

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
0.30%	0.45%	\$1,552.60	\$55.48	41,142.66	23,319.56	3,200.13	2,818.09	83.95	91.81	108.96	11.85	
4,465.89	8,231.78	(per ounce)	(per barrel)					BUY TK	84.95	95.61	112.49	12.45

Quicker Easier & Safer

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SIBL Social Islami Bank Limited

Star BUSINESS

DHAKA THURSDAY FEBRUARY 6, 2020, MAGH 23, 1426 BS starbusiness@thedailystar.net

Samsung Galaxy Note10+ now made in Bangladesh

The flagship device now cheaper for local assembly

MUHAMMAD ZAHIDUL ISLAM

South Korean tech giant Samsung recently made Bangladesh swell with pride after it started manufacturing its flagship smart device Galaxy Note10+ in its local plant, in a testament of the massive technological advancement of the country's mobile device assembling industry.

The Note10+ has been designed like a computer, a gaming console and a movie-tech camera, and comes with an intelligent pen.

"No doubt this is the most sophisticated handset produced in the country," said Mohammad Mesbah Uddin, chief marketing officer of Fair Electronics, Samsung's local assembly partner.

The first batch of locally assembled Note10+ from Fair Electronics' 58,000 square feet state-of-the-art manufacturing plant in Narsingdi was delivered to the market in the first week of January.

Thanks to local assembly, the flagship Samsung device became Tk 31,300 cheaper: it is now selling at Tk 113,000.

All 1,500 units in the first batch has already been sold out.

"We received tremendous response from the market," said Uddin, who is also the joint secretary of the Bangladesh Mobile Phone Importers Association.

And the overwhelming response has convinced Fair Electronics to assemble the Note10 Lite, another top-notch handset.

READ MORE ON B3

dbi CERAMICS DISPLAY CENTRE

Nasir Trade Centre (2nd Floor)
89 Bir Uttam C.R. Dutta Road (Sonargaon Road)
Dhaka 1205, Bangladesh
Hotline: 01713 656565

Galaxy Note10+ at a glance

Released globally on Aug 2019
Import price is Tk **144,300**
Local assembled price is Tk **113,000**
Locally assembled product released in Jan **1,500** units manufactured in first lot
Display type: Dynamic AMOLED capacitive touchscreen, **16M** colours
Display size: **6.8** inches, **114.0** cm²
Internal memory: **256GB** **12GB** RAM, **512GB** **12GB** RAM
Weight: **196** g (6.91 oz)
Battery: Non-removable Li-Ion **4300** mAh
Network: GSM/CDMA/HSPA/EVDO/LTE
Galaxy Note **10** Lite to be manufactured soon

Bangladesh comes to Somalia's rescue

To give Tk 8.2cr for the African nation's poverty alleviation

REJAUUL KARIM BYRON

Since time immemorial Bangladesh has been taking on aids, grants and financial assistance from the global community. But now, it is providing debt relief to another nation, in a testament of the progress the country has made.

Bangladesh has agreed to give Tk 8.21 crore to the International Monetary Fund (IMF) as debt relief for Somalia under the Heavily Indebted Poor Countries (HIPC) Initiative, as per a letter sent by the finance ministry yesterday to the Washington-based multilateral lender.

Somalia, a majority Muslim nation just like Bangladesh, is among the top ten poorest countries of the world.

"Therefore, Bangladesh's international image would benefit from the grant," said a finance ministry official.

The country's bid to help the war-torn nation comes after IMF Managing Director Kristalina Georgieva wrote to Finance Minister AHM Mustafa Kamal, the IMF governor of Bangladesh, in December last year seeking Special Drawing Right (SDR) 0.70 million, or Tk 8.21 crore.

SDR refers to an international type of monetary reserve currency created by the IMF in 1969 as a supplement to the existing money reserves of member countries.

The IMF uses SDRs for internal accounting purposes. SDRs are allocated by the IMF to its member countries and are backed by the full faith and credit of the member countries' governments.

Bangladesh's share with the IMF amounts to SDR 1,066.60 million.

Following 30 years of civil war and economic disruption, Somalia currently

has \$5.3 billion in external debt.

On December 18 last year, the IMF's executive board approved a financing package for delivering full debt relief to Somalia under the HIPC.

The plan relied on contributions from each of the 189 IMF member nations to provide funds that would help Somalia rebuild its economy.

Bangladesh, which recently became eligible for graduation from the least-developed country bracket by 2024, decided to support the IMF's debt relief programme for Somalia to help alleviate

External debt: **\$5.3b**
IMF arrears: **\$0.33b**
Bangladesh's pledge: **\$0.09b**
IMF members: **189**

poverty and assist economic reform in the African nation.

To facilitate members' contributions to the debt relief effort, the IMF will distribute internal resources from its Special Contingent Account and refunds of deferred charges adjustments in an amount of SDR 242 million when Somalia clears in arrears to the IMF.

Members can voluntarily contribute all or part of their shares in this distribution and donors are invited to provide additional cash grants, if possible, to close the financing gap.

The distribution can only take place once the fund has received satisfactory assurances that SDR 242 million will be contributed for the purpose of Somalia's debt relief, said the IMF letter.

READ MORE ON B3

Stock investors shun the idea of due diligence

Only two companies providing formal analysis and struggling

AHSAN HABIB

The Dhaka Stock Exchange's market capitalisation is now a respectable Tk 342,570 crore, so one would think a raft of stock market data analysis providers would have set up shop in the last few years.

But the reality is rather different: only two companies, Amarstock and Stock Bangladesh, are providing technical and fundamental analysis to

"Young investors are gradually coming to us and our visitors are rising," he said, adding that the tool providers have huge potential in the coming years like in other countries.

Amarstock, which built in 2017 as a start-up, has 55,000 unique monthly visitors now. Of them, 60 per cent is aged between 25 and 35 years.

"There is a huge potential," Xahangir said, adding that foreign investors are showing keen interest.

investors are also doing technical and fundamental analysis for their investors. But those are not open for all.

The main users of stock market data are institutes, according to Md. Moniruzzaman, managing director of IDLC Investments.

Currently, IDLC relies on the DSE for fundamental data and free web portals for charting and technical analysis tools. There is a younger breed of technical analysts who use third-party software but feed the data manually, he said.

"I think the free portals are doing a remarkable job in providing charting tools."

But the service providers must be able to lift their aptitude to world-class standards like Google Finance for institutes to find it worthy to be a paying subscriber.

There can be some value-added services based on company and industry research and market data too, Moniruzzaman added.

But, investors are realising that fundamental and technical analysis is necessary to achieve above-average returns from the markets, Sohail said.

Amarstock is planning to roll out a mobile app to draw in more paying users, Xahangir said. Moreover, the company has plans to create analysis-based tools for India and Sri Lanka. It has already started a separate analytical tool webpage for Nepal.

"However, we need investment for it," he said, adding that Amarstock is delivering research and data services to brokerage firms in Bangladesh.

STOCK BANGLADESH

Center For Financial Analysis

AMARSTOCK

ONE STOP SOLUTION FOR BANGLADESH STOCK MARKET

about 25.78 lakh beneficiary owners account holders and their yearly revenue is still less than Tk 1 crore.

"This is because, investors mostly have no faith in the market. Whoever has faith are looking forward to gambling with stocks," said Ali Xahangir, chief executive officer of amarstock.com.

But it is a universally acknowledged fact that investors will have to conduct technical and fundamental analysis to be a profitable stock investor in the long-run, he said.

In India, around 20 companies are providing such due diligence and most of their retail investors defer to their expertise for their investment decisions.

ASM Sohail, managing director and founder of Stock Bangladesh, which pioneered the business in 2007, said they had many plans to provide modern data analysis but they had to stop due to fund crisis.

Analysis tool providers are struggling because the stock market itself is struggling most of the time.

"We had a number of free training services, which we had to shut for fund crisis," he said.

Stock Bangladesh was a data partner of Bloomberg. "But Bloomberg terminated the agreement," he said, adding that the termination sent Stock Bangladesh into further financial hardship.

Some leading institutional

AJAX TRANSIT MIXERS

018 4447 1839

Correction

In a report titled "Donors commit \$4.25b in this year's BDF: Kamal" published on February 4, The Daily Star wrote Bangladesh has never received any fund from the Green Climate Fund (GCF). The GCF yesterday claimed in a rejoinder that the information is incorrect.

"Nearly \$100 million from the Green Climate Fund was approved for Bangladesh...GCF has also provided \$5 million in readiness grants to build institutional capacity in Bangladesh," it said. It was also said GCF deputy executive director Javier Manzanares had expressed willingness to extend \$1.2 billion to Bangladesh for four years, according to GCF.

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YOU'RE HALFWAY THERE IF YOU BELIEVE YOU CAN

EBL FUTURE LEADER PROGRAM

Eastern Bank Ltd. is one of the most recognized and respected financial services brands of Bangladesh. We are passionate about making a difference and our unique culture enables us to create the country's best Future Leader development program. Our Future Leader Program lasts for up to 1 year but the benefits will last a lifetime. That is why at EBL we say we don't offer you job - we shape your career.

- > Your Knowledge**
We invite applications from highly motivated graduates with a minimum CGPA of 3.00 out of 4.00.
- > Your Attitude**
We are looking for people who can match the energy, vision, ambition and ideas that have kept us at the forefront of the financial services industry.
- > Your Skills**
We are seeking candidates with combination of very good analytical and interpersonal skills. Excellent English language skill is a must. CEFR (Common European Framework of References for languages) Level C assessment tool - Aptis by the British Council will benefit you in the selection process.
- > Your Reward**
We offer a great career for the performers with excellent rewards, exciting learning opportunities and a world class work environment. After completion of extensive learning and development program, successful future leaders are absorbed as Senior Officer or Principal Officer (depending on academic result and performance during selection process).
- > Your Commitment**
We want your commitment to serve EBL for a period of minimum three years (by signing a surety bond) to reciprocate to our investment in your career.
- > Your Action**
We encourage suitable candidates to log on to www.ebl.com.bd/career and apply on or before **February 20, 2020**.

Candidates will be treated strictly on merit. Only shortlisted candidates will be communicated and any sort of persuasion will result in disqualification.

Eastern Bank Ltd.



M Fakhru Alam, managing director of One Bank, and Alexander Haeusler, general manager of Radisson Blu Water Garden Dhaka, exchange the signed documents of a deal recently. The bank's Platinum credit cardholders will get buy-one-get-three free buffet dinner on selective days.

World Bank to lower global growth forecast over virus outbreak

AFP, Washington

The World Bank will revise its global growth forecast downwards due to the new coronavirus, the president of the multilateral lender said Tuesday, amid fears the epidemic in China will harm global supply chains.

The World Bank last month forecast a rebound in global growth this year after the easing of trade tensions between the US and China that had contributed to a decline in 2019.

But World Bank President David Malpass warned the virus that has killed hundreds in China and shuttered businesses and borders posed a threat to the prediction.

"There will be a lowering of forecasts for at least the first part of 2020, in part due to the China, in part due to the supply chains," Malpass said.

"A lot of Chinese goods come out to the rest of the world in the belly of aircrafts that are carrying passengers," Malpass said.

But as airlines worldwide have suspended flights to and from China and some of its neighbors have shut their borders "you

need to adjust the supply chains in order to get the goods out to make the products that the whole world economy is operating on," he said.

The World Bank economic outlook predicted the world economy would grow to 2.5 percent this year from 2.4 percent last year.

Malpass was discussing the economic outlook with Janet Yellen, former chair of the US Federal Reserve, who agreed the virus would take a bite out of growth.

The virus "seems certain to have a significant effect at least for a quarter or two" on China and given its economic heft, and that will surely hit the global economy, Yellen said.

The World Bank on Monday called for countries worldwide to strengthen their "health surveillance and response systems," and said it was eyeing what resources and expertise it can contribute to fight the disease.

The virus has killed at least 425 people in China, exceeding the 349 death toll caused by the Severe Acute Respiratory Syndrome (SARS) outbreak of 2002-2003, which eventually killed nearly 800 globally.

UK economy's post-election rebound strengthens in January

REUTERS, London

The British economy's post-election bounce gained strength in January as services companies enjoyed the strongest influx of new orders since mid-2018, a closely watched survey showed on Wednesday.

The IHS Markit/CIPS UK Services Purchasing Managers' Index (PMI) rose to 53.9 January, a full point higher than a preliminary reading for the month and up from 50.0 in December.

It was the strongest reading since September 2018 and higher than all forecasts in a Reuters poll of economists, which had pointed to a reading of 52.9.

Sterling rallied against the dollar and the euro after the survey and 10-year gilt yields rose to their highest in nearly two weeks, as markets decided

the Bank of England was unlikely to cut interest rates in the first half of the year.

Last week, the BoE said it saw signs of a post-election pick-up in growth as its policymakers voted against an immediate rate cut to help the economy, which slowed to a near-crawl in late 2019.

Data company IHS Markit, which produces the PMI, stuck to its view that the economy looks on track for quarterly growth of around 0.2 per cent at the start of this year.

The survey showed new business in services companies grew last month at the fastest rate since June 2018.

"The survey fuels our belief that the economy could conceivably achieve GDP growth of 0.4 per cent quarter-on-quarter in the first quarter of 2020," Howard Archer, economist from the EY ITEM Club consultancy,

said. "However, a concern for the economy is that the upside for business willingness to commit to investment and major projects may be limited by still significant concerns and uncertainties over the UK-EU relationship," Archer added.

Britain, fresh out of the European Union, hopes to have a trade deal with the EU by the end of the year — a target that many analysts view with scepticism.

Prime Minister Boris Johnson has pitched two models for his country's trade ties with the EU after Brexit: preferably a deal based on the EU's accord with Canada or, failing that, the basic terms that the EU has with Australia. Business groups oppose the latter approach.

For now, the signs of growth appear clear. The services PMI's gauge of business expectations rose to its highest since May 2015.

"However, this sub-index was the only measure in the final UK Services PMI dataset to drop since the earlier 'flash' estimate, which may suggest that business expectations tailed off towards the end of the month," Williamson said.

While businesses have cheered up in recent weeks, consumer reactions have been more mixed. Official data showed retail sales fell unexpectedly in December, and on Wednesday industry data showed car sales were down 7 per cent in January from a year ago.

The composite PMI, which combines the services and manufacturing output indexes, rose in January to 53.3 from the earlier flash reading for the month of 52.4 and December's 49.3, reaching its highest since September 2018.



REUTERS/FILE
People walk through autumnal leaves in front of the financial district in London.

Indonesia economic growth slips to 5.02pc in 2019

AFP, Jakarta

Indonesia's economy grew more slowly than expected last year, official data showed Wednesday, and officials warned the country's lucrative tourism sector faced a negative impact from a drop in Chinese tourists owing to the deadly coronavirus.

Southeast Asia's biggest economy expanded 5.02 percent, down from the 5.17 percent the previous year, owing to weakness in exports and softer manufacturing output. The figures also missed forecasts for a 5.3 percent expansion.

In December, the World Bank warned that forest fires which raged across Indonesia last year hit the economy to the tune of some \$5.2 billion.

The country was also grappling with slumping prices for key commodities such as coal and palm oil, as well as the effects of a China-US trade war which has roiled economies around the world.

"Sustaining growth in a 5.0 percent range in the current environment isn't easy," statistics agency head Suhariyanto, who goes by one name, told reporters in Jakarta.

"So I think achieving 5.02 percent during a global economic slowdown is quite good." Tourism officials have warned of a drop-off this year as Indonesia throws up barriers to Chinese visitors over fears of a coronavirus outbreak in the country. Some two million Chinese tourists visit Indonesian annually.

"The number of Chinese visitors has dropped significantly since the imposition of travel restrictions," Ngunur Wijaya, an adviser to Bali Tourism Board and Bali Promotion Board, earlier told Bloomberg News.

"And we have no clarity as well on how soon they can or will return." Research house Oxford Economics also said the drop-off would take the steam off growth in the first half of 2020.

"We expect the economy to be weak in Q1 as exports take a hit due to the coronavirus outbreak and tourism slows," it said Wednesday.

Indonesia's central bank cut interest rates several times in 2019 to counter slowing growth, throwing up a challenge to President Joko Widodo who has pledged to use his second term to energise the economy by cutting red tape and an embarking on an infrastructure blitz.

Virus outbreak delays India's cotton exports to China

REUTERS, Mumbai

Shipments of around 250,000 bales of Indian cotton to China have been delayed by nearly two weeks as a virus outbreak and factory closures dampens demand from the world's biggest consumer of the fibre, industry officials told Reuters.

The delay in shipments could pressure local prices and force the state-run Cotton Corporation of India (CCI) to increase purchases from farmers to ensure domestic prices stay above government mandated levels.

"As the holiday is extended in China, shipments are getting delayed," said Chirag Patel, chief executive at Jaydeep Cotton Fibers Pvt Ltd, an exporter.

Most Chinese firms scale back operations or close for long periods around the Lunar New Year holidays, which began on Jan. 24 this year.

But China's government has extended the holidays, announced widespread transport restrictions and told many businesses to stay closed longer to limit the spread of the virus. It is not clear when millions of migrant workers will be able to return to factories or when ports will resume normal operations.

The epidemic has killed nearly 500 people in China and infected more than 24,000 so far.

Indian sellers had contracted around 650,000 bales to China for prompt shipment. Around 400,000 bales have already been shipped, but the remaining 250,000 bales have been delayed, three exporters and two dealers with global trading houses told Reuters.

"Exporters are a bit worried. So far buyers haven't cancelled contracts, but some might be if this virus outbreak remains there for few more weeks," said Vinay Kotak, a director at Kotak Commodities, a Mumbai-based brokerage. China, Bangladesh, Vietnam and Indonesia are among key buyers of India cotton.

Exporters have an option of diverting cotton meant for China to other destinations such as Bangladesh and Vietnam if shipments are delayed further, Kotak said.

India has shipped 2 million cotton bales since the 2019/20 marketing year started on Oct. 1 and another 1 million bales have been contracted for shipment in February and March, said Atul Ganatra, president of the Cotton Association of India.

Government of the People's Republic of Bangladesh
Ministry of Health and Family Welfare
Health Education & Family Welfare Division
Directorate General of Family Planning
6, Kawran Bazar, Dhaka-1215.

হেঁলে হোক মেয়ে হোক
দু'টি সন্তানই যথেষ্ট

INVITATION FOR TENDER

1	Ministry/Division	Ministry of Health and Family Welfare Under HPNSDP		
2	Agency	Directorate General of Family Planning		
3	Procuring Entity	Director (Finance) & Line Director, Field Services Delivery.		
4	Procuring Entity District	Dhaka		
5	Invitation for	Goods		
6	Invitation Ref No	FP/FSDP/05-1/2019-20/1769		
7	Date	4-02-2020		
KEY INFORMATION				
8	Procurement Method	Open Tender Method (OTM)		
FUNDING INFORMATION				
9	Budget and Source of Funds	GOB(Development)		
10	Development Partner	None		
11	Project/Program Code	2-2410-8600		
12	Project/Program Name	Field Services Delivery		
13	Tender Package No	GD-32		
14	Tender Package Name	Procurement of Printing		
15	Tender Publication Date			
16	Tender Last Selling Date	25-02-2020 (Office time)		
17	Tender Closing Date & Time	26-02-2020 at 11.00 AM.		
18	Tender Opening Date	26-02-2020 at 11.30 AM.		
19	Name & Address of the Office(s)			
	Selling Tender Document (principle)	Line Director, Field Services Delivery, Family Planning Field Services Delivery, 4th Floor Directorate General of Family Planning 6 Kawran Bazar, Dhaka-1215		
20	Place/Date/Time of Pre-Tender Meeting	14-02-2020 at 11.00 am. Office room of Line Director Field Services Delivery. Family Planning Field Services Delivery, 4th Floor, Directorate General of Family planning. 6 Kawran Bazar, Dhaka.		
21	Receiving Tender Document	Director (Finance) & Line Director, Field Services Delivery. Directorate General of Family Planning 4 th Floor. 6, Kawran Bazar, Dhaka-1215. & Office of the Joint Secretary (Procurement & Purchase Building No-3, Room No-312(3 rd Floor) Medical Education and Family Welfare Division, Ministry of Health & Family Welfare, Bangladesh Secretariat, Dhaka.		
INFORMATION FOR TENDER				
22	Eligibility of Tenderer	(a) The Tenderer shall have a minimum of 5 years of overall experience in the supply of goods and related services. (b) The tenderer shall have a minimum of 3 years of specific experience in the supply of similar goods. (c) The minimum production capacity, two times of the total quantity of all the items specified in the schedule of requirements. (d) The liquid asset or working capital or credit facility is Tk. 50.00 lac.		
23	Brief Description of Goods	1. Satellite Clinic Register 6,000 pcs		
24	Brief Description of Related Services	None		
25	Tender Document Price	TK 1000/- (Nonrefundable) to be paid by treasury challan of Bangladesh Bank/Sonali Bank in the treasury paid to the Code No 1-7481-0000-2366 in the Name of Directorate General of Family planning, 6-Kawran Bazar, Dhaka-1215. Treasury challan should be certified by the Treasury Officer or internet copy.		
26	Identification of Lot	Location	Tender security amount	Completion time
	Satellite Clinic Register 6,000 pcs	Central Ware House, Directorate General of Family Planning, Mohakhali, Dhaka.	Tk. 90,000/- (Ninety thousand) only	8 Weeks
PROCURING ENTITY DETAILS				
27	Name of the Official Inviting Tender	Director (Finance) & Line Director, Field Services Delivery.		
28	Designation of Official Inviting Tender	Directorate General of Family Planning, 6-Kawran Bazar, Dhaka-1215		
29	Address of Official Inviting Tender	Tel. 8151861		
30	Contact details of Official Inviting Tender	Fax-e-mail: fspdpp@gmail.com		
31	<ul style="list-style-type: none"> The Procuring entity reserves the right to accept or reject all tenders. Public Procurement Act 2006 must be followed Sample in a Covered Packet should be submitted with tender document 			

(Dr Md Sarwar Bari)
Joint Secretary
Medical Education and Family Welfare Division
Ministry of Health and Family Welfare
Director (Finance) & Line Director
Field Services Delivery.

GD-242

Marginal dairy farmers demand easy bank loans

STAR BUSINESS REPORT

Marginal dairy farmers yesterday urged the government to give them easy bank loans and establish chilling plants in remote areas of Bangladesh to boost milk preservation. "Shortage of chilling centres are causing deterioration in the quality of milk produced in remote areas," said Amena Begum, a marginal dairy farmer of Rowmari upazila in Kurigram. Amena was one of the marginal farmers who spoke at a discussion jointly organised by Oxfam and Bangladesh Dairy Development Forum at Brac Centre Inn in the capital. The annual milk production grew four times in the last one decade to 99 lakh

tonnes at present while meat production from livestock increased seven times, analysts said citing data of the Department of Livestock Services. "If the trend continues, Bangladesh will be self-sufficient in milk production by 2025," they added. Local producers meet two-thirds of the country's demand for milk and educated youths run half of Bangladesh's nearly 100,000 commercial dairy farms, they said. The farmers also urged the government to increase tariff on import of powdered milk in bulk quantity so that local producers do not face uneven competition. They also wanted the government to ensure fair prices for milk.

63 garment factories shuttered in 2019

32,582 workers out of job

STAR BUSINESS REPORT

About 63 ready-made garment (RMG) factories operating under the Bangladesh Garment Manufacturers and Exporters Association were closed in 2019, leaving over 32,582 RMG workers without a job, said Commerce Minister Tipu Munshi in Parliament yesterday. Of the 2200 knitwear factories working under the Bangladesh Knitwear Manufacturers and Exporters Association, 1,280 factories did not renew their membership last year and are probably no longer in operation. However, those factories could once again begin production if given work orders from importing countries, he added.

During the parliament session, Imran Ahmad, the welfare and overseas employment minister for expatriates, said that a total of 717 female workers returned from different middle-eastern countries after being subjected to repression and other human rights violations in 2019. The government have taken a massive initiative to create an awareness programme to ensure legal and safe migration for employment overseas, Ahmad said in response to a question from M Faridul Haq Khan, an Awami League member of parliament. Under the initiative, the government has disbursed Tk 2.82 crore to hold awareness seminars at the division and upazila levels in fiscal 2019-20.

In 2018-19, the government provided Tk 94.64 lakh to arrange such seminars across the country, he added. Last year, awareness campaigns were held in 63 districts and 480 upazilas. The minister said that aside from the awareness campaigns, the government is trying to provide expertise development training, verifying work permits and ensuring safe migration through registered recruitment agencies.



COLLECTED

Abu Yousuf Md Abdullah, chairman of the Northern University Bangladesh Trust, attends a press conference in Dhaka yesterday to announce the organising of the World Marketing Summit scheduled to be held at the Westin Dhaka on March 28. Philip Kotler, a renowned marketing author, will take part in the summit.

Cathay Pacific asks employees to take unpaid leave as virus hits demand

REUTERS, Sydney

Hong Kong's Cathay Pacific Airways asked its 27,000 employees to take three weeks of unpaid leave, saying preserving cash was key for the carrier and that conditions were as grave as during the 2009 financial crisis due to the virus outbreak.

Cathay is also asking suppliers for price reductions, putting in place hiring freezes, postponing major projects and stopping all non-critical spending, Chief Executive Augustus Tang said in a video message to staff seen by Reuters.

On Tuesday, the carrier said it planned to cut about 30 per cent of capacity over the

next two months, including about 90 per cent of flights to mainland China. Cathay had already experienced a sharp fall in demand since the middle of last year due to widespread, sometimes violent anti-government protests in Hong Kong. The virus, which has led to a death toll of nearly 500, has led to a further drop in visitors and passengers transiting through Hong Kong's airport. "This has been one of the most difficult Chinese New Year holidays we have ever had," Tang said in the video. "We don't know how long this will last. With such an uncertain outlook preserving our cash is now the key to protecting our business."

REHAB fair begins in Ctg today

STAR BUSINESS REPORT

The four-day REHAB Fair 2020 begins at the port city's Radisson Blu Chattogram Bay View hotel today. Housing and Public Works Minister SM Rezaul Karim will inaugurate the 13th edition of the housing fair, organised by the Real Estate and Housing Association of Bangladesh. The schedule of the annual showcase was announced by Abdul Kariem Chowdhury, a vice president of REHAB, during a press conference at a hotel in the port city recently. Some 73 stalls will be set up at the fair, where realtors, building material manufacturers, banks and other financial institutions will showcase their products and services. The organiser has fixed Tk 50 as entry fee for the fair, which will remain open from 10am to 9pm every day.

Bangladesh comes to Somalia's rescue

FROM PAGE B1 After Somalia clears its dues, it will become eligible for another financing arrangement from the IMF at the HIPC decision point if the African nation displays progress through their Poverty Reduction Strategy Papers. In 2008, a similar fundraising effort was taken to help Liberia clear its arrears. Some 102 IMF member countries, including India and Sri Lanka, contributed a total of SDR 547 million in a similar fundraising effort to help Liberia clear its arrears. However, during that time Bangladesh refused to donate to the funds.

Solid demand lifts India services activity to seven-year high in January

REUTERS, Bengaluru

India's dominant service industry began 2020 in a buoyant mood as activity accelerated in January at the fastest pace in seven years on strong domestic demand, a private survey showed on Wednesday.

The results would likely bring some relief for markets and policymakers after only modest spending increases in a recent budget had disappointed investors looking for more robust stimulus to support a stuttering economy.

The Nikkei/IHS Markit Services Purchasing Managers' Index rose to 55.5 in January from December's 53.3. It was the highest reading since January 2013 and above the 50-mark separating growth from contraction for a third straight month.

"The Indian service sector sprung to life at the start of 2020, defying expectations of fragility and building on to the momentum gained at the end of 2019," Pollyanna De Lima, principal economist at IHS Markit, said in a release.

"With business revenues rising, service providers continued to increase capacity to meet further strong growth in sales. This is good news for jobseekers, particularly when we consider the results from the manufacturing industry which showed the steepest upturn in employment since August 2012."

A sub-index tracking new business also climbed to its highest since January 2013, encouraging firms to maintain a strong hiring rate.

Yet, not everything was rosy. New export business - a proxy of foreign demand - contracted last month, falling to its lowest since May 2018 on weaker demand from China, the United States and Europe. Pressure could heighten further amid growing global risks from China's coronavirus epidemic which has rapidly spread to other countries and claimed nearly 500 lives, nearly all in mainland China.

Moreover, prices charged by service firms increased at the fastest pace in nearly two years after a sharper rise in input costs forced

businesses to transfer some of the inflationary pressure to consumers. That suggests overall inflation could remain above the Reserve Bank of India's medium-term target of 4 per cent, making it difficult for the central bank to ease monetary policy further. "One worrying development, however, was the trend for inflation. This may translate into quicker increases in selling prices in months to come, which may curb sales," De Lima said. "Firms could also choose to restrict hiring in

order to protect profit margins." Service providers remained optimistic about growth in the year ahead, although the expectations index remained well below the long-term average. A sister survey on Monday showed factory activity accelerated at the fastest pace in eight years last month which, along with the strong expansion in services activity, pushed a composite index to 56.3, its highest since January 2013.



REUTERS/FILE

A security guard stands between escalators inside a shopping mall in Mumbai.

HSBC to cull senior managers in strategy shift

REUTERS, Hong Kong/London

HSBC is set to unveil a fresh round of job cuts targeting senior international managers and shrink its presence in some smaller markets, as part of a wider strategy overhaul, people with knowledge of the matter told Reuters.

The changes are expected to be part of a strategy update the lender's interim Chief Executive Noel Quinn will unveil on Feb 18, with a view to boost the profitability of Europe's biggest bank by assets in a tough operating environment, they said.

While the total number of jobs that will be impacted was not clear, the people said that the planned move would mainly impact its operations in London and to a lesser extent in Asia, which contributes nearly 90 per cent of the bank's profits.

The review would also include HSBC's presence in some Latin American markets, the sources said, a region that accounts for just 3 per cent of its pre-tax profit. Apart from Mexico, the bank's presence in other countries in the region such as Argentina is small. HSBC declined to comment.

Correction

FROM PAGE B1 "The GCF Board alone holds the authority to approve or reject funding proposals submitted for Bangladesh. The 1.2 billion figure is the value of the pipeline of projects that have been submitted for Bangladesh," an email sent by GCF's head of communications read. The Daily Star wrote the report based on the comments of Finance Minister AHM Mustafa Kamal. However, we regret any confusion this may have caused.

Samsung Galaxy Note10+ now made in Bangladesh

FROM PAGE B1 Fair Electronics, which started assembling Samsung handsets last year, has so far churned out 20 lakh units of 4G-enabled smartphones.

Some 25 Samsung models of Samsung handsets have been assembled at the plant. "We will now move to assembling more sophisticated handset models. Gradually, all the high-end models will be manufactured in our plant."

The incredulous development is courtesy of a policy swerve in fiscal 2017-18: a good number of licences were offered for mobile assembly plants. Nine have sprung up so far.

Fair Electronics is now assembling about 97 per cent of all Samsung devices sold in Bangladesh and expects to suspend importing after March as its local plant is capable of meeting the domestic demand entirely.

This year, the company is aiming to assemble 25 lakh units of smartphones.

The company is now adding about 35 per cent value to its products, and within the next few years the value addition will go up to 45 per cent as it plans to set up a PCBBA motherboard manufacturing system.

The quality of the locally made devices is, in some cases, better than that of the imported ones, said Muyeedur Rahman, head of mobile at Samsung Mobile Bangladesh.

"The quality has improved significantly. Which is why we are offering 120 days of replacement warranty for the devices," he added.

Samsung is now taking preparation to manufacture tablets locally.

Fair Electronics is also manufacturing several models of Samsung home appliances such as refrigerators, air conditioners, microwave ovens and televisions in different units on the Narsingdi plant premises. A unit to manufacture washing machines is on the way, too.

Revamping Bangladesh's insurance sector

FROM PAGE B4

According to the Boston Consulting Group (2015), three out of five cities in Bangladesh would have more than 100,000 people as members of the middle and wealthy class in the upcoming decade.

This could generate a market for insurance products as individuals and companies become increasingly risk-aware. In particular, the non-life segment is expected to grow at high rates exceeding the life segment by a 1 per cent margin as per PwC Analysis.

The Bancassurance model (a partnership between an insurance company and bank where the bank sells insurance products) could be an optimal solution for Bangladesh's insurance sector.

Banks tend to be pre-equipped with the technological and human resources to provide the best customer service. For example, customers can pay premiums and withdraw cash backed by life insurance policies on their banks' ATMs. Insurers can leverage banks' various distribution channels and widen their reach without creating a network of agents from scratch.

However, we should not forget that the path to growth has always been full of obstacles. Firstly, the insurer-customer relationship is plagued by limited trust.

Claims settlement problems hamper the relationship, as the process is arduous and long. In Bangladesh, the websites are

poorly developed and there has been little utilisation of modern technology in the process.

Insurance companies have limited access to accurate and updated demographic statistics to use for actuarial computations.

Lastly, regulatory reform is required. Regulatory reform in the insurance sector can stimulate Bangladesh's growth and generate savings by providing the tools for better risk management.

Regulatory reform must satisfy a few crucial criteria. Insurance regulation needs to prevent the sale of unfair policies and mispricing to consumers.

This is especially important because insurance by nature is a complex product, where vulnerable consumers can easily be deceived by complicated benefit structures or policy language.

Lastly, regulators must account for insolvency risk. The regulators should ensure that there is a satisfactory level of capital reserves to protect customers from scenarios where they cannot collect claims when they need to.

The benefits of a well-built insurance sector are far-reaching and can target key socioeconomic problems.

While there are challenges, regulatory reform and an appropriate business model in the form of Bancassurance can catalyse the growth of the insurance sector.

The writer is a partner at PwC. Views expressed here are personal.

Bid to use state enterprises' surplus funds rankles opposition

FROM PAGE B4

Noting that the present finance minister was a talented student and successful businessman, Haque said: "We expected that he would make the economy stronger, but it didn't happen so." Shameem Haider Patwary termed the bill disgusting, dangerous and anti-state law.

"No nasty incident like passing such bill took place in the parliamentary history. It will be a historical mistake and the finance minister would be held responsible for that."

"If the government passes the bill due to having the brut majority, it would be first step of the fall of the nation... the total financial system will collapse and it will bring disruption in economy," he said, adding that such law was used to be enacted in the colonial period to loot the money.

In reply to the MPs' remarks, Kamal said the bill was being enacted to bring financial discipline. The people of the country would largely be benefited and the country would march forward further due to the law, he said.

The government has undertaken many development projects and only regular revenue income is not enough to bankroll them. So, the government is utilising the fund for the development projects. The draft law was approved by the cabinet in early September, when the cabinet secretary said state-owned autonomous organisations held Tk 212,100 crore in deposit in banks as of May last year.

They held Tk 218,839 crore at banks until June 30 last year, according to finance ministry statistics. The cabinet decision, however, evoked reaction from bankers, who fear the law would hit the cash-starved banking sector hard.

The ongoing liquidity crisis would worsen if the government transfers the money from banks to the national exchequer, they said, adding that the move to bring down the interest rate to single digit is likely to face hurdle due to the initiative.

US to review new curbs on Huawei, China

REUTERS, Washington

The Trump administration plans to meet this month to discuss further curbing technology exports to China and its flagship telecoms company Huawei, two sources said, in a bid to resolve differences within the government over the possible crackdown.

The gathering, currently scheduled for Feb. 28, will bring together high-level officials for talks after the US Commerce Department withdrew a rule aimed at further reducing foreign shipments to Huawei Technologies amid pushback from the Defense Department, one of the people said.

The meeting, which is expected to include cabinet-level officials including Commerce Department Secretary Wilbur Ross, Defense Secretary Mark Esper and State Department Secretary Mike Pompeo, is aimed at addressing how best to approach the blacklisted Chinese company and the broader war with China over technological dominance.

Some US policymakers favor close ties with Beijing while others see China and Huawei, the world's largest telecoms equipment maker, as serious threats to national security.

"The administration has to decide how to match its rhetoric on China with policies to deny China key technology and industry," said Tim Morrison, a former senior director at the White House's National Security Council under President Donald Trump, who favors tougher rules.

"Too many tools have not been brought to the President because the entire administration isn't yet in the fight. That must end," he added.

US companies have argued the measures that have been floated would harm US business by driving customers to foreign competitors, while doing little to thwart Huawei. The agencies did not immediately respond to a request for comment.

The Commerce Department in May placed Huawei on a trade blacklist, citing national security concerns. That allowed the US government to restrict sales of American-made goods to the company and a small number of items made abroad that contain US technology.

Under current regulations, key foreign supply chains remain beyond the reach of US authorities, which fueled frustration among China hawks and prompted a push to expand US authority to block more shipments to Huawei.

BSEC shades DSE for ACI share slide

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has blamed the Dhaka Stock Exchange (DSE) for the dip in ACI Limited's stock prices, and subsequently the market's main index, citing the premier bourse's inability to keep the investor's confidence.

In mid-February last year, the DSE formed a committee to investigate why ACI Logistics Limited and Swapno, two of ACI's subsidiaries, have been incurring enough losses to eat into the profits of their parent company.

The BSEC found that the DSE's investigation and subsequent reports published by newspapers in the aftermath disheartened investors, which ultimately led to the drop in ACI stock prices.

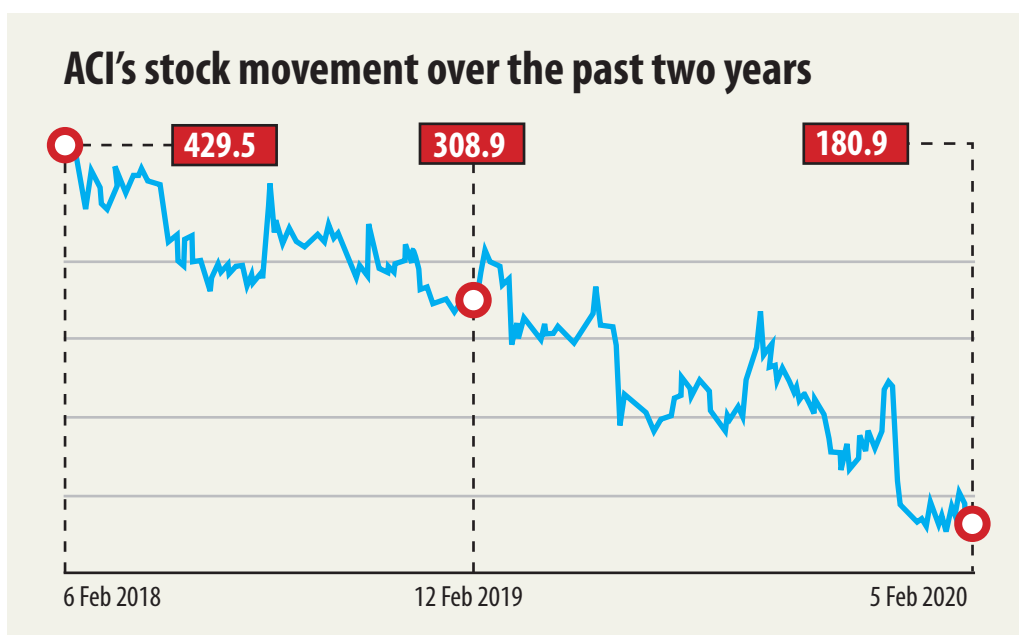
In that regard, the stock market regulator issued a show cause notice last week, asking why appropriate action should not be taken against the managing director, chief regulatory officer and board members of the DSE.

An enquiry committee of the BSEC, which was formed to find the reasons behind unusual price fluctuations of a few listed companies, issued the notice.

ACI's market price decreased by 33 between December 2018 and June 2019, which was during the DSE's investigation.

"The drastic fall of securities has huge impact on the recent decline in the index as ACI is a large cap securities listed with the DSE," according to the BSEC committee.

The aforementioned negative statistics regarding financial statements was the main reason behind the downward trend of ACI share prices, the BSEC committee said, adding that a few ACI directors and committee members have issued statements to the press on the matter.



However, ACI's share prices were already slipping ahead of the investigation. ACI stock prices dropped to Tk 107.7, or by 25.07 per cent, between February and December 2018.

ACI's share price fell as the company incurred losses in the recent times whereas it was once a high profit company, according to market analysts.

ACI's earnings per share was negative Tk 12.20 during the July-December period of 2019. It was Tk 0.05 for the same period in 2018.

In a letter, the BSEC said that the DSE and its directors do not have the jurisdiction to form or conduct any investigation on any listed company

as per securities law.

The DSE may inspect a company with the BSEC's approval. However, since no approval was sought, it was clearly in breach of regulations.

Moreover, DSE directors ignored the code of conduct by conducting such an investigation before going on to disseminate their findings to the media, the BSEC letter said.

The BSEC has now requested DSE representatives to appear at a hearing personally or through other authorised personnel next Sunday at the Securities Commission Bhavan in Agargaon.

Search for China alternative activated

Says Sonali Bank MD

STAR BUSINESS REPORT

Several banks and entrepreneurs are considering alternative sources for capital machinery and raw materials sourced from China following the Coronavirus outbreak in China's Wuhan province, said Ataur Rahman Prodhon, managing director of Sonali Bank, the country's largest lender.

Bangladesh imports various raw materials, including fabrics, and other products from China. However, shipments from the world's most populous country have slowed in the face of the viral epidemic.

Now, entrepreneurs are searching for a suitable alternative country to open new letters of credit (LC) and import substitute products for the time being, he said at a media briefing held at the Sonali Bank head office in Motijheel yesterday.

Prodhon organised the media briefing to discuss the bank's overall situation and new plan for 2020.

Another major step Sonali Bank intend to take is reduce its default loan percentage to single digits by the end of the year. In 2019, the state-owned lender's default loans dropped to 19 per cent, down 7 percentage points year-on-year, he said.

The banks recovered Tk 3,000 crore of classified loans and Tk 800 crore in cash against default loans last year.

Now, the bank has Tk 6,700 crore cash capital shortfall, Prodhon said.

Despite the government's decision to not recapitalise state-owned banks, Sonali

will still seek funds from the government to meet their capital shortfall. The bank is also considering issuing bonds.

"Government banks work in the interest of the people, so they should also be extended a hand," he said, adding that Sonali provides 37 services free of cost.

For instance, Sonali opened LC worth Tk 94,000 crore against the Rooppur nuclear power plant without any commission. If it took the minimum charge, the lender would have received at least Tk 5,000 crore.



The bank also provided a Tk 6,500 crore loan to Biman Bangladesh Airlines for the purchase of seven Boeing aircrafts at just a 0.75 per cent interest rate.

The government plans to purchase more aircraft to enhance Biman's fleet and Sonali is keen to continue its support, he said, adding that representatives from American aeroplane manufacturer Boeing met with Prodhon last month to discuss financing plans for Biman.

Sonali made a profit of Tk 1,730 crore last year, down 15.53 per cent year-on-year.

In response to a query, Prodhon said that 2,800 applications for rescheduling of default loans were made last year. Of the number, 2,500 applications were approved and about Tk 2,600 crore rescheduled.



Aznan Hasan, a member of the Shariah supervisory committee of Standard Chartered Bank, speaks at a discussion styled 'Business Ethics: Inspiration from the life of Prophet Muhammad (PBUH)' organised by the British bank as part of its series of scholarly talks, Living Islam, to mark 15 years of Islamic banking in Bangladesh. Rehan Shaikh, global CEO of Islamic banking at Standard Chartered, and Naser Ezaz Bijoy, CEO of Standard Chartered Bangladesh, were present at the event held in the capital's Lakeshore hotel yesterday.

Bid to use state enterprises' surplus funds rankles opposition

MPs walk out from parliament

STAR BUSINESS REPORT

A bill over bringing the surplus money of state agencies to the national exchequer was passed amid unprecedented opposition from Jatiya Party (JP) and BNP MPs in the parliament yesterday.

The bill was placed on January 14 with a view to bringing the surplus money held by 61 state agencies to the national exchequer and utilising the funds for implementing development projects.

The surplus funds will be deposited to the national exchequer after keeping aside the operational cost, additional 25 per cent of the operational cost as emergency funds, money for general provident fund and pension, according to the bill. The respective organisation can estimate its operational cost.

The agencies have been included in the bill and they will have to deposit the funds to the national exchequer within three months of completion of a fiscal year.

If an organisation does not provide correct information about the funds, legal actions will be taken against it, the bill said.

Agencies have parked huge amounts of money in banks as deposits and the government needs the money to finance ongoing development projects.

The money belongs to the people and should be spent for their welfare, the bill said.

Both JP and BNP MPs termed the

bill as 'black', 'dangerous' and 'anti-people' law and all of them refrained from placing their amendment proposals on the 'Deposition of Surplus Money of Self-Governed Agencies including Autonomous, Semi-Autonomous and Statutory Government Authorities and Public Non-Financial Corporations to the National Exchequer Bill 2020'.

The main opposition JP MPs voted 'No' when the Speaker placed the bill for voice vote in the House. But another opposition, BNP MPs, staged walkout protesting the passage of the proposed law.

This is for the first time in the recent history of the country's parliament that no MP raised amendment proposals on a bill protesting it.

The opposition MPs demanded withdrawal of the bill from the House to send it for eliciting public opinion.

Finance Minister AHM Mustafa Kamal faced blistering attacks from the MPs following the placing of the bill in the House with Speaker Dr Shirin Sharmin Chaudhury in the chair.

The MPs who harshly criticised the bill are JP MPs Kazi Firoz Rashid, Mujibul Haque, Fakhru Imam and Shameem Haider Patwary, and BNP MPs Harunur Rashid and Rumeen Farhana.

They said if the ruling party unilaterally passes the bill with their brut majority, it would invite dire consequence for the country's economy.

The government paid attention to

the fund of the self-governed agencies after looting the money of the government organisations, Farhana said.

"Since the government is heavily indebted, the bill was brought to loot the money of the self-governed organisations," she said, adding that if the bill is passed it will have huge adverse impact on the stock market.

"As the bill is black and anti-people law. I withdraw my amendment motions on the bill," the BNP MP said.

The government has initiated move to collect the money from the fund of the self-governed agencies as there was massive corruption in the mega projects, Rashid said.

"If the bill is passed, the 61 self-governed organisations will be destroyed and their efficiency will decline," he said.

Kazi Firoz Rashid said if the government passes the bill by dint of their brut majority, the consequences will be dire and the financial discipline will collapse.

"The government puts its hands into the pockets of the people after looting the money from the banks. Bring back the laundered money as tens of thousands of crore taka was siphoned off the country," he said pointing at the Finance Minister.

Taking a swipe at Kamal, Mujibul Haque said it is normal that this situation turned worse when the country's finance minister is a businessman.

READ MORE ON B3

Revamping Bangladesh's insurance sector



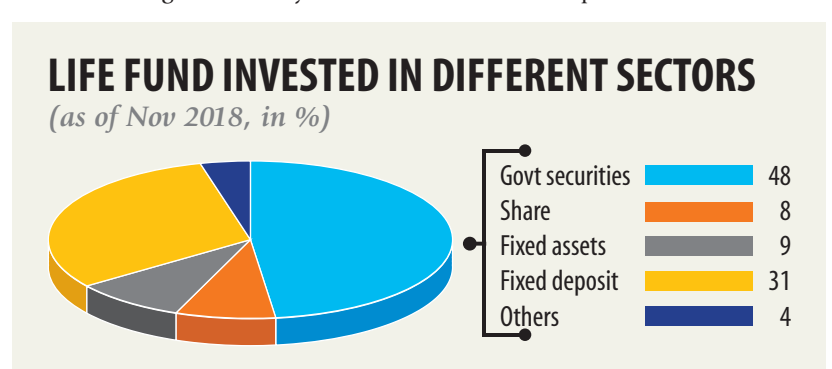
MAMIN RASHID

be advantaged by a strong insurance sector as well. The insurance sector can promote growth by providing guaranteed access to liquidity via insurance coverage.

If higher savings are channelled to various financial savings instruments, including insurance, the capital markets will benefit greatly, boosting growth. FDI, yet another central concern for a developing nation, is also likely to be boosted by regulatory reform relating to solvency and risk

per cent and 2.74 per cent, respectively in 2018. Globally, Bangladesh ranks 86th out of 88 nations in terms of premium per capita (USD).

Bangladesh stands to benefit from insurance in a few critical areas. We need insurance products like agricultural insurance. Protection against agricultural production shocks are essential for socioeconomic development. These will help the rural population keep their children in school and preserve assets.



management. In comparison to other nations, Bangladesh's insurance sector is trailing behind. Overall insurance penetration (insurance premiums as a fraction of GDP) in Bangladesh was only 0.57 per cent in 2018 and has been decreasing since 2009.

Bangladesh's life insurance penetration rate falls behind compared to its contemporaries. While Bangladesh's life insurance penetration rate is only 0.41 per cent, Vietnam's and India's rates are 1.58

Other than NGOs and public insurance corporations, however, there are very few providers of agricultural insurance products. Moreover, as Bangladesh suffers from frequent natural calamities, it can benefit from reinsurance.

Thus, there is ample space for the expansion and improvement of Bangladesh's insurance sector.

Bangladesh does have the macroeconomic pulse to facilitate growth in the insurance sector.

READ MORE ON B3



Tarique Afzal, president and managing director of AB Bank, launches the bank's new product 'AB Height' at the Dhaka Club yesterday. The product is a bundled proposition of an account and a credit card with value-added services.