

## China firm to invest \$8m in Bepza EZ

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Chinese company KPST Shoes (BD) Company Ltd will invest \$8.07 million in Bangladesh Export Processing Zones Authority (Bepza) Economic Zone.

The company will set up a shoe accessories manufacturing industry, from where they have fixed a target to produce 30 million pairs of insole, outsole and midsole, and 0.3 million cubic meters of ethylene-vinyl acetate and Polyurethane foams, a press release said.

The investment will create employment opportunities for 2,650 Bangladeshi nationals. Besides, the country's dependency on the import of shoe accessories will also decrease.

Ali Reza Mazid, investment promotion member of the Bepza, and LUO Zhexiong, managing director of KPST Shoes (BD) company Ltd, signed an agreement at the Bepza office in Dhaka yesterday to this end.

Major General Abul Kalam Mohammad Ziaur Rahman, executive chairman of Bepza, was present.

## India July inflation may ease: Barclays

REUTERS, Mumbai

India's headline retail inflation is expected to ease to its lowest level in five months in July due to declining food prices as well as the lagged effect of a cut in fuel taxes, Barclays said.

"There is more evidence that inflation in India has peaked for now, and it is likely to slow faster than RBI's published trajectory, coming into the target band by October," Rahul Bajoria, chief India economist at Barclays, said.

The bank expects July inflation at 6.65 per cent over a year ago, as compared to 7.01 per cent in June. India is due to release July inflation data on August 12.



An artisan carves designs on mugs made out of earth. Potters of Madanpura village in Patuakhali's Bauphal upazila manufacture a variety of earthenware for sale in Dhaka. The photo was taken recently.

PHOTO: TITU DAS

# Big Oil offers big returns but keeps spending tight

REUTERS, London

The West's energy giants are set to return a record \$30 billion to investors after reporting bumper profits in the second quarter of the year following a surge in energy prices.

But the top five Western oil and gas companies have shied away from investing more of their combined record profits of nearly \$60 billion in new production as they weigh the impact of recession and climate change on future fossil fuel demand.

The reluctance to spend may exacerbate an energy supply crunch that has driven inflation to multi-decade highs and ignited calls from consumers and opposition leaders for governments to increase tax on energy companies.

The spending approach contrasts with previous cycles of high oil and gas prices, such as the boom of the late 2000s that spurred rapid spending to boost production.

"Given all the uncertainty in the world, now is not the time to lose discipline," BP Chief Executive Bernard Looney told Reuters after reporting BP's highest profit in 14 years.

The combined oil and gas output of BP, Shell, TotalEnergies, Chevron and Exxon in

the first half of 2022 reached 14.6 million barrels of oil equivalent per day (boed), some 10 per cent below its pre-pandemic levels, according to Reuters calculations.

Although some of the companies modestly increased 2022 spending plans in recent days, they remain within previous target spending ranges. Most of the extra funds are focused on projects that can start producing in a short timeframe or to accelerate starting dates for projects already under way.

TotalEnergies raised its 2022 spending guidance by \$1 billion to a range of \$16 billion in part to speed up field expansions in Angola, Chief Executive Officer Patrick Pouyanné told analysts last Thursday.

BP is increasing spending by \$500 million this year, primarily to grow short-term production in the US Hayensville onshore natural gas basin and the Gulf of Mexico, Looney told Reuters.

But BP's 2022 spending budget of \$14-\$15 billion will remain unchanged, and does not alter its target of reducing oil and gas output by 40 per cent by 2030 as part of Looney's ambition to shift to renewables and low-carbon energy. Around two-thirds of BP's budget is geared towards oil and gas in 2022.

Although the energy crisis caused by major fossil fuel producer Russia's invasion of Ukraine has in the short term placed the focus on countries using all available supplies, even if that means carbon-intensive coal, Western governments longer term are striving to shift to low-carbon energy.

The International Energy Agency in May 2021 said investors should not fund new oil, gas and coal supply projects if the world wants to reach net zero emissions by the middle of the century to try to slow climate change.

Within the group of leading energy companies, there has been a clear divergence as Exxon, Chevron and TotalEnergies plan to expand output in the coming years, while BP and Shell aim to keep production largely flat.

Exxon expects its 2022 production to remain unchanged from a year earlier at 3.8 million boed, but plans to grow its output to 4.2 million boed by 2027, with most of the growth coming from US shale and Guyana.

Chevron, which is investing heavily in the US Permian basin and Kazakhstan, plans an annual growth of 3 per cent over the next 5 years to reach over 3.5 million boed from 2.9 million boed on Wednesday.

## AB Bank gets new chairman

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AB Bank Ltd has elected director Khairul Alam Choudhury as the bank's new chairman with effect from August 2, 2022.

Choudhury, a practicing lawyer of the appellate division of the Supreme Court of Bangladesh, joined the bank as director in 2018, a press release said.

He obtained his bachelor and master's degrees from the University of Wolverhampton and the City University in the United Kingdom in 2001 and 2002 respectively.

He was also called to the Bar from Lincoln's Inn, London.



## Dhaka Bank, SME Foundation sign deal

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Dhaka Bank recently signed an agreement with SME Foundation at the Pan Pacific Sonargaon Dhaka in the capital to disburse loans to the cottage, micro, small and medium enterprises at a concessional interest rate under the incentive package announced by the government.

Emranul Huq, managing director of Dhaka Bank Ltd, and Md Mafizur Rahman, managing director of SME Foundation, signed the agreement, a press release said.

After successfully implementing the two phases of Covid-19 stimulus package, the foundation has formed a revolving loan facility amounting to Tk 300 crore with the fund from the government's stimulus package channeled through the foundation.

Nurul Majid Mahmud Humayun, minister for industries, Kamal Ahmed Mojumder, state minister, Sheikh Mohammad Salim Ullah, secretary of the financial institutions division at the ministry of finance, and Md Masudur Rahman, chairman of SME Foundation, were present.

## Standard Bank wins Quality Choice Prize

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Standard Bank recently won "The Quality Choice Prize 2022" by The European Society for Quality Research (ESQR) in the gold category.

Khondoker Rashed Maqsood, managing director of the bank, received the award at the AC Hotel by Marriott, Barcelona in Spain, a press release said.

"This award will inspire us to enhance our efforts in coming days for ensuring service excellence in our organisation," said Maqsood.

The ESQR recognises the companies, organisations, public administrations with ethics and initiatives that demonstrate exceptional success in quality management and that maximize the full potential of their services through quality-oriented practices.

## Learn online to earn online

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However, the digital economy has emerged as a promising sector for them to get work and earn money.

"There is a lot of work going on now on creating earning opportunities for educated youths but it is yet to be determined which model will genuinely reap the maximum benefit," he said.

"Digital earning opportunities have become a game changer

especially for women as they are now able to work from home," he added.

Matin went on to say the main challenge for women to be skilled and equipped for such jobs is access to finance. "Long-term micro-financing for them could play a pivotal role for greater inclusion of women in the IT-based freelancing opportunity."

He also stressed on ensuring proper channels for women to get their earnings.

## Euro zone retail sales plunge

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Eurostat data showed that energy other costs are added on, that rise signals more upward pressure on consumer inflation and downward pressure on demand.

While the euro zone economy grew more than expected in the second quarter, economists said the expansion might have been a last hurrah before a likely recession in the second half of the year.

"The sharp fall in euro-zone retail sales in June means sales contracted in Q2 as a whole," said Michael Tran, economist at Capital Economics.

"With the final PMI surveys pointing to price pressures continuing to intensify and demand softening, we think household spending will struggle over the coming months," he said.

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The biggest drop in retail demand was for non-food products, except car fuel, especially via mail orders and internet where they plunged 12.5 per cent year-on-year, Eurostat said.

Germany, Europe's biggest economy, showed the steepest drop in retail sales of 8.8 per cent year-on-year, with the third biggest Italy also showing a decline of 2.8 per cent in annual terms. Second biggest France still managed a 0.6 per cent year-on-year rise.

## Indian rupee weakens

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Funding the current account will be a challenge and inflationary problems have not yet gone away, making risks skewed towards the downside, Arora added. The rupee touched a five-week high of 78.49 on Tuesday, but is expected to settle between 79-80 against the dollar in the near term.

It firmed as Indian equities saw inflows worth \$1 billion over the past four days alone, said S Hariharan, head of sales trading at Emkay Global Financial Services.

No one wants to make big bets

ahead of the Reserve Bank of India's monetary policy decision on Friday either as it is unclear what the size of the interest rate hike will be, a trader at a private bank said.

A rate increase is guaranteed but estimates range from 25-50 basis point (bps) with no clear consensus, a Reuters poll said.

If the RBI does not raise rates as aggressively as the Federal Reserve, it would widen the interest rate differential with the United States and India and prompt more foreign fund outflows from the country.

## US eyes new China chip curbs

Turmoil looms for global market

REUTERS, Seoul

Export restrictions being considered by Washington to halt China's advances in semiconductor manufacturing could come at a substantial cost, experts say, potentially disrupting fragile global chip supply chains - and hurting US businesses.

Reuters reported on Monday that the United States is considering limiting shipments of American chipmaking equipment to memory chip producers in China that make advanced semiconductors used in everything from smartphones to data centres.

The curbs would stop chipmakers like South Korean giants Samsung Electronics and SK Hynix from shipping new technology tools to factories they operate in China, preventing them from upgrading plants that serve customers around the world.

Samsung and SK Hynix, which control more than half of the global NAND flash memory chip market, have invested heavily in China in recent decades to produce chips that are vital to customers including tech giants Apple, Amazon, Facebook owner Meta and Google. As well as computers and phones, the chips are used in products like electric vehicles that require digital data storage.

"Samsung's China production alone accounts for more than 15 per cent of global NAND flash production ... If there's any production disruption, it will make chip prices surge," said Lee Min-hee, analyst at BNK Securities.

The potential for fresh turmoil - the curbs have yet to be approved - comes just as a global chip supply shortage that has disrupted

businesses from autos to consumer devices for more than a year is finally showing signs of easing. Supply chain adjustments and weakening consumer demand amid the slowing global economy have combined to repair damage.

But the shortage has yet to be fully resolved. Any signs of fresh disruption could rekindle supply uncertainty, triggering a price surge - as seen earlier this year when China imposed Covid-19 restrictions in Xian where Samsung manufactures chips.

Chipmaking equipment has to be installed and fully tested months before production is due to start. Any delay in shipping the gear to China would pose a real challenge to chipmakers as they seek to manufacture more advanced chips in China facilities.

"Many US companies, like Apple, use Samsung and SK Hynix memory chips. No matter what strategy (the South Korean firms) end up choosing, it will have global implications," said BNK Securities analyst Lee.

Samsung and SK Hynix declined to comment. Apple, Amazon, Meta and Google didn't respond to emails seeking comment outside regular US business hours.

In Samsung's memory chip operation in Xian, central China, one of the largest foreign chip projects in the country, the company has invested a total of about \$26 billion since it broke ground on the site in 2012, including chip production as well as testing and packaging.

The tech giant makes 128-layer NAND flash products in Xian, analysts said, chips that store data in devices such as smartphones and personal computers, as well as in data centres.



Pranay Dhabhai, managing director of GBES Asia, poses for photographs with guests and officials of the company at Westin Dhaka in the capital recently. Toshiharu Tsurumaru, deputy managing director of Daikin India, and Francis Louis, Bangladesh country manager, were present.

PHOTO: GBES ASIA

## GBES Asia enters local market with Daikin AC

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GBES Asia, a Hong Kong based company, started its journey in the Bangladesh market with an air-conditioning product of flagship brand Daikin recently.

Pranay Dhabhai, managing director of GBES Asia, unveiled the product as an official distributor of the Japanese brand at a symposium on "Variable Refrigerant Volume (VRV) Technology Solution" at The Westin Dhaka in the capital, a press release said.

"There are huge opportunities

and possibilities to maintain the growth of air conditioning systems in Bangladesh with Daikin as the brand is able to become a market leader in Bangladesh," he said.

Dhabhai said Daikin was the leading air-conditioning system with over 50 per cent share globally inventing the VRV technology.

The brand has been supplying its HVAC (heating, ventilation and air conditioning) solutions from its multiple manufacturing units across the globe, such as Thailand, Italy, Malaysia, India, China, Japan and the US.



Rasedul Islam, chief financial officer of Southeast Bank, receives a crest of the NBR's highest taxpayers' award from Md Nazmul Karim, commissioner of Taxes, Zone-3, at the National Board of Revenue (NBR) in Shegun Bagicha, Dhaka recently.

PHOTO: SOUTHEAST BANK