



A man unloads groceries from a vehicle at a dark store of the SoftBank-funded Blinkit, an Indian company which is offering 10-minute deliveries for groceries, in New Delhi on January 19.

PHOTO: REUTERS

Delivery race among Indian grocery startups brings road safety risks

REUTERS, New Delhi

Indian grocery startups are luring tech-savvy customers with the promise of deliveries within 10 minutes, sparking a boom in "quick commerce", but heating up concerns about road safety as bike riders scramble to meet tight deadlines. Competition is already intense in India's \$600-billion grocery retailing industry, populated by the likes of Amazon, Walmart's Flipkart and Indian billionaire Mukesh Ambani's Reliance. Now SoftBank-backed Blinkit and its rival Zepto are racing to hire staff and open stores in their bid to grab a share of the market by offering the convenience of delivery in 10 minutes, far lower than the hours, or days competitors take. Their mission: pack groceries within a few minutes at so-called dark stores, or small warehouses in densely populated neighbourhood buildings, and send bike riders to nearby locations with about seven minutes to spare. "It's a threat to the larger players," Ashwin Mehta, a lead IT sector analyst at India's Ambit Capital, told Reuters. "If people get used to 10 minutes, those

companies offering 24-hour deliveries will be forced to reduce their timelines." As activity grows, research firm RedSeer says India's quick commerce sector, worth \$300 million last year, will swell 10-15 times to touch \$5 billion by 2025. Blinkit and Zepto, started by two 19-year-old dropouts from Stanford, have caught consumers' fancy, satisfying cravings for food and impulse shopping, as well as urgent needs for daily supplies. "This is very convenient, it has made a lifestyle change," said Sharmistha Lahiri, who now turns to Blinkit to fill the gap when ingredients suddenly run out in her kitchen, from tomatoes for soup to chocolate icing for a cake. The 75-year-old, who lives in the city of Gurugram near the capital, New Delhi, was a keen user of Amazon and Indian conglomerate Tata's online grocer BigBasket, but prizes Blinkit's rapid response in such situations. The unbeatable convenience of rapid deliveries is evident in Europe and the United States, where companies such as Turkey's Getir and Germany's Gorillas are expanding fast, but India's accident-

prone roads make quick commerce a dangerous business. "Ten minutes is very sharp," said a former road secretary, Vijay Chhibber. "If there was a (road safety) regulator, it would have said this can't be a company's unique selling point." Blinkit and Zepto did not respond to queries from Reuters. Even in cities, most roads are riddled with potholes, while cattle or other animals straying into traffic present a frequent challenge for motorists, who often violate basic rules. Last year, the World Bank said India had a death every four minutes on its roads. Crashes kill about 150,000 people each year. All the 13 drivers for Blinkit and Zepto whom Reuters interviewed in the key cities of Mumbai, New Delhi and Gurugram said they faced pressure to meet delivery deadlines, which often led to speeding, for fear of being rebuked by store managers. "We get five to six minutes and I feel tense and fear for my life," said one Blinkit driver, who sought anonymity. In August, Blinkit's chief executive said on Twitter that riders were not

penalised and could deliver "at their own pace and rhythm," as dark stores are always near destination sites. Delivery riders disagreed. In their rush, many of them told Reuters, they mark orders as having been delivered even before they get to the destination. And if a customer complained about the practice, they faced a penalty of 300 Indian rupees (\$4.03). A Blinkit app screenshot provided by one driver showed the term, MDND, or "Marked Delivered, Not Delivered" used to designate such items. Frustration was also on display in the conversation on a WhatsApp group of Blinkit riders in Mumbai reviewed by Reuters. "Ban this 10-minute (delivery)," said one user, after pictures were posted of a rider said to have been injured in a deadline rush. The concerns reflect the dark side of India's booming gig economy, in which workers often say they feel shortchanged or battle tough working conditions. Blinkit calls its service "indistinguishable from magic" and says it wants to become a \$100-billion business.

Ibn Sina, Meghna see profits rise

STAR BUSINESS REPORT

The Ibn Sina Pharmaceuticals Industry Ltd said its profits shot up 28 per cent in the July-December period of the 2021-22 financial year, buoyed by its marketing drive to boost sales. The drug maker said its earnings per share (EPS) rose to Tk 10.49 in the first half of the current financial year ending in June, up from Tk 8.19 a year ago. The company's second quarter earnings also edged up for the same reason. "We added new products to our basket as the overall pharmaceutical market is growing," said Md Kabir Hossain, company secretary of Ibn Sina Pharmaceuticals. Stocks of Ibn Sina Pharmaceuticals closed at Tk 293.20 at the Dhaka Stock Exchange (DSE) yesterday, up 1.10 per cent from the previous day. However, the company reported a decline in its net operating cash flows per share (NOCFPS) as it fell to Tk 9.74 in the six months leading up to December 2021, down 7 per cent year-on-year from Tk 10.48. The drug maker's consolidated net asset value per share rose 7 per cent to Tk 74.49 as of December 31, 2021, from Tk 68.69 at the end of June the same year. Meanwhile, Meghna Petroleum said its earnings grew only 4 per cent in the first six months of the 2021-22 financial year even though it recorded a 14 per cent spike in its net profit during the October-December period. Reza Md Riazuddin, company secretary of Meghna Petroleum, said falling bank interest rates on deposits affected its income.

The state-run petroleum marketing company registered EPS of Tk 12.74 in the July-December of the current financial year, up from Tk 12.24 a year ago, the company said in a filing with the DSE. Its earnings in the October-December period rose to Tk 6.51 from Tk 5.70 in the same period in 2020. Stocks of Meghna Petroleum declined marginally to hit Tk 208.50 at the DSE. NOCFPS of Meghna Petroleum increased in the first six months of the current financial year. Its net asset value per share also grew at the end of December, 2021.

Jamuna Bank, Hotel Sea Pearl sign agreement

STAR BUSINESS DESK

Jamuna Bank Ltd recently signed an agreement with Hotel Sea Pearl Beach Resort and Spa in Cox's Bazar. Mohammed Fazlur Rahman Chowdhury, deputy managing director of the bank, and Azeem Shah, group general manager of the hotel, signed the agreement at Jamuna Bank Tower in Dhaka, according to a press release. Under the agreement, the credit card holders of the bank will enjoy "Buy 1, Get 1" free buffet lunch and dinner at Kasbah restaurant round the year. Mirza Elias Uddin Ahmed, managing director of the bank, and AKM Atiqur Rahman, deputy managing director, were present.

Green logistics: the ultimate future

FROM PAGE B4 Emissions from ships have much more significant environmental effects. Many ships go internationally from port to port for long sails that contribute to air and water pollution during their voyages. In this scenario, the world think tank is devising policies to reduce these emissions from ships by using evolving green technologies to introduce green logistics globally.

HOW ADVANCED COUNTRIES ARE SHIFTING TO GREEN LOGISTICS

Governments around the world are adopting various measures to combat rising global warming, including reducing emissions and using green energy and advanced technologies. Large companies want to reduce the disproportionate share of oil consumption and cut greenhouse gas emissions by adopting fuel efficiency and devising emissions-control technologies. Several of the world's leading logistics companies are now incorporating this issue into their business strategies. They are adjusting their objectives to make a difference in the existing transportation systems. It also applies to their partnership with their customers and service providers. They encourage and assist their customers in implementing measures that promote environmental sustainability. Global logistics firms are laying out environmental policies with the help of their environment team, global product heads, and green teams all over the world to put

in place steps to reduce carbon gases. Corporate organisations analyse their customers' supply chains and recommend sustainable strategies such as modal changes, supply chain speed optimisation, warehouse space optimisation, freight consolidation, and data-driven decision making. Green freight programmes promote these technologies and practices across the freight sector to help cut costs, track carbon - emissions and benefit the environment. The advanced logistics companies hope to improve the real-world energy efficiency and environmental performance of freight systems through the projects, which will focus on technology and its effects on supply chain operations. They maintain a close eye on policies that enhance regulatory efficiency, market-based initiatives, and budgetary measures. They are working together on several action plans aimed at developing and aligning green freight programmes around the world while also reducing short-lived climate pollutants like black carbon. The action plan has received support from over 50 organisations and governments, creating a platform for global and regional cooperation. Furthermore, global retailers have pledged to use ocean freight services only powered by zero-carbon marine fuels. RECOMMENDATIONS Bangladesh's government is prioritising

climate change in its policymaking to take measures to cut carbon emissions and effectively confront any disaster caused by global warming. Air and water pollution are high in urban areas. Adopting green logistics systems is a way that can help the country control pollution by imposing and devising rules and policies. Existing ports, inland container terminals, depots, and a variety of other facilities could be brought under an integrated service system under which ships will travel fewer, shorter routes and use environmentally friendly logistics systems to ensure green growth in the country by creating jobs, reducing environmental pollution, ensuring sustainable resource use, proper waste management, and introducing renewable energy-powered vehicles. Waterways and railways are still underutilised though these are environment friendly and can reduce the dependency on transportation by road and logistics costs. Bangladesh has a better opportunity to use river transportation for domestic supply chain management, thus saving costs and supporting the environment. The government should expedite the river dredging process and protect the rivers from filling up. Besides, the authorities must build a sufficient number of modern river ports supported by adequate technology and required facilities. A supply chain requires all of its parts to function smoothly all the time.

Failures are not isolated to one segment, nor can they be fixed with a simple increase in prices or fees, or by some rapid changes in techniques. Any temporary or short-term initiatives to overcome these challenges are not going to resolve the current bottleneck. We need a comprehensive overhaul of the entire landside operations.

The writer is a logistician and president of the AmCham in Bangladesh

Meghna Bank wins global recognition

STAR BUSINESS DESK

Meghna Bank Ltd has received the "Fastest Growing Corporate Bank in Bangladesh" award from The Global Economics, a UK-based business, financial publication and a bi-annual business magazine. Kimiwa Saddat, head of corporate banking at Meghna Bank, received the award from Said Zatar, chief executive officer of Contact Financial Holdings in Egypt, at Sangri La Hotel in Dubai recently, said a press release. "This international award is an endorsement of our ongoing efforts towards the transformation we are aiming at," said Sohail RK Hussain, managing director of Meghna Bank. Sania Al Ansari, chairman of Ansari Group in the UAE, Rami I Dokani, secretary general of Arab Federation of Capital Market, were present.

Standard Bank holds annual business conference

STAR BUSINESS DESK

Standard Bank Ltd (SBL) virtually held its Annual Business Conference-2022 recently. Khondoker Rashed Maqsood, managing director of the bank, presided over the conference, said a press release. Kazi Akram Uddin Ahmed, chairman of the bank, presented a keynote at the virtual event. Ahmed emphasised on providing quality services and providing dynamic multipurpose banking services based on modern technology in order to continue the trend of improvement of the bank. Md Touhidul Alam Khan, additional managing director, Mohammad Rafiqul Islam and M.Latif Hasan, deputy managing directors, Md Mohon Miah, coordinator of SBL Islami Bank conversion project, Alkora K Choudhuri, head of the human resources division, and Md Ali Reza, acting company secretary, were present.



Hsuan-u Zaman, managing director of Midland Bank, virtually inaugurates the bank's Annual Business Strategy Summit 2022 for institutional banking, treasury and offshore banking on Saturday. Md Zahid Hossain, deputy managing director of the bank, was present.

PHOTO: MIDLAND BANK



Morshed Alam, chairman of Mercantile Bank, virtually inaugurated the bank's Strategic Business Conference-2022 yesterday. ASM Feroz Alam and Md Abdul Hannan, vice-chairmen, Md Quamrul Islam Chowdhury, managing director of the bank, Akram Hossain, chairman of executive committee, MA Khan Belal, chairman of Mercantile Bank Securities, attended the conference.

PHOTO: MERCANTILE BANK

Lufthansa eyes 40pc stake in Italy's ITA

AFP, Rome

German airline Lufthansa is set to take a 40 per cent stake in Italian national carrier ITA Airways, Italy's Il Foglio newspaper reported Saturday, suggesting the deal could be announced next week. A spokesman for ITA, which was formed out of the ashes of loss-making Alitalia, declined to

comment but said a strategic plan would be presented to the company's board on January 31. The spokesman added that a data room - a secure place to store key financial documents, often to allow due diligence before a merger or acquisition - would be opened "in the following days". According to Il Foglio, Lufthansa will buy 40 per cent of ITA in a

deal that includes making Rome's Fiumicino airport a hub for direct flights to Africa and part of the US route. It said the deal would need approval from the European Commission. Loss-making Alitalia was placed under state administration in 2017 but Italy struggled to find an investor to take it over.

South Korean economy faces downside risks: minister

ANN, The Korea Herald

The nation's economy is heading toward uncertain territory due to a variety of factors at home and abroad which could restrict its growth, said Deputy Prime Minister and Finance Minister Hong Nam-ki on Thursday.

In a meeting for economic policies at the Government Complex Seoul, Hong cited three main factors—quarantine, external factors and fiscal situation—that may weigh on the growth of gross domestic product.

He clarified that the government would push for main policies—including supporting microbusiness owners, stabilizing consumer prices and supporting economic recovery—during the first half of 2022. The incumbent administration is to finish its tenure on May 9.

For the economic reinvigoration sector, the minister said exports should continue to play a crucial part in leading the recovery, as it did last year.

To boost exports, the government is moving to take countermeasures against the rising cost of logistics

To boost outbound shipments, the government is moving to take countermeasures against the rising cost of logistics among export-oriented enterprises, he said.

The minister's remarks came amid growing concerns over a discord in fiscal policies between the government and the central bank. The government plans to propose an extra budget of some 14 trillion won (\$11.8 billion) to support small businesses hit by the pandemic while the central bank has been seeking to curb inflation with a series of rate hikes.

The Bank of Korea raised the benchmark interest rate by a quarter percentage point to 1.25 per cent, in its third rate hike since August, amid the fastest growth in consumer prices in the last 10 years.

Meanwhile, an analysis from the Organization for Economic Cooperation and Development suggested that Korea's economic growth could slow down in the coming months.



In the first six months of fiscal year 2020-21, the implementing entities could spend 24.02 per cent of the government funds and 24.91 per cent of the project assistance funds. PHOTO: STAR/FILE

ADP execution still below pre-pandemic levels

REJJAUL KARIM BYRON and
DWAIPAYAN BARUA

Though overall annual development programme (ADP) implementation slightly rose year-on-year in the current fiscal year's first half, government spending for development projects is still below that of the pre-pandemic period.

The government managed to spend Tk 56,962 crore from its ADP budget in this fiscal year's six months till December, up from Tk 51,266 crore in the same period in fiscal year 2020-21.

This means implementing ministries and divisions have so far spent 24.06 per cent of their total allocation of Tk 2,36,793 crore for carrying out development activities in fiscal year 2021-22.

It was 23.89 per cent spent in the same period of the previous fiscal year, according to data from the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry.

In the same period in fiscal year 2019-20, which could be termed as the pre-pandemic period, the entities could implement 26.59 per cent of their ADP allocation.

Of the overall ADP spending in the past six months, Tk 34,679 crore or 25.26 per cent could be spent from

government funds while Tk 19,553 crore or 22.21 per cent from project assistance.

According to the monthly implementation progress report of the IMED, the spending of government funds increased in the first six months year-on-year while of project assistance funds declined.

In the first six months of fiscal year 2020-21, the

Tk 1,278.91 crore from July to December, which is only 9.84 per cent of its total allocation of Tk 13,000 crore.

Performance of the health sector was also poor last fiscal year.

Despite giving special focus on the health sector amid Covid-19 pandemic, the health services division could implement only 58 per cent of its total ADP allocation

and Asian Infrastructure Investment Bank (AIIB) provided \$100 million each for the health sector.

World Bank gave \$100 million for purchasing different health related equipment and building ICU units and also provided \$500 million more for purchasing vaccines.

A health ministry official said some works under these projects have been carried out but the implementation was yet to be satisfactory.

The WB fund of \$500 million for vaccine purchase is yet to be spent, he informed.

Among the 15 largest allocation receivers, the industries ministry was the top performer in the first half of the fiscal year.

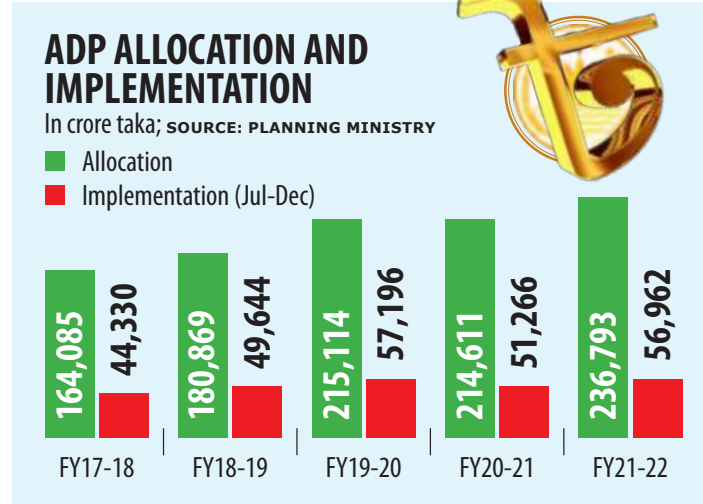
It implemented 52.84 per cent of its allocation, followed by housing and public works ministry (36.17 per cent), water resources ministry (28.54 per cent), road transport and highways division (28.36 per cent) and railways ministry (26.57 per cent).

Apart from the health services division, other low performing entities like shipping ministry implemented 11.52 per cent of its spending target while bridge division 17.68 per cent and Prime Minister's Office 19.19 per cent ADP implementation.

last fiscal year.

This year different international donors have already provided huge amount of funds for enhancing health facilities to combat the ongoing pandemic.

Of the funds, Asian Development Bank (ADB)



implementing entities could implement 24.02 per cent of the government funds and 24.91 per cent of the project assistance funds.

Even amidst the pandemic, the health service division has been one of the low performing divisions spending

Green logistics: the ultimate future in world economy

SYED ERSHAD AHMED

An eco-friendly transport system is inevitable in the ever-changing world where carbon emission is leading to global warming. It is the responsibility of the world leaders to get united and reach a sustainable agreement to limit carbon emissions and reduce global warming.

Transport manufacturers and users also must play a significant role in reducing carbon emissions and making transportation an environment-friendly business to run the wheel of the global economy.



UNDERSTANDING GREEN LOGISTICS

Green logistics ideals of encompassing energy-saving measures, complying with environmental regulations and coping with rising supply costs by adopting effective technologies, are becoming major issues in the world's logistics arena. This green

or eco-friendly logistics in the worldwide supply chain lets a country or a company evolve new technologies and devise policies aiming to cut carbon emissions, making business sustainable and establishing strategic advantages over the competition.

The logistics industry needs to make a measurable and sustainable policy to minimise the environmental impact on transportation, warehousing, and other logistics activities.

The concept is not new. Various elements in the research work focus on taking steps to reduce carbon dioxide emissions and use alternative energy sources widely.

They underlined the need to invest in vehicle designing and transport infrastructure that can withstand the adverse effects of climate change.

Transport manufacturers and users must play a significant role in reducing carbon emissions and making transportation an environment-friendly business to run the wheel of the global economy

Green logistics aims to find a balance between ecology and economy. Green transportation is effective in taking measures to become competitive amid rising supply costs. Transport is considered green when it supports environmental sustainability, emits low carbon, is economical and is socially acceptable. In a nutshell, green logistics could be termed as 'Environment-Friendly Transport System'.

WHY WORLD FOCUSING ON GREEN LOGISTICS
There are compelling reasons why green logistics is gaining ground. Green logistics policies represent a strategic advantage over the competition. Not only do they revalue the brand and set it apart, but they also prepare a company for the future, which inevitably must be sustainable.

The transport sector is a major source of greenhouse gas emissions worldwide, creating direct and harmful effects on the environment and other indirect effects.

Existing logistics systems affect the environment in various ways. For example, aviation emissions vary based on the length of the flight. In road transportation, cars, buses, and rails do have different types of emissions.

READ MORE ON B2

Fed sharpens tools to fight inflation

AFP, Washington

The Federal Reserve has its inflation-fighting weapons ready to fire, and when the US central bank's policy committee convenes this coming week, the focus will not be on whether they will pull the trigger but rather how many times.

With the Omicron variant of Covid-19 adding to economic uncertainty and fueling a spike in consumer prices rose not seen for decades, the Fed's decision Wednesday will be closely scrutinized for signs policymakers will take more aggressive steps to contain inflation.

The policy-setting Federal Open Market Committee (FOMC), which opens its two-day meeting on Tuesday, is widely expected to begin hiking interest rates in March, though a few economists note the possibility of early action.

"I think it's kind of a holding operation rather than a blockbuster meeting, but the March one will be more fun," Ian Shepherdson, chief economist at Pantheon Macroeconomics, told AFP.

Only months ago, Fed Chair Jerome Powell and other top officials were arguing that the sharp rise in inflation would be "transitory," but that stance grew increasingly shaky with each new data report showing prices rising and spreading to many goods, beyond cars and energy.

By the end of 2021, policymakers conceded they had miscalculated and pivoted, announcing they were ready to attack inflation head on.

They started by tapering the bond buying program implemented to stimulate the economy, and accelerated the pace of the wind down at their last meeting in December.



People shop for groceries at a supermarket in Glendale, California on January 12. The 7 per cent increase in the Labour Department's consumer price index over the 12 months to December was the highest since June 1982, as prices rose for an array of goods, especially housing, cars and food. PHOTO: AFP

Bitcoin falls again

REUTERS

Bitcoin dropped again on Saturday and was last down around 4 per cent for the day, hovering around the \$35,000 level.

Bitcoin, the world's biggest and best-known cryptocurrency, is now about half its \$69,000 peak in November.

It was last at \$35,049, after falling as low as \$34,000 and following a steep fall on Friday.

The currency has had wild price swings and has been hit as risk appetite has fallen on inflation fears and anticipation of a more aggressive pace of interest rate hikes from the US Federal Reserve.

Other risk assets have fallen with stocks falling on Friday.

In a research note on Friday, Edward Moya, senior market analyst for the Americas at OANDA, said bitcoin was falling as "crypto traders de-risk portfolios following the bloodbath in stocks" and in advance of next week's Federal Reserve policy meeting.