DSEX	6,319.12	▲	12.17	
DSE30	2,286.18	▼	4.23	
Source: DSE				

Gold (Ounce)	$1,280.70	▲
Oil (Barrel)	$54.30	▲
Source: Yahoo Finance		

Dollar	81.25 (Buy)	▲	82.25(Sell)
Euro	93.52 (Buy)	▼	97.88(Sell)
Source: One Bank Limited			

REPO Rate (16/10/2017)	3.44%
REPO Rate (15/10/2017)	3.46%
Source: Bangladesh Bank (W AV)	

National News

International News

National News

Beximco Petroleum purchases first LPG carrier in Bangladesh

Beximco Petroleum Limited, a concern of Beximco Group, has announced the purchase of the first LPG (Liquefied Petroleum Gas) carrying vessel in Bangladesh to travel on international waters with the National flag, the company said in a press statement yesterday.
The vessel, named BEXPETRO 1, with an LPG carrying capacity of 2700 MT will be the first Bangladeshi ship to directly procure LPG at source. This marks a major milestone not only for LPG operators in Bangladesh but also for the nation at large as this paves the way for a more cost-effective and efficient LPG supply chain.
Led by Captain Alexander Fajardo, BEXPETRO 1 is expected to arrive in Bangladesh with its first shipment of LPG by the first week of December 2017, added the statement. With two more vessels of similar capacity already in the pipeline, this is a stepping stone for Beximco Petroleum's strategic vision of becoming the premiere LPG operator in the country.
Beximco Petroleum, in collaboration with Index Power & Energy (A Beximco company), has already set up a state-of-the-art ISO 9001 certified LPG plant in Mongla with a capacity of 3000 MT. Expansion work is underway for an additional capacity of 3000 MT at Mongla; another LPG terminal of 5000 MT capacity is being set up at Narayanganj. With a robust sales and distribution network, Beximco Petroleum is ready to cater to the rapidly growing LPG demand in the country.
Source: http://www.theindependentbd.com/post/124665

'Govt to promote research works in power-energy sector'

Prime Minister's Energy Advisor Dr Tawfiq-e-Elahi Chowdhury yesterday said that the government will promote new ideas and research works in power and energy sector to improve technological efficiency, reports UNB.
He made the remarks while addressing a seminar on "The Role of EPRC in Promoting Applied Research and the Benefits Derived by the Industry and Universities" at Bidduyt Bhaban in the capital.
Bangladesh Energy and Power Research Council (EPRC), a new body under the Power and Energy Ministry, arranged the seminar with its chairman Shahin Ahmed Chowdhury in the chair.
Three engineers were given certificates at the function for their innovative ideas for efficiency of power generation and electricity use.
Dr Arshad Mansoor, an expatriate Bangladeshi and senior vice president of Electric Power Research Institute (EPRI) of USA, made a keynote speech at the function while power secretary Dr Ahmad Kaikaus also spoke on the occasion.
Explaining the government's plan with floating the new organisation, the Energy Advisor said now the government wants to bring technological efficiency in power and energy sector after a massive development in the sector.
"We need to create efficient manpower and use best technology to run the sector efficiently. We have to move for brining solution to the existing as well as future problems with our own innovation," he told the seminar.
Appreciating the young engineers for their interest to engage in research work, he said the government would always encourage their works by providing financial and technological support.
"That's why we have created the EPRC as a new body offering the opportunity to utilise their skills for innovative works", he said.
Power secretary Dr Ahmad Kaikaus said researchers should not always be waiting for financial incentives for their works. "None of the famous scientists in the history had
worked for incentives. Rather, incentives followed them after their inventions," he told the seminar.
Shahin Ahmed Chowdhury said the EPRC has offered opportunity to students of different universities to conduct research work.
Source: http://www.theindependentbd.com/post/124660

Keep watch on NGOs

Ministers demand as some NGOs 'influencing trade union activities'

A number of ministers yesterday demanded stricter monitoring of the activities of the local and international NGOs operating in Bangladesh.
They also called for scrutinising the earnings and expenditures of the non-governmental organisations, alleging that some of those provoke workers to create chaos.
The demands were made at an unscheduled discussion at the weekly cabinet meeting chaired by the prime minister at her office, said meeting sources.
Seeking anonymity, a minister, who attended the meeting, told The Daily Star that one of the cabinet members raised the issues of workers' wages and trade union.
At one point, Prime Minister Sheikh Hasina wanted to know whether the trade unions operate independently or outsiders interfere in those.
In reply, State Minister for Labour Mujibul Huq Chunnu said the employees of different organisations run their own trade unions but NGOs patronise those.
He pointed out that it's not monitored from where the NGOs collect funds, and where and how they spend those, according to the sources.
Contacted, officials of the NGO Affairs Bureau said they regularly monitor the activities of the NGOs operating in Bangladesh with foreign assistance.
According to the bureau's latest report, 2,565 NGOs are now running with foreign donations.
Bureau officials, however, said that in reality, around 1,400 of those are operating fully while the rest are struggling because of fund crisis.
NGO officials and trade union leaders said they carry out activities in line with the guidelines of the bureau, and there is no scope for deviation from the conditions set by it.
Md Shahadat Hossain, acting director general of the bureau, said they regularly monitor the activities of the NGOs operating with foreign donations.
"Whenever any foreign fund comes, the NGO concerned approaches us with a project proposal.
"We examine the proposal. If we find everything satisfactory, only then we release the money. We also see the follow-up report on the project, audit report, district or upazila authorities' certification, the annual report of the NGO and other issues for the next phase of the project."

Dr Iftekharuzzaman, executive director of Transparency International Bangladesh (TIB), said, “It is surprising that there is such a gap of information. All international funds, received and spent by any registered NGO in Bangladesh, are strictly subject to approval of the NGO Affairs Bureau under the office of the prime minister.

“NGOs are under legal obligation to regularly report to the bureau about their activities as well as income and expenditure.”

He further said the bureau also exercises the authority to oversee NGOs' activities by itself at the national level and through the offices of DCs and UNOs at the local level.

Syed Sultan Uddin Ahmed, executive director of Bangladesh Institute of Labour Studies (BILS), said, “As far as I know, none of the trade unions can take foreign funds directly.

“Various national and international organisations get involved in the activities of trade unions upon permission from the NGO Bureau.” These organisations are constantly monitored by the bureau, he added.

DISCUSSION ON WORKERS' WAGES

At the meeting, Chunnu said the condition of Bangladeshi workers is quite good as they are getting good wages.

A worker gets a minimum of Tk 7,000-8,000 a month, he added.

Shipping Minister Shajahan Khan, also a labour leader, then said the workers' wages should be hiked, as salaries of government employees have been raised significantly.

He also mentioned that the prices of essentials have gone up in recent times, according to the meeting sources.

Taking the floor, Chunnu said a wage commission is formed every five years, and the last one was constituted in 2013.

The issue of hiking workers' wages will be addressed when the new commission will be formed next year, he added.

According to the current wage structure, a worker gets a minimum wage of Tk 5,300 with a basic pay of Tk 3,000. But trade union leaders proposed Tk 16,000 as the minimum wage with Tk 10,000 as basic pay.

Contacted, Garment Sramik Oikya Parishad President Moshrefa Mishu said they already placed their demand for hiking workers' wages, as the cost of living has increased manifold since the last wage commission was formed.

“The workers' wages should be hiked as prices of essentials, gas, water and electricity and house rent have gone up,” added Moshrefa.

At yesterday's meeting, the cabinet approved the draft proposals for making two separate laws for the formation of metropolitan police in Gazipur and Rangpur cities.

"The formation of two metropolitan police forces has become necessary after the establishment of Gazipur and Rangpur city corporations," Cabinet Secretary M Shafiul Alam said at a media briefing at the Secretariat.

The new laws will be made in the light of the existing metropolitan police acts, he mentioned.

About punishment under the new laws, he said that in most cases, police officials would be empowered to impose fines for violation of the acts.

Source: http://www.thedailystar.net/frontpage/keep-watch-ngos-1494223

Bangladeshi firms slow in innovation

Inadequate research, investment and awareness to blame

KEY POINTS

In 2016, only **106** products or inventions were patented in Bangladesh, seven of which belonged to local firms

In the same year, Vietnam patented **1,388** products and India **6,022**

Bangladesh ranked **114**th and was behind Nepal and Pakistan in the Global Innovation Index this year, while India ranked **60**th and Sri Lanka **90**th

Experts blame the low number of patents on the lack of awareness and education on intellectual property rights

Sohel Parvez

Bangladesh's firms and institutions are lagging behind their counterparts in India, Vietnam and Sri Lanka when it comes to invention and protection of intellectual property owing to inadequate research, investment and awareness.

The Department of Patents, Designs & Trademarks (DPDT) granted patents for 106 inventions in 2016 out of 344 applications submitted by local and foreign firms. Of the approved, only seven were local patents.

In 2015, the state-run intellectual property rights authority approved 101 patent applications, of which 11 were local.

In the same year, 1,388 products or inventions were patented in Vietnam and 6,022 in India, according to the World Intellectual Property Organisation.

The number of patents was also higher in Sri Lanka.

“The low number of patents is a symptom of weakness of our economy as higher number of patents reflects that an economy is on track of innovations,” said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, a think-tank.

He said investment in research and development (R&D), especially in science and technology, should increase to promote innovations of new products and technologies.

“China and India are investing more in R&D whereas our investments are low,” the economist said, citing that the two Asian economic powerhouses are registering for patents for higher number of items.

He said it is vital to encourage science education as the global economy will be more technology-driven in the coming days.

“So, Bangladesh needs to focus on making the economy innovation-driven.”

Bangladesh advanced three notches to 114th in the WIPO's Global Innovation Index this year. Yet the country, growing at more than 6 percent annually, is a laggard among its South Asian neighbours.

India ranked 60th and Sri Lanka 90th. Nepal and Pakistan were also ahead of Bangladesh.

Rahman suggested the government offer incentives to the private sector so that they invest in R&D.

Md Sanowar Hossain, registrar of the DPDT, said lack of awareness and education is one of the reasons responsible for the low number of patents.

“New invention is necessary,” he said.

DPDT officials and other stakeholders said public sector institutions have some R&D activities, but investment in R&D by the private sector is scanty.

“Incentives should be given to universities and innovators,” Hossain said.

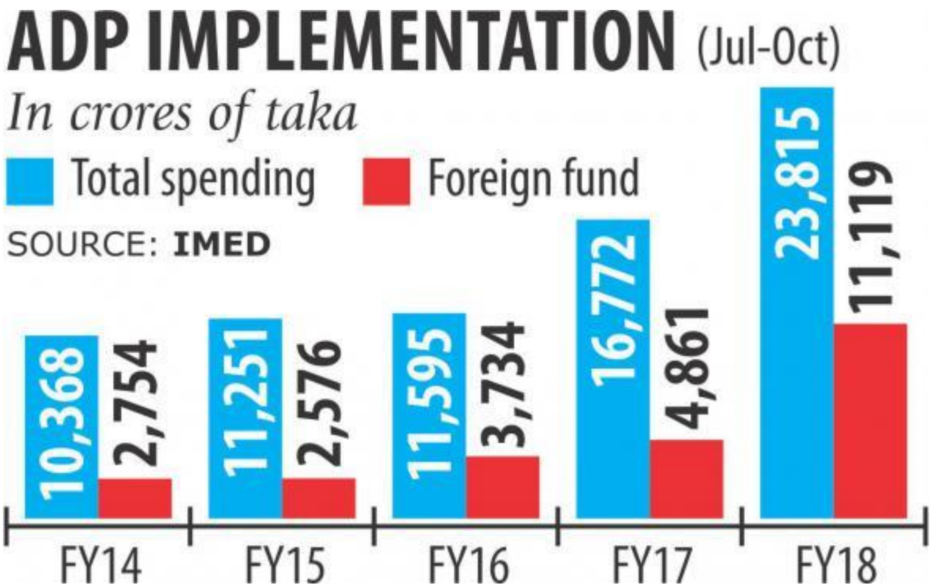
“Above all, increased awareness on the importance of intellectual property is necessary.”

The DPDT registrar, however, said the number of application for patents is higher this year from a year ago.

Total tally will be made available at the end of the year, he added.

In Bangladesh, 38 percent of the applications were submitted for patent of biotechnology between 2001 and 2015, followed by food chemistry, organic fine chemistry and pharmaceuticals.
State-run Bangladesh Council of Scientific and Industrial Research (BCSIR) is much ahead of others in filing patent applications, according to DPDT officials.
Md Zahurul Haque, director of the Institute of Food Science and Technology at the BCSIR, said many scientists are not aware of patenting.
The IP office also needs to cooperate and grant patent rights, he said, adding that in many cases more than a year is passed to patent inventions.
Haque, who has patent rights for 40 inventions related to food supplement, cosmetics and chemicals to his name, suggested targeted R&D to develop specific products.
Wais Kabir, executive director of the Krishi Gobeshona Foundation, said innovations by agricultural research institutes are not usually patented in order to enable farmers to use the technologies.
Source: http://www.thedailystar.net/business/bangladeshi-firms-slow-innovation-1494253

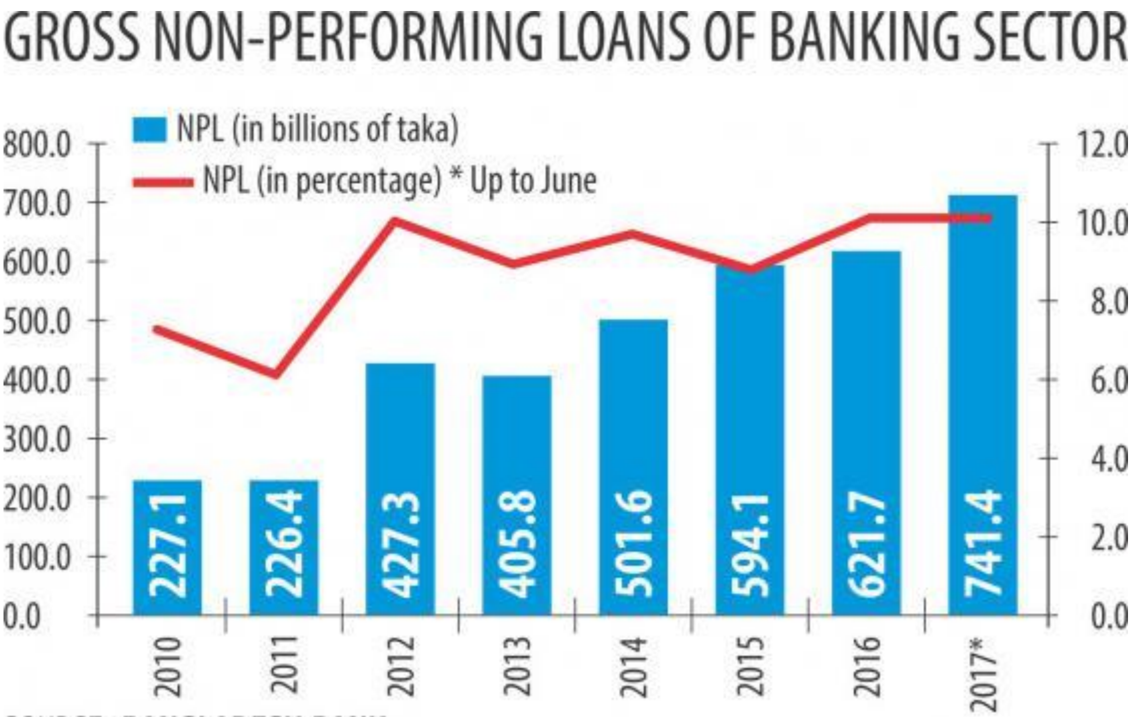
ADP spending rises 42pc in Jul-Oct



Star Business Report
Development spending rose 42 percent year-on-year to Tk 23,815 crore in the first four months of the current fiscal year on the back of increased use of foreign aid.
The spending by the ministries and divisions between July and October was 14.51 percent of the total allocation for the annual development programme, according to figures from the Implementation Monitoring and Evaluation Division.
At this point last fiscal year, Tk 16,772 crore was spent, which was 13.60 percent of the total allocation.
The government has allocated Tk 164,085 crore for development spending.
The use of foreign aid has been higher both in terms of implementation rate and amount.
In the first four months, aid spending stood at Tk 11,119 crore, almost treble the amount of Tk 4,861 crore from the same period a year earlier.
Aid utilisation was 18.80 percent in July-October in contrast to 12.15 percent in the same period a year ago.
The government is contributing Tk 95,515 crore to the ADP from its own accounts. Of which, 12.10 percent was spent in the four-month period.
The implementation rate was 14.32 percent in the same period last fiscal year, meaning this year's outlay fell by more than 2 percentage points.
The spending, however, rose in terms of amount: Tk 11,555 crore was spent in the four-month period against Tk 10,124 crore a year earlier.
A planning ministry official said a major target of the government this fiscal year has been to speed up the foreign aid-funded mega projects.
The government plans to spend about $7 billion in foreign aid in the current fiscal year.
The spending is on the right path, the official said.
Of the 15 large ministries and divisions that account for 80.83 percent of the allocation combined, five spent higher than the average.

The power division spent the highest, 35.95 percent, followed by the local government division 22.67 percent, the agriculture ministry 19.72 percent, the road transport and highways division 19.65 percent and the shipping ministry 15.71 percent.
On the other hand, some ministries and divisions underperformed.
One of them is the bridges division, which is implementing a number of mega projects. But it could only spend 5.12 percent of the allocation it received in July-October.
The biggest project under the division is the Padma Bridge project, which got Tk 5,524 crore for the current fiscal year. But only Tk 342 crore was spent.
The total cost of the priority project is Tk 28,793 crore, of which half has been spent till October this year.
The budget set aside Tk 10,502 crore for the science and technology ministry in the current fiscal year, with majority of the fund going to the Rooppur nuclear power project.
In the first four months, the ministry spent only Tk 218 crore, or 0.21 percent, of the allocation.
A planning ministry official said the construction work of the power plant will start in full swing from January next year.
“So, at the end of the fiscal year the implementation rate will improve,” he said.
The ICT division spent 11.05 percent of the ADP fund, the health services division 9.32 percent, and the secondary and higher education division 11.34 percent.
The railways ministry, the primary and mass education ministry, the energy and mineral resources division, the housing and public works ministry and the water resources ministry were able to spend between 4.15 percent and 9 percent.
Source: http://www.thedailystar.net/business/adp-spending-rises-42pc-jul-oct-1494250

Managing the banking sector fault lines



SOURCE: **BANGLADESH BANK**

Sadiq Ahmed
Reforms over the past two decades or so have greatly improved the quantity and quality of banking services in Bangladesh.
The urban areas are well served by a competitive banking sector with convenient access and a range of banking products, including electronic banking.
The rural areas are increasingly coming under the spread of commercial banking, supplemented by the large growth of microfinance institutions. A growing number of the unbanked rural population is being serviced through mobile financial services.
Interest rates are falling sharply and many borrowers with good track record are getting loans at single digit interest rate. But, there is still a long way to go, especially to service the remaining large unbanked population and to meet the financing requirements of the host of micro and small enterprises that do not have access to banking sector credit.

Still, the above achievements are to be celebrated.
Policy effort should now seek to consolidate the gains and focus the banking sector agenda to achieve the country's dream of securing the upper-middle income status by 2031. How well prepared is the sector to respond to this challenge?
Unfortunately, there are signs that some deep fault lines are emerging, which, if not addressed swiftly and with resolve, could create serious difficulties and hurt the country's effort to move to the upper middle-income status.
These fault lines can broadly be grouped under two headings: the growing incidence of non-performing loans and the growing asset concentration among single borrowers.
International evidence suggests that both present high risks to the financial health and stability of the banking sector.
Indeed, the range of prudential norms underscored in the Basel rounds (Basel III now in place) is meant to guard against these and other systemic risks.
International evidence also shows the critical importance of having a highly professional and autonomous banking sector regulator, globally known as the central bank, to serve as the guardian of the banking sector health and to protect the depositors' confidence in the banking system.
The lack of autonomy of the Bangladesh Bank is the third fault line that requires careful political debate and resolution.
The amount of NPL climbed to an astounding Tk 70,400 crore ($8.8 billion) in fiscal 2016-17, which is 90 percent of Bangladesh's actual annual development spending for the year.
While traditionally the NPL phenomenon is large in public banks for well-known governance problems, the evidence of rising NPLs in private banks presents additional challenges.
In a market economy, business-cycle related downturns can cause financial difficulties for private firms that could spill over to the banking sector. But there are many corrective instruments that the BB can use to manage these shocks.
What are near-impossible to tackle are difficulties infused in private banking by political interventions including constraints on the effectiveness of BB supervision.
One of the prudential instruments for portfolio management is the selection of bank board members based on the "fit and proper" test. There is a widely shared concern in the banking professional community that the quality of the boards in many private banks is weakening.
There is a growing dominance of non-professional private bank boards, often based on family connections and the BB has very little authority in practice to correct that.
As a result, lending decisions are not always made on solid business evidence but on connections. In this case, the risk to NPLs will obviously increase.
Furthermore, there is now a proposal under active consideration to further relax the prudential norm regarding board selection by increasing the tenure of board membership and allowing as many as four members of the same family to sit on the board.
Prudential norms usually limit the banking sector's exposure to an individual and or family to a small number (usually to 10 percent) with a view to protecting the domino effect of the collapse of a business on the banking sector.
Global evidence of business collapses during an economic downturn is plenty. The most recent episode was the global financial crisis of 2008-2010 triggered by irresponsible lending and economic downturn in the US.
A large Bangladeshi business dealing with speculative commodity trading, stock market shares, or real estate transactions can easily go under, which could lead to its inability to service its bank loans. The larger the exposure of this firm, the larger the risk to the banking sector.
It is a no-brainer that the BB needs to protect the health of the banking sector against this risk by setting banking sector-wide exposure limits and closely monitoring its implementation.
Due to confidentiality, the BB does not publish the asset concentration data. But there is common talk in the banking profession that this asset concentration is growing, including through acquisition of several banks under single family ownership.
Whether or not it is true, the government and the BB would know best. If true, the BB needs to worry a lot and alert the highest level of policymaking about the associated risks and the possible reform options.
The degree of autonomy granted to a central bank is a contentious subject in most developing countries.
In advanced economies this is taken for granted and is an important indicator of good governance.
As Bangladesh aspires to attain upper middle-income status, it must also reform its institutions including the establishment of a professional and autonomous central bank.
If this principle is accepted, the government may want to re-examine the current management of the banking sector and strengthen the reach of the BB supervision to all banks along with full application of all prudential norms.
It must also refrain from any intervention in the functioning of the BB.
Bangladesh should be proud of its many achievements in the banking sector. It now needs to build on them and push ahead with banking reforms that will support the realisation of upper middle-income status by 2031.
Several deep fault lines have emerged that should be deftly managed to prevent backsliding on progress.

A combination of growing NPLs and asset concentration if unchecked can jeopardise the stability of the banking sector. Swift actions are needed to address these concerns.
The best solution is to increase the authority and autonomy of the BB to strengthen supervision of all banks (public and private) and apply the full prudential norms.
Source: http://www.thedailystar.net/business/managing-the-banking-sector-fault-lines-1494187

Banks urge BB to give multiple payment switches

Banks yesterday urged the central bank to allow them to route their card transactions through multiple switches instead of a single platform: the National Payment Switch of Bangladesh (NPSB).
The call was made at a meeting between Bangladesh Bank Deputy Governor SM Moniruzzaman and the Association of Bankers Bangladesh (ABB), a platform for chief executives of the country's scheduled banks.
The BB on August 24 instructed all banks to route their card transactions through the NPSB from the new year -- a move that was met with trepidation by banks and payment brands alike because of the risks it presents.
Anis A Khan, chairman of the ABB, welcomed the BB move to make card transactions cheaper by routing them through the NPSB.
“But, we want a second source as depending on a single platform can be too risky. A single node system is an easy target for hackers and fraudsters.” For instance, there can be a technical failure in the NPSB, bringing card transactions to a halt. The switch can also be prone to hacking.
Similar moves like this in other countries have exposed the market to repeated and targeted cyber-attacks and delayed the introduction of world-class safety and security features, according to ABB.
Khan, who is also the managing director of Mutual Trust Bank, said the leading global payment solution providers such as MasterCard and Visa can be other options.
Syed Mahbubur Rahman, managing director of Dhaka Bank, cited the case of neighbouring India, where its central bank has its own payment network but the international payment brands' ecosystem is also allowed. Cards are issued based on customers' discretion.
“But the BB has instructed banks to route all their card transaction through the NPSB. This is not logical. Card transactions through only NPSB will acutely create a single point dependency.”
MasterCard and Visa have already informed banks that they will not take any responsibility for any data breach while routing the cards through the NPSB, according to the Dhaka Bank MD.
The NPSB is yet to get the PCI-DSS certification, a global security standard for organisations that handle branded cards. The standard was created by the five major payment brands -- JCB, American Express, Discover, MasterCard and Visa -- to increase control around cardholder data to reduce fraud.
Furthermore, the NPSB, as of now, has the capacity to handle transactions of magnetic stripe cards and not the more secured and the latest EMV chip cards.
Accordingly, almost all card issuers in Bangladesh have started sending out EMV cards to their customers.
Even one transaction from an EMV card routed to NPSB but treated as magnetic stripe transaction increases compromise risk, said MasterCard Bangladesh in a letter to Moniruzzaman recently.
Besides, banks nowadays offer a host of facilities on card usage in association with MasterCard and Visa, which they would no longer be able to provide if all card transactions are run through the NPSB, sidestepping the two global vendors' gateways, Rahman said.
“Customers will also be discouraged to use cards if they can no longer enjoy the benefits,” he added.
Against the backdrop, banks have urged the central bank to review its directive to route all card transactions from 2018 through the NPSB. Subhankar Saha, BB executive director and spokesperson, said the central bank has taken the suggestions from banks positively.
“We will take a decision in this regard in the best interest of the country,” he added.
MasterCard will also sit with the central bank to voice their dissatisfaction about the BB initiative.

Source: http://www.thedailystar.net/business/banks-urge-bb-give-multiple-payment-switches-1494226

Bangladesh-Myanmar bilateral trade through Teknaf regaining normalcy

Bilateral trade between Bangladesh and Myanmar through Teknaf land port in Cox’s Bazar is slowly returning to normal after almost grinding to a halt at the peak of the Rohingya refugee crisis in September.
The port employs a workforce of 650 and is the main gateway for trade with Myanmar.

Bangladesh exports 24 types of goods to Maungdaw, Sittwe and other port towns across the border. In reverse, Myanmar exports 30 types of goods to Bangladesh.
However, an official of United Group – a company supervising the port activities – said only 13 types of goods were imported from Myanmar in September and that no vessel had come from Maungdaw between late August and late September.
"The land port authorities counted about Tk5.67 crore in September by handling imported consignments while the amount was almost double in the previous month," he said.
In September, Teknaf land port earned Tk37.92 lakh only, whereas the figure on average stands at Tk85 lakh a month.
Teknaf Land Port Revenue Officer AM Shahidul Islam said revenue earnings had "dropped drastically" from late August up to the end of September.
"The frightened Rohingya taking shelter in Bangladesh fleeing the oppression in Rakhine state is to blame for the deterioration in the trade relations," he said.
The port's Security Superintendent Ansarul Hoque said traders had been frightened due to the tensed situation along the maritime border of the two countries. "Hence, they did not allow their goods-laden vessels to sail through the channel of the Naf," he said.
However, by mid-October the pace of trade through the land port had almost returned to normal, pushing up the revenue earnings as well.
"Since early October, the land port kept regaining momentum amid vibrant export-import business," said the United Group official.
During a recent visit to the land port, the Dhaka Tribune found a healthy trading atmosphere with shipments of rice and fish seen being offloaded from vessels anchored near the port, and trucks queuing up to carry the items to other parts of Bangladesh.
However, the busy scene belied the testimonies of some of the workers hard done by during the recent dip in trade.
"I was forced to sit idle due to the stalemate in exports and imports at the port," Babul Miah, one of the workers, said. "Now I am working hard to recoup the losses I incurred last month."
Ehteshamul Haque Bahadur, general secretary of Teknaf Clearing and Forwarding Agents' Association, said several hundred exporters and importers faced huge losses owing to the Rohingya issue, and that the situation only began to return to normal at the start of October.
"I hope that the port will witness full-fledged export-import trade, contributing to the national economy as in the past," he said.
United Group's Assistant General Manager Md Jashim Uddin Chowdhury said the port has a 2,000-ton daily handling capacity but handles 1,000 tons of goods per day on average, rising to 1,500 tons during peak periods.
"The handling of goods was on a downward trend for nearly five weeks (until September), he said.
Source: http://www.dhakatribune.com/business/commerce/2017/11/20/bangladesh-myanmar-bilateral-trade-teknaf-regaining-normalcy/

International News

Alibaba takes $2.9b stake in food retailer

Alibaba said yesterday it would take a major stake in one of China's top food sellers for $2.9 billion as the e-commerce giant expands further into the retail world.
China's largest e-commerce platform has invested heavily in recent years to connect its online and offline portfolio of businesses, taking stakes in several Chinese grocers, shopping malls and department stores.
Alibaba will buy a 36 percent stake in Sun Art Retail Group from Taiwanese conglomerate Ruentex Group, leaving Alibaba and French firm Auchan Retail with roughly equal stakes in Sun Art's 446 hypermarkets that sell everything from groceries to clothes.
Sun Art also operates smaller superstores and is building a line of unmanned stores.
Hangzhou-based Alibaba has bet its future on uniting online and offline selling, executing the strategy well before US-based Amazon made its first major purchase of bricks and mortar grocer Whole Foods earlier this year.
Source: http://www.theindependentbd.com/post/124662

Russia, China build up a new economic geography

Russia's large mining group Norilsk Nickel announced it had begun operations at a new state-of-the-art Bystrinsky mining and processing plant outside of Chita in Russia's Zabaykalsky Krai. Notable about the project is the participation of China, as well as the fact that four years ago the huge copper, gold and magnetite reserves of Bystrinsky were inaccessible to any market and completely undeveloped. It's one example of the transformation of the entire economic geography of Eurasia that's growing as a result of the close cooperation of Russia with China and especially with China's Belt Road Initiative, earlier known as the New Economic Silk Road.

The Bystrinsky mining and processing complex is a $1.5 billion project with total ore reserves estimated at 343 million tons. The huge project is jointly owned by Norilsk Nickel, the world's largest producer of nickel and palladium and one of the largest producers of platinum and copper, along with CIS Natural Resources Fund, a Russian natural resources fund established by Vladimir Potanin, and by China's Highland Fund. The new mine complex is some 400 kilometers by rail from the China border in Russia's Siberian Far East.

Chinese participation is not surprising. China is the world's largest importer of copper and much of the new mine production will be headed to China. China's Belt, Road Initiative that is seeing the construction of thousands of kilometers of new high-speed rail lines across Eurasia is creating a huge increase in demand for copper as well as steel and iron ore. The new Russian mining project includes construction of entirely new infrastructure of roads, rail spurs and enormous infrastructure in what was previously untouched wilderness. The mine, the largest private project in Russia's Far East, will reach full capacity in 2019.

Bridging the Amur River

ANOTHER example of the transformation of the economic geography taking place between Russia and China is construction of the bridge over the Amur River or the Heilongjiang River as the Chinese call it. The new bridge will connect China with Russia in the far northeast of China in the region of Harbin. To have an idea of the vast distances across the largest country in the world, the Russian Federation, the Amur River Bridge is some 1000 kilometers east of the new China-Russia copper mining complex near Chita.

The new bridge, due to open in 2019, will be a major infrastructure link facilitating trade between Russia's Jewish Autonomous Oblast and China's Heilongjiang Province with a rail and road bridge link spanning more than 2 km. A main immediate benefit of the new bridge will be economical transport of iron ore from the Kimkan open-pit mine in the Jewish Autonomous Oblast that is owned by IRC Limited of Hong Kong. The rail section will have both a standard gauge (1435 mm) track and a Russian gauge (1520 mm) track and a two-lane roadway for cars and truck transport.

In 2016, after several years of negotiations and overcoming of long-standing mistrust between the Chinese and Russian partners, construction began on the bridge. The Bridge will tie into the China mammoth Belt-Road Initiative by enabling transportation integration into the China-Mongolia-Russia Economic Corridor of the New Economic Silk Road. The Amur bridge will connect Heihe and the Russian Far Eastern city of Blagoveshchensk, the administrative center of Russia's Amur Oblast where the Amur and Zeya Rivers meet. The Bridge will then make a connection to the Russian Trans-Siberian Railway and on to Vladivostok, the major Russian commercial port on the Pacific Ocean.

The Heilongjiang-Blagoveshchensk bridge is operated by one company, a Russia-China joint venture called Heilongjiang Bridge Company established in March 2016 in China and its affiliate in Russia was set up six months later.

China-Mongolia-Russia Economic Corridor

IN 2014 at a meeting in Dushanbe, Tajikistan China's President Xi Jinping, Russian President Vladimir Putin and the President of Mongolia Tsakhiagiin Elbegdorj, agreed to create a China-Mongolia-Russia Economic Corridor which has become one of the six priority corridors of China's Belt-Road Initiative, the first multilateral cooperation plan to form part of the Belt and Road Initiative. The CMREC will connect China's Belt and Road Initiative with Russia's proposal for a Eurasian Union and Mongolia's Steppe Road program, promoting regional economic integration. The CMREC has two key traffic arteries: One extends from China's Beijing-Tianjin-Hebei region to Hohhot and on to Mongolia and Russia; the other extends from China's Dalian, Shenyang, Changchun, Harbin and Manzhouli to Russia's Chita, site of the major new Russia-China copper project .

Sino-Russian investment dollar free

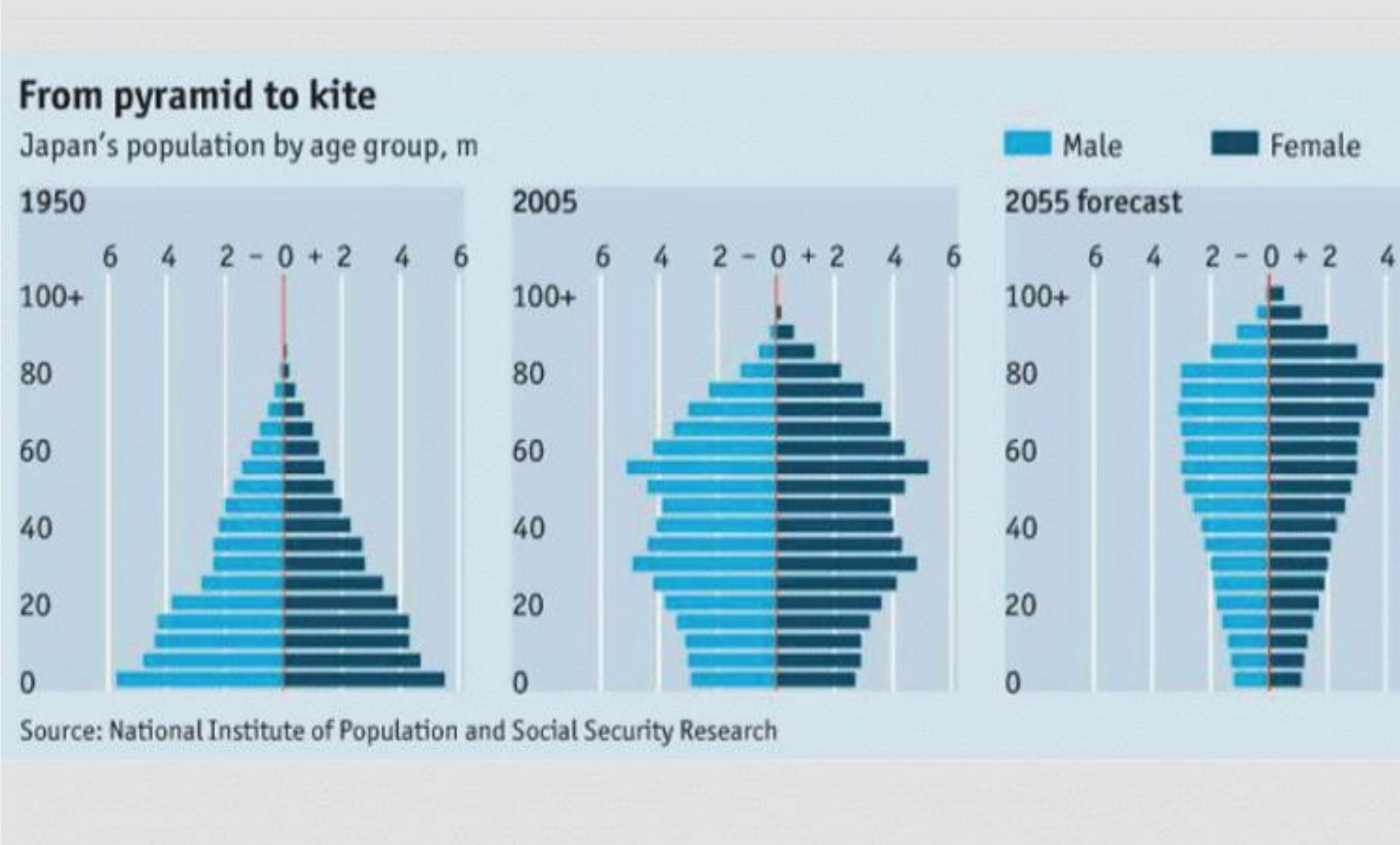
IN SEPTEMBER in Vladivostok the heads of the three countries of the CMREC agreed to closer cooperation in energy and mineral resources, high tech, manufacturing, agriculture and forestry, to widen services trade, and cooperation in education, science and technology, culture, tourism, medical care and intellectual property. This promises a major transformation to the three country region that during the tensions of the Cold War was severely underdeveloped and mutually isolated.

At the same September 7 meeting of the Third Eastern Economic Forum in Vladivostok, China announced it was creating a $15 billion fund to finance further regional economic cooperation projects with Russia. China's Vice Premier Wang Yang said that the investments would target manufacturing, resources exploitation, infrastructure,

agriculture and tourism.
This follows a July, 2017 visit of Xi Jinping to Moscow where the two countries signed a series of economic cooperation agreements including creation of a new US$10 billion China-Russia RMB Investment Cooperation Fund, which will give access to RMB financing for Russian projects, including under both the One Belt, One Road and Eurasian Economic Union initiatives. One project in China's Hainan calls for a $500 million (RMB equivalent) investment to develop industrial and innovation parks, high-tech healthcare services, tourism, social infrastructure, culture and art initiatives as priority areas. Hainan is a main portal of the China Maritime Silk Road infrastructure.
Additionally the Russia-China development fund is developing a huge project at the former Tushino airfield northwest of Moscow to include the Rostec City business park, apartments for 15,000 residents, plus schools and a clinic in a total investment of $1.5 billion ruble equivalent. The development involves Russian state-owned corporation Rostec Corporation as one of the key tenants, and Russian investment company Vi Holding as a developer.
Further agreement was made between the Russian and Chinese investment funds, together with Russian Export and FRC International, to establish a project trade named Dakaitaowa — meaning 'to open a Matryoshka (Russian nesting) doll' in Chinese. The aim of the project is to promote further growth and export of GMO-free and ecologically clean Russian agriculture products to the Chinese market.
Moreover China has gained permission from Russia to offer settlement services in RMB in Moscow through the China ICBC bank. Thereby China and Russia have effectively bypassed dollar risk in their mutual economic investments.
All of this development, building up a new economic geography across the countries of Eurasia is a stark contrast to what Washington has done since September 2001. According to a new study by the Watson Institute of International and Public Affairs at Brown University, Washington has spent a staggering $5.6 trillion on wars in Afghanistan, Iraq, Syria and Pakistan since 2001, more than three times what the Pentagon has claimed in official estimates.
Imagine the United States instead had spent $5.6 trillion on rebuilding America's rotted $8 trillion infrastructure deficit in roads, rails, water, electric grids– what a boost for the American people and for the world it would be. They might even imagine peaceful cooperation in the emerging Russian-Chinese Eurasian development, a true win-win for the world.

Source: http://www.newagebd.net/article/28570/russia-china-build-up-a-new-economic-geography

Existential crisis before Japan



ON 12 October last there was an important news item in a mass circulated English language daily of Kolkata which stated that under the weight of an alarming decrease in its population, Japan has now shifted its focus towards developing new generation robots which can substitute human beings for maintenance, management and renovation of infrastructures and also act at the time of disasters. In a word, this phenomenon of rapidly dwindling population is the most serious challenge that Shinzo Abe is going to face in his third term as the prime minister of Japan.

But this is certainly a direct outcome of the model of development Japan has chosen for itself where a great majority of the country's womenfolk have lost the urge to have a healthy sex life and rear children. By the end of the last decade Japan's population had peaked to a whopping 128 million mark. But by 2015 the country had lost one million people out of it and in 2016 Japan, for the first time in its population history, experienced the birth of less than one million new born children. This decline is however no sudden development as the country is now having 40 per cent less new born children than what it had in 1949.

With 87 years of life expectancy Japan is now the senior most citizen of the world. But it has been estimated that with low birth rate the population of the country is expected to come down to 80 million by 2060. This is sure to have a catastrophic bearing on the country's economy and finance as social security has already been consuming one third of the budget spending and public debt reaching a level which is more than double of Japan's GDP.

But why is the population of Japan shrinking rapidly? The simple answer is that a large number of Japanese males and females are not interested in sex at all, which is otherwise a part and parcel of the life of a normal human being. This is a direct outcome of the high speed capitalist development model that Japan has adopted since the end of the Second World War. Too much workloads, fatigue and very little social security have resulted in men and women losing the will to procreate.

As a corollary to it the institution of family has come under threat. Various other social and psychological factors are also standing in the way of population increase. According to a survey report of Japan's National Institute of Population and Social Security Research released last year, 70 per cent unmarried men and 60 per cent unmarried women in the age group 18-34 years are not in any kind of romantic relationship. Moreover an earlier NIPSSR survey reveals that 90 per cent of Japanese women want to stay single. This figure becomes revealing when it is read with another statistical discovery which reveals that 70 per cent of women leave their jobs after the birth of their first child. Not that the Japanese ladies do this gladly. But they have to accept such an eventuality as for rearing the child they get very little maternity security either from the state or from their employers. So they are gradually losing the will to marry.

This holds a direct threat to Japan's future because the country still cherishes traditional values and births outside marriage is still negligible. So there should be not much surprise in the fact, as brought out by another NPSSR survey, that 68 per cent of Japanese women in the age group 18-19 years have no sex experience. This tallies with traditional oriental value system. But as one moves towards higher age groups surprises come to the fore. Strange it may sound but sex is not a favourite word with a large segment of Japanese women now-a-days. For understanding this trend we can fall back upon an earlier survey of the Japan Family Planning Association. The figures are revealing. How can one explain the finding of the JFPA survey that 46 per cent women in the age group 16-25 years are not interested in sex? Only 29.3 per cent women who fall between 25-29 years have tasted sex and the corresponding figure for women between 30-34 years is 23.8 per cent. Here lies the real threat to Japan. With women belonging to the age group 20-34 years, the most virile time in any man or woman's life, becoming disinterested in sexual life and procreation, the country may find itself in social and economic turmoil in near future.

So sex and marriage are gradually on their way to become taboos in Japan. Surveys point out that 86 per cent men and 89 per cent women 'intend to marry someday' only, a clear pointer to the disfavour that the institution of marriage has been pushed into. There are reasons behind it. The performance driven Japanese society have made its men and women workaholics. They tire themselves out from 9 AM to 5 PM. Then there are regular overtimes till 7 PM. After that there is another two hours of socialisation. So when they come back to their residence they are totally exhausted. So it is not surprising that fatigue has weighed upon 21.3 per cent men and 17.8 per cent women for their growing distaste for sex. For 23.8 per cent women sex is now a bothersome thing and 15.7 per cent men are not interested in it after the birth of their first child.

A grim battle is ahead of Shinzo Abe. If Japan has to survive as a nation then birth rate per woman has to rise to at least 1.8 which is 1.4 now. Already 27.7 per cent of Japan's population is of 65 years and above and by 2060 they will constitute 38 per cent of the population. So there will be not just enough able bodied people to keep the economy going, not to speak of producing surplus.

Shinzo Abe has introduced several policies to cut down excessive working hours. He has also taken some steps to provide child care facilities in order to encourage women to fill up vacancies in the country's number of workforce. But the progress is still far from satisfactory.

Source: http://www.newagebd.net/article/28778/existential-crisis-before-japan