Mercantile Bank to invest Tk 12.5cr in Digi10 Bank

STAR BUSINESS DESK

Mercantile Bank Ltd is going to invest Tk 12.5 crore to be a sponsor shareholder of a proposed digital bank initiative styled "Digi10 Bank PLC".

The board of directors of the bank recently took the decision in its 427th meeting held on August 9, said a press release.

According to the press release, Mercantile Bank will join a consortium of 10 private commercial banks who will apply for the digital bank initiative to the regulatory authority.

The initial paid-up capital of the proposed initiative "Digi10 Bank PLC" will be Tk 125 crore.

Mercantile Bank will invest Tk 12.50 crore which is 10 percent of the initial paid-up capital of the initiative.

The investment will be done subject to all regulatory approval.

A prefabricated steel structure to be used in the Bangabandhu Sheikh Mujib Railway Bridge is seen under construction at a manufacturing facility of McDonald Steel Building Products Limited.

PHOTO: COLLECTED

McDonald supplying prefabricated steel structures for rail bridge

JAGARAN CHAKMA

A local company is providing prefabricated steel structures for the construction of a rail bridge in Bangladesh as the Japanese implementing agencies have granted approval in this regard.

As such, McDonald Steel Building Products Limited, a pioneer in structural steel fabrication, is supplying prefabricated steel structures for the Bangabandhu Sheikh Mujib Railway Bridge (BSMRB) being constructed over the Jamuna river.

Taken up in 2016, the roughly Tk 16,780 crore project is being implemented with a soft loan from Japan that covers 72 percent of the total cost while the rest is being paid from the government funds.

A joint venture between Japan's Obayashi Corporation, TOA Corporation and JFE was contracted for constructing the eastern half of the bridge while IHI and SMCC paired up to complete the western part.

Abul Fattah Md Masudur Rahman, project director of the BSMRB, said the contractors selected McDonald Steel as a supplier only after ensuring that the company's products meet Japanese standards.

"They even inspected the manufacturing facilities of McDonald Steel," he added.

Previously, the contractors would get the required prefabricated steel structures from Vietnam as local manufacturers were not capable of keeping up with the demand.

Rahman said that sourcing prefabricated steel structures from a local company will help save foreign currency while the company itself will benefit from representing the country as a manufacturer of world-class products.

He also said it is really tough to get approval for using local products in Japanese funded projects unless their quality is fully assured.

Having started construction in August 2020, the project achieved physical progress of about 76 percent and financial progress of 65 percent up till June this year.

And with the approval having been granted in February last year, McDonald Steel has so far received substantial orders for steel products to be used in two spans of the bridge.

"McDonald Steel maintains the same quality as foreign steel fabricators. That is why we received approval from the Japanese consultants," said Md Sarwar Kamal, managing director of McDonald Steel.

Kamal also said other projects, including the Jamuna railway bridge, metro rail and expansion of the third terminal of Hazrat Shahjalal International Airport, are being implemented using products of McDonald Steel.

"This was previously unthinkable for Bangladeshi companies," he added.

He also said other than creating skilled manpower and employment opportunities, the company is helping save foreign currency and reducing the government expenditures.

McDonald Steel currently operates two manufacturing facilities, with one in Gazipur and another at the Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram.

"A decade ago, it was unimaginable to build a mega project without using imported prefabricated modular units of steel, resting assured of their international standard," Kamal said.

According to him, Japanese experts are supervising the manufacturing process while random samples are tested by those experts before installation.

India may roll out welfare measures for gig workers

REUTERS, *New Delhi*

India plans to roll out welfare measures for "gig" workers employed through platforms like Amazon, Uber and India's Zomato as Prime Minister Narendra Modi's government prepares for elections, government and trade union officials said.

The plan, part of the Social Security Code enacted in 2020, could include accident, health insurance and retirement benefits, said a senior government official with direct knowledge of the plan.

Ahead of the elections early next year, Modi's party is eager to announce steps after the northern state of Rajasthan, ruled by opposition Congress party, approved setting up a fund through a surcharge on sales at platforms.

"There is an urgency to announce relief measures for gig workers," said a government official, citing meetings with trade unions, gig platforms and state officials.

Gig workers need state protection, given rising exploitation by employers, said Ashwani Mahajan, an economic official at the Rashtriya Swayamsevak Sangh group, which has close ties to Modi's government.

India's gig workers, those outside traditional employer-employee relationships, are rapidly becoming an important part of the world's fifth-biggest economy as the sector surged under Covid-19 restrictions and has been boosted by high unemployment.

The labour ministry declined to comment on the plans. Labour Minister Bhupender Yadav told lawmakers this week any scheme for gig workers might be funded through contributions by federal and state governments, as well as the platforms.

An industry expert with direct knowledge of the discussions said the platforms unanimously agreed with the labour ministry's proposal about social security for gig workers and were ready to contribute to a "transparently" run welfare fund.

"We expect the announcement of federal measures in the next few months as players don't want to deal with multiple states."

Amazon, asked for comment on the proposed scheme and its potential costs, referred Reuters to a Thursday media statement that the company had created over 1.3 million jobs in India for delivery agents and sellers, including 140,000 in the past year, while boosting the retail business of small firms.

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How to get the best from Bangladeshi diaspora

MAMUN RASHID

According to a 2021 study of the International Organisation for Migration, there could be an estimated 2.4 million Bangladeshi diaspora members in the UK and the US alone. Therefore, it can be assumed that the total number of Bangladeshis living abroad is huge. Even if a small portion of them contribute their skills, expertise and capital back to Bangladesh, it could make a huge difference.

The same has happened in India over the last decades but in India's case, it is truly getting back a lot in return from its non-resident Indians (NRIs). Can the same be said for non-resident Bangladeshis (NRBs)?

NRIs are not only flourishing abroad in their careers and businesses. They are also very actively and directly involved in giving back to India. That is, so many of them appear to have this sense of obligation and duty toward their country of origin. When it comes to matters relating to India, NRIs bond and unite to serve India without any hesitancy and with complete dedication.

However, the same can't be said in the case of NRBs and Bangladesh compared to NRIs and India and perhaps some changes in policy may be able to fix that. If proper policies and incentives are in place, it could encourage NRBs to share their knowledge and expertise leading to a significant boost in the country's development speed.

The government will reportedly be looking to facilitate investment opportunities for those living abroad, and the policy will act as a tool to encourage the Bangladeshi diaspora to send remittances through authorised channels. This, too, could make a massive difference for our economy.

However, it is essential that the government establishes an effective formal framework to complement the policy, which would allow NRBs to make the maximum contribution in terms of our financial, economic and entrepreneurial needs.

If we take the case of India, it has had a similar policy in place for more than two decades and the reason why it has been successful is because of the foundational blocks that the country's government has managed to lay down over the years.

Furthermore, the Indian government's diplomatic missions in foreign countries are well-equipped with the proper personnel and tools to serve and facilitate the goals of the NRIs.

Similarly, Bangladesh must need to develop a strong and transparent system to make contributing to the country – whether in financial or intellectual terms – easy, rewarding and hassle-free.

It must be acknowledged that Bangladeshis living/working abroad are already making a sizeable contribution to our country. It is incumbent upon the authorities to ensure their well-being. We are pleased that the government has recognised this.

However, its track record of doing so via Bangladesh's missions in foreign countries is not very satisfying. In fact, it is often heard about the challenge NRBs face to accomplish even the smallest tasks which require the help of foreign missions.

This is primarily due to the incompetence and inefficiency of the staff over there. Due to this many NRBs often try their best to avoid interactions with those missions and this is not right if we are to fully receive and enjoy what NRBs genuinely want to contribute to Bangladesh.

We hope that during finalising the policy to better facilitate domestic investment opportunities for NRBs, the government will successfully establish an accountable mechanism that can guarantee that this is done more effectively soon.

Like many other countries, we want to see NRBs integrated more into our common vision of prosperity.

The author is an economic analyst

IEA raises world oil demand forecast

AFP, *Paris*

The International Energy Agency said Friday it had revised upwards its forecast for global oil demand growth in 2023 as demand is "scaling record highs".

World oil demand already hit a record 103 million barrels per day in June and August and "could see yet another peak", the Paris-based IEA said in its monthly report.

"For 2023 as a whole, global oil demand is set to expand by 2.2 million barrels per day to 102.2 million barrels per day," it said.

China accounted for 70 percent of growth, the IEA said, adding that demand in the Asian giant was "also stronger than expected, reaching fresh highs despite persistent concerns over the health of the economy".

"World oil demand is scaling record highs, boosted by strong summer air travel, increased oil use in power generation and surging Chinese petrochemical activity," the IEA said.

The forecasted expansion in global demand in 2023 would mark its "highest ever annual level", according to the agency, which in February had already forecast an annual record for the year of 101.9 million barrels per day.

The increasing demand for oil comes amid tensions on world markets after significant output cuts by several members of the OPEC+ alliance -- made up of 13 members of the Organization of the Petroleum Exporting Countries (OPEC) headed by Saudi Arabia and their 10 allies led by Russia -- to prop up prices.

As a result, global oil supply plunged by 910,000 barrels per day in July, to 100.9 mbd, the IEA said in its report.

A sharp reduction in production by Saudi Arabia last month saw output from the 23-nation OPEC+ alliance fall

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India rice export ban puts market on edge for copycat curbs

REUTERS, *Mumbai*

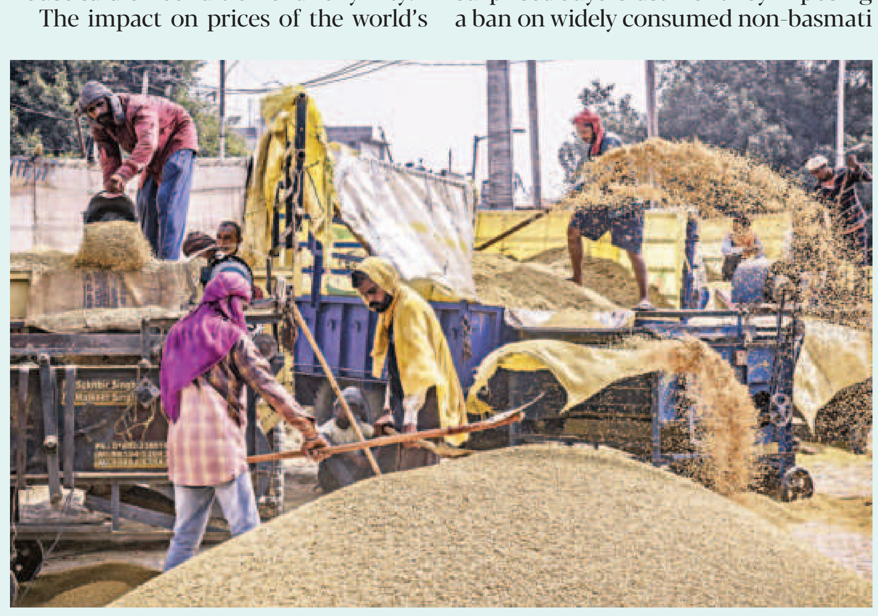
India's rice export ban has the world market bracing for similar actions by rival suppliers to avoid potential domestic shortages as sellers try to fill the 10 million metric ton gap left by New Delhi, stoking concerns over already high global food inflation.

India's latest restrictions are almost identical to those it imposed in 2007 and 2008, analysts say, which triggered a domino effect as many other countries were forced to curb exports to safeguard local consumers.

This time around the impact on supplies and prices could be even more sweeping, as India now accounts for more than 40 percent of global rice trade compared with around a 22 percent share 15 years ago, ratcheting up pressure on rice exporting nations such as Thailand and Vietnam to follow suit.

"India is now much more important for rice trade than it was in 2007 and 2008. The Indian ban back then forced other exporters to implement similar restrictions in a domino effect. Even this time, they have few options but to react to market forces," a New-Delhi based grains dealer with a global trade house said on condition of anonymity.

The impact on prices of the world's most consumed staple has been swift, hitting 15-year highs, after India surprised buyers last month by imposing a ban on widely consumed non-basmati white rice sales to dampen price rises. New Delhi had already restricted lower quality broken rice supplies in 2022.



Labourers use shovels to separate rice husk from the grain at a wholesale market in Amritsar.

PHOTO: AFP/FILE

Limited supplies risk a further spike in the price of rice, and global food inflation, hitting impoverished consumers in Asia and Africa, analysts and traders said. Food importers are already grappling with tight supplies caused by erratic weather and disruptions in Black Sea shipments.

"Thailand, Vietnam, and other exporting countries are poised to step up their game, all in a bid to bridge the gap stemming from India's shortfall," said Nitin Gupta, senior vice president of Olam Agri India, one of the world's top rice exporters.

"However, there exists a constraint in their surplus capacity for exports. This constraint could set the stage for a surge in prices at other origins, reminiscent of the notable price rally we witnessed in 2007/08."

In 2008, rice prices reached a record high above $1,000 per ton after India, Vietnam, Bangladesh, Egypt, Brazil and other small producers restricted exports.

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