

Oil prices rise in thin pre-Christmas trade

REUTERS, London

Oil prices rose on Tuesday, reversing the prior session's losses, buoyed by a slightly positive market outlook for the short term, despite thin trade ahead of the Christmas holiday.

Brent crude futures were up 36 cents, or 0.5 percent, at \$72.9 a barrel, and US West Texas Intermediate crude futures rose 34 cents, also 0.5 percent, to \$69.58 a barrel by 1213 GMT.

FGE analysts said they anticipated the benchmark prices would fluctuate around current levels in the short term "as activity in the paper markets decreases during the holiday season and market participants stay on the sidelines until they get a clearer view of 2024 and 2025 global oil balances."

Supply and demand changes in December have been supportive of their current less-bearish view so far, the analysts said in a note.

"Given how short the paper market is on positioning, any supply disruption could lead to upward spikes in structure," they added.

Some other analysts also pointed to signs of greater oil demand over the next few months.

"The year is ending with the consensus from major agencies over long 2025 liquids balances starting to break down," said Neil Crosby, Sparta Commodities' assistant vice-president of oil analytics, in a note.

"The EIA's short-term energy outlook (STEO) recently shifted their 2025 liquids to a draw, despite continuing to bring back some Opec+ barrels next year."

A plan by China, the world's biggest oil importer, to issue 3 trillion yuan (\$411 billion) worth of special treasury bonds next year, as Beijing ramps up fiscal stimulus to revive a faltering economy, was also supportive for prices.

That is likely to provide near term support for WTI crude at \$67 a barrel, said OANDA senior market analyst Kelvin Wong.

Central Counterparty denies allegations of operational inefficiencies

STAR BUSINESS REPORT

Central Counterparty Bangladesh Limited (CCBL) has rejected concerns of the Dhaka Stock Exchange (DSE) over the lack of governance and transparency as well as operational inefficiencies at the clearing and settlement company.

Instead, the CCBL alleged that its activities are being delayed due to the activities of other parties like the Dhaka bourse, the company said in a detailed statement regarding these concerns last week.

Farhad Ahmed, managing director and CEO of CCBL, confirmed that they issued the statement through letters to the concerned authorities, including the DSE and Bangladesh Securities and Exchange Commission (BSEC).

The Dhaka bourse had written to the market regulator earlier this month, calling for an immediate halt to the procurement activities of CCBL on grounds of its poor governance.

In response, CCBL said the Dhaka bourse raised concerns that several of its procurement decisions were taken against the country's best interests, exposing critical technology infrastructure to external vulnerability.

"But a little more detailed explanation would help us better understand the issue. All major stakeholders, including the Dhaka and Chattogram bourse, and Central Depository of Bangladesh, are using similar infrastructure, and CCBL is no exception," it added.

A "CCP Formation Committee" was

created at the initial stage with the DSE chairman as its committee chairman while the bourse's managing director and CEO was its member secretary. Additionally, several members were officials of the Chittagong Stock Exchange (CSE) and various banks.

"None of these members have raised the issue of not ensuring the best interest of the country by exposing critical technology infrastructure to external vulnerability," CCBL said.

The DSE had written to the BSEC earlier this month, calling for an immediate halt to the procurement activities of the CCBL on grounds of its poor governance

Regarding the nearly three-year delay in starting operations, CCBL said a total of 535 days elapsed for the appointment of independent directors, which was a delay from the stock regulator's side.

And after the constitution of the first CCBL board, another 302 days were lost for reasons associated with the Dhaka bourse. For instance, the bourse delayed the replacement of its nominated directors for the CCBL.

Additionally, it took the Central Procurement Technical Unit (CPTU) 112 days to provide an opinion on the Request for Proposals from DSE nominated directors.

Regarding the DSE's observation that it has no interaction between CCBL and its stakeholders, CCBL

said it holds sufficient discussions and takes written feedback from major stakeholders like the DSE, CSE and Central Depository Bangladesh Limited (CDBL).

CCBL informed that till date, it has held a total of 63 board meetings and innumerable committee meetings with the participation of DSE nominated directors.

"No meeting of CCBL was ever held without their participation," it said.

The DSE also gave an observation that there were irregularities in sharing quarterly and annual financial statements of CCBL with the bourse.

CCBL firmly rejected this stance, saying all the reports were sent.

DSE Chairman Mominul Islam said the bourse is not blaming CCBL for anything, but rather is simply urging it to review all these issues.

The DSE is not only the largest shareholder, but also the largest stakeholder of CCBL, which is a nationally critical infrastructure of the country, he added.

Islam informed that due to its importance, the DSE Brokers Association has urged the bourse to monitor whether CCBL is taking good decisions.

Furthermore, Islam said CCBL informed that it maintains the international standard in operations.

"Whether it is possible to make better decisions or buy infrastructure for less, we want to go ahead with the discussion [with CCBL]. So, hopefully we will be together soon," he added.

Biden launches new US trade probe into legacy Chinese chips

REUTERS, Washington

The Biden administration on Monday announced a last-minute trade investigation into Chinese-made "legacy" semiconductors that could heap more US tariffs on chips from China that power everyday goods from autos to washing machines to telecoms gear.

The "Section 301" probe, launched just four weeks before President-elect Donald Trump takes office on January 20, will be handed over to his administration in January for completion, Biden administration officials said.

The effort could offer Trump a ready avenue to begin imposing some of the hefty, 60 percent tariffs that he has threatened on Chinese imports.

Departing President Joe Biden has already imposed a 50 percent US tariff on Chinese semiconductors that starts on January 1. His administration has tightened export curbs on advanced AI and memory chips and chipmaking equipment to China and also recently increased tariffs, opens new tab to 50 percent on Chinese solar wafers and polysilicon.

The US Trade Representative's office, which will conduct the new probe, said it is aimed at protecting American and other market-driven chip producers from China's massive state-driven buildup of domestic chip supply.

US Trade Representative Katherine Tai said that the trade agency has found evidence that Beijing is targeting the semiconductor industry for global domination, similar to its buildup in steel, aluminum, solar panels, electric vehicles and critical minerals.

He's assisted by the wearable exoskeleton robot he helped develop.

"This is enabling its companies to rapidly expand capacity and to offer artificially lower priced chips that threaten to significantly harm and potentially eliminate their market-oriented competition," she told reporters on a conference call.

Legacy chips use older, mature manufacturing processes and are found in a wide range of mass market applications. They do not include advanced chips for use in artificial intelligence applications or sophisticated microprocessors.

Not a good year for job-seekers

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41 months, according to the Bangladesh Bank.

This figure is the lowest since May 2021, when credit growth fell to 7.55 percent during the Covid-induced lockdowns.

Besides, private investment as a percentage of the country's GDP has declined for the past three years.

In the 2023-24 fiscal year, the private investment to GDP ratio decreased by 0.67 percentage points year-on-year to 23.51 percent, according to BBS data.

These figures suggest that businesses were hesitant to expand or take up new ventures, limiting the potential for new job opportunities.

AKM Fahim Mashroor, CEO of Bdjobs.com, the largest job site in Bangladesh, said hiring remained stagnant in the first half of 2024. This trend had been continuing for the previous two years.

"Political upheaval severely impacted hiring between July and September," Mashroor said. "However, the situation has shown some improvement in October to November."

He said that hiring has not fully normalised as the economic situation still remains uncertain.

After the government

ouster in August and the formation of the interim government, a crackdown on corruption opened up investigations of several business tycoons.

This also impacted the labour market to some extent.

For instance, Beximco Group recently laid off nearly 40,000 workers across its 15 apparel units in Gazipur citing a lack of work orders.

Following the August changeover, Beximco came to the spotlight with its Vice-Chairman Salman F Rahman, an adviser to the previous prime minister who allegedly weaponised his influence for business gains, being arrested and now staying behind bars.

'FORMAL JOBS MIGHT HAVE SHRUNK'

"The year 2024 has seen a sharp decline in investment and output growth. The projected GDP growth for the year is significantly lower than recent trends," said Rizwanul Islam, a special adviser for the International Labour Organisation (ILO) in Geneva.

Consequently, employment growth must have also declined substantially," he said.

"In all likelihood, growth in formal sector jobs, especially in manufacturing, has been

negative," he added. "In such circumstances, people often resort to lower-quality jobs in the informal economy or share work in agriculture."

"To my knowledge, little has been done to address overall employment and youth employment in particular," he added.

"The government set an ambitious target of increasing the [private investment to GDP] ratio to 27.34 percent in the FY25 budget. However, achieving this goal remains uncertain due to persistent economic challenges and uncertainty," said Deen Islam, an associate professor of economics at the University of Dhaka.

'TICKING TIME BOMB'

A white paper panel that assessed the state of the economy and submitted its report to the interim government referred to the mismatch between employability and labour market dynamics in Bangladesh as a "ticking time bomb".

According to the white paper, the unemployment rate among educated youth has increased 2.5 times since 2010 due to a mismatch between their qualifications and the structure of industries and the economy.

"Not only that,

despite having tertiary-level education, these graduates are ill-prepared for the market due to low technical knowledge," the paper added.

Over the past 12 years, the number of tertiary graduates has increased by about 2.5-fold, accounting for around 9 percent of the total labour force in 2022.

Hand in hand, the unemployment rate of this group increased from 4.9 percent in 2010 to 12 percent in 2022.

"Special attention must be given to address the precarious job situation, especially for educated jobseekers," said Rizwanul Islam.

He also said, "It's easy to say that they should create their own jobs. However, in a situation where the real economy is struggling, it is difficult for anyone to find a way to create decent jobs, let alone for newcomers to the labour market. Special programmes are needed to help them."

"Ultimately, there is no alternative to reviving the economy's growth trajectory." All efforts must be made to restore investor confidence and channel investments towards sectors that can drive higher employment growth, he said.

Shipping adviser angered by slow auction process of Ctg customs Auctionable goods piling up at port yards

STAFF CORRESPONDENT, Chattogram

Shipping Adviser Brig Gen (retd) M Sakhawat Hussain expressed strong dissatisfaction with the Chattogram Custom House for its slow progress in clearing auctionable goods and vehicles piled up in various yards and auction sheds at Chattogram port.

He warned that action would be taken if the customs authority does not address the issue in two months.

The adviser expressed his frustration during a visit to the port's auction and car sheds yesterday.

While there, he met with Chattogram Customs House Joint Commissioner Mohammad Marufur Rahman and questioned the lack of noticeable progress in clearing auctionable goods despite directions given during his initial visit three months prior.

In response, the customs official explained that several pending court cases are delaying the auction process for certain consignments.

However, Rahman assured the adviser that steps would be taken to expedite the auction of import containers and vehicles that are free of legal issues. Speaking to journalists after the visit, the adviser said the condition of auctionable containers is nearly the same as it was during his first visit in early October.

"Although the customs authority has auctioned some goods during this period, the pace is extremely slow. At this rate, the backlog of auctionable cargo will not be cleared within the next three months."

He added that the customs authority has committed to clearing the backlog within the agreed upon deadline on February 28.

The adviser also warned that he has instructed the Chattogram Port Authority (CPA) to take unilateral action against the customs authority if the deadline is not met.

CPA Secretary Md Omar Faruk noted that approximately 10,000 twenty-foot equivalent units of containers, scrap materials and a number of cars are lying in various yards and sheds awaiting auction.

BB waiting

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One was a deficit of Tk 600 crore, which came about through the creation of e-money that did not exist in cash. This is a major crime in the financial sector, as per industry insiders.

In another instance, there have been unauthorised withdrawals of around Tk 1,711 crore in total over the years through 41 distribution accounts which are designated for government allowances.

The administrator team informed the director general of the Directorate of Posts.

The administrator recommended legal action against the Nagad officials involved in the irregularities.

Nagad CEO Tanvir A Mishuk and some of its senior officials have not been coming to office since the administrator's appointment.

BB FORENSIC AUDIT

The central bank is going to appoint auditors

to conduct a forensic audit of Nagad's previous operations alongside a regular audit for fiscal year 2023-24.

A forensic audit is an examination and evaluation of a firm's or individual's financial records, through which evidence is derived to be used in a court of law or legal proceeding.

Last month the banking regulator brought out newspaper advertisements inviting foreign auditors to take part in a tender.

Rupee hits record low

REUTERS, Mumbai

The Indian rupee weakened to its all-time low for the sixth consecutive trading session on Tuesday as a rise in US bond yields boosted the dollar and strong demand for the greenback from importers added to the lingering pressure on the local currency.

TENDER: SOYBEANS FROM THE USA

IESC, with offices in USA, offers for sale high quality commodities from the USA for import into Pakistan, Bangladesh or Nepal.

Commodity: 40,000MT yellow soybeans

Delivery: CFR Free Out to buyer's seaport

Load: February 2025 (or later, per buyer)

Price/MT: Per Competitive bidding (in USD)

Link: <http://www.rpxi.com/sales-bids302>

Deadline: January 7, 2025

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Bangladesh Lamps Limited

Head office: House-22, Road-4, Block-F, Banani, Dhaka-1213

Price Sensitive Information On Credit Rating Report

In accordance with the notification no. BSEC/CMRR/2009-193/37/Admin/132 dated 12th May 2022 of Bangladesh Securities & Exchange Commission (BSEC), the summary of credit rating report of Bangladesh Lamps Limited is stated below, as rated by Emerging Credit Rating Limited, based on the audited financials from 2021 to 2024 and 1st quarter of unaudited financial statements of the Company:

Date of Rating	December 24, 2024
Valid From	December 24, 2024
Valid Till	December 23, 2025
Rating Action	Surveillance-11
Long Term Rating	AA-
Short Term Rating	ST-2
Outlook	Stable

By order of the Board

Dhaka
25-12-2024

Mohammad Ruhan Miah
Company Secretary

TRANSTEC
ON and AHEAD