Progress eyed through the programme of carbon trading

CHINA DAILY/ANN

With the help of its carbon trading program, China has made notable progress in accelerating the low-carbon transition of the nation's businesses, said Chinese authorities.

As the trading market, currently only involving the power generation sector, wrapped up its first cycle of trading, a decline had already been registered in carbon emissions per unit of electricity.

With 179 million metric tons of carbon emission allowances changing hands, the trading volume of the market in 2021 reached almost 7.7 billion yuan ($1.2 billion), according to a media release from the Shanghai Environment and Energy Exchange, which runs the trading platform.

"The trading price was stable with a moderate increase," it said. The market closed with a price of about 54 yuan per metric ton on December 31, up by 13 per cent from July 16 when it opened.

Carbon trading is the process of buying and selling carbon emission permits among designated emitters. Involving 2,162 power generators, which are responsible for 4.5 billion tons of carbon dioxide emissions, the country's trading program is already the largest in the world.

The program imposes carbon emission limits for every unit of electricity a power plant generates. After each cycle of trading, operators will be able to sell their carbon allowances if the emission intensity of their plants is below the benchmark. Otherwise, they will have to purchase allowances.

Currently, the allowances are distributed to participating emitters free of charge.

The market has already demonstrated its role as a key policy instrument that could help curb carbon emissions as China forges ahead in meeting its climate targets, said a statement from the China Hubei Emission Exchange, based in Wuhan, capital of Hubei province, which is in charge of the registration of applications and data collection for the trading program.

China aims to peak carbon dioxide emissions before 2030 and realize carbon neutrality before 2060.

Workers of Singer Bangladesh Ltd work on the refrigerator production line at one of its factories in Savar recently.

PHOTO: SINGER BANGLADESH

Singer Bangladesh expanding to cater to new generation of consumers

DWAIPAYAN BARUA

Singer has been operating in Bangladesh for 117 years and is growing at a healthy pace. Currently, the company is putting emphasis on brick-and-mortar sales as well as fast-expanding digital commerce in order to serve the current generations. Singer Bangladesh Ltd Managing Director & Chief Executive MHM Fairoz shares his company's plans on investment, expansion and digital customers during an interview with The Daily Star recently.

DS. What has been the key factor behind Singer's continuous success in Bangladesh for 117 years?

MHM Fairoz: Obviously, a brand needs to win the trust of consumers to survive in any market for 117 years. During this long journey, Singer brand started with marketing sewing machines and we have earned the trust. This trust factor among consumers across the segments in Bangladesh has helped us.

In addition to the quality of the products and services, another key factor behind this long and successful journey is that we kept changing our business model in line with the changing need of the consumers. Since everything is becoming digital, we also have gone for selling products online through our e-commerce site. So, this sort of effort actually helps us remain relevant to the consumers of Bangladesh and grow our business.

DS. Where do you see Singer Bangladesh in the next five years?

MHM Fairoz: We want to further improve the brand recognition and the strength that we have. Even though we have been successful so far, we are emphasising executing strategies to successfully cater to the future generations.

We are closely following the global market trends in our industry, especially, in line with Arcelik, the major shareholder of Singer Bangladesh.

Of course, we look at what is happening in Bangladesh too. The needs and purchasing behaviour of the new generations are changing. They prefer the convenience and are more reliant on service. We made a journey from a product-driven company towards a sales-oriented company. Alongside focusing on our sales, we want to become a more consumer-centric or consumer-driven company taking the mindset of our future customers into consideration and continue the business success.

DS. What is the current strength of Singer? What is your target in the coming years?

MHM Fairoz: We can't change the business model overnight. Currently, we have about 437 retail outlets, 1,200 dealers and a corporate sales division. The fourth channel we already have is our online store. With the changing consumer behaviour, we want to play a significant role in e-commerce.

Before the pandemic, we had almost 100 per cent growth in revenue and almost three times increase in our profitability within a period of five years. So, in terms of revenue, our minimum aim is to continue the same growth, year-on-year.

DS. The profitability and turnover of Singer were affected in 2020. How do you assess your business in 2021?

MHM Fairoz: Not only Singer Bangladesh, other industries like FMCG, automobiles and footwear were not able to continue their usual business due to the pandemic.

During the Eid-ul-Azha season in 2021, there had been lockdown and we were not able to open our retail outlets through which around 80 per cent of our revenue is generated. So, we lost almost Tk 270 crore in revenue during the third quarter of 2021.

But there was no job cut in Singer Bangladesh due to the pandemic because we believe that our employees are our bigger asset, and when things are right, our teams will bounce back to capitalise on opportunities.

DS. What strategic advantage Singer has got in Bangladesh since Arcelik took over?

MHM Fairoz: We believe Arcelik's taking over Singer Bangladesh was a perfect marriage. Before Arcelik took over, Singer was predominantly a company that is quite strong in sales.

Arcelik has about 40,000 employees and 28 production

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Stocks insipid as investors remain cautious

STAR BUSINESS REPORT

Stocks ended flat for the second consecutive day yesterday as investors kept maintaining their wait-and-see approach amid higher infections of Covid-19.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), edged up 3 points, or 0.05 per cent, to 7,089 at the end of the day.

On the premier bourse, 142 stocks rose, 196 declined and 41 remained the same.

The market posted a slight gain after witnessing choppy trading as most investors followed a cautious stance ahead of December-end earnings and dividend declarations, said International Leasing Securities in its daily market review.

Some large-cap stocks such as British American Tobacco, Beacon Pharmaceuticals, and Square Pharmaceuticals glided the broad index upward, it said.

Among the sectors, tannery rose 3.5 per cent, jute was up 1.8 per cent, and food and allied increased 1.6 per cent. The life insurance sector dropped 2.1 per cent, travel and leisure fell 1.7 per cent, and general insurance declined 1.1 per cent.

The investors' activity was mostly concentrated on pharmaceuticals and chemicals, which accounted for 14.6 per cent of the day's turnover, followed by engineering with 13.2 per cent and textile with 10.3 per cent.

Turnover advanced 1.54 per cent to Tk 1,275 crore.

Fortune Shoes was the most-traded stock on the day with shares worth Tk 98 crore changing hands. Orion Pharmaceuticals, Beximco Ltd, Bangladesh Shipping Corporation, and Saif Powertec also saw heavy trading.

Meghna Pet Industries topped the gainers list, advancing 10 per cent. Aramit Cement, BD Thai Food, Meghna Condensed Milk, and Zeal Bangla Sugar Mills all rose more than 9 per cent.

Queen South Textile was the worst-performing stock, shedding 7.12 per cent. Peninsula Chittagong, Bangladesh Shipping Corporation, Acme Pesticides, and Yeakin Polymer were also among the major losers.

The Chittagong Stock Exchange also dropped. The CASPI, the main index of the bourse in the port city, rose 6 points, or 0.03 per cent, to close at 20,775.

Of the 311 securities traded, 129 rose, 152 fell and 74 remained unchanged.

US inflation data hits global stocks

REUTERS, *Washington/London*

Major global stock indexes fell on Thursday under pressure from crucial US inflation data, falling technology shares and rising benchmark bond yields.

US consumer prices rose solidly in January, leading to the biggest annual increase in inflation in 40 years, which could fuel financial market speculation for a 50 basis points interest rate hike from the Federal Reserve next month. read more

Wall Street retreated. The Dow Jones Industrial Average fell 1.47 per cent to end at 35,241.59 points, while the S&P 500 lost 1.81 per cent to 4,504.06. The Nasdaq Composite dropped 2.1 per cent to 14,185.64. It was the seventh time in 2022 that the Nasdaq lost more than 2 per cent in a session.

The S&P 500 is now down about 5 per cent in 2022, and the Nasdaq is down about 9 per cent.

Tech stocks, which boosted US shares to steep gains earlier in the week, fell 2.75 per cent.

The MSCI world equity index fell after clinging to gains throughout much of the session.

The pan-European STOXX 600 index closed down 0.2 per cent as rising bond yields.

US solar tariff: Boon for South Korea, blow for China

THE KOREA HERALD/ANN

South Korean solar companies may face a bright future this year as the US recently extended a tariff for four more years to keep cheap Chinese products in check.

According to industry sources Friday, the US last week decided to impose a 15 per cent tax on imported solar cells and panels for another four years as part of an apparent effort to block the inflow of Chinese-made products.

The US first introduced the tariff to safeguard its domestic solar industry from China, which manufactures roughly 70 per cent of the world's solar panels. The tariff, which started at 30 per cent, has gone down to 15 per cent this year.

For Hanwha Q Cells and LG Electronics, which have solar cell and panel factories in the US, the extension of the tariff is expected to help them maintain their dominant status in the North American market and spare them from the cutthroat competition with cheap Chinese products. "It's good news that Korean companies don't have to compete against cheap Chinese solar panels. The tariff will allow them to stay competitive in the US market," an industry official said.

Hanwha Q Cells and LG Electronics face an even brighter future as the US prepares a massive stimulus package to nurture its domestic solar industry.

Within the first half of this year, the US is expected to pass a bill called SEMA, or Solar Energy Manufacturing for America Act. If passed, the bill will provide tax deductions for all solar cells and modules produced on American soil until 2030. In addition, the bill will provide massive subsidies for new factories.

The US last week decided to impose a 15 per cent tax on imported solar cells and panels for another four years.

PHOTO: AFP

India hopes to replace diesel

REUTERS, *New Delhi*

India is hoping to cut diesel use by farms to zero and migrate the agriculture sector to renewable energy as early as 2024, the Power Ministry said on Friday, as a part of its broader plan to transition to cleaner energy sources.

"India will replace diesel with renewables to achieve target of zero diesel use in agricultural sector by 2024," the ministry said in a statement.

The ministry did not say how it planned to achieve the ambitious target. In February 2020 it launched a scheme to provide financial incentives to farmers to use solar instead of diesel-fired irrigation pumps.

Diesel accounts for about two-fifths of India's overall refined fuel consumption, and the farm sector is one of the largest users of the fuzel, according to government data.