

Indonesia, China ink \$2.6b palm oil, fishery trade deals

THE JAKARTA POST/ANN

China has signed a US\$2.6 billion worth of commitment to purchase crude palm oil (CPO) and its derivative products from Indonesia, allowing the archipelagic country to secure a trade boost from its number-one trading partner amid global recession.

The sum covers a total of 2.5 million tonnes of CPO and some derivative products, involving deals between nine Indonesian firms and 13 buyers.

“The signing today is a follow-up on a bilateral meeting between the two countries at the end of July, which underlines China’s commitment to purchase one million tonnes of Indonesian CPO and some fishery products,” Indonesian Trade Minister Zulkifli Hasan said in a statement on Friday.

The commitment was the first of its kind in months after Indonesia fell into palm oil crisis despite being world’s top producer, which prompted the government to ban exports to secure CPO supply for domestic markets and bring down cooking oil price.

Months after lifting the ban, the country found itself facing another problem: having difficulties selling it abroad, resulting in oversupply and plummeting price in local markets, which then was followed by efforts to flush the goods to the international market.

Four local associations Indonesian Palm Oil Association (Gapki), the Indonesian Vegetable Oil Refiners Association (GIMNI), Association of Indonesian Edible Oil Industries (AIMMI) and Indonesian Oleochemical Manufacturers Association (Apolin) were involved in the signing with China Chamber of Commerce for Import and Export for Foodstuffs, Native Produce & Animal By-Products (CFNA).



The Baliemari border haat in Rajibpur upazila of Kurigram is gearing up to reopen its doors in the first week of December this year. The market was closed due to the Covid-19 fallout soon after the pandemic began back in 2020.

PHOTO: S DILIP ROY

Baliemari border haat to reopen in December

S DILIP ROY, Kurigram

The border haat in Baliemari char under Kurigram’s Rajibpur upazila is set to reopen its doors in the first week of December, ending a roughly two-year hiatus that began with the onset of Covid-19.

As before, the market will open twice a week on Monday and Wednesday, officials say.

A joint meeting of the deputy commissioner (DC) level was held in this regard last Tuesday, when an 8-member team from Bangladesh and a 20-member delegation from India visited the border haat.

Rezaul Karim, DC of Kurigram, led the Bangladesh side while G Kharmaoallahong, DC of Meghalaya state, represented the Indian delegates.

Karim told journalists at the Baliemari border haat that discussions regarding reopening the market were successful and as such, preparations are underway to reopen it by the first week of December.

“When the haat reopens, 37 types of products from both countries can be bought and sold here and so, the businessmen of both countries will benefit from this,” he said.

The DC of Kurigram also said that 25 sellers and 587 buyers enlisted on the Bangladesh side and 50 sellers and 251 buyers on the Indian side will be allowed to trade at the border haat.

The market was officially launched on 4 bighas of land on each side of the border on July 23, 2011, according to Amit Chakrabarty, upazila nirbahi officer of Rajibpur.

“When the haat reopens, 37 types of products from both countries can be bought and sold here and so, the businessmen of both countries will benefit from this.”

At first, the haat was held every Wednesday from 10:00am to 2:00pm.

Then, the Border Haat Management Committee meeting between Bangladesh and India held on September 18, 2019 decided to extend the market to two days a week.

After that, it was held on Monday and Wednesday each week from October 7 that same year while its operating hours were

changed to 10:00am to 3:00pm, he said.

Akbar Hossain Hero, upazila parishad chairman of Rajibpur, said that some 1,000 locals depend on the border haat for a living.

Some were engaged in transporting goods while others owned small shops beside the main market.

“So, the locals are very happy to hear that the haat will reopen in the first week of December,” he added.

Atiar Rahman, who operates a boat in the nearby Jinjiram river, said he used to earn about Tk 18,000 each day the market was open by transporting passengers and goods.

However, he struggled to make ends meet while the haat was closed.

“Now, I am preparing my boat to ply the river once again,” he told The Daily Star.

Manowar Hossain, who owns a tea stall in the border haat, said he would earn around Tk 2,000 each haat day.

“We are happy hearing that the border haat will be reopened. I am preparing to repair my tea stall and will be run it when the border haat will reopen,” he said, adding that many others like him will now get a chance to maintain their livelihoods.

Mercantile Bank, Ctg Wasa sign deal

STAR BUSINESS DESK

Mercantile Bank recently signed an agreement with Chattogram Water Supply and Sewerage Authority enabling the bank to collect the water and sewerage bill of Chattogram Wasa through online banking.

Md Zakir Hossain, deputy managing director of the bank, and Md Samsul Alam, deputy managing director (finance) of Chattogram Wasa, inked the deal at the latter’s head office in Chattogram, a press release said.

Shafiqul Bashar, system analyst of Chattogram Wasa, Al Mehedi Shawkat Azam, chief accounts officer, Mesbah Uddin Ahamed, executive vice-president of the bank, and Bijoy Kumar Datta, vice president, along with other officials of both the organisations were present.

Meghna Bank gets ISO certificate

STAR BUSINESS DESK

Meghna Bank won the International Organization for Standardization (ISO) certificate from British Standards Institution (BSI) on fulfilling standards requirements for Information Security Management Systems.

Sohail RK Hussain, managing director of Meghna Bank, received a certificate from Anindita Choudhury, regional sales manager of BSI India, at the bank’s head office in Gulshan yesterday, a press release said.

BSI conducted an audit of the IT operation, Information Security Functions, ADC channels, HR, GSD, data centre, and disaster recovery site of the bank for conformity to ISO 27001:2013 standards.

Achieving this certification marks a major milestone for the bank, its stakeholders and customers.

Shyamol B Das, deputy managing director, Muhammad Pavel Akhter, acting head of IT, officials from BSI India and implementation partner Enterprise InfoSec Consultants and other senior officials of Meghna Bank were present.

PRICES OF KEY ESSENTIALS IN DHAKA CITY			
	PRICE (NOV 19, 2022)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 62-Tk 72	-4.29 ↓	8.6 ↑
Coarse rice (kg)	Tk 46-Tk 52	-4.85 ↓	5.38 ↑
Loose flour (kg)	Tk 60-Tk 62	7.96 ↑	79.41 ↑
Lentil (kg)	Tk 100-Tk 105	5.13 ↑	17.14 ↑
Soybean (litre)	Tk 180-Tk 185	9.94 ↑	28.7 ↑
Potato (kg)	Tk 22-Tk 28	-7.41 ↓	4.17 ↑
Onion (kg)	Tk 45-Tk 55	4.76 ↑	-16.67 ↓
Egg (4 pcs)	Tk 40-Tk 48	-9.28 ↓	20.25 ↑
SOURCE: TCB			

Remittance, export

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Alleged price-fixing in the domestic market made the situation far worse, said the MCCI.

Overall exports declined 7.85 per cent year-on-year to \$4.35 billion in October. But the chamber projected it might go up to \$4.43 billion in December.

Similarly, money sent home by Bangladeshi workers living abroad may increase to \$1.59 billion in December.

Despite a surge in the outflow of workers, remittances to Bangladesh declined 7.4 per cent year-on-year to \$1.52 billion in October.

In an unpromising development, imports are expected to maintain its current trend.

According to the Bangladesh Bank data, the total value of custom-based imports during July-September increased by 11.69 per cent to \$20.91 billion for the higher purchase of fuel oils to meet a growing domestic demand amid expanding activity.

It stood at \$7.19 billion in September and could accelerate to \$7.26 billion at the end of the second quarter.

The MCCI also talked about the pressure facing the economy.

Bangladesh’s macro economy is now under pressure due to the higher rate of the US dollar, import payments, negative current account balance, weak remittance inflow, and reduced foreign exchange reserves.

“The government needs to take some measures to stable foreign exchange reserves, manage inflation, enhance revenue generation, ensure electricity and gas supply for economic activities, and extend social safety net programme in order to overcome the pressure facing the economy.”

It said public food stock is a vital factor for food price stabilisation as well as the public food distribution system.

In order to maintain a healthy stock and stabilise prices, the government is procuring food grains from both internal and external sources.

Bangladesh is a key market

FROM PAGE B4

We’re also going to scale up our snacks business locally, in partnership with Transcom. We’re going to produce Lay’s potato chips in Bangladesh in line with the government’s strategy of “Made in Bangladesh”.

We’re going to be working with local farmers for potato farming needed to produce Lay’s potato chips. To start with, we’re going to have over 2,000 farmers as part of the fold. Most of these are small-scale farmers and it’s phenomenal to hear them talk about the impact that the partnership with PepsiCo has on their yields, their incomes and the growing techniques that they can deploy in their fields.

DS: The partnership with Transcom has been for more than 20 years. How is the association evolving?

Willemssen: This is my first visit to Bangladesh. So, there’s a lot for me to learn, obviously about the country and about the history and people of Bangladesh. I do believe that this country has tremendous potential to grow.

Bangladesh has been growing well for the past 10 years. Consistently, GDP has been growing around 7 per cent. It has a young and eager population that is looking forward to contributing to the success of the country and there is immense potential.

Hence, we are committed to continuing to invest not only in the business but also in the success of Bangladesh in terms of economic investment, skills transfer and training.

We really value the ethics of the company and the investments that the company is doing in scaling capabilities, both in terms of human capital and digital evolution. In addition, the strong focus that the company has on sustainability whether that be in reducing the number of resources that we use, or water or energy, or whether that be the impact that we have in the communities where we operate, we both have synergies on that front.

DS: We’ve seen a lot of brands change their portfolio to address the shifting consumer needs. What kind of diversification is PepsiCo in Bangladesh planning in this area?

Willemssen: In Bangladesh, we are uniquely positioned with a portfolio of brands that are both loved and trusted by consumers. The portfolio

caters to varied choices. Products like Pepsi, 7UP and Kurkure are for celebratory and fun moments and products like 7up Lite and Diet Pepsi with no sugar give more positive choices to consumers.

We are also keen to build Quaker Oats into a much bigger brand over the next couple of years in Bangladesh. All this has been done to serve the consumer better and rapidly adapt to their changing requirements.

DS: Finally, what is your take on Bangladesh’s economy?

Willemssen: This is my first visit to Bangladesh. So, there’s a lot for me to learn, obviously about the country and about the history and people of Bangladesh. I do believe that this country has tremendous potential to grow.

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Oil price slides 2pc

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worries. In addition, the front-month futures contract soared to a gigantic premium over later-dated contracts, a signal that people were worried about the immediate availability of oil and were willing to pay handsomely to secure supply.

Those supply concerns are waning. The current WTI contract is now trading at a discount to the second month, a structure known as contango, for the first time since 2021, Refinitiv Eikon data showed.

This condition will also benefit

Japan inflation hits four-decade high

AFP, Japan

Japanese inflation hit a four-decade high last month, government data showed Friday, fuelled by high energy costs and a weak yen and ramping up pressure on the central bank to move away from its ultra-loose monetary policies.

Core consumer prices excluding volatile fresh food rose 3.6 per cent on-year in October, marginally higher than analyst expectations.

The reading marked the fastest pace since 1982, although it remains below the sky-high levels that have pummelled the United States and other countries.

In reaction to the data, chief cabinet secretary Hirokazu Matsuno told reporters the government “must protect people’s livelihoods from these price rises”.

“Price increases have continued for items closely related to daily life such as utilities and food, due to rising raw material prices and the weak yen,” he said.

The government said last month it would spend \$260 billion on an economic stimulus package that includes support for energy bills,

which have spiked since Russia’s invasion of Ukraine in February.

“Policies targeting energy and food, which are the main causes of high prices” are included in the relief measures, Matsuno said as he vowed to “pass the extra budget as soon as possible”.

Darren Tay, Japan Economist at Capital Economics, told AFP that the impact of inflation on the average consumer was “very real”.

Prime Minister Fumio Kishida has responded with an “aggressive” stimulus package because “he knows that his electorate is not too happy with rising prices”, Tay added.

When energy prices were not taken into account, October’s inflation was a more moderate 2.5 per cent, but still higher than in September.

The headline core consumer price index (CPI) has now risen for 14 straight months – putting pressure on the Bank of Japan to tweak its longstanding monetary easing policies.

The US Federal Reserve and other central banks have sharply hiked interest rates this year to tackle inflation.

those looking to put more oil in inventories for later, especially with stocks still at low levels.

“The deeper the contango, the more likely the market will put those barrels in storage,” said Bob Yawger, director of energy futures at Mizuho in New York.

Brent was still in the opposite structure, backwardation, though the premium of nearby Brent over barrels loading in six months fell as low as \$3 a barrel, the lowest since April.

China, which sources say is looking

to slow crude imports from some sources, has seen a rise in Covid-19 cases while hopes for less aggressive US rate hikes have been dented by remarks from some Federal Reserve officials.

“The situation in China with Covid continues to haunt this market,” said John Kilduff, partner at Again Capital LLC in New York. “So much optimism gets priced in to the market as soon as they try to say that they’re going to reopen, but then the reality on the ground is just completely opposite of that hopeful analysis.”