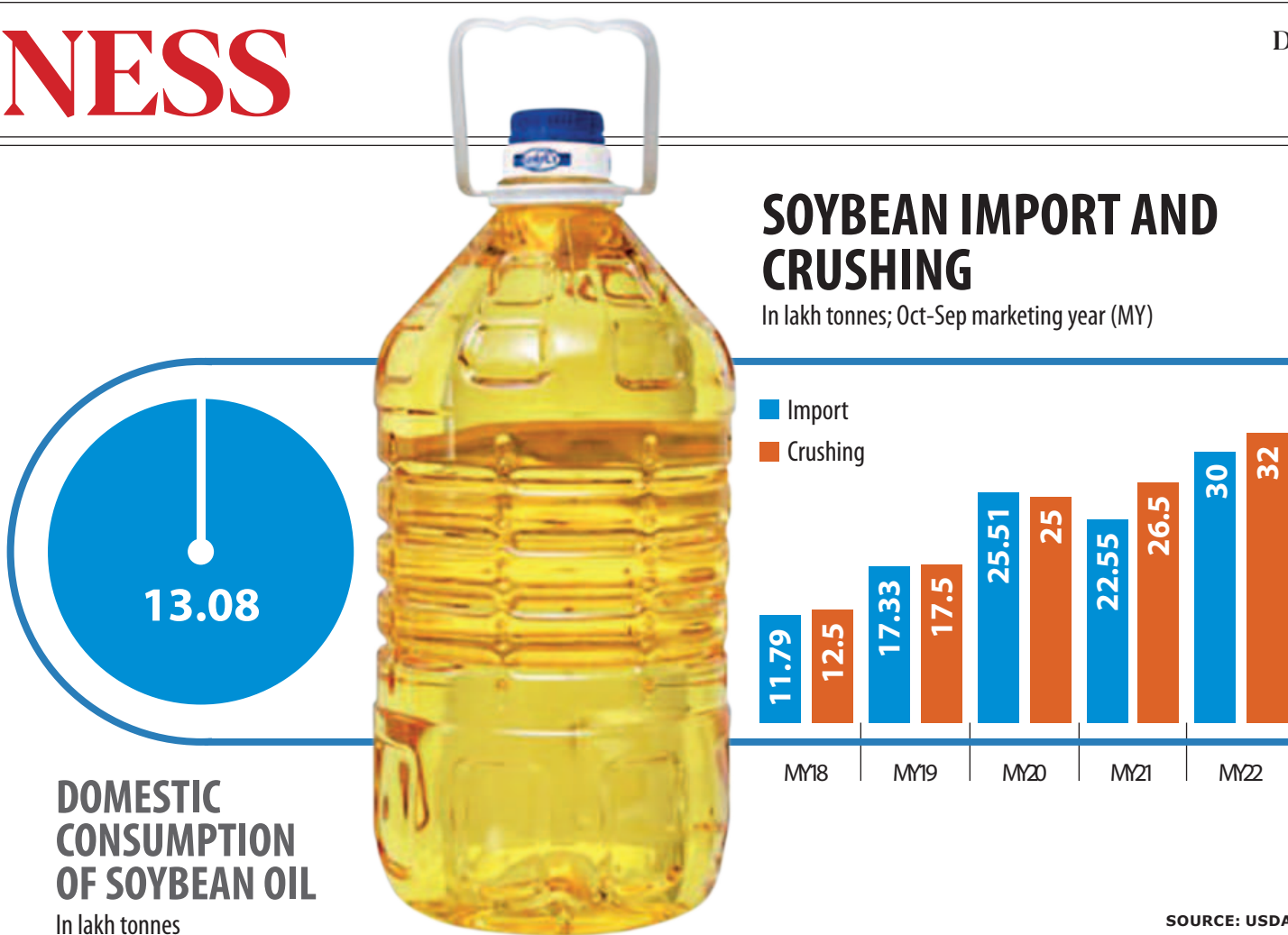
"Our state is a champion in sustainability initiatives & a top notch business destination."

"Three other states put their own cases forward over the weekend. West Bengal's minority affairs minister said his corner of the country boasted the best infrastructure."

In Mumbai the development minister touted his state's "progressive" credentials. And in Punjab, lawmaker Navjot Singh Sidhu promised a commitment to green jobs and sustainable development.

Musk has tweeted numerous times since his "challenges" comment last week, but has so far not responded to any of his Indian entreaties.

New Delhi has introduced incentives for foreign carmakers to manufacture their vehicles locally but Musk has said he wants to gauge demand with imports first.



Soybean imports to rise for a hike in crushing by local mills

SOHEL PARVEZ

Bangladesh's soybean imports will likely grow 33 per cent in marketing year (MY) 2021-22, beginning in October and ending in September, thanks to the increased oilseed crushing capacity of local mills.

The country, which is highly dependent on foreign markets to meet its edible oil requirement, may import 30 lakh tonnes of soybean in MY 2022, up from 22.55 lakh tonnes the previous year, the US Department of Agriculture (USDA) said in its "Oilseeds: World Markets and Trade" report released last week.

The agency forecasts soybean crushing of 32 lakh tonnes in the current marketing year, or 21 per cent higher year-on-year. "Overall soybean crushing will rise," said Biswajit Saha, director for corporate and regulatory affairs of City Group, which operates the biggest seed crushing mill in Bangladesh.

Apart from City Group, Meghna Group of Industries and Globe Pharma Group of Companies are engaged in crushing oilseed to market soybean oil as well as act as key suppliers of soya meal for the huge animal and fish feed industries.

Bangladesh requires 20 lakh tonnes of soybean meal, 80 per cent of which comes from local seed crushing mills, according to industry operators.

"Local mills have the collective

capacity to crush 52 lakh tonnes of seed annually and all of the seed crush mills process roughly 27 lakh tonnes each year," said Saha of City Group, which produces soya meal and rapeseed cakes from oilseed mainly imported from Latin America.

Local farmers grew soybean on 78,700 hectares of land to bag 1.35 lakh tonnes of soybean in the 2020-21 fiscal year ending in June, according to data from the Department of Agricultural Extension, which aims to bring 79,000 hectares under cultivation in the current fiscal year.

Md Shafiul Ather Taslim, finance director of TK Group, said the company's mills, established at Mukhtarpur, Munshiganj are almost ready.

Crushing at the mills, which have a daily seed pressing capacity of 2,500 tonnes, has been delayed for volatility in the price of soybean in the international market,

"But we expect to start the mill in three months," he added. USDA data showed that Bangladesh's annual imports of soybean oil has been falling due to

increased seed processing by local mills.

The country, which imported 8.59 lakh tonnes of soybean oil in MY 2018, is forecasted to bring in 6.8 lakh tonnes of edible oil in the current marketing year.

However, consumption of soybean oil is projected to rise 7 per cent to 13.23 lakh tonnes in MY 2020-21, up from 12.41 lakh tonnes the previous year.

"We are gradually shifting away from crude oil imports to seed," Taslim said.

City Group's Saha said the rate of value addition for seed crushing is higher for local mills and the export of soymeal last year was a testament to that.

Exports came to a stop after the government slapped a ban in October 2021 in the face of demand from local feed millers, poultry and dairy producers on the grounds of soaring feed prices.

The USDA also projected a recovery in Bangladesh's yearly consumption of vegetable oil to 30 lakh tonnes in MY 2022 from 29.8 lakh tonnes the previous year. The nation consumed 33 lakh tonnes of edible oil in MY 2020, USDA data shows.

Local farmers grew soybean on 78,700 hectares of land to bag 1.35 lakh tonnes of soybean in the 2020-21 fiscal year ending in June, according to data from the Department of Agricultural Extension (DAE), which aims to bring 79,000 hectares under cultivation in the current fiscal year.

City Bank reappoints Mashrur as MD

STAR BUSINESS DESK

Mashrur Arefin has been reappointed as managing director and chief executive officer of City Bank Ltd for another three-year term with effect from January this year.



Arefin's reappointment was approved by the bank's board of directors after getting the nod from Bangladesh Bank.

Aziz Al Kaiser, chairman of the bank, confirmed the reappointment, according to a press release issued by the bank yesterday.

Arefin took over the charge of the bank as MD and CEO in January 2019 for a three-year term.

He started his career with ANZ Grindlays Bank as a management trainee officer in 1995.

He also worked for Standard Chartered Bank, American Express Bank, Citibank NA, Brac Bank and Eastern Bank during his 27-year career.

UK jobs picture robust despite Omicron

AFP, London

Britain's unemployment rate dropped and payrolls recovered further at the end of last year despite the onset of the Omicron variant, official data showed Tuesday.

The unemployment rate fell to 4.1 per cent in the three months to the end of November, from 4.2 per cent in the quarter ending in October, the Office for National Statistics said in a statement.

The number of payrolled workers meanwhile jumped 0.6 per cent in December from November, the ONS added.

"The number of employees on payrolls continued to grow strongly in December, with the total now well above pre-pandemic levels," said ONS director of economic statistics Darren Morgan.

He added that the unemployment rate "fell back almost to where it was before Covid-19 hit".

Morgan noted however that job vacancies were growing at a slower pace compared with last summer and that real wages in November fell on the year for the first time since mid-2020 following a spike to inflation.

All eyes will be on the latest UK inflation data due out Wednesday, as consumers and businesses struggle with surging costs.

"Rising inflation means that squeezed incomes joins the difficulties firms are facing filling vacancies as major challenges in the UK labour market," Matthew Percival, director of employment at Britain's main lobby group the CBI, said following Tuesday's jobs data.

"To break this cycle and deliver sustainably rising living standards, the UK needs a plan to unleash business investment and raise ambitions for growth."

Little perks for good firms

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Financial reports of many companies do not reflect the true earnings of their preceding five years of operation for various ongoing socio-economic factors, he said.

In the new system, a company's valuation is done on the basis of financial variables of the recent five years.

Besides, companies will continue to shy away from the market due to the uniform valuation method for bidding.

In addition, first come, first serve basis is not also justifiable and therefore, pro rata system should be introduced within the process.

Moniruzzaman recommended going back to the previous book on the building process, where the bidding method would be open and competitive.

"It should be a competitive process and if anyone buys it at a higher price, they will pay the price," he said.

"The BSEC should check whether there is any manipulation in the debut trading of an initial public offering (IPO) shares. If it can be checked, then the high price bidding would be stopped added Moniruzzaman, also managing director of IDLC Investments.

Richard D Rozario, president of the DSE Brokers Association of Bangladesh echoed the same, saying the new process would not be favourable for listing well performing conglomerates.

"They deserve good prices so the system should allow eligible investors to bid following many other

valuation processes," he said.

If anyone bids an excessive price, then they should be punished, he said.

However, the whole process should not become a victim to the actions of a few bad eggs.

"The new book building process is almost like a fixed method as the bidding price of all would be almost similar," Rozario added.

Most eligible investors bid for shares of JMI Hospital at Tk 25 due to the almost same valuation method, according to data from the DSE.

In the last bidding, the process ended within a few seconds too. Now, there is an easy solution that is giving shares to all bidders.

The bidding time was three days but those who bid within only 5.44 seconds of the start said they won the bid, the data shows.

Answering a question, Rozario said the stock market regulator did it for good intentions of blocking higher price bidding.

In the new book building method, the BSEC allots the price based on a simple average of a company's asset value and yield analysis.

"The bidder shall not bid exceeding 1.2 times of the value," he said.

Every system has a positive and negative side and the BSEC definitely made the change for good intentions, said Arif Khan, vice chairman of Shanta Asset Management.

The regulator always wants to ensure a reasonable price of a stock in its IPO.

"Now, it can be reviewed

after taking the views of the market stakeholders," Khan said.

"Actually, the rules are for the betterment of people so they can examine it further to see the best fit for the stock market," added Khan, who is also a former commissioner of the BSEC.

In 2020 and 2021, six companies got listed through the book building method with a premium of Tk 608 crore. The companies are Walton, Mir Akhter Hossain and Energypac Power Generation, Lub-rref Bangladesh, Index Agro Industries, and Baraka Patenga Power.

BSEC had fixed the valuation method to prevent overvaluation in the book building system to discover the IPO price.

However, since two methods are prescribed, everyone is bidding in the upper limit to get shares, said Mir Ariful Islam, CEO of Sandhani Asset Management

As a result, in case of a small issue, the allotted share was exhausted in five to six seconds, he added.

To solve this problem, Islam recommends that the BSEC consider more valuation methods and other alternative share distribution/allotment systems.

"All the indicators of a company are considered in new methods so I don't see any problem to find a good price," said BSEC spokesperson Mohammad Rezaul Karim.

The BSEC fixed the method as some of the companies got excessively higher prices in bidding, which ultimately did not

sustain.

So, general investors who bought the shares in the IPO were impacted, he said.

If any multinational company say that any other option may be a better fit for them to come to the stock market, then the BSEC may consider alternatives.

"Likewise, if any stakeholder brings some other valuation process which is good to discover justifiable prices, then the commission can examine it," Karim added.

Farmers get 10

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crisp and delicious with a lifespan of 145 days.

The trial of Dhan-2 developed by Brac yielded 7.36 tonnes per hectare. The grains are a thin, fragrant and early variant with a lifespan of 139 days.

The six hybrid varieties of paddy were registered and released after reviewing the results of their trial cultivation, the ministry said.

Addressing the meeting, Agriculture Secretary Islam said the hybrid varieties of paddy provide high yields.

So, the agriculture ministry is now focusing on the innovation and cultivation of hybrid varieties to increase production using less land, he added.

Islam went on to say that about 218 new varieties of paddy have already been registered.

"But from now on, importance will be given to the registration of varieties that will benefit farmers in a more quality and long-lasting manner," he said.



Ala Ahmad, chief executive officer of MetLife Bangladesh, launches the '360Health', a healthcare mobile app, at the insurer's Motijheel head office in Dhaka yesterday. The new app-based solution will focus comprehensively on prevention of diseases, early diagnosis, access to treatment, ongoing care and financial protection from insurance.

PHOTO: METLIFE BANGLADESH

Bank of Japan lifts inflation forecast, no policy change

AFP, Tokyo

Japan's central bank revised its inflation forecast on Tuesday and adjusted its view of price risks, while leaving its monetary easing policy in place in a nod to lingering pandemic uncertainty.

As prices rise swiftly in other economies, Japan's inflation remains relatively feeble, and still far below the long-held two percent target seen as necessary to turbo-charge the world's third largest economy. In a quarterly report on

prices and the economy, the central bank said it now forecasts inflation of 1.1 per cent for the fiscal year to March 2023, up from its previous forecast of 0.9 per cent.

It also revised up its forecast for the fiscal year to March 2024 to 1.1 per cent from 1.0 per cent, leaving the projection for the current year unchanged. "The projected rate of increase in the CPI (consumer price index) for fiscal 2022 is somewhat higher, mainly reflecting a rise in commodity prices and the pass-through of that rise to consumer

prices," the central bank said.

It declared "risks to prices are generally balanced," adjusting its previous assessment of risk as "skewed to the downside."

"The BoJ revised down its growth forecast for the current fiscal year to 2.8 per cent from the previous 3.4 per cent.

But it now sees faster-than-expected 3.8 per cent growth in the fiscal year to March 2023, with a slight downward revision of 1.1 per cent growth in the year to March 2024.

Exporters enjoying

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The new normal has made people eager to revamp their wardrobes, with

two-thirds (67 per cent) of consumers likely to swap out clothes, said Stitch Fix.

On an average, they are looking to replace about one-third of their

wardrobe, with 33 per cent planning to replace at least half.

People got a taste for comfort during lockdowns, and they are not about to give it up – almost one-third (31 per cent) would rather take a

10 per cent pay cut than

dress up for work every day – but they still want to balance it with style.

Workwear like stretchy blazers, knoven (knit + woven) tops and elastic-waist bottoms are proving that both are attainable, according to Stitch Fix findings.

So long, sweatpants – the 30 per cent year-over-year increase Stitch Fix saw in denim sales suggests denim is back in a big way.

Today, clients are turning toward straight leg, wide leg and relaxed styles over skinny jeans.