

## Tesla rolls out its first electric pickup

AFP, New York

US automaker Tesla on Saturday announced that its first electric pickup — a slick-looking silver Cybertruck — had rolled off the assembly line at its huge plant near Austin, Texas.

“First Cybertruck built at Giga Texas!” says a tweet from the company, accompanied by a photo of the futuristic vehicle amid a sea of helmeted and yellow-vested Tesla workers.

Elon Musk, who owns both Tesla and Twitter, reposted the tweet with the comment “Congrats Tesla Team.”

Tesla did not immediately respond to an AFP request for comment on Saturday. The company had promised in April that it would be rolling out the first Cybertrucks before the end of the year. Plans for the vehicle, with its silvery, tortoise-like shape and unusual angles, were first announced in November 2019.

Its original introduction went awry when Musk urged a Tesla employee to strike one of the prototype’s windows with a hunk of steel to show its solidity. The window broke — drawing a laugh and a curse word from Musk — as did a second window on an ensuing attempt.



Wooden boats ready for sale are seen docked at Atghor Kuriana, a weekly market in Nesarabad upazila of Pirojpur. Mainly used for fishing in marshlands, these boats sell for up to Tk 6,000 per unit depending on the wood used. The picture was taken recently.

PHOTO: KM HABIBUR RAHMAN

## Airlines grapple with rise in turbulent passengers

AFP, Paris

Viral videos of vulgar, intoxicated and violent airplane passengers have become common, but it is not just a social media trend: statistics confirm cases are on the rise.

The surge in incidents comes as the aviation industry is bouncing back from the Covid pandemic, with airlines expecting to fly a near-record 4.35 billion passengers this year.

According to the airline industry trade group IATA, one in every 568 flights had an incident linked to an unruly passenger in 2022, compared to one flight in 835 flights in 2021.

“Although non-compliance incidents initially fell after the mask mandates were removed on most flights, the frequency began to rise again throughout 2022 and ended the year some 37 per cent up on 2021,” IATA said recently.

The most common incidents involved passengers smoking or vaping in the cabin or toilet, refusing to buckle their seatbelt, failing to respect baggage limits and storage instructions and consumption of their own alcohol on board.

While incidents of physical

aggression remain rare — only one flight in 17,200 in 2022 — that represents a 61 per cent jump from the previous year.

The United States saw a tenfold rise in violent incidents from 2017 to 2021 to 6,000, with the politicisation of mask wearing during the pandemic responsible for many confrontations.

“This was a crazy time, people did a lot of strange things,” said JetBlue CEO Robin Hayes.

“That has come back down a lot since the masking rules went away, it’s still slightly elevated compared to 2019 but it’s largely back to normal,” he added.

But Federal Aviation Administration data shows that in the first half of this year, incidents were nearly double the pre-pandemic rate. And this is despite the FAA’s “zero tolerance” policy towards unruly passengers, imposing \$8.4 million in fines last year on passengers, who sometimes risked criminal prosecution as well.

For the European Aviation Safety Agency, the rate of incidents has fallen since peaking in the pandemic, but the seriousness of the issues “seems to have increased considerably”.

## Droughts hamper boat business

KM HABIBUR RAHMAN, Pirojpur

The lack of rain amid recurring heatwaves is hampering the wooden boat business in parts of Bangladesh as many inland waterbodies, such as canals and marshlands, have all but dried up.

The crisis is particularly acute at Atghor Kuriana, a market that opens twice weekly on Friday and Monday, in Nesarabad upazila of Pirojpur.

**“We use boats to fish in marshlands but the water level is too low this year,” said Abdul Hai, a local who went to the market to buy a boat.**

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Other than people in Nesarabad upazila, many residents of Banaripara upazila in Barishal and Jhalakathi sadar upazila come to the market for buying boats.

Besides fishing, the vessels are used for

collecting cattle fodder, such as water hyacinth, moving from one place to another, and collecting guava and hog plums from orchards.

A boat purchased from the market can last up to three years depending on the quality of wood used. Boat builders typically use mahogany, raintree and teak among other varieties.

Each boat sells for between Tk 2,500 and Tk 6,000 depending on its make. Also, paddles, rudders and other components are sold for Tk 150 to Tk 300.

Additionally, second-hand boats are available for prices lower than Tk 2,000 per unit.

Local traders believe sales would improve if water levels start rising.

However, the business may recover without the need for continuous rainfall as the guava harvesting season will begin within the next few weeks, according to trader Kamrul Hasan.

This is because boats are the only means of harvesting guava and carrying them to the nearby floating markets for sale, he said.

Abdur Rahim, the lessee of Atghor Kuriana, said they currently sell around 100 boats each week compared to 300 units previously.

“We expect the situation to change within a month,” he added.

## Moody’s updates City Bank’s outlook

STAR BUSINESS DESK

Moody’s Investors Service has released its latest credit opinion on City Bank, recognising its average profitability, and modest asset quality and capitalisation, which are balanced by its stable liquidity and improving deposit franchise.

City Bank has been affirmed issuer rating of B2 with a stable outlook, which reflects its moderate probability of support from the government of Bangladesh (B1 stable) and the bank’s expected stability of credit fundamentals as gradual improvements in funding conditions balance rising asset risks, said a press release.

Superior strength on consumer banking and credit card segments and access to development funds from development financiers are recognised as credit strengths of the bank.

However, modest asset quality because of risks in rescheduled and restructured loans and moderate capitalisation strength have taken a toll on some of the key parameters of the rating, it said.

## China to have world’s biggest film market by 2025

ANN/THE CHINA DAILY

China’s film market, once affected by the Covid-19 pandemic, will rally in 2023, and take the lead in the world by 2025, according to a report released by global auditing and consultancy firm PwC last week.

In 2027, the country’s movie box office revenue could hit \$13.2 billion, accounting for 27 percent of the global market, according to the report titled Global Entertainment and Media Outlook 2023-2027.



The report also estimated that the total revenue of China’s entertainment and media industry will reach approximately \$479.9 billion by 2027, and the compound annual growth rate over the next five years will stand at 6.1 per cent, higher than the global rate of 3.5 per cent.

By 2027, the size of China’s internet advertising market will reach \$146.4 billion, with a compound annual growth rate of 9 per cent, according to PwC.

China has already become the biggest video games and electronic sports market in the world, said the PwC, adding that the income of the industry will reach \$115.5 billion in 2027.

## Bangladesh will again seek duty benefits

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currently face 15.62 per cent duty when shipped to the US.

Ghosh said Bangladesh has already withdrawn the rule requiring double fumigation of US cotton, which was a long-time demand of the American government.

So, Bangladesh will now raise the issue of being granted duty-free access at the Tifca meeting.

The fifth round of the Tifca meeting was held in America’s Washington in December last year.

The meeting was co-chaired by Christopher Wilson, assistant trade representative of the USTR for south and central Asian affairs, and Tapan Kanti Ghosh, senior secretary of the commerce ministry, according to a statement from the USTR.

Both delegations included officials from trade, labour, agriculture, and other relevant ministries, as per a statement from the USTR.

During the meeting, the US and Bangladesh discussed a range of issues impacting bilateral trade, including market access for agricultural products, labour rights,

digital trade policies, intellectual property protection, and policies impacting the investment climate.

The two countries stressed the importance of their strong economic and trade relationship, with the countries having surpassed \$10 billion in two-way trade in 2021.

At the fifth Tifca meeting, the US and Bangladesh made progress in reducing barriers to market access for certain agricultural products. They also discussed ways to further facilitate bilateral trade in food and agricultural products through the use of science and risk-based policies that ensure safe goods.

In addition, both sides affirmed the importance of Bangladesh’s efforts to reform its labour laws and discussed the country’s interest in restoring its beneficiary status under the generalised system of preferences of the US.

Consistent with the Biden administration’s focus on worker-centric trade policies, the US highlighted its priorities in implementing and enforcing labour laws to protect workers’

rights to freedom of association and collective bargaining, and to a safe and healthy workplace, the USTR said.

The US emphasised greater alignment between Bangladesh’s domestic labour laws and international labour standards, in particular by extending fundamental rights of freedom of association and collective bargaining to the export processing zones and special economic zones.

Bangladesh and the US had signed the Tifca in November in 2013 to resolve different trade related issues through bilateral discussions.

The global economic slowdown stemming from the Covid-19 fallout and the ongoing Russia-Ukraine war reduced merchandise shipments from Bangladesh to the US in the just-concluded fiscal year.

As such, shipments to the country’s largest export destination slipped 6.82 per cent to \$9.70 billion in fiscal 2022-23 compared to \$10.41 billion the year prior, as per data from the Export Promotion Bureau.

to avoid increased debt servicing.

“By borrowing from the central bank, it will pay a low interest rate. And ultimately, the cost of loan will be zero as the earnings of the central bank will go to the state coffers.”

On the other hand, if the government borrows from banks, it would require to pay a higher interest rate and the overall interest rate in the market would go up that would affect businesses.

“It appears that the government is not willing to dishearten businesses. But the irony is that it is the common people who will pay for higher inflation.”

## New long-term USD loan facility for exporters

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The purchase of ocean-going vessels and specialised transport vehicles supporting the transportation of goods manufactured in the country and establishing businesses that comply with environmental and social standards will be facilitated.

Financing will not be provided to any loans that result in direct economic, social or environmental impacts through land acquisition, involuntary resettlement, impact on

indigenous people, and loss of income sources or means of livelihood.

The maturity of the loans will be three to 10 years, including the grace period. The grace period will be determined by PFIs based on the projected timing of the cash inflows of individual projects.

The grace period will not be more than one year.

An indicative pricing range of 180-day average SOFR plus 0.25 to 1.25 per cent would be applicable to the PFIs.

The Secured Overnight Financing Rate (SOFR) is a benchmark interest rate for dollar-denominated derivatives and loans that replaced the London Interbank Offered Rate.

PFIs will determine their own loan interest rates to borrowers considering their cost of borrowing and operational expenses, plus a reasonable risk-adjusted spread and profit margin to be in the range of 1 per cent to 2 per cent above the cost of funds.

## Govt borrowing

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Fahmida Khatun, executive director of the Centre for Policy Dialogue, said the continued borrowing shows that the government’s fiscal space is shrinking.

Fiscal space refers to the financial resources available to a government for policy initiatives through the budget and related decisions.

“The government’s fiscal position is strained and it appears that it has no alternative but to borrow,” she said, adding that the government would require an increased amount of fund in 2023-24 since the size of the national budget has increased.

The government plans to borrow about Tk 258,000 crore from local and foreign sources in FY24 to implement the Tk 761,785 crore national budget.

Of the amount, it wants to secure 60 per cent from domestic sources, mainly banks.

Fahmida said banks are already in liquidity stress and high borrowing from the sector might affect the credit flow to the private sector and investments.

Mansur, also a former economist at the International Monetary Fund, said the government might borrow a higher amount from the central bank to finance the budget in order



## CREDIT RATING REPORT

RATING MODE	LONG TERM	SHORT TERM
Surveillance rating-2023	AA-	ST-2
Surveillance rating-2022	A+	ST-2
Outlook	Stable	
Date of Rating	June 20, 2023	
Valid up to	June 19, 2024	

CRISL has assigned Long Term rating of “AA-” (pronounced as double A minus) and reaffirmed “ST-2” rating in the Short Term to Habib Bank Limited-Bangladesh operations (HBL Bangladesh). The above ratings have been assigned after an in-depth analysis of the operational and financial performance of the bank up to December 31, 2022 and March 31, 2023 along with all its relevant quantitative factors up to the date of the rating.

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