

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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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.

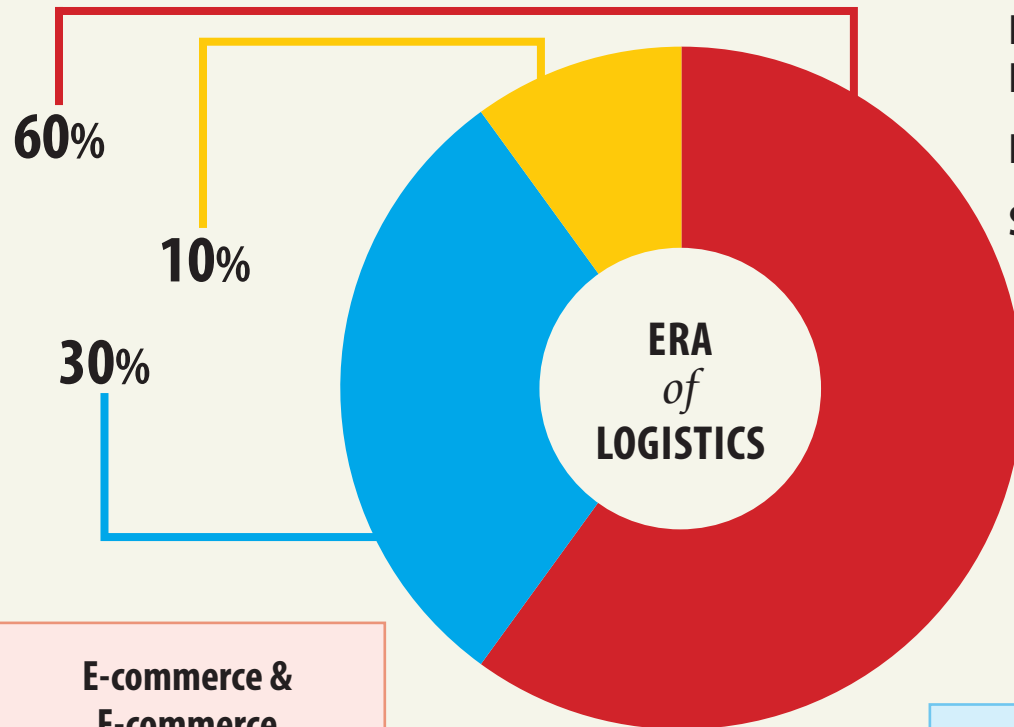
Online orders could be about 40,000 and food delivery would be another 30,000 per day, according to Tomal.

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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

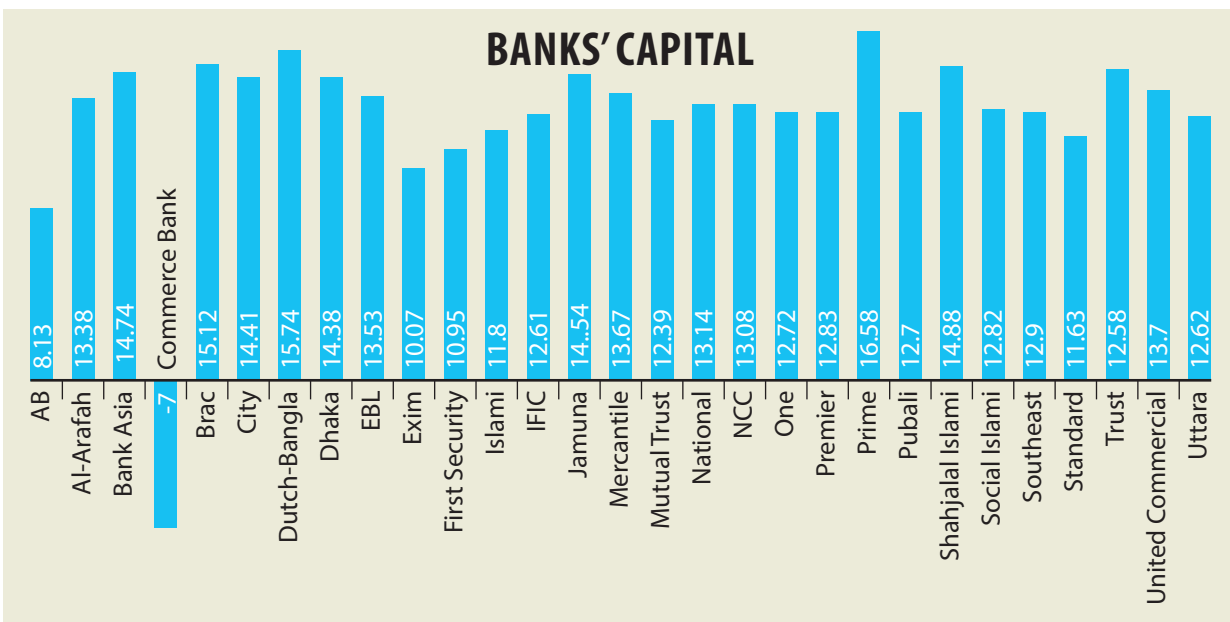
All the food delivery companies have foreign investment

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 styled "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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