

Goldman Sachs lifts CEO's pay to \$35m

REUTERS

Goldman Sachs Chief Executive Officer David Solomon's total compensation for 2021 will be \$35 million, the bank said on Friday.

That is double the \$17.5 million he received for 2020. The board had then slashed \$10 million from his \$27.5 million pay to settle legal costs related to the bank's role in the 1Malaysia Development Bhd corruption scandal.

Solomon's total pay for 2021 includes an annual base salary of \$2 million and a variable compensation of \$33 million, 70 per cent of which is in the form of goal-based stock compensation or restricted stock units.

Other major Wall Street banks have also handsomely rewarded their

Solomon's total pay for 2021 includes an annual base salary of \$2 million and a variable compensation of \$33 million, 70 per cent of which is in the form of goal-based stock compensation or restricted stock units

chief executive officers as annual profits bounced back in 2021 thanks to pandemic-related loan loss provisions that did not materialise.

Morgan Stanley raised CEO James Gorman's annual pay to \$35 million, while JPMorgan lifted Jamie Dimon's to \$34.5 million.

Since taking over the reins from Lloyd Blankfein in 2018, Solomon, 60, has looked to diversify revenue, focusing more on predictable streams including consumer banking and wealth and asset management while reducing reliance on capital markets-focused businesses.

The bank reported a net income of \$21.64 billion in 2021, compared with \$9.46 billion a year earlier. It reported a 23 per cent increase in fourth-quarter operating expenses, mainly due to higher compensation and benefits costs.



A metalworker is seen beating a pewterware into shape at his small workshop in Azaipur of Chapainawabganj. Craftsmen such as this are becoming increasingly rare in the face of rising raw material costs. The picture was taken recently.

PHOTO: RABIUL HASAN

Metalworkers hit by rising production costs

RABIUL HASAN, Chapainawabganj

The traditional pewter and brass metalwork industry in Chapainawabganj has been struggling to bear the burden of increased production costs for the past four months now, according to industry insiders.

The steep hike in raw material prices has restricted the industry's growth, they said.

Pewter is a malleable metal alloy consisting of about 91 per cent tin, 7.5 per cent antimony, and 1.5 per cent copper.

Brass is a mixture of copper and zinc.

Around 25 years ago, roughly 1,000 families in the region were engaged in the centuries-old profession of making household articles, such as plates and cups, from pewter and brass.

At the time, the industry made a name for itself though quality work.

Now though, just some 100 families in the Azaipur, Arambagh, Ramkrishnapur, Bat Tala and Shankarbari areas of Chapainawabganj are still living off of their ancestral craft.

And with the recent spike in raw material costs, their numbers are dwindling fast.

Raw material prices are at a level where sales can hardly cover production costs.

Besides, some people are importing pewter and brass products from India to sell them locally at comparatively

cheaper prices, which has a negative effect on the domestic industry.

"I only work two or three days a week due to the lack of raw materials but just a few months back, I was working six days a week," said Mohammad Sabbir, a day labourer of Azaipur.

The sudden hike in raw material prices and increased imports from India have plunged the industry into losses.

The high price of requisite metals and a huge increase in the price of raw materials are the two main threats to the industry, Islam said.



"I earn only Tk 350 to Tk 400 for each day's work," he added.

Nurul Islam, owner of a casting metal factory in the same area, said business has been deteriorating day by day not just because of higher raw material costs, but also the comparatively cheaper Indian products entering Bangladesh.

Echoing the same, Shafiqul Islam, a pewter factory owner in Ramkrishnapur, said he has been crafting pewter and brass products since he was 10 years old as it is a part of his heritage.

Business was going well but

There are over 300 shops selling the metal items, including 125 wholesalers, said Rabiul Islam Babu, president of Kansa Pitol Babosayi Samity, an association of metalworkers in the district.

They used to sell some 12,000 kilogrammes (kgs) of pewter products each month, which had a total market value of about Tk 2.64 crore.

In case of brass, they sold 5,000 kgs of products worth Tk 40 lakh, he said.

Now, they collectively sell only 6,000 kgs of pewter products each month and two

to three thousands kilograms of brass.

Earlier, they sold pewter utensils at Tk 1,400 to Tk 2,000 per kg but now, they are selling for Tk 2,000 to Tk 2,400 per kg.

Similarly, brass metalwork sold for Tk 550 to Tk 750 per kg before but is now selling at about Tk 700 to Tk 1,000 due to the increased raw material prices.

Likewise, copper utensils that were once valued at Tk 500 per kg now cost Tk 825 per kg.

Wholesalers and suppliers from around the country, including Dhaka, purchase these items from the district, Babu said.

But the higher raw material costs have left them unable to recover from low sales for the last four months in the face of increased prices.

"So, we cannot fulfil our target. Casting metal factories are mostly being run just twice or thrice a week, leaving owners and day labourers idle for the rest of the time. Earlier, we bought tin at Tk 2,100 to Tk 2,200 per kg but now, we buy it for Tk 4,200 per kg.

And since pewter and brass metal goods imported from India are also available in the market now, business is going badly, he added.

With this backdrop, Babu urged the concerned authority to stop imports from India in order to save the domestic industry.

Power tariff hike to hit apparel

Says BGMEA president

REFAYET ULLAH MIRDHA

Any power tariff hike will have a serious impact on the garment industry as it will scuttle its recovery from the coronavirus pandemic and erode competitiveness, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"The cost of production will also go up once again," he told The Daily Star in a phone interview.

He shared the concerns as the Bangladesh Power Development Board (BPDB) seeks to increase the bulk electricity tariffs by around 66 per cent. The state-run agency has submitted its proposal to the Bangladesh Energy Regulatory Commission recently.

State-run gas distribution and marketing companies are calling for an increase in the price of the gas used in industries.

Hassan said the hike in power tariff might push up inflation, which hit a 14-month high of 6.05 per cent in December, driven by both food and non-food inflation.

In Bangladesh, inflation is rising because of global factors such as unprecedented freight charges and supply chain disruptions as well as local factors such as the impacts of November's hike of diesel and kerosene prices.

"The increase in the price of basic commodities and house rent will also hit the garment workers. They are already suffering from the higher inflation and an increase in house rent," Hassan said.

"We don't want even a one per cent rise in the cost of production at this critical moment as we are making a turnaround from the pandemic. We incurred huge losses over the last two years from the severe fallouts of Covid-19."

READ MORE ON B2

COUP FALLOUT

Myanmar economy to remain weak: WB

REUTERS

Myanmar's economy will remain critically weak for much of 2022 and will be "severely tested" by the impacts of a coup a year ago, but there are recent signs of stabilisation in manufacturing and exports, according to the World Bank.

In its latest update on Myanmar's economy, the World Bank projects growth of 1 per cent in the year to September 2022, weighed down by the impacts of the pandemic and the military's overthrow of an elected administration on February 1, 2021.

Myanmar's economy has tanked since the coup and the junta's crackdown on its opponents and ensuing backlash from armed groups has led to a retreat by foreign firms concerned about political risks, sanctions and damage to their reputation.

The World Bank said there were substantial supply and demand issues, cashflow shortages for businesses and reduced credit access, while half of firms it surveyed reported difficulties last year due to a sharp depreciation of the kyat currency.

"The near-term outlook will depend on the evolution of the pandemic and the effects of conflict, together with the degree to which foreign exchange and financial sector constraints persist, as well as disruptions to other key services including electricity, logistics and digital connectivity," the World Bank said in its January economic monitor.

Myanmar's junta has blamed last year's economic crisis on foreign-backed "sabotage".

The military government on Thursday said it had approved \$3.8 billion in foreign investment since the coup, owing to what it called a return to stability and confidence in its economic potential.

The World Bank said events since the coup were likely to limit Myanmar's growth potential, with most indicators suggesting private investment had fallen markedly, while the cost of imports has risen and kyat-denominated revenues are worth less in foreign currency terms.



A residential development project is pictured among other buildings in Hong Kong.

PHOTO: REUTERS

IMF warns China's property stress poses spillover risk

AFP, Beijing

A funding crisis battering China's big property developers could start to shake the wider economy and global markets, the IMF warned on Friday, saying deeper reforms were needed to fully curb the threat.

The International Monetary Fund's report comes as property firms in the world's second-biggest economy struggle with liquidity problems as Beijing looks to curb excessive debt and rampant consumer speculation in the sector.

Among those embroiled in the crisis is Evergrande, one of the country's largest developers, which is involved in restructuring negotiations after racking up \$300 billion in liabilities. Multiple other Chinese developers have also defaulted on bond payments in recent months, piling pressure on the wider economy and rattling investors.

"Property plays a large role in both China's economy and financial system, accounting for about a quarter of both total fixed investment and bank lending over the past five years before the pandemic," the IMF said in a report released on Friday.

It warned that with developers beyond Evergrande also facing funding problems, there were "concerns of negative spillovers to the broader economy and global markets".

A sharper-than-expected slowdown in real estate "could trigger a wide range of adverse effects on aggregate demand, with feedback loops to the financial sector," the IMF said.



Power through your day



OUR LOCATIONS:

ECS Computer City, Multiplan Center
Level # 2, Shop # SR-236,237,
G/A-7/L, New Elephant Road,
Dhaka-1205

* Avail EMI upto 12 months

VISA
MasterCard
Hotline: +8801708452803-9
Visit: www.panaromabd.com

