

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.71%	▲ 0.66%	\$1,580.00	\$57.32	▼ 0.49%	▼ 0.69%	▼ 0.22%	▲ 2.28%	BUY TK 83.95	90.15	108.53	11.89
4,768.13	8,816.22	(per ounce)	(per barrel)	41,055.69	23,523.24	3,213.00	2,983.62	SELL TK 84.95	93.95	112.70	12.50

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February 18, 2020

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# Star BUSINESS

DHAKA TUESDAY FEBRUARY 18, 2020, FALGUN 5, 1426 BS • starbusiness@thedailystar.net

## Low-income group punctured by postal deposit rate cuts

SOHEL PARVEZ

The sudden cut in interest rates on postal savings came as a bolt from the blue for many small depositors who depend largely on the interest incomes to make ends meet.

"This is shocking," said Masud Rana after learning of the development on Thursday evening. Rana was once a migrant worker and over the last four years he has been bearing the lion's share of his family's expenses with his returns from his savings account with the postal department.

He rushed to the GPO Dhaka on Sunday to find out if the rate cuts -- from 11.28 per cent to 6 per cent for fixed deposits with a three-year tenure -- would be applicable for his deposits as well.

After finding no clear answer he opted to liquidate his fixed deposits: until Sunday evening, he was seen waiting anxiously in a queue for a cheque as cash had already dried



**People through the street outside the post office in the capital's Mohammadpur area to inquire about the future of their investments on postal savings. Media reports recently emerged saying the government has reduced the return on such savings.**

up amid a withdrawal pressure from nearly 50 lakh savers mostly from the low- and mid-income brackets.

The finance ministry on Thursday brought down interest rate on ordinary and fixed deposit accounts in post offices to conform to a government decision to bring down the interest rates on bank deposits and lending to 6 per cent and 9 per cent respectively.

Most banks have cut interest rates on fixed deposits schemes from the beginning of this month in line with the decision aimed at

spurring private investment.

Rana, who lives with his parents at Shanir Akhra in the capital, was in a fix over where he would invest the money he had earned as a migrant worker in Saudi Arabia.

"The rich don't keep money here. The middle-class families deposit in post offices as they offer higher interest than banks," said Rana, father of a school-goer.

The government could have reduced the rate by 1 or 2 percentage points instead of a massive cut, added the crestfallen Rana.

"I am in a tight spot. I only see tough days ahead," said Safatun Nesa, a 65-year-old widow from Rajshahi city and is the sole bread earner in her family.

She raised about Tk 1 lakh working as a housemaid and went for postal savings a year ago, our Rajshahi correspondent reported.

The latest interest rate cut means new savers will get 6 per cent returns at the time of maturity of their schemes. And those who will reinvest or renew their fixed deposits after the finance ministry's notice will also get the same rate.

Fixed income people, particularly the lower-income group, will be affected the most, said Fahmida Khatun, executive director of the Centre for Policy Dialogue, a think-tank.

READ MORE ON B3

## BULLS RETURNING TO BOURSE

DSEX, the benchmark index of the premier bourse, continued the bullish trend for the fifth day straight, in an indication of the improving investor confidence thanks to BB's announcement of its long-awaited financial support for the bourse on February 10. Turnover also rose to a new high yesterday.

DSEX rose to **4,768.14** points (up **33.98** points, or **0.72%**)

Daily average turnover rose to **Tk 976.39 cr** (increased **Tk 60.14 crore**, or **6.6%**)

### TOP FIVE GAINERS

Company	Gain (in %)
Rupali Life	9.96
Prime Islami Life	9.92
Metro Spinning	9.88
Meghna Life	9.86
Aftab Automobiles	9.86

### TOP FIVE LOSERS

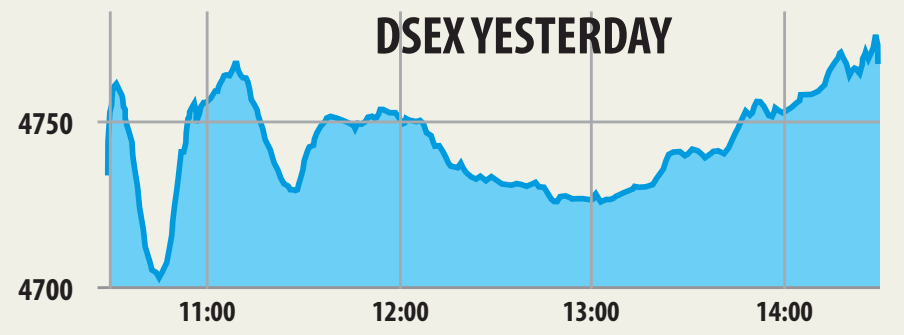
Company	Loss (in %)
Shyampur Sugar Mills	8.39
Standard Ceramic	6.67
Meghna Condensed Milk	5.69
Imam Button	4.93
Beach Hatchery	4.52

### TOP SECTORAL CONTRIBUTION

Sector	Change in Market cap (in %)
Bank	18.2
Pharma	16.9
Fuel & Power	13.9
Telecommunication	12.4
Food & Allied	8.6

### TOP TURNOVER

Company	Daily average turnover (in cr Tk)
LafargeHolcim	37.82
Khulna Power	36.68
Orion Infusion	21.71
ADN Telecom	21.29
Orion Pharma	20.21



## China's envoy now apprehends delays in mega projects

STAR BUSINESS REPORT

The Chinese ambassador to Bangladesh has gone back on his assurance from five days ago that Bangladesh's mega projects involving Chinese nationals would not face any hold-ups for the lethal coronavirus-imposed lockdown, in an indication of the escalating

conference at the National Press Club on February 12.

But they would be quarantined and checked before being allowed back, he said, expressing hope that there would be no significant interruption to the work. The programme was organised by the Bangladesh China Chamber of Commerce and Industry to provide an overall insight into the coronavirus

return on time after the spring festival holiday. Most of them are technicians, engineers and project managers. Thus the progress of these projects might be delayed," he said yesterday.

The mega projects include the Padma bridge and its rail link, a 1320MW thermal power plant in Payra, a rail link connecting Chattogram to Cox's Bazar (Ramu), a tunnel under the Karnaphuli river and upgradation of the Dhaka bypass road.

The projects involve several Chinese companies and are being implemented through Bridges Division, Bangladesh Railway, Power Division and the Roads and Highways Department.

Li said China was currently the largest source of imports for Bangladesh.

Due to tightened customs sanitation controls and suspension of operations of many Chinese exporters, Bangladeshi companies, for now, might not be able to get their requirement of goods, equipment and raw materials on time, he said.

The Chinese ambassador said an epidemic of such a scale would inevitably leave a dent on the economy.

Rumours are running high that the Chinese economy will lose steam and economies closely linked to it will suffer the most.

"Those are not true," he said. But such rumours can still affect the confidence of Bangladeshis doing business with China and negatively affect bilateral trade, Li said.

"In view of these concerns of the business community, I would like to say, please have faith in China and rest assured. Right now China is making huge economic sacrifices to contain the virus. Chinese companies are also losing money both at home and abroad, and many Chinese projects are being halted."

READ MORE ON B3



- » Coronavirus is delaying Chinese workers' return to projects in Bangladesh
- » The spread of the virus is raising spending of Chinese contractors
- » Bangladesh suspended on-arrival visa for Chinese travellers
- » Some 312 Bangladeshis returned home from China's Wuhan, the birthplace of coronavirus
- » Still 171 Bangladeshi students are staying in Wuhan
- » Chinese airlines reduced frequency of flights to Bangladesh

gravity of the disease.

The number of deaths from the novel coronavirus has risen to 1,770 at the time of writing. There have been more than 71,000 cases worldwide, with the vast majority of those in mainland China.

Less than 10 per cent of the Chinese nationals had gone home for the Lunar New Year, the most important festival of the year in China, Li Jiming, the Chinese envoy, had said in a press

outbreak in China.

But in a separate discussion -- 'Current coronavirus (COVID-19) outbreak in China and our stand' -- organised by the Bangladesh-China Business Association (BCBA) yesterday at the same venue, he said there might be delays as the Chinese nationals could not return to work.

"A lot of Chinese nationals working in major projects in Bangladesh can't



RASHED SHUMON

Onions which have slightly degraded in quality being processed for sale in the capital's Sadarghat recently. Traders buy such onions from the Shyampur wholesale market at Tk 15-20 per kilogramme. After removing any foul parts and sun-drying the onions, they are sold at Tk 35-40 per kilogramme.

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