

War offers more Canadian work for local freelancers Says an expert

STAR BUSINESS REPORT

Opportunities for Bangladeshi freelancers have widened in the Canadian outsourcing market since the start of the Russia-Ukraine war, according to a joint working group on strengthening commercial relations.

Most Canadian companies used to hire freelancers from India, Russia and Ukraine, said Nuzhat Tam Zaman, co-chair of the Canada-Bangladesh Joint Working Group, a public-private platform for trade negotiation, at a virtual meeting on Tuesday.

The work was on web development, social media management, digital content production and other information technology enabled services (ITES), she said.

But the Russia-Ukraine war has opened the window for Bangladeshi freelancers to enter the Canadian market, Zaman said.

Jashim Uddin, president of the Federation of the Bangladesh Chambers of Commerce and Industry (FBCCI) and another co-chair of the group, said over six lakh skilled Bangladeshi freelancers were working in the global outsourcing market.

He urged Canadian companies to invest in waste management, including through power generation, as the country has a number of reputed companies in this field.

Syed Almas Kabir, an FBCCI director and a member of the committee, called upon Canadian investors to set up factories and produce solar panels in Bangladesh.

During the meeting, both sides stressed on the need for trade missions to boost bilateral trade and commerce.

Thomas Timmins from Canada delivered a presentation on renewable energy while EH Arefin Ahmed from Bangladesh gave a presentation on the pharmaceutical industry of Bangladesh.



Harvested mustard plants brought for sale in a market at Dharmajain village under Biral upazila of Dinajpur, ready for threshing for the extraction of the seeds. Cultivation starts in the October-November period whereas the harvests are made in the March-April period. In Bangladesh, 2.5 lakh to 3 lakh tonnes of mustard seeds are imported every year, and about 1 lakh tonnes of oilseed is produced in the country. The photo was taken recently.

PHOTO: KONGKON KARMAKER

China's Covid curbs threaten global supply chain paralysis

REUTERS, Shanghai

China's race to stop the spread of Covid-19 is clogging highways and ports, stranding workers and shutting countless factories - disruptions that are rippling through global supply chains for goods ranging from electric vehicles to iPhones.

While some factory owners try to tough it out through "closed loop" management that keeps workers isolated inside, some said that it is becoming harder to sustain given the extent of local Covid-19 curbs aimed at heading off the Omicron variant, complicating efforts to procure materials or ship products.

Foxconn Interconnect Technology, a unit of Taiwan-based Foxconn that makes data transmission equipment and connectors, has kept a plant open in Kunshan, which borders Shanghai, in a closed loop but is only able to run at 60 per cent of capacity, a person familiar with the matter said.

Foxconn did not respond to a request for comment.

On Wednesday, more than 30 Taiwan companies, many making electronics parts, said that Covid-19 measures in eastern China had led them to suspend production until at least next week.

A day earlier, German auto parts giant Bosch said it suspended output at sites in Shanghai and Changchun, while putting two other plants under "closed-loop" operation. Also on Tuesday, Taiwan's Pegatron Corp, which assembles Apple Inc iPhones, halted operations in Shanghai and Kunshan.

Sven Agten, Asia Pacific CEO of Rheinzink, a German maker of zinc construction materials, said logistical challenges make a closed-loop unworkable at his Shanghai warehouse and manufacturing facilities, and expects to have zero sales during April and possibly May.

"We need somebody in the warehouse and the manufacturing facility to do the work, and we need a truck and a driver. These are the two key components, and both are impossible," he told Reuters.

China's zero-tolerance approach to Covid-19, despite low case numbers and even as the rest of the world tries to live with the coronavirus, is proving unwieldy given the extreme infectiousness of the less-deadly Omicron variant.

The zeal to cut-off virus transmission chains means localised curbs extend far beyond virus hotspots Shanghai and Jilin province in the northeast. An April 7 study by Gavekal Dragonomics found that 87 of China's 100 largest cities by GDP have imposed some form of quarantine curbs.

On Saturday, electric vehicle maker Nio said it had to suspend production at its Hefei factory - even though there were no local-level curbs - because suppliers from other areas had stopped work.

Truck transport has been especially hard hit, causing long queues and delays and driving up prices. The normal rate to book a truck from Shandong province to Shanghai had more than quadrupled from 7,000 yuan (\$1,100) to 30,000 yuan, said an executive at a trucking firm who declined to be identified.

Dealing with corporate

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And this is especially true if the rumour is false as was in the above cases.

In such a situation you either want to fight or shut down. For me, it was to move forward without looking at the rear-view mirror.

My second advice is to foster forgiveness and sympathy, soft as these words may sound, they can be highly effective. When you forgive someone, the person who benefits the most, is you. It can help you to move on and improve your well-being.

Another advice is to play the long-term game. Your professional reputation and your relationships with coworkers and stakeholders that really count had not developed

overnight, rather it took years of trust and goodwill.

One such rumour or disruption can prove to be harmful in the short term, but it is bound to fade in the long run. It is wiser to have faith in time as time always tells the truth. Therefore, it is best to resort to your sense of humour and play the comedy card when confronted with an awkward situation.

Another interesting side to this long-term game is that it creates an opportunity to test the loyalty of people around you. You will find that your family, your true friends and the group who had a similar experience will be by your side as you move forward.

At the same time, it is

undoubtedly wiser to avoid people whose presence or attitude can provoke negativity in you during such a transition.

While avoiding rumours and hearsay is perfect practice in the corporate life, it is not always possible to keep yourself safe from the gossip mill.

Hence, the best practice is to address the rumour with calm, patience and honesty as opposed to being reactive. And last but not the least, I don't know who is worse - the person who is full of envy and malice spreading rumours and lies or one who thrives on shallow knowledge and common sense to believe in them.

The author is a telecom and management expert.

War pushes US

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The potency of the ongoing price jumps bolstered the case that the Federal Reserve will take aggressive action at its policy meeting next month, likely raising the key lending rate by half a percentage point as opposed to the quarter-point increase last month.

"With labor shortages pressuring firms to raise wages, we are in the midst of a wage-price inflation cycle that will require extreme action on the part of the Fed to rid the economy of the spreading inflation threat," economist Joel Naroff said.

A collision of factors has fueled the inflation surge, including business' struggles to find enough workers and supplies, the Fed's low interest rate policies, and

congressionally approved stimulus measures that drove up demand among American consumers.

In response, the White House has scrambled to offer relief, including by releasing strategic oil supplies to lower prices at the pump and waiving a prohibition on selling a lower-price gasoline blend during the summer months, which Biden promoted during his visit to Iowa.

But the most potent actor in Washington against inflation is the Fed.

Though rate hikes are expected to lower prices in the months to come, central bank Governor Lael Brainard said Tuesday that the fallout from the war in Ukraine "probably skews risks to the upside in inflation."

China's trade

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that Moscow described as a "special military operation" designed to demilitarise and "denazify" its southern neighbour.

Beijing has refused to call Russia's action an invasion and has repeatedly criticised what it says are illegal Western sanctions to punish Moscow.

Several weeks before the attack on Ukraine, China and Russia declared a "no-limits" strategic partnership. Last year, total trade between China and Russia jumped 35.8 per cent to a record \$146.9 billion.

As sanctions against Russia mount, China could offset some of

its neighbour's pain by buying more. But analysts say they have yet to see any major indication China is violating Western sanctions on Russia.

China's economic and trade cooperation with other countries including Russia and Ukraine remains normal, customs spokesman Li Kuiwen said at a news conference.

In the first quarter, China's trade with Russia jumped 30.45 per cent from a year earlier, within the range of gains seen in previous quarterly increases.

Russia is a major source of oil, gas, coal and agricultural commodities for China.

MCCI-BEF briefing on corporate due diligence obligations

STAR BUSINESS DESK

The Metropolitan Chamber of Commerce and Industry (MCCI) Dhaka and Bangladesh Employers' Federation (BEF) organised a briefing on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chain at the former's office in Gulshan, Dhaka recently.

The objective of the briefing was to familiarise the business community with the latest developments in Due Diligence Obligations in Germany and their implications for Bangladesh, a press release said.

Germany has recently enacted an act on Corporate Due Diligence Obligations in Supply Chains, after which the EU has also come up with a proposal for a guideline on Corporate Sustainability Due Diligence.

Of these, the German Act will come into effect in 2023. And the EU guideline was proposed in February 2022 but it is yet to finalise.

"As the world moves towards stricter human rights due diligence requirements, businesses in Bangladesh will have to respond accordingly," said Md Saiful Islam, president of MCCI.

He also emphasised the need for pursuing growth and progress amid increased costs, which would arise out of complying with the new due diligence obligations.

Ardashir Kabir, president of BEF, emphasised on how the Bangladeshi employers valued their workers and were committed to protecting them.

He, however, believes as a country where over 80 per cent of its population works in the informal economy, Bangladesh would benefit from introducing the due diligence obligations gradually.

QR-based transactions now on Brac Bank's Astha mobile app

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Brac Bank has launched Quick Response (QR)-based transactions through its mobile app Astha to provide customers to carry out transactions conveniently.

It lets users to scan a Brac Bank QR or other banks' QR displayed at the merchant points and make instant payments, a press release said.

Using Astha, the bank's Visa and Mastercard debit and credit cardholders can make payments with just a few taps.

Brac Bank is the only bank providing reward points on QR transactions linked to the bank's debit cards. The customers can earn one reward point for every Tk 100 transaction made through QR platforms.

The bank has also offered 10 times more reward points on the QR-based transactions against credit and debit cards during Ramadan through Astha app.

"We strongly believe that QR payment will play an essential part in paving the way for the country's transition to a cashless society," said Md Mahiul Islam, head of retail banking at Brac Bank.



Md Khalid Mahmood Khan, deputy managing director for corporate & commercial business at Mutual Trust Bank (MTB), and Rajib Das, managing director of Loop Freight, hold signed documents of an agreement at Rangs Paramount in Banani, Dhaka recently. Under the deal, the bank will finance suppliers of Loop to buy commercial vehicles. Sanjib Kumar Dey, head of SME banking division at MTB, and Md Rayhan Uddin, general manager for land freight operations at Loop Freight, were present.

PHOTO: MTB

Bangladesh not at risk

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"Those are forbearance support measures that we have seen in all countries in the region at the beginning of the pandemic just to make sure that the private sector survives. In Bangladesh, these measures have continued longer than in other countries," Timmer observed.

"That creates vulnerability because you don't know about the health of the companies that are being supported and you don't know what the health of the banking sector is."

"Extended support

to private firms is also dangerous because then you are not creating a level playing field and you are not having the right mechanism in the private sector to create a competitive environment."

The macro-economist praised Bangladesh's current economic condition. "GDP growth is strong and you are at the top of the region."

However, there is still a lot to wish for Bangladesh because export is concentrated in the garment industry.

"The country needs to diversify as well as

explore opportunities in the services sector and the large informal sector."

Timmer is optimistic about the opportunities for Bangladesh as a middle-income country as long as the country has prudent policies.

"There is an opportunity to attract more foreign direct investments and access international financial markets to borrow."

"Conditions can be better to make the country attractive in the competitive international market," he said, emphasising the need for more outward policies.

IMF hopes to mobilise \$45b for new trust

Will aid broader range of countries

REUTERS, Washington

The International Monetary Fund hopes to mobilise around \$45 billion for a new trust to help a broader range of countries, including some middle-income economies, deal with climate change and other longer-term challenges, a paper prepared by IMF staff and reviewed by Reuters shows.

The IMF's executive board is expected on Wednesday to approve plans for the new Resilience and Sustainability Trust (RST) that were hammered out by IMF staff after the Group of 20 major economies backed creation of the instrument in October.

Nearly three-quarters of the IMF's 190 members would be eligible to borrow from the new trust, the global

lender's first facility set up expressly to help countries manage balance of payments risks posed by longer-term challenges, the paper said.

"Today, even as IMF member countries confront the immediate challenges of rising inflation, constrained fiscal space and pandemic recovery heightened by risks associated with the war in Ukraine they are also calling on the Fund to help respond to longer-term challenges such as climate change and pandemic preparedness," the paper said.

Currently, the IMF offers low-cost and zero-interest rate financing to help countries deal with short-term challenges, such as capital flight, inflation or high commodities prices, and medium-term fiscal and financial challenges.