

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▲ 0.35%	▲ 0.33%	\$1,558.80	\$64.98	▲ 0.36%	▲ 0.47%	▲ 0.26%	▼ 0.08%	83.95	92.55	109.03	0.75	
4,212.44	7,761.33	(per ounce)	(per barrel)	41,599.72	23,850.57	3,255.95	3,092.29	BUY TK	84.95	96.35	112.83	0.79

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# Star BUSINESS

DHAKA MONDAY JANUARY 13, 2020, POUH 29, 1426 BS • starbusiness@thedailystar.net

## LOGISTICS COMPANIES GRINNING

### e- and f-commerce to credit

MUHAMMAD ZAHIDUL ISLAM

People's voracious appetite for shopping and consuming food and beverage from the convenience of one's home is giving oversize boost to logistics companies, with as many as one lakh deliveries taking place a day.

The number sees a spike, going as high as a couple of lakhs, during times of sales and before any big festival, according to industry insiders.

"Delivering products into the doorsteps was a hidden market and no one thought of exploring it even a few years back," said Biplob Ghosh Rahul, chief executive officer of eCourier, a leading logistic provider.

The logistics companies are altogether earning about Tk 50 lakh a day and hiring 10,000 to deliver products, according to industry leaders.

On a regular day, the delivery number is about 60,000 per day for the online commerce segment, said AKM Fahim Mashroor, managing director of Ajkerdeal.com, one of the leading e-commerce commerce platforms in Bangladesh.

"Besides, we can see thousands of neighbourhood-based ventures that do home deliveries. Those should not be excluded while considering the overall logistics market," said Mashroor, also a former president of Bangladesh Association of Software & Information Services (BASIS).

In recent times, Facebook-based commerce is sprouting all over the country and this segment of commerce is also helping to boost the delivery numbers every day, Rahul said.

However, some of the industry insiders say one lakh could be an overestimated number: that number could be reached only in the lead-up to festivals or during sales.

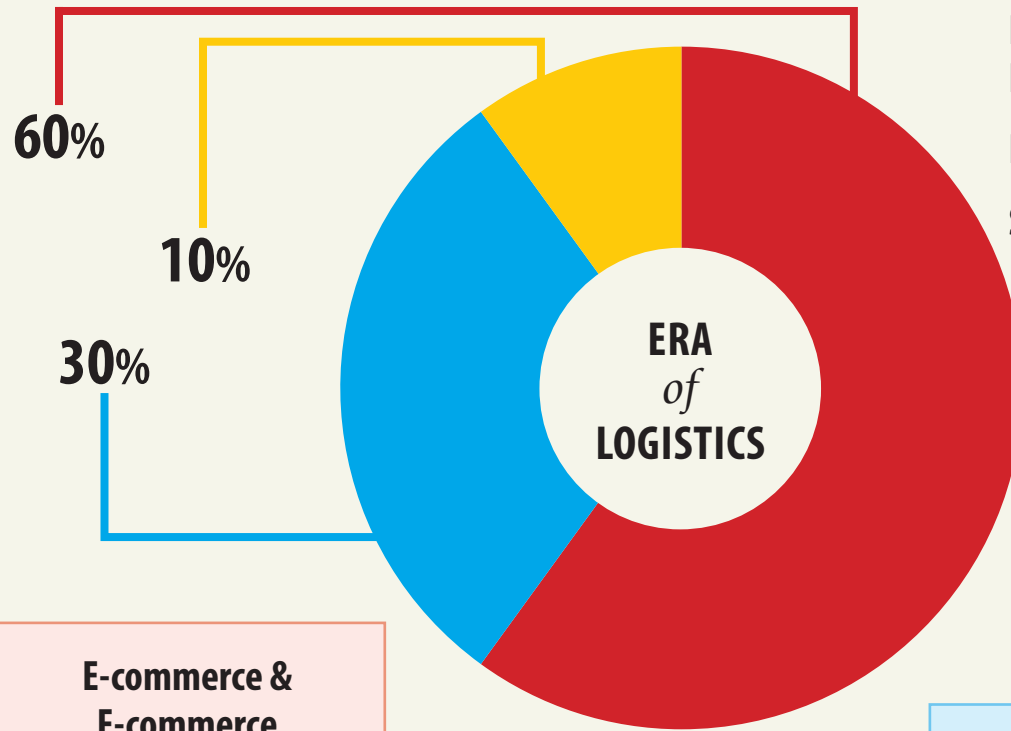
Abdul Wahed Tomal, general secretary of e-Commerce Association of Bangladesh (e-CAB), belongs to this group. Online orders could be about 40,000 and food delivery would be another 30,000 per day, according to Tomal.

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**E-commerce & F-commerce**

**Food**

**Self-delivery**



#### E-commerce & F-commerce

Daily online deliveries: **60,000** (twice that of traditional couriers)

Delivery companies in Dhaka: about **300**

Members of Courier Services Association of Bangladesh: **111**

Top logistics providers: Paperfly, eCourier, Pathao, Biddyut

Daraz, Chaldal have their own arrangements

Post Office in the game too

#### Self-delivery

Daily self-deliveries: Over **10,000** (mostly businesses in Facebook)

#### Overall

Overall employment: **8,000** to **10,000**

Daily delivery payment: Tk **5,000,000**

Annual growth: **100pc** (20-fold in 5 yrs)

#### Food

Daily food deliveries: **30,000** (mostly in big cities)

Top entities: HungryNaki, Pathao, foodpanda, Shohoz, Uber Eats

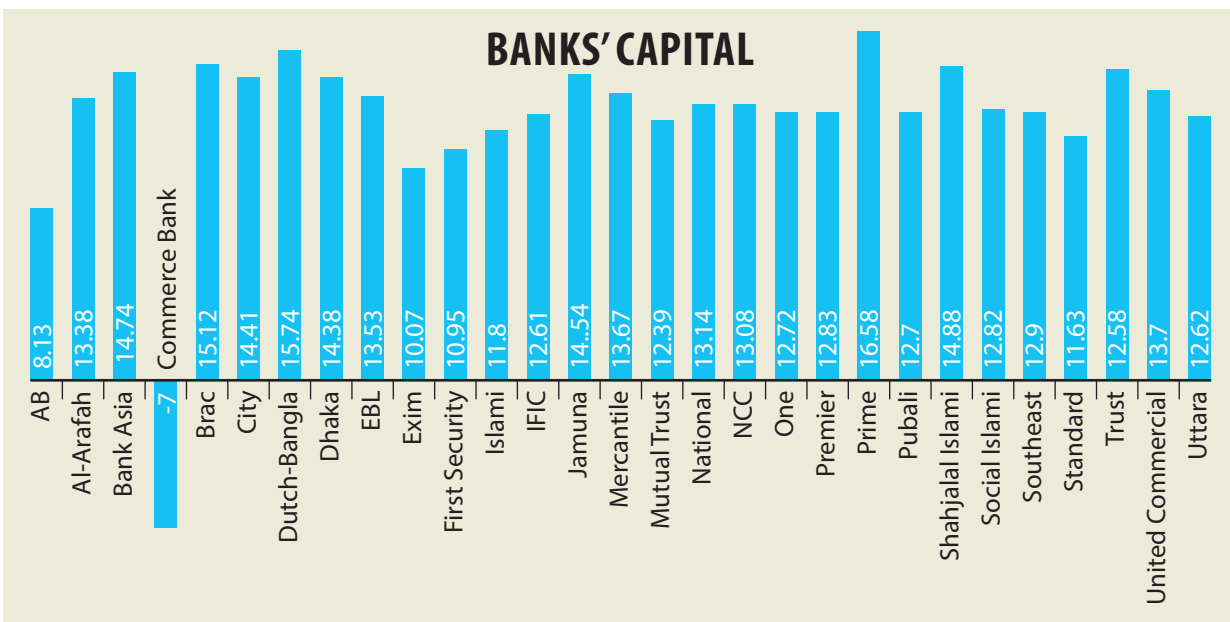
All the food delivery companies have foreign investment

Top restaurants introducing their own delivery channels

Homemade food are also being delivered through own arrangements

## Private banks ready for Basel III

State banks lagging



REJAUL KARIM BYRON

Most of the private banks have raised their capital base in line with the Basel III requirements three months prior to the deadline set to reach the global regulatory standard.

However, the state banks are nowhere near the level they were supposed to reach by the time.

As per a roadmap issued by the Bangladesh Bank in 2014, the banks were supposed to raise their minimum capital adequacy ratio (CAR) to 12.5 percent of their risk-weighted assets by December 2019 from the then 10 percent.

Of the 41 private banks, only 11 are yet to reach the level. But the six state-owned commercial banks are still far behind the 2014's target of 10 percent.

The CARs of nine foreign banks are hovering between 17 percent and 143 percent.

The central bank planned to raise the ratio to 10 percent by 2015, 10.625 percent by 2016, 11.25 percent by 2017, 11.875 percent by 2018 and 12.5 percent in 2019.

To date, there has been no internationally harmonised

standard on bank capital adequacy ratio, stress testing and market liquidity risk, which the Basel III would provide.

The roadmap comes at a time when banks' capital base has been shrinking on the back of mounting bad loans and the central bank has been on their tail to raise their CAR.

In 2015, the banking regulator also formed special teams to work with banks' directors to encourage them to take effort to boost their capital.

However, the problematic banks failed to despite the effort.

Many banks have improved their conditions in phases by taking different initiative, said Anis A Khan, former managing director of Mutual Trust Bank.

"But there are still some challenges for the banks."

If the default loans increase keeping pace with the loan growth of the banking sector, the CAR will fall again.

So, banks should make sure that they are giving quality loans only and their default loans do not increase

further, he added.

The capital situation may get worse because of the new loan rescheduling rules set by the banking watchdog, said Zaid Bakht, chairman of Agrani Bank.

To regularise a loan, a 2 percent down payment is a must now along with keeping 100 percent provisioning against their income. The state banks will now seek for deferrals to maintain the provisioning and they should get the go-ahead, he said.

If they cannot reach the desired CAR level the state banks will have to pay more in case of international trading.

However, the government owes a huge amount of money to the state banks. If it clears the dues, the state banks' capital will increase, Bakht added.

As of September 30, the banks maintained a capital of Tk 118,917 crore, which is 11.65 percent of their risk-weighted average.

The CAR of foreign banks is 25.07 percent, private banks' 12.87 percent and state banks' 7.74 percent, according to data from the BB.

## 146 educational institutions get govt Wi-Fi

Free for first 2 years

STAR BUSINESS REPORT

The government yesterday launched Wi-Fi service at 146 public educational institutions in 23 districts, to be availed free of cost for the first two years.

This is the first such government project involving such a large number of colleges, universities and polytechnic and vocational training institutes.

Undertaken in 2018, the Tk 45 crore project aims to set up WiFi hotspots in 587 educational institutions by June.

Of the institutions, 143 are in Dhaka division, 107 in Chattogram, 85 Rajshahi, 83 Khulna, 56 Rangpur, 45 Barishal, 35 Mymensingh and 33 in Sylhet.

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Sajeeb Wazed Joy, ICT affairs adviser of the prime minister, inaugurates Wi-Fi service at 146 public educational institutions in 23 districts at a programme at the secretariat in Dhaka yesterday. Mustafa Jabbar, telecoms minister, was present.

SCAN THE QR CODE FOR FULL LIST OF EDUCATIONAL INSTITUTIONS



## Tannery estate needs quick upgrade for better leather prices

A top exporter says at IFC report launching



Mashiur Rahman, adviser to the prime minister on economic affairs, poses at the launch of a report titled "Building Competitive Sectors for Export Diversification: Opportunities and Policy Priorities for Bangladesh", published by the IFC, at the Amari Hotel in Dhaka yesterday.

STAR BUSINESS REPORT

The government should facilitate quick installation of the central effluent treatment plant at the Savar Tannery Industrial Estate to ensure better prices for Bangladeshi leather and leather goods, a top exporter said yesterday.

Local leather and leather goods exporters receive nearly 40 percent lower prices than their foreign peers, as they do not have the Leather Working Group (LWG) certification, a vital accreditation needed to receive fair prices from buyers.

Only three local leather and leather goods companies have the certification at the moment and they are helping the sector grow gradually.

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Transcom Group Director Simeen Hossain; Transcom Beverages Ltd (TBL) Directors Atiqur Rahman, Arshad Waliur Rahman and Shahzreh Huq and Managing Director and CEO Khurshid Irfan Chowdhury; PepsiCo Country Manager for India Debashish Deb and Vice President Vishal Kaul pose at the TBL's annual conference for 2019 at the Long Beach Hotel in Cox's Bazar on January 9. TBL unveiled the theme -- Win the Game -- for 2020 at the conference, which started with the screening of an audio-visual clip from its chairman Latifur Rahman. TBL, a concern of the country's leading conglomerate Transcom Group, is the sole franchisee of PepsiCo in Bangladesh for bottling, distributing and marketing of PepsiCo beverages -- 7Up, Pepsi, Mountain Dew, Mirinda, Tropicana Frutz and Aquafina.

## A breakdown for Boeing and the FAA after years of trust

AFP, New York

When Dennis Muilenburg, Boeing's ousted chief, was summoned to Washington last month, he scarcely knew he was in for a dressing-down from the head of the Federal Aviation Administration.

FAA chief Steve Dickson -- a former Delta Air Lines employee who in August took over the reins at the world's most influential aviation regulator -- had announced the day before that Boeing's 737 MAX would not return to the skies before 2020.

The plane was grounded worldwide last March after two crashes in less than five months left 346 people dead.

The meeting between the two men was tense, according to a US official.

Muilenburg had promised airlines and investors the MAX would be back in the sky by December 2019.

Ominously, he warned a delay could force a temporary halt to production, something that could inflict pain on the entire US economy.

But Dickson was unswayed, telling Muilenburg to focus on fixing the MCAS anti-stall system implicated in the crashes. Strikingly, he also publicly accused Boeing of making statements

"designed to force FAA into taking quicker action." The souring relations between the two men alarmed Boeing board members, including Larry Kellner, former head of Continental Airlines, according to people with knowledge of the matter.

The board feared a complete breakdown in the crucial relationship with the FAA. Boeing needs the agency's support both to emerge from the unprecedented crisis, which has cost it billions of dollars, and also to certify the airworthiness of other jets like those in Boeing's long-haul 777x aircraft line.

Ten days of talks followed. And on December 23 Muilenburg's unceremonious firing was announced in a terse Boeing statement that offered no thanks for his years of service.

David Calhoun, chairman of Boeing's board, had finally dropped Muilenburg after having earlier assured him of his support in the face of blistering attacks from lawmakers and the victims' families.

Adding insult to injury, Muilenburg was informed just hours before the announcement, according to a knowledgeable person.

The bonds of trust between Boeing and the FAA had been fraying since

October. That month, as lawmakers intensified a probe of the 737 MAX's certification, Dickson leveled explosive accusations against Boeing.

He said the company had concealed important documents, including exchanges between employees, showing that the MCAS system, which was meant to prevent stalling, made piloting the aircraft difficult during simulator training.

"I expect your explanation immediately regarding the content of this document and Boeing's delay in disclosing the document to its safety regulator," Dickson said in a letter.

In the documents, former Boeing test pilot Mark Forkner boasted of easily convincing the FAA to approve the MCAS. Forkner told a colleague he was "Jedi mind tricking" regulators. And the FAA ultimately approved the MCAS software without in-depth scrutiny.

Another episode further eroded trust between Dickson and Muilenburg.

In early November, Muilenburg asked Dickson to authorize Boeing to resume deliveries of the 737 MAX -- which Boeing assembly plants were still producing at the time -- even before allowing the planes to return to service.

## Infosys profits jump 23.5pc

AFP, Mumbai

India's second-largest IT outsourcing firm Infosys on Friday announced a 23.5 percent jump in its quarterly net profits, beating estimates as it declared that an internal probe had found no evidence of misconduct by its top executives.

This was the company's first financial announcement after whistleblower allegations sparked an internal investigation as well as an ongoing probe by the US Securities and Exchange Commission in October last year.

## China says no significant cut in new energy vehicle subsidies in 2020

REUTERS, Beijing/Shanghai

China will not make significant cuts to subsidies for new energy vehicles (NEV) this year, signalling that its policy will remain relatively stable, state media quoted the country's industry ministry as saying on Saturday.

Earlier, Miao Wei, China's minister for industry and information technology (MIIT), told a forum that the country would not cut subsidies for new energy vehicles (NEV) again in July, an approach which was cheered by vehicle makers.

The government-backed Beijing News said an MIIT representative, in response to Miao's statement, said that "this year's NEV subsidy policy will remain relatively stable and there will not be significant cuts".

Beijing has been slowly rolling back a generous 5-year subsidy programme for NEVs, which began in 2016, saying it plans to phase out subsidies after 2020, amid criticism that some firms have become overly reliant on the funds.

China's monthly NEV sales dropped for the first time in two years in July as the subsidy cuts reached a new level, and have continued falling since.

"There was a subsidy cut on July 1 last year and everyone has been concerned about whether we will see more cuts this year," Miao told the EV100 annual gathering of senior auto industry executives in Beijing. "Today I can tell everyone, we will not cut it in July this year."

Miao's speech was the "best news", He Xiaopeng, chief executive of EV startup XPeng Motors, told Reuters, adding that policy stability was crucial to the industry.

Miao also said NEV sales hit 163,000 units in December and full-year sales stood at 1.2 million NEVs, a drop from 1.3 million in 2018.


The China Association of Automobile Manufacturers will announce 2019 full-year sales figures on Monday. Last month, it said that NEV sales from January to November hit 1.04 million.



Nizam Chowdhury, chairman of NRB Global Bank, and Syed Habib Hasnat, managing director, attend the bank's Yearly Managers' Conference-2020 for its branch managers and divisional heads at the hotel Amari Dhaka yesterday.



Azharul Islam, chairman of Uttara Bank, and Mohammed Rabiul Hossain, managing director, attend the bank's Zonal Heads' Conference-2020 at its head office in Dhaka yesterday.



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**Office of the Plant Manager (Superintending Engineer)**  
Sirajganj 225 MW Combined Cycle Power Plant (Unit-1)  
Soydabad, Sirajganj.

Ref: 27.28.8878.101.07.001.19.012


Date: 11/01/2020

**e-Tender Notice**

The following e-Tenders are invited in the National e-GP System Portal ([www.eprocure.gov.bd](http://www.eprocure.gov.bd)):

SL No.	Tender ID	Brief Description of Tender	Publication Date	Last Selling Date & Time	Opening Date
1	411247	Spare parts of Field Instrumentation of Water Treatment Plant.	12/01/2020	22/01/2020, 3:45 PM	23/01/2020
2	407875	Supply of different cooling water pump and hydraulic oil pump.	14/01/2020	10/02/2020, 3:45 PM	11/02/2020
3	407880	Spare parts ST field instrument control valves and shutoff valves.	19/01/2020	09/02/2020, 3:45 PM	10/02/2020

This is an online tender where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal ([www.eprocure.gov.bd](http://www.eprocure.gov.bd)) is required. Further information and guidelines are available in the National e-GP System Portal and e-GP Help Desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).



**Shafiqul Islam**  
Plant Manager (S.E.) (Addl. Charge)  
Sirajganj 225 MW Combined Cycle Power Plant (Unit-1)  
NWPGL, Soydabad, Sirajganj.

**Government of the People's Republic of Bangladesh**  
Local Government Engineering Department  
Municipal Governance and Services Project (MGSP)  
Agargaon, Sher-e-Bangla Nagar  
Dhaka-1207, Bangladesh  
[www.lged.gov.bd](http://www.lged.gov.bd)

Memo No. 46.02.0000.794.26.026.19.42

Date: 12/01/2020

**Invitation for Bids (IFB) for International Competitive Bidding (ICB)**  
IFB No.: ICB/2019-20/05

1. This invitation for bids follows the General Procurement Notice (GPN) for this Project that appeared in UN Development Business on 25 February 2013.
2. The Government of Bangladesh (GOB) has received a credit from the International Development Association toward the cost of Municipal Governance and Services Project (MGSP) (IDA Credit No. 5339-BD), and it intends to apply part of the proceeds of this credit to payments under the **Contract Package number MGSP/PMU/G94 for Procurement of 21 Nos. (twenty-one) Vibratory Road Roller (8-10.5 Ton)**.
3. The Local Government Engineering Department now invites sealed bids from eligible and qualified bidders for procurement of goods as mentioned above.
4. Bidding will be conducted through the International Competitive Bidding (ICB) Procedures specified in the World Bank's Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, January 2011 (Procurement Guidelines) and is open to all eligible bidders as defined in the Procurement Guidelines.
5. Interested eligible bidders may obtain further information from the Project Director, Municipal Governance and Services Project (MGSP), LGED, Email: [pd.mgsp@lged.gov.bd](mailto:pd.mgsp@lged.gov.bd) and inspect the Bidding Documents at the address given below during office hours i.e. 09:00 to 17:00 hours (GMT+6 hours).
6. The details of qualifications requirements are provided in the Bidding Documents. A margin of Preference for certain goods manufactured domestically shall be applied. A Pre-Bid meeting will be held at **11:00 hours (GMT+6 hours) on 05 February, 2020** at the office of the undersigned.
7. A complete set of Bidding Documents in English may be purchased by interested bidders on the submission of a written application to the address below and upon payment of a non-refundable fee of **equivalent US\$ 85.00 (eighty-five)**. The method of payment will be Cash or Bank Draft.
8. Bids must be delivered to the address below at or before **15:00 hours (GMT+6 hours) on 02 March, 2020**. Electronic bidding will not be permitted. Late bids will be rejected. Bids will be opened in the presence of the bidders' representatives who choose to attend in person at the address below on the same day at **15:15 hours (GMT+6 hours)**. The bid must be accompanied by a Bid Security amount **US\$ 45,000.00 (forty-five thousand) or an equivalent amount** in any freely convertible currency in favour of the Project Director, Municipal Governance and Services Project (MGSP).
9. The address referred to above is: The Office of the Project Director, Municipal Governance and Services Project (MGSP), LGED-RDEC Bhaban (Level-05), Agargaon, Sher-e-Bangla Nagar, Dhaka-1207, Bangladesh, Tel: +8802 9113446, Fax: +8802 9122434, E-mail: [pd.mgsp@lged.gov.bd](mailto:pd.mgsp@lged.gov.bd)

**Shaikh Muzakka Zaher**  
Project Director  
Municipal Governance and Services Project (MGSP)  
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E-mail: [pd.mgsp@lged.gov.bd](mailto:pd.mgsp@lged.gov.bd)

# Amazon boss Bezos to face protests from traders during India trip

REUTERS, New Delhi

Thousands of small-scale traders in India are planning to organize protests against Amazon.com Inc founder Jeff Bezos, who will visit the country next week for a company event and potential meetings with government officials.

Bezos will participate in an Amazon event in capital New Delhi aimed at connecting with small and medium-sized enterprises, three sources told Reuters.

He has also sought meetings with the prime minister and other government officials, with conversations expected to center around e-commerce, one of the sources familiar with the matter said.

Details of Bezos' visit, including his arrival date and the duration of his stay are not known.

Amazon did not respond to a request to confirm the visit. The prime minister's office also did not respond to requests for comment.

The Confederation of All India Traders (CAIT), a group representing roughly 70 million brick-and-mortar retailers, said it will protest across 300 cities during Bezos' stay in the country.

CAIT has since 2015 waged a battle



Amazon Founder Jeff Bezos

against online retailers Amazon and Walmart (WMT.N)-controlled Flipkart, accusing them of deep discounts and flouting India's foreign investment rules.

Both e-tailers have denied the allegations.

Amazon has previously said its platform provides business opportunities to thousands of small sellers, artisans, weavers and women entrepreneurs. But CAIT is not convinced.

"We plan to organize peaceful rallies against Jeff Bezos in all major

cities such as Delhi, Mumbai, Kolkata as well as smaller towns and cities," Praveen Khandelwal, the group's secretary general told Reuters.

"We expect to mobilize at least 100,000 traders in the protests."

With its 1.3 billion population and the world's second-biggest smartphone user base that relies on cheap data for social media and online shopping, India is a key market for U.S. retailers Amazon and Walmart to grow their business.

Discounts on their platforms have helped lure Indians to shop online for everything from groceries to large electronic devices, a phenomenon which traders say has unfairly hurt their business.

New Delhi introduced rules last year to protect nearly 130 million people dependent on small-scale retail — a key voter base — by deterring large online discounts.

The rules forced e-commerce firms to change their business structures, drawing criticism from the United States and straining the two countries' trade ties.

The federal commerce ministry is reviewing complaints and evidence filed by CAIT against Flipkart and Amazon, Reuters reported previously.



Social Islami Bank Directors Md Jahangir Hossain, Jebunnesa Akbar and Mohammed Mizanur Rahman, and Managing Director Quazi Osman Ali attend the bank's Annual Business Conference-2020 at the Grand Sultan Tea Resort & Golf at Sreemangal in Moulvibazar.

# Mercedes-Benz to build smart brand cars with Geely in China's Xi'an

REUTERS, Beijing/Shanghai

Mercedes-Benz will build smart-branded electric cars with Zhejiang Geely Holding Group in the Chinese city of Xian from a base with annual capacity of around 150,000 vehicles, a senior official from its German parent Daimler AG said on Saturday.

Daimler's Executive Vice President in China Leng Yan made the comments to Reuters on the sidelines of China's EV100 forum in Beijing, an annual event where senior auto industry executives meet to discuss policies and the market.

Geely and Mercedes-Benz said on Wednesday they would each invest 2.7 billion yuan (\$388.8 million)

in a China-based venture to build "premium and intelligent electrified" vehicles under the Smart brand.

Like Mercedes-Benz, Smart is a Daimler marque. The firms said at the time that the venture, which will be based in the eastern Chinese city of Ningbo, will have manufacturing capacity in China and sales operations in China and Germany.

# Tannery estate needs quick upgrade for better leather prices

FROM PAGE B1

"If all the 155 tanneries, housed at the leather industrial park in Savar, can obtain the certification, they will be able to receive proper prices from international buyers," said Saiful Islam, president of the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh.

He spoke at the launch of a report titled "Building Competitive Sectors for Export Diversification: Opportunities and Policy Priorities for Bangladesh", published by the International Finance Corporation (IFC), the private sector lending arm of the World Bank Group.

The event took place at the Amari Hotel in Dhaka.

The CETP is not fully functional yet to get the LWG certification. As a result, local leather and leather goods manufacturers have to sell goods to some limited non-compliant Chinese manufacturers at cheaper rates.

"So, the target to export \$5 billion worth of leather and leather goods by 2021 might not be possible," Islam said.

Currently, the sector is the second largest foreign currency earner after ready-made garment. It fetched \$1.02 billion in exports in the last fiscal year.

"We must do something for value-addition. Bangladesh has comparative advantage as the leather and leather goods sector has its own raw materials," Islam said.

Bangladesh's competitors such as

Vietnam, Indonesia and Cambodia have the advantages of diversified products, the entrepreneur added.

KEY POINTS
Leather goods exporters get 40pc less price from buyers for poor compliance
Only three leather goods companies have LWG certifications
Given the current scenario, the export target of \$5b by 2021 seems unattainable
Lack of funds stalls innovation
Plastic goods have huge export potential
Some \$600m worth of plastic goods exported a year

Islam called for special allocation for product and market diversification and innovation, as the private sector has hardly had any innovation recently because of higher cost of funds. Cement, steel and pharmaceutical exports should be boosted to diversify the export basket because they have the capability to earn a lot if facilitated properly, said MA Razzaque, research director at the Policy Research Institute of Bangladesh (PRI).

Higher demand for some goods in the local market can also draw higher investment and higher export, he said.

For instance, per capita consumption of plastics in Bangladesh is five kg against the Asian average of 36kg. Domestic demand can help expand the market and ultimately boost exports, Razzaque also said.

Some \$600 million worth of plastic goods are exported from Bangladesh every year mainly as dimmed export items like hanger. Plastics has good potential at both home and abroad, he said.

To the researcher, it does not make any sense why the government does not allow bonded warehouse facility to the companies that manufacture products both for local and international markets.

"This is really a challenge for some sectors," he added.

The government is working to develop particular products in the areas of leather and leather goods, plastic, footwear and light engineering under a special scheme so that the goods can be exported in the near future, Commerce Secretary Mohammad Jafar Uddin said.

As part of an initiative to diversify markets, Bangladesh is trying to grab more market shares in Latin American countries like Brazil, Mexico and Argentina.

Moreover, Bangladesh has targeted the central Asian countries for market diversification, apart from traditional markets, namely the EU, the US and Canada, he said.

"However, Bangladesh will need to diversify skills along with market and product diversification," he said.

A diversified export portfolio comprising competitive sectors, such as leather and footwear, plastics, and light engineering, will help create greater access to international markets for Bangladeshi products, the report said.

It recommended policymakers develop strategies in order to integrate priority sectors with the global value chain.

"To sustain its growth trajectory and reduce overdependence on any single item, Bangladesh needs to build a strong manufacturing ecosystem and develop new products, while paving the way for large scale job creation and poverty reduction," said Wendy Werner, country manager of the IFC for Bangladesh, Bhutan and Nepal.

The IFC publication compared Bangladesh's export performance with several comparator countries, including Vietnam, Cambodia, Malaysia, China and India, to identify areas for the country to improve.

Economic factors such as employment generation, women's employment, growth of small and medium enterprises, and foreign direct investment are needed in seven potential sectors for export diversification, it said.

"Bangladesh's economy is moving forward at a stable pace," said Mashiur Rahman, adviser to the prime minister on economic affairs.

The government has initiated a concerted effort to diversify exports, he said.

# Alphabet legal head Drummond exits

REUTERS

Alphabet's new Chief Executive Sundar Pichai on Friday gained the opportunity to reshape the leadership of Google's parent with the exit of Chief Legal Officer David Drummond, whose outsized strategic role was overshadowed by employee concerns about his personal relationship with a subordinate.

Drummond, also senior vice president of corporate development, had been with Google since its start in 1998. He incorporated the company as outside counsel, winning the business of co-founders Larry Page and Sergey Brin. He later spent nearly 18 years as the company's top lawyer and one of its few black executives.

Scrutiny centered on Drummond as the board last year investigated the company's handling of sexual misconduct complaints throughout its workforce, and he became a lightning rod for criticism about what some employees viewed as tolerance for poor behavior.

Pichai now has his first big chance to make his mark on Alphabet leadership since Page and Brin left him day-to-day reins of the company last month. Drummond's last day is Jan. 31, and a replacement has not been decided yet, Alphabet said.

"With Larry and Sergey now leaving their executive roles at Alphabet, the company is entering an exciting new phase, and I believe that it's also the right time for me to make way for the next generation of leaders," Drummond said in an email to employees shared by Google.

Some employees had questioned Drummond's role at the company after the New York Times in 2018 reported on an extramarital affair he had with subordinate, Jennifer Blakely, starting in 2004.

# Logistics companies grinning

FROM PAGE B1

"We have no study but I think only during sales would the total number of deliveries reach one lakh."

However, the e-CAB general secretary is also very optimistic that the number of deliveries will hit few lakhs a day within the next couple of years.

Rahath Ahmed, director and chief marketing officer of the country's top delivery solution company Paperfly, echoed the same as Tamal.

On a good day the delivery number might be more than one lakh, but on an average the number would be about 80,000.

Of the total number, the traditional courier companies are delivering a big chunk, with SA Paribahan Courier and Sundarban Courier leading the pack.

Some other courier companies like Karatoa and Dreamland are also carrying products from Dhaka to other cities and towns.

The Post Office too has started carrying products of online business orders and handling more than thousand orders a day. Previously, they just delivered individual parcels between friends and families.

Thanks to mushrooming of e-commerce and f-commerce businesses, about 300 logistic companies have set up shop. But a few such as Paperfly, e-courier, Pathao and Biddyt have cornered about 90 percent of the market.

Paperfly is new to logistics but has already become the market leader, according to Ahmed.

The company processes more than 20,000 orders a day.

Currently, the company employs about 1,000, but it estimates more than 8,000 would be earning from the industry at present through full- or part-time arrangements.

e-Courier, which has a few hundred employees, also has experience of handling more than 10,000 orders, but its average delivery number is little less than that, according to Rahul.

Online grocery store Chaldal is delivering orders through their own logistic channel.

Normally, the company delivers about 3,000 orders a day.

"When we run offers on the site, we have to hire other companies," said Omer Sharif Ibney Hai, head of growth at Chaldal.

Chaldal has partnership with obhai, a ridesharing platform, for delivery of their products during sales, when the order number crosses 5,000 a day, he added.

Daraz, the country's top e-commerce company, is delivering its orders in cities by itself, said an insider. The number might be more than 10,000 a day, he said requesting anonymity as he is not authorized to speak to the media.

The industry just started to roll and it has huge potential, said AD Ahmad, CEO and co-founder of HungryNaki, a leading online food delivery company.

"Personally, I will not be surprised if this market grows 50 times more from the current

situation in five years," he added.

Apart from Dhaka and Chattogram, HungryNaki has wider service range in Narayanganj, Sylhet, Cox's Bazar, Khulna and Barisal.

Within a short time it will introduce food delivery service in Rajshahi and some other cities, Ahmad said.

Apart from HungryNaki there are also a good number of global and local companies -- Uber Eats, Foodpanda and Shohoz -- engaged in food delivery.

At the same time, brands like Pizza Hut, Pizza Inn, KFC and some others have their own delivery systems and their numbers are also huge.

A Facebook-based entrepreneur Kakoli Tanvir is running her Saverie's Clothing Line for the last three years without enlisting the services of any logistic company.

"I have appointed a delivery person and at the same time my driver also delivers products when needed," said Kakoli, who is quite happy with the arrangement.

Logistics companies are also deploying technology in the delivery channel so that partners can easily monitor their products through mobile apps.

Different Logistics companies are now offering same day delivery in the capital and next day in the adjacent part of the city. It takes two to three days to deliver to the district level and four to five days at the union level.

# Foreign companies at DITF see Bangladesh as a potential market

FROM PAGE B4

Craft and Creation, a Srinagar-based household decoration item manufacturer, has been participating in the fair for the last few years.

The company has won customer's confidence on the back of the quality of products, said Manish Garg, an owner of the company.

"We do not take part in any fair except the DITF."

Craft and Creation exports products to Bangladesh in a limited scale and is looking to expand its footprint in the country.

"That's why I take part in the DITF," Garg said.

Although more than 50 companies are taking part in the fair, the correspondent did not find direct participant of foreign companies except those from India, Pakistan, and Turkey.

Executives selling products at stalls showcasing products of companies from Thailand, Iran and Korea say representatives from the countries did not take part as local agents can run the stalls.

One of them is Aove Saha, who is running Korea Collection, a stall at the Korean pavilion, as a director.

"Korean products in areas of household, cookies and beauty are becoming popular in Bangladesh."

His company takes part in various fairs

in Dubai, Europe and North America as there is a good demand there.

According to Ahmed, the EPB is very cooperative and he has not faced any problem in taking part in the fair.

Some foreign participants, however, alleged that they have to pay higher customs duties to bring in products to showcase them at the DITF compared with fairs in other countries.

Companies mainly take part in fairs to display products and sales are not the main target, they say.

Garg brings in products by air and is charged customs duties depending on weight. "Ultimately, customers have to bear the duties as we include the tax with price," he said.

Although he has shipped in products through sea routes, Shibli Shamsi also had to pay a large amount of custom duties, Shoaib said.

Ozkurt's company has paid \$30,000 in customs duty to bring a consignment of products from Turkey.

Customs levy duties on the products sold at the DITF as per declaration of the participating companies, said Mohammad Abdur Rouf, secretary of the fair organising committee.

If the participants write to them about the higher duties, they would look into it, he said.



M Fakhru Alam, managing director of One Bank, cuts a ribbon to open the bank's sub-branch and ATM booth at South Pirebag in the capital's Mirpur yesterday.

# 146 educational institutions get govt Wi-Fi

FROM PAGE B1

Students will get unique passwords, allowing one device to connect at a time. After the first two years, the institutions will have to pay nominal bandwidth charges.

Initially every institution will get 10 Mbps of bandwidth, said Rafiqul Motin, managing director of state-owned Bangladesh Telecommunication Company Limited (BTCL), which is running the project.

However, Sajeeb Wazed Joy, ICT affairs adviser of Prime Minister Sheikh Hasina, asked to increase it within a short time, he said.

Inaugurating the service at the Posts and Telecommunications Division in Bangladesh Secretariat, Joy said,

"We have taken the project for the betterment of the students as they have demanded it to create a Digital Bangladesh."

Only 1.3 percent of the population had internet access when the Awami League government came to office in 2009 and now the figure stands at about 60 percent, he said.

"My dream is to ensure internet for all, the 16-crore people of the country, and we are also working to achieve that vision," he added.

A meeting was held afterwards when the BTRC informed of the Supreme Court directing Grameenphone to pay Tk 2,000 crore and High Court directing Robi Axiata to pay Tk 138 crore in audit-based dues.

The orders came against the BTRC's claims of Tk 12,580 crore and Tk 867.23 crore respectively.

Joy directed the BTRC not to go for any further negotiation, such as out of court settlements, which was being worked on before the courts came up with the directives.

"As we already got some court orders, we need to follow that and we will not move for any out of the court settlement negotiation," a top BTRC official who attended meeting quoted Joy as saying.

Telecom Minister Mustafa Jabbar presided over the meeting while Telecom Secretary Md Nur-Ur-Rahman and top brass of different government organisations were also present.

# Foreign companies at DITF see Bangladesh as a potential market

*But they grumble about high customs duty to bring in products*

JAGARAN CHAKMA

Foreign participants at the Dhaka International Trade Fair (DITF) eye Bangladesh as a potential market given the country's rising per capita income and vast consumer class.

Some 55 companies from 21 countries are taking part in this year's trade fair at Sher-e-Bangla Nagar, which is organised by the commerce ministry and the Export Promotion Bureau (EPB), the government agency solely responsible for promoting and expanding export and markets across the globe.

"Bangladeshi people like our products because of quality and reasonable price," said Zahoor Ahmed, owner of Kashmir Shawl

Industries, a Srinagar-based woollen shawl manufacturer.

The manufacturer is taking part in the fair for the second time and has already gained popularity: he recently opened a branch in Dhaka as he bagged some permanent clients in Bangladesh.

Similarly, Shibli Shamsi, a women's clothing manufacturer from Pakistan, has been taking part in the DITF for the last 10 years. Its salwar suits and over-shirts have good demand in Bangladesh.

The company has some clients in Dhaka who import directly from Pakistan, said its Chairman Gulrez Shoaib.

"We are trying to provide quality products to

customers through the DITF as we are looking to expand our business in Bangladesh," said Shoaib, who came to Dhaka for the first time this year. His father took part in the previous nine editions.

Sultans' Home, a Turkish carpet manufacturer, has been taking part in the DITF for the last 13 years and has created a good market in Bangladesh as there are good number of carpet lovers here, said Halef Ozkurt, its country manager.

"We see a potential market in Bangladesh. Our target is local customers," he said, adding that the company has opened an office in Uttara, Dhaka.

READ MORE ON B3



Owners and sales executives showcase products from foreign companies at the Dhaka International Trade Fair at Sher-e-Bangla Nagar in the capital on Saturday. Fifty-five foreign companies from 21 countries are taking part in the month-long event.

## BRIEF RESPITE FOR DSE

Dhaka stocks rose yesterday breaking a losing streak of one week as investors returned to buying shares following the downturn. DSEX, the benchmark index of the Dhaka bourse, bled throughout the week mainly because of the negative developments in the banking and telecom sectors.

DSEX rose to **4,212.44** points (increased **15.05** points, or **0.35%**)

Turnover Tk **260.82** crore (dropped Tk **40.59** crore, or **13.47%**)

### TOP FIVE GAINERS

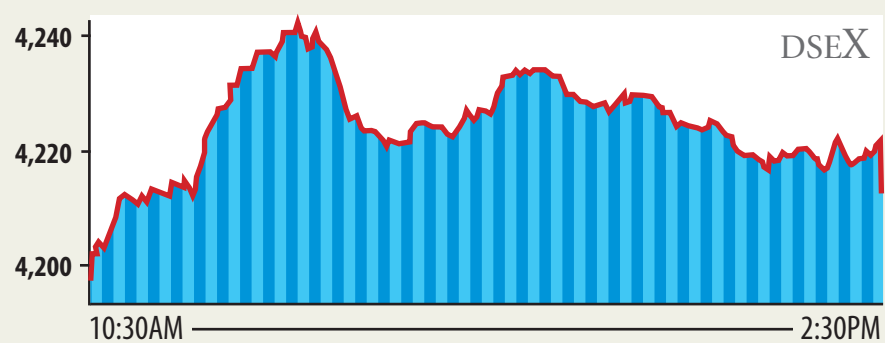
Company	Gain (in %)
Sonargaon Textiles	9.73
Central Pharmaceuticals	8.14
Bangladesh Building System	7.60
Renwick Jasneswar	7.10
Sandhani Life Insurance	7.04

### TOP FIVE LOSERS

Company	Loss (in %)
Zeal Bangla	9.75
Fas Finance	9.52
International Leasing	9.43
ADN Telecom	7.21
EBL NRB Mutual Fund	6.97

### TOP TURNOVER

Company	Turnover (in crore Tk)
LafargeHolcim	24.71
Khulna Power	15.70
ADN Telecom	14.36
Northern Jute	11
Western Marine	8.26



## US-China trade deal a mixed success for Trump

AFP, Washington

President Donald Trump is set to sign a trade deal with China on Wednesday that he will trumpet as a major victory, but it comes at a steep cost after a bitter two-year standoff between the world's two top economic powers.

"The hard issues between the United States and China are still outstanding," said Edward Alden, trade policy expert at the Council on Foreign Relations.

But he acknowledged: "Politically, this does work pretty well for Trump" as he runs for re-election next year.

The White House can boast it has been "tough on China," and that "technically he's got a deal," something he promised voters in 2016, Alden said.

At the very least, the truce has reassured markets, roiled by constant upheaval in 2018 and 2019 amid threats, counter-threats and waves of tariffs.

The current ceasefire also could help Trump on the campaign trail by giving the American economy a boost.

As uncertainty eases, consumers would have greater reason to spend with confidence, and businesses might also move forward with investments that were put on hold over fears about how the conflict would play out.

Trump announced to great fanfare on New Year's eve that he would sign the "phase one" deal on January 15 in the

White House.

But it was not until Thursday that the Chinese Ministry of Commerce confirmed the visit of Vice Premier Liu He, who will be in Washington from Monday to Wednesday.

Details of the scope of the agreement have remained a mystery, however.

"The whole document will be released Wednesday," Larry Kudlow, director of the National Economic Council, told reporters Friday.

There will be "a lovely ceremony," he added, preceded the night before by a formal dinner and followed by a lunch.

Kudlow dismissed criticism that the deal fell short of expectations, saying US negotiators won numerous concessions.

The White House has said the deal includes improvements on the technology transfers requirements that Beijing imposes on foreign companies, as well as better access to the Chinese market for financial services.

It also stipulates that Beijing will buy an additional \$200 billion in American products over a two-year period compared to 2017, including \$50 billion in agricultural goods.

In return, the Trump administration has called off new tariffs on Chinese-made goods like electronics and cell phones that were due to take effect last month, and cut in half those imposed on September 1 on \$120 billion in products.

## Western Marine exports two more bulk carriers

STAFF CORRESPONDENT, Ctg

Western Marine Shipyard (WMS) has handed over two bulk carriers, each worth around Tk 50 crore, to Indian steel manufacturer and thermal power plant operator Jindal Steel and Power.

Each of their deadweight tonnage or total carrying capacity, including cargo, fuel, fresh water, ballast water, provisions, passengers and crew, is 8,000 tonnes while cargo hold capacity 8,988 cubic metres.

The service speed or average speed under normal load and weather conditions is 10 knots or around 18.5 kilometres per hour. The cargo vessels also come with accommodations for 14 persons.

The vessels, christened JSW Singhad and JSW Lohgad, are the last pair of four vessels the Indian company placed orders for in 2015.

JSW Raigad and JSW Pratapgad were handed over in October 2017.

The WMS officials said the vessels were not only the largest of their kind to be built in Bangladesh but also the first such exports to India.

A WMS statement issued Saturday said the ships would be stationed at JSW Jaigarh Port, located between Mumbai and Goa.

They will carry iron ore and coal from Jaigarh Port to Dharatam Port, located in Dolvi of Maharashtra's Raigarh district, it added.

Though the two vessels will be plying a river route, they were capable of running on any sea route, said WMS Chairman Md Saiful Islam.

Jindal Group's website terms itself a \$22 billion global conglomerate with interests

spanning the steel, mining, power, industrial gases and ports verticals.

Commerce Minister Tipu Munshi was the chief guest at the handing over ceremony onboard a WMS vessel, Chittagong Boat Club Western Cruise, on the river Karnaphuli on Friday.

He said the exports were a milestone in the country's product diversification.

Indian High Commissioner Riva Ganguly Das, who attended the event as special guest, hoped that bilateral trade relations would definitely be enhanced.



Commerce Minister Tipu Munshi and Indian High Commissioner Riva Ganguly Das at the handover ceremony of two bulk carriers made by Western Marine at a programme in Chattogram on Friday. Inset, JSW Singhad and JSW Lohgad, the bulk carriers, are seen harboured.



## WINTER WANT FOR WATERFOWLS

Traders confirm that duck meat consumption increases manifold in winter, so it is no wonder that prices skyrocket against such demand. Amidst the ongoing cold spell, prices of farmed ducks weighing one to two kilogrammes are selling for Tk 300-400 at Karwan Bazar, though at other times they are available at Tk 200-250. Free-ranging ones, for their purportedly healthier diets, are selling for some Tk 500-600, twice their "off-season" price. Their bigger cousins, geese, are not that far behind. Prices of adult birds have jumped from Tk 800-1,000 to Tk 1,400-1,800.

