

EU built record wind farms last year

REUTERS, Brussels

European Union countries built 17 gigawatts of new wind power farms in 2023, the most for any year so far, but still not enough to reach its renewable energy goal, industry data showed on Friday.

The milestone showed how Europe's energy transition is gathering speed, yet more is needed. At least 37GW of new wind power should be added per year to deliver the EU's 2030 renewable energy target, by Brussels' own estimates.

The EU built and connected to the grid 14GW of onshore wind power and 3GW offshore last year, exceeding the 16GW added in 2022, industry association WindEurope said.

Europe's wind power sector has struggled in the last few years due to factors including soaring inflation, increased competition and bottlenecks getting permits for projects.

"Things were very bad indeed on the permitting. Now they are improving significantly," WindEurope CEO Giles Dickson told Reuters, citing new EU rules to slash permit waiting times that helped increase the number of permits issued last year.

China's coal imports hit record

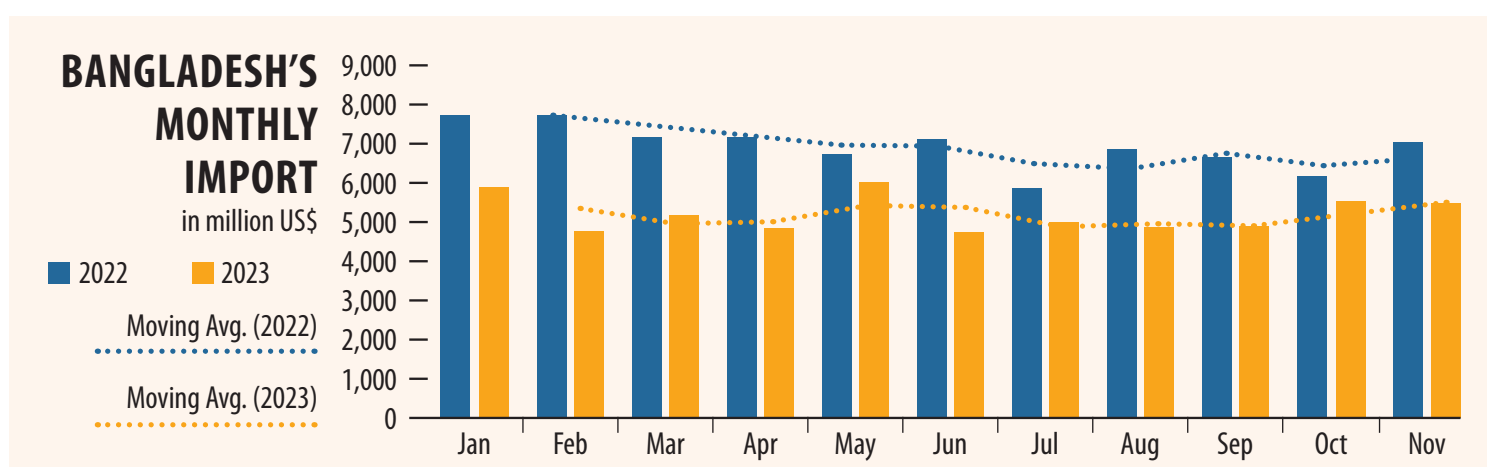
REUTERS, Beijing

China's coal imports surged 61.8 percent to a record high in 2023, customs data showed on Friday, as demand for commodities rebounded after the COVID-19 pandemic while users turned to imports due to rising prices and diminished quality of domestic coal.

Imports for the year totalled 474.42 million metric tons, the highest on record, according to China's General Administration of Customs. That was also above analysts' expectations of 460 million to 470 million tons for the full year.

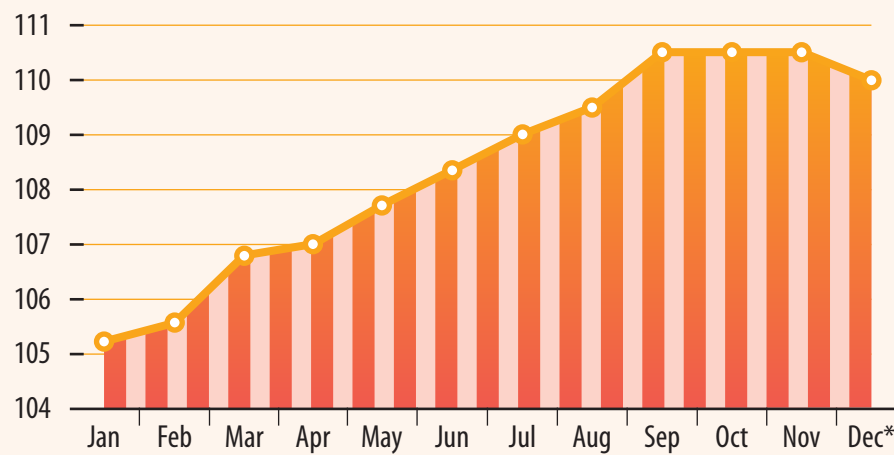
Last month's coal imports also notched an all-time monthly high of 47.3 million tons, up 8.7 percent from November, as a record-breaking cold wave in many parts of the country drove up coal demand.

Buyers had also begun stocking up ahead of the Lunar New Year holiday, which begins on February 10 this year.



Official exchange rate of US dollar in 2023

Month end rate; *As of Dec 29 SOURCE: BANGLADESH BANK



Dollar crisis puts small and medium firms on weaker footing

JAGARAN CHAKMA and SOHEL PARVEZ

Before Covid-19 and the Russia Ukraine war, Ripon Engineering Workshop, a light engineering factory in Jashore, would sell up to 30 units of agricultural machinery to buyers in neighbouring India every month.

The workshop would import raw materials, including chemicals and different components, to make the agricultural machinery, such as irrigation pumps and rice threshers.

"Now, the company's monthly export has slumped to just three or four machines," Ashraful Islam Babu, proprietor of Ripon Engineering, told The Daily Star over phone yesterday.

He said exports fell mainly due to reduced production resulting from problems in importing raw materials, with banks being apathetic towards opening letters of credit (LCs) amid the US dollar crunch.

"For this reason, we cannot make the machinery, causing a significant decline in exports," Babu added.

Likewise, various businesses in Bangladesh have been suffering from difficulties in opening LCs for importing raw materials and finished goods for more than two years now.

Besides, the US dollar shortage has only deepened over the past few months as the outflow of foreign currencies continues to outpace inflow.

However, the situation is particularly dire for small and medium enterprises (SMEs).

This is because banks are giving priority to big businesses when financing imports as they have higher financial strength, greater holding capacity of goods and better access to top-tier banking officials.

"There are various items that have higher prices in Bangladesh compared to India," said Harun Ur Rashid, president of the Hili Land Port Exporter-Importer Group at Hili land port in Dinajpur.

"However, we cannot import these items even though we want to. On the other hand, big firms are importing quite frequently," he added.

Rashid also said some banks are asking for up to 150 percent margins against LC opening.

And if any bank does provide an LC, the importer will have to pay Tk 117 per US dollar when settling the import bill even though the official rate is Tk 110 per greenback while it was Tk 85 as of January 2022.

Additionally, Rashid informed that imports through Hili land port have dipped in recent times.

In the past, about 150 goods-laden trucks would enter the port each day. Now though, the number has reduced to nearly one-third, he said.

Hili land port is mainly used for importing wheat bran, stones, spice and pulses from India.

"And with Ramadan ahead, we are seeing large commodity importers bringing goods on ships. So, if small importers cannot import, the market will eventually be controlled by a few, making it easier for them to form syndicates and manipulate prices," he said.

"In reality, small businesses are facing discrimination. Even if banks help us open LCs, they attach a lot of conditions and we have to buy dollars at higher prices than the official rate," Rashid added.

Seeking anonymity, the treasury heads of two private banks acknowledged the unequal

treatment.

One of the officials said large importers, especially industrial entities, bring goods on deferred payment while commercial importers issue imports with sight LCs.

As such, banks feel more comfortable with opening LCs with deferred payment terms, he added.

The banker also said large businesses generally get more opportunity and access to finance.

"Small businesses face a lot of difficulties. They have low holding capacity, lack of capital and do not have easy access to finance," he said.

Against this backdrop, he suggested the government take policy measures so that small businesses get better access to finance and thereby ensure increased competition in the market.

The second banker said banks feel confident when dealing with large clients, but the case is different for importers who operate on a small scale.

Echoing Rashid, the official said the lack of access to finance for small and medium firms will reduce their scope for competing in the market.

Abul Kashem Titu, owner of light engineering firm Mafia Engineering in Dhaka, said he is passing a tough time as he cannot take work orders for different machinery due to a lack of necessary raw materials.

Like others, Titu has been unable to import components for making light machinery amid the US dollar crisis.

Sameer Haque, director of Delta LPG, said 26 liquefied petroleum gas (LPG) companies are in operation in the country.

READ MORE ON B3

Conscious capitalism transforming the way we do business

SAZZADUL HASSAN

Oxford dictionary defines capitalism as "an economic and political system in which a country's trade and industry are controlled by private owners for profit."

Over the past two hundred years capitalism took root as a widely accepted socioeconomic system. History suggests, whenever human beings enjoy the freedom of pursuing their own initiatives, the world prospers and people live a happy and longer life.

Capitalism has certainly contributed significantly to the economic development of the globe. However, it has its downside as well. Over the years, the prime objective of businesses has been earning profits by any means without paying attention to the interests of all stakeholders, including employees, customers, suppliers, communities, and the environment.

Consequently, a group of people have become hefty rich while millions of people are deprived of their basic needs. Inequality has kept on rising.

Studies show that only 42 people hold the same wealth as 3.7 billion of the world's poorest. Some 192 million people are unemployed or underemployed, one out of ten people are malnourished, one in nine people lack access to clean water, and an estimated 1.6 billion people are homeless worldwide.

To address above challenges and to protect the environment, a concept called "conscious capitalism", which seeks to align profit-making activities with a greater sense of purpose and social responsibility, is being evolved. Aligning and combining the power of capitalism with the global human consciousness movement is a paradigm shift.

This novel idea was popularised by John Mackey, co-founder of Whole Foods Market, and Raj Sisodia, a business professor.

Conscious capitalism has evolved around four pillars: higher purpose, stakeholder integration, conscious leadership, and conscious culture and management.

Higher purpose refers to going beyond profit that benefits society; stakeholder integration emphasises aligning the interests of all stakeholders; conscious leadership is all about leading by mentoring, motivating, developing, and inspiring people; and conscious culture focuses on trust, authenticity, caring, transparency, learning and empowerment.

Various studies exhibit the enormous benefits of conscious capitalism.

A Harvard Business Review article showed companies that practise this concept perform 10 times better than their peers. An Oxford University study revealed that companies with a strong sense of purpose outperformed the market by 4.8 percent per year over a 15-year period.

Research carried out by the University of Hamburg shows companies with a strong sense of purpose had higher levels of employee engagement, lower levels of employee turnover, and higher financial performance.

There has been a notable mindset shift of the consumers, especially the millennials, who are making different choices. A study shows that seven out of 10 consumers demand companies to be committed to the wellbeing of the society and environment. A survey conducted by Nielsen found that 55 percent of consumers are prepared to pay more for products and services provided by companies committed to positive social and environmental impact.

Reputed companies like Google, Southwest Airlines, Patagonia and The Container Store successfully embraced conscious capitalism and integrated its principles into their business strategies. They create win-win bids for customers, employees, suppliers, communities, and the environment, resulting in exceptional customer experiences, less turnover, lower overhead costs, higher profits, and sustained growth.

It's high time that businesses transformed themselves by embracing conscious capitalism, which will ensure their successes, address societal challenges and contributing to a more sustainable and inclusive world.

The author is chairman and managing director of BASF Bangladesh Limited. Views are personal



India, US seek to bolster trade ties

Will work together on critical minerals

REUTERS, New Delhi

India and the United States have agreed to bolster trade ties and deepen cooperation in areas such as critical minerals, the United States Trade Representative Katherine Tai said on Saturday.

India's trade minister Piyush Goyal and Tai held their annual trade policy talks in New Delhi on January 12. Tai is on a three-day visit to India.

The two nations are pushing to improve bilateral trade prospects, overcoming diplomatic tensions after Washington late last year alleged that an Indian official was linked to a foiled plot to murder a Sikh separatist leader on US soil. India has said any such action was contrary to government policy and launched its own investigation into the allegations.

During talks between Tai and Goyal, India said it was interested in a bilateral critical mineral partnership.

Washington and New Delhi would exchange information to deepen their partnership in this area, said an Indian official, who didn't wish to be named as discussions are not public.

"In terms of the roadmap (for critical minerals), we are going to begin with fact-finding, exploring and establishing a common vocabulary and then develop our tools and ideas from there," Tai told a news briefing in New Delhi.

India also asked the United States to improve its visa processes for business professionals from India and requested Washington restore duty-free access to some goods under the so-called generalized system of preferences, according to a joint statement issued after the January 12 meeting.



A labourer dries wheat grains at a wholesale market in Amritsar. Indian wheat farmers are likely to harvest a bumper crop that will boost stockpiles, said the country's trade minister.

PHOTO: AFP

India has no plans to import wheat

REUTERS, New Delhi

India does not plan to import wheat and its farmers are likely to harvest a bumper crop that will boost stockpiles in the world's second-biggest producer of the staple, the trade minister said on Saturday.

"Ground reports indicate that the crop is quite good and this year's production is expected at a record 114 million metric tons," Piyush Goyal told reporters.

India banned wheat exports in 2022 after output was curtailed due to a heat wave, but more recently overseas sales picked up as Russia's invasion of Ukraine sent global prices to multi-year highs.

The government has sold around 6 million metric tons of wheat to local bulk buyers since June 1, when the state-run Food Corporation of India

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