

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX			MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▼ 1.51%	▼ 1.44%	Gold ▲	Oil ▼	▼ 0.36%	▼ 2.13%	▼ 0.19%	▲ 0.11%	BUY TK	83.95	90.72	107.83	11.81
4,480.22	8,332.98	\$1,651.50 (per ounce)	\$51.80 (per barrel)	39,745.66	21,948.23	3,111.70	2,991.33	SELL TK	84.52	94.52	111.63	12.41



BUSINESS

DHAKA FRIDAY FEBRUARY 28, 2020, *FALGUN 15, 1426 BS* starbusiness@thedailystar.net

Coronavirus can't tame Bangladesh's growth momentum

Says finance ministry

REJAUL KARIM BYRON and MD FAZLUR RAHMAN

Bangladesh's export and import activities will both be affected by the coronavirus pandemic but the country would not face much difficulty in attaining its GDP growth target of 8.20 per cent for this fiscal year, according to an official document.

The country clocked in 8.15 per cent GDP growth in fiscal 2018-19, the highest in the Asia Pacific region, riding on strong domestic demand and supportive fiscal and monetary policies.

The strong growth in the flow of remittance will contribute to furthering

of domestic demand, said the finance ministry document prepared on the potential impact of the virus on the economy. The report was sent to the Prime Minister's Office recently.

Besides, the increased public expenditure under the annual development programme, the implementation of mega projects and increased investment owing to setting up of economic zones will have positive impact on the macroeconomic indicators.

"As a result, the GDP growth rate will maintain the current momentum," the report said.

The magnitude of the impact of the lethal, pneumonia-like virus, which is sweeping the globe, on Bangladesh's international trade of Bangladesh as well as overall commerce -- cannot be ascertained yet. In fact, the real impact would be clear in March, the document said.

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Serial bank scamsters' days might be numbered

BB comes up with database to catch them

AKM ZAMIR UDDIN

Scamsters' errant ways might soon be checked given a database the central bank is preparing.

Banks, non-bank financial institutions and mobile financial service providers will input information on a central database. If any fraudulent activity is found against a client, lenders will attach it to the database.

Each lender will verify the information of every client once he/she opens an account with the entity.

"The database will be operated like the credit information bureau (CIB) storage of the central bank," said a Bangladesh Bank official with strong knowledge of the matter.

The central bank has already started work for the database, which will be live within this year, he said.

Lenders will use the information of the database when they will fill up the KYC

(know-your-customer) form of clients.

Clients will get a rating based on their previous banking record at the database.

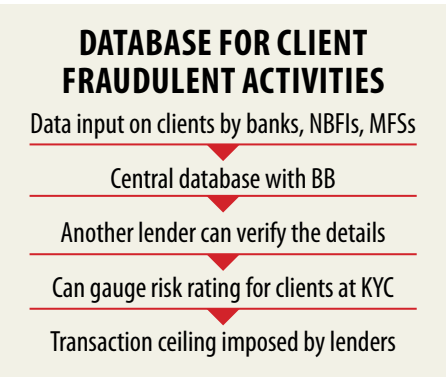
A poor transaction ceiling will be fixed for a client if he/she was involved in fraudulent activities previously. In some cases, banks will not open any account in favour of a client if severe forgery can be found.

The CIB has been storing the nature of loans taken by clients permanently. Lenders will verify the credit status before giving any fresh loans to a borrower.

The forgers can now get banking services from other lenders even after committing fraud with a bank, according to a central bank paper.

Lenders cannot get any information of such forgery in the absence of a central database.

"Such forgers are dangerous for the entire banking sector. They frequently forge the cheque book and embezzle deposit of clients," the BB paper said.



The database will store clients' details such as their parents' name, date of birth, national identity number, tax identification number and present and permanent address. "Lenders will also input the description of forgery cases in detail at the database. If any client earlier got punishment for forgery,

lenders will have to mention it as well."

Along with new customers, the banking record of the existing clients will also be assessed to fix their risk rating.

This will help secure financial transactions more in the banking sector, the official said.

The name of the software, which will be used for storage of the information, is Corporate Memory Management System.

The central bank's Information Systems Development and Support Department are working on it.

Operational module procedure and regulations will be prepared when the software will be ready for operation.

The central bank will take opinion from stakeholders on how to operate it in an efficient manner before launching it formally.

The National Integrity Strategy Implementation related committee of the central bank will be running the software.

Meghna's plan to invest Tk 4,000cr ready for action

Nine industrial units to be inaugurated

JAGARAN CHAKMA

Meghna Group of Industries (MGI), a leading Bangladeshi business group, is set to flag off nine industrial units at its economic zone in Narayanganj tomorrow in a bid to meet the country's growing demand for consumer products and industrial raw materials.

MGI invested about Tk 4,000 crore to set up the manufacturing facilities, where 8,400 workers will be directly employed. After meeting the local demand, the group also intends to export the different products manufactured at the factories.

The units that will be formally inaugurated tomorrow are: Meghna Sugar Refinery, Sonargaon Seeds Crushing Mills, Meghna Ball Pen and Accessories MFG, Meghna Noodles and Biscuit Factory, Sonargaon Printing and Packaging Industries, Fresh Welding Electrodes and Wire, Meghna Fresh LPG, Sonargaon Ship Builders and Dockyard, and a second unit of Fresh Cement.

In a first for the country, liquid sugar is being produced alongside its granulated version at the Meghna Sugar Refinery by adopting sophisticated automatic machinery from Germany, France, China and India.

With a production capacity of 3,500 tonnes per day, the refinery provided 1,000 opportunities for direct employment.

The sugar could also be exported to countries such as Nepal and Bhutan after

JOB CREATION AT MEGHNA ECONOMIC ZONE	
Name of Company	Employment
Meghna Sugar Refinery	1,000
Sonargaon Seed Crushing Mills	600
Meghna Ballpen & Accessories MFG	300
Meghna Noodles & Biscuit Factory	4,000
Sonargaon Printing & Packaging	450
Fresh Welding Electrodes & Wire	100
Meghna Fresh LPG	350
Sonargaon Ship Builders & Dockyard	1,500
Fresh Cement Industries (Unit-2)	1,000

local demand is met, said a senior official of MGI requesting anonymity.

The Sonargaon Seeds Crushing Mills will churn out liquid and powder lecithin, which are used for baking, pharmaceutical products and livestock feed. Technology from Germany, Sweden, Brazil, Italy, China, Switzerland, the US and Thailand would be used at the plant.

MGI set up the factory, which has a production capacity of 5,500 tonnes and employs 600 people, to meet the country's demand for nutrient-rich food.

READ MORE ON B2

Adani Group registers Bangladesh subsidiary

JAGARAN CHAKMA

Adani Group's entry into Bangladesh's money-spinning infrastructure sector is drawing closer after it declared incorporation of a wholly owned subsidiary company named Adani Bangladesh Ports Private (ABPPL) on the Bombay Stock Exchange and National Stock Exchange of India, where it is listed.

Kamlesh Bhagia, company secretary of Adani Ports and Special Economic Zone Ltd, informed the development about the new venture of dredging port and infrastructure development in Bangladesh on Wednesday.

ABPPL, which is registered with the Registrar of Joint Stock Companies and Firms of Bangladesh, has an authorised capital of Tk 1 crore and paid-up share capital of Tk 55 lakh.

It is yet to commence its business operation, Bhagia said in the letter.

Adani Group is an integrated business group in India consisting of six publicly traded companies with combined revenues of \$13 billion.

Founded in 1988, Adani has grown to become a global integrated infrastructure player with businesses in key industry verticals: resources, logistics, energy and agro.

Apart from India, it has presence in Australia, China, Dubai, Indonesia, Myanmar, Singapore, and the US, according to the company's website.

Adani, which is India's largest private port operator, is exploring possibilities to invest in Chattogram port's proposed Bay Terminal, a deep terminal to be developed near the port. This terminal is on the priority list of Bangladesh.

It is likely to start the site development work of the India Special Economic Zone (ISEZ) by June, where billions of dollars of investment are expected to pour in from the neighbouring country.

The ISEZ, which will be set up on 1,000 acres of land, will be exclusively for Indian investors.

Site selection and land acquisition for the zone have already been completed at the Bangabandhu Sheikh Mujib Shilpa Nagar in Mirsarai, Chattogram.

READ MORE ON B3

More bad news for Ring Shine investors

Key sponsor dumps shares

AHSAN HABIB

The news of offloading of shares by a key sponsor of Ring Shine Textile yesterday, within just two and a half months after its listing on the Dhaka and Chattogram bourses, is yet another blow to the general investors, who have seeing the value of their holdings plummet by the day.

Universe Knitting Garments, whose owner Sung Wey Min is the sponsor and managing director of Ring Shine Textile, announced yesterday its plan to sell 36.86 lakh shares of the textile company.

Sung also holds 6.52 per cent, or 1.85 crore, shares of Ring Shine Textile individually.

The news dragged down the textile maker's stocks by 3.61 per cent to Tk 8 yesterday.

Market analysts said when a company's sponsor sell shares just after listing it gives a bad signal to the general shareholders.

Ring Shine Textile debuted on the bourses on December 12 last year to raise Tk 150 crore from general shareholders.

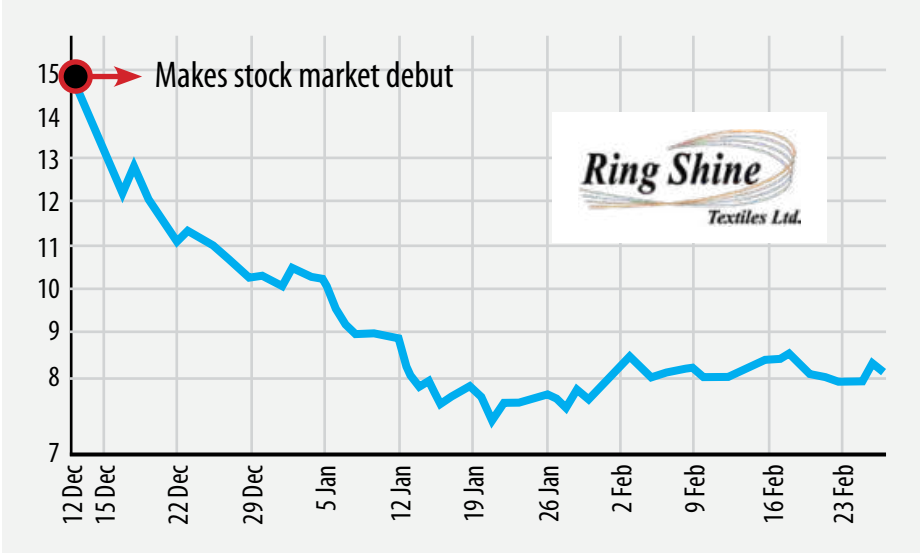
Soon after the listing rumours have been running rife that the textile maker's foreign staff, directors and managing director were abandoning the venture and leaving the country for good.

However, they came back to work later.

Amid the situation, Universe Knitting Garments yesterday expressed its intent to offload 13 per cent of its total holdings of 2.82 crore shares at prevailing market price.

Universe Knitting did not inform the textile maker why it was selling the shares, said Asraf Ali, company secretary of Ring Shine.

READ MORE ON B3



Social media giants can get VAT registration soon

NBR working on the framework

SOHEL PARVEZ

The National Board of Revenue plans to allow global social media giants to secure direct VAT registration without opening local offices as part of its move to bring them under the tax network.

The development comes as tech giants such as Google and Facebook are yet to set up representative offices or appoint agents in line with VAT laws that came into effect on July 1 last year.

A decision was taken last week so that non-resident firms can get VAT registration online without opening office in Bangladesh, said Syed Mushfequr Rahman, the director general of the VAT Intelligence.

"The measure will eliminate bottlenecks and enable us to get VAT," Rahman said.

The move came after Facebook last month sought direct VAT registration from the NBR. Google also wants the same, sources said.

Digital advertisements progressively making up the lion's share of companies' promotional campaign budget. But the government does not receive much VAT from the ads running on Facebook, YouTube, Google and other digital platforms.

Every year, Facebook, YouTube and Google together earn more than Tk 1,000 crore from Bangladesh and the majority of the sum are not sent through the banking channel, according to stakeholders.

This has prompted the revenue administration to make it mandatory for foreign platform to either open offices or appoint agents.

But none of the tech firms are yet to obtain VAT registration as they are unwilling to pay the indirect tax to the NBR through agents or share sales details containing information about customers.

Last month, Ernst & Young LLP wrote to the NBR on behalf of Facebook, saying sharing sales details containing information about customers with individual VAT agents breaches data privacy and poses security risks.

Facebook is bound by data privacy laws to ensure the confidentiality and privacy of such information, the letter said.

No reputed international chartered accounting and consultancy firms have obtained VAT agent certificate, according to the letter.

These firms are hesitant and sceptical about acting as VAT agents due to concerns such as handling funds on behalf of clients or assuming joint and several liability for payments of all dues of the non-resident VAT-payers.

Facebook wanted the NBR to allow direct VAT registration instead of through VAT agent and permit direct transfer or online payment of taxes to the revenue board's designated bank account.

In order to resolve the issue and finalise a form for VAT registration for non-resident taxpayers, senior VAT officials in a meeting last week agreed to bring changes to rules.

READ MORE ON B3





MHM Fairoz, managing director and CEO of Singer Bangladesh, launches the consumer electronics and home appliances company's new products, Singer Green Inverter Air Conditioner, at a ceremony in Dhaka recently. Priced at Tk 47,990 to Tk 83,990, the air conditioners would save 60 per cent electricity and ensure less carbon emission.

US retailers upbeat on 2020 sales despite virus uncertainty

AFF, New York

US retailers projected solid sales in 2020 Wednesday despite uncertainty over the coronavirus that has thrashed global equity markets in recent days. Global markets have gyrated this week as the virus has spread to additional countries and raised concerns about the economic hit from the sorts of lockdown measures that have limited travel and industrial production in China. Many companies have warned that their bottom line will feel the impact, at least in the current quarter, but the National Retail Federation forecast sales gains of between 3.5 percent and 4.1 percent to more than \$3.9 trillion for 2020, pointing to a solid labor market and low interest rates that have

been the linchpin of the US economy since the 2008 financial crisis. "The nation's record-long economic expansion is continuing, and consumers remain the drivers of that expansion," said NRF President Matthew Shay in a press release. "There are always wild cards we cannot control like coronavirus and a politically charged election year. But when it comes to the fundamentals, our economy is sound and consumers continue to lead the way." At a large toy trade show earlier this week, some companies said their plants in China were still closed or operating at only 20 or 25 percent, constrained by a lack of workers and raw materials. NRF officials said it was impossible to generalize about the impact of

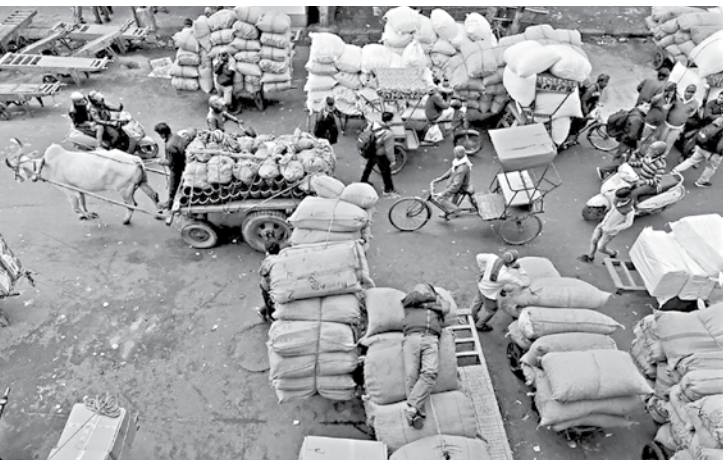
the virus on retailers, and it remains premature to expect shortages of goods. Shay pointed to "positive signs from China" in recent days that have raised hopes that supply chain effects will not be prolonged, adding that "the disruption to be less severe than originally expected." NRF Chief Economist Jack Kleinhenz said the US companies have had more time to prepare for the virus than countries that were hit earlier. He also said it was "fortunate this is occurring where we are, in a fairly solid state of the economy," adding that the damage would have been worse had the epidemic happened between 2007 and 2009 when US unemployment was much higher due to the global financial crisis.

India's GDP seen growing at 4.7pc year-on-year in Dec quarter

REUTERS, New Delhi

Having suffered its weakest expansion in over six years in the September quarter, India's economy probably fared slightly better in the December quarter, before suffering a relapse due to the impact of the coronavirus globally, analysts said. Gross domestic product data due to be released on Friday will cover up to the end of last year, before the epidemic in China had sparked fears of a pandemic. The median forecast of a Reuters poll of economists put annual economic growth at 4.7 per cent in the December quarter, marginally higher than 4.5 per cent in the previous quarter thanks to a small rebound in rural demand, private consumption and government spending. "The economy showed some signs of recovery in December quarter due to higher government spending and external factors, but faces a risk of relapsing in the current quarter mainly due

to the coronavirus," said N.R. Bhanumurthy, an economist at National Institute of Public Finance and Policy (NIPFP), a Delhi-based government funded think tank. Even achieving 4.5 per cent annual growth this quarter would be a challenge, Bhanumurthy added. In its annual budget presented earlier this month, the government estimated economic growth in the current fiscal year ending in March would be 5 per cent, the lowest for 11 years. And the government only targeted a slight recovery in growth to 6 per cent for 2020/21, well below the levels required to generate jobs for the millions of young Indians entering the labor market each month. Analysts expected growth would pick up gradually driven by a favorable base effect, a cut in corporate tax rates last September and increased government spending. But, the central bank earlier



REUTERS/FILE

A labourer sleeps on sacks as traffic moves past him in a wholesale market in the old quarters of Delhi.

this month warned that the downside risks to global growth have increased as a result of the coronavirus epidemic, the full effects of which are still uncertain and unfolding. "Although number of cases of COVID-19 (coronavirus) in India

are less, the economic impact is expected to accrue from supply chain risk," Soumya Kanti Ghosh, chief economist at State Bank of India citing problems in supply of raw materials from China for pharmaceuticals and other exports.

A spike in inflation to a more than 5-1/2 year high of 7.59 per cent in January is expected to make the Reserve Bank of India hold off on further cuts in interest rates for now, while keeping its monetary stance accommodative. Finance Minister Nirmala Sitharaman has said some signs of green shoots were visible in the economy as the government has eased bottlenecks for consumer and industry bank loans, while expanding spending on infrastructure. But analysts remained doubtful. Goldman Sachs cut its growth forecast to 4.9 per cent for the March quarter from earlier estimate of 5.4 per cent. "Despite the downward revision, we believe the risks to our growth forecast are still tilted to the downside, given the risk aversion in the domestic financial sector, the continued weakness in rural demand," Goldman Sachs, said in a note on Wednesday.

Standard Chartered's 2019 pre-tax profit rises to \$4.2b

AFF, Hong Kong

Standard Chartered said Thursday its pre-tax profit rose to \$4.2 billion last year but warned growth for 2020 would likely be dented by the coronavirus outbreak. The Asia-focused British bank said pre-tax profit surged eight percent in 2019 despite what the group's chief executive Bill Winters described as "an increasingly challenging external environment". In a statement attached to the results, Winters said the bank faced low interest rates, a slowing global economy, the US-China trade war and several months of pro-democracy protests in Hong Kong last year. And now coronavirus is wreaking growing economic havoc. "These external challenges will mean that income growth in 2020 is likely to be lower than our anticipated 5-7 per cent medium term range," said Winters, although he described the economic headwinds in 2020 as "transitory". The results showed greater China and North Asia fared well with three percent growth while Africa and Middle East surged 29 percent and was the bank's fastest-growing market. Bank chairman Jose Vinals said geopolitics and societal change have become "more uncertain than ever". "This means that instability and rapid change are becoming the new normal," Vinals added. Last week, Asia-focused HSBC axed 35,000 jobs and posted a third of pre-tax profit slump in the 2019 annual profits to \$13.3 billion.



LOTTO

Lotto Bangladesh Managing Director Kazi Jamil Islam, Marketing Consultant Kazi Javed Islam, TVS Auto Bangladesh Ltd's Managing Director Biplob Kumar Roy and Actor Ferdous Ahmed attend a ceremony in Dhaka yesterday, where the companies organised a raffle draw for their 'Shoe Kinun, Bike Jitun' campaign.



TRUCK LAGBE

Bashir Ahmed, proprietor of New Bangla Motors, a star dealer of BP Lubricants, and Mir Hossain Ekram, chief operating officer of Truck Lagbe, a truck hiring app, sign the documents of an agreement in Dhaka on Tuesday. Users of the app now can purchase BP Lubricants online at market price.

Virus-hit stocks shed \$3tn; safe havens thrive

REUTERS, London

Stocks resumed their plunge, wiping out more than \$3 trillion in value this week alone, and US Treasuries yields hit record lows on Thursday as the coronavirus spread faster outside China and investors fled to safe havens. The number of new coronavirus infections in China - the source of the outbreak - was for the first time overtaken by fresh cases elsewhere on Wednesday, raising pandemic fears. The pan-European STOXX 600 index opened 2.3 percent lower and Italy's blue-chip index sank. Dozens of European companies have warned about potential damage to their profits. In the United States, Microsoft became the

second trillion-dollar company to warn about its results after Apple. X. Its Frankfurt-listed shares were down 4 per cent. Global equities have now fallen for six straight days. Wall Street's so-called fear gauge was near its late 2018 highs. Spot gold rose 0.5 percent to \$1,649 per ounce and silver gained 1 percent to \$18.03 an ounce. Gold prices hit a seven-year high at near \$1,688 per ounce on Monday. "Safe-haven currencies are doing very well and gold is heading back higher, and unless we see a slowdown in the coronavirus cases outside China, risk sentiment will continue to be undermined," said Peter Kinsella, global head of FX strategy at UBP in London

Meanwhile, the yield on U.S. Treasuries, which falls when prices rise, dropped below 1.3 per cent US10YT=RR and the yield curve continued to send recession warnings. Markets are pricing a roughly even chance of the Federal Reserve will cut interest rates next month and have almost fully priced in a cut by April. Yields on benchmark German 10-year maturities fell to -0.5140 percent. Italian debt underperformed as Europe's worst flare-up of the virus in that country raised fears of a recession there. E-mini futures for the S&P 500 were down 0.3 percent ES1 and oil, sensitive to global growth, fell more than 1 per cent to its cheapest in over a year.

Govt wants deeper trade ties with the US

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The industrial policy provides extensive incentives and facilities to attract foreign direct investment anywhere in Bangladesh, especially at the export processing zones, Humayun said. "Bangladesh has liberalised trade regime and reduced non-tariff restrictions significantly." There is scope to lift GDP growth to double-digit and even more and this can create huge opportunities for domestic and international investors, according to the minister. Currently, Bangladesh is the 52nd largest trading partner of the US. But Humayun believes the trade show would contribute to the widening of the existing commercial ties between the two countries and stimulate greater understanding about each other's economic potential and opportunities. "The trade show comes at an important moment for US-Bangladesh trade and investment ties," said JoAnne Wagner, deputy chief of mission of the US embassy. The exhibition is an opportunity to witness how vibrant the US business community is in working together with the people of Bangladesh, to the benefit of both countries, said JoAnne Wagner, deputy chief of mission of the US embassy. "US companies are working in

developing infrastructures that contribute to economic development," she said. Excelsite Energy used state-of-the-art technology to build Bangladesh's first liquefied natural gas terminal in 2018, which provides clean energy, makes power supplies more reliable and promotes industrial development throughout the country, she said. American firms tend to hire local workers and ensure worker's rights, the diplomat said. "US companies meet international standards on working conditions for the workers and maintain quality in terms of safety, workers' rights and security." As the government's lead agency for coordinating reforms for the ease of doing business, the Bangladesh Investment Development Authority (BIDA) is working hard to enhance business climate, said Md Sirazul Islam, executive chairman of the agency. "We are working hard to support the transition towards industries based on knowledge and technology. That is why we would like to invite American investors to come to Bangladesh and create enduring value in the many potential sectors," he said. Syed Ershad Ahmed, president of the AmCham, and Syed Mohammad Kamal, vice-president, also spoke.

Meghna's plan to invest Tk 4,000cr ready for action

FROM PAGE B1

Lecithin is a fat that is essential in the cells of the body. It can be found in many food items, including soybeans and egg yolks. Similar to its plans for the sugar refinery, MGI intends to export the ingredients to South Asian countries, Europe, India, and China after meeting local demand. Meghna Ball Pen and Accessories, which employs 300 individuals, would manufacture about 8 lakh ball pens a day. The Meghna Noodles and Biscuit factory will guzzle out 40,000 tonnes of biscuits, 1,900 tonnes of cake, 20,000 tonnes of noodles, 4,000 tonnes of wafer, 8,000 tonnes of chocolate, 12,000 tonnes of Bombay mix, 6,500 tonnes of candy and 4,000 tonnes of various other snacks per annum. Currently, there are 4,000 people

working at the factory. MGI set up the factory with Chinese, Japanese and European technology. Meanwhile, the Sonargaon Printing and Packaging Industries was set up to meet the demand for the printing and packaging materials required by all plants under MGI. The factory uses Chinese and Indian technology to manufacture 442,000 carton packing materials per day and employs about 450 people. Some 1,000 tonnes of woven system welding electrodes and 400 tonnes of flux-cored arc welding are made at the MGI's Fresh Welding Electrodes and Wire factory, which generated 100 jobs. Meghna Fresh LGP, one of the biggest industries under MGI, processes 300 tonnes of liquefied petroleum gas using European equipment daily. At

present, there are 350 people working at the factory, where it takes 4,000 12kg cylinders to store the mixture of hydrocarbon gases. Besides, there is also a 10,000 tonne capacity storage warehouse for the product. The Ship Builders and Dock Yard, has a yearly capacity to manufacture 5,000 deadweight tonnage (DWT) oil tankers, cargo ships, bulk ships, gas ships and container ships. The factory features both Chinese and European technology. The second manufacturing unit of the Fresh Cement Industry, which has a production capacity of 10,000 tonnes of cement per day, will also be inaugurated. The company has created employment opportunity for about 1,000. The factory was set up to meet the growing local demand and also to export to northeast India, the MGI official added.

Trade through Benapole resumes

OUR CORRESPONDENT, Benapole

Export-import activities between Bangladesh and India through Benapole land port resumed yesterday noon after remaining suspended since Tuesday afternoon.

Trade was halted when India's Border Security Force (BSF) restricted the clearing and forwarding of both the countries to cross the border to submit documents on Tuesday, Kartik Chandra, general secretary of Petrapole Port C&F Welfare Association, told the

Daily Star.

The BSF might have done it as part of an attempt to ensure security along the border for the ongoing visit of US President Donald Trump, said Uttam Chakma, assistant commissioner of Benapole Customs House.

A meeting between the representatives of the two neighbouring countries solved the problem and orders have been given to take necessary measures to start discharging goods as soon as possible, said Abdul Jalil, deputy director of the port.



BANK ASIA

Shahriar Alam, state minister for foreign affairs, hands over the 'BFP-B Excellence Award' to Mohd Ziaul H Molla, a deputy managing director of Bank Asia, at an event at Radisson Blu Dhaka Water Garden on Wednesday. Business Finance for the Poor in Bangladesh (BFP-B), a project managed by Nathan Associates, London and funded by the UK's Department for International Development, presented the award to the bank for its financial inclusion initiatives.

BB cuts NBFIs' investment limit in commercial paper

STAR BUSINESS REPORT

The central bank yesterday reduced the investment capacity of non-bank financial institutions in commercial paper (CP) in order to avoid their fund concentration in the short-term securities.

From now on, a non-bank financial institution's (NBFi) total investment in the CP cannot exceed 20 per cent of its total capital, down from the previous limit of 30 per cent, according to a revised guideline of Bangladesh Bank.

The new measure will compel NBFIs to invest their fund in the productive zone like small and medium enterprises sector, a BB official told The Daily Star yesterday. The CP is usually an unsecured promissory note, which matures in a period between a minimum of 30 days and a maximum of one year.

NBFIs are also allowed to issue the instrument for mobilisation of their required fund.

NBFIs operating in Bangladesh have some distinctive features than commercial banks. They are not allowed to receive demand deposits as well as term deposits of less than 3 months, which force them to take short-term fund.

NBFIs depend on high-cost bank borrowings and call money market to meet this challenge. The CP helps them both for fund mobilisation and investment.

Coronavirus can't tame Bangladesh's growth momentum

FROM PAGE B1

"There is no doubt that there will be at least short-term impact. And if the outbreak persists for a long time, this will have far-reaching impact not only on Bangladesh but also on the global economy."

China is the biggest trading partner of Bangladesh and the biggest source for raw materials. The world's second largest economy accounted for more than a fifth of the country's imports of \$56 billion in fiscal 2018-19, Bangladesh Bank data showed.

The barriers to imports from China, the epicentre of the virus, will hurt the export-oriented sectors and disrupt the supply chain. At the same time, it will have a negative impact on inflation.

China supplies 26 per cent of the active pharmaceutical ingredients (APIs), the raw materials for medicines, of Bangladesh. If the API supply grinds to a halt, the sector's production will be interrupted. This will also impact pharmaceutical exports.

A number of mega infrastructure projects being implemented by Chinese companies will face problems.

The projects include Padma Bridge, the tunnel under the Kamaphuli river, the Bus Rapid Transit from Gazipur to Airport project, and the first and second phases of the Payra 1,320MW thermal power plant.

As a case study, the report stated the Padma bridge project. Two Chinese construction firms are implementing the main bridge construction part and the river dredging part respectively.

The contractor of the main bridge part is

China Major Bridge Engineering Co. and its headquarters is located in Wuhan city in Hubei Province, the epicentre of the virus.

The headquarters has been working on a limited scale for a month and this has had some impact on the progress of Bangladesh's largest infrastructure project.

Most of the important construction materials are also sourced from China and a majority of the suppliers are based in Hubei Province.

As a result, the regular flow of imports of construction materials has been interrupted as many Chinese factories have closed their operations and the number of import vessels has dropped.

The top seven items that are imported from China are: yarn, woven textile fabrics, knit textile fabrics, garment accessories, mobile phone parts, apple and garlic.

The top four items are raw materials for the garment industry, which accounts for about 84 per cent of the country's exports.

In the last fiscal year, Bangladesh imported yarn, woven textile fabrics, knit textile fabrics and garment accessories worth \$3 billion. Already \$2 billion worth of products have been imported in the first seven months of this fiscal year.

Alternative sources for garment raw materials should be actively considered if the coronavirus outbreak disrupts supply, the report said.

However, the import of mobile parts, which soared last year, may suffer as only 27 per cent of last fiscal year's total imports amounting to \$505 million came in the last seven months.

Bangladesh has imported a significant quantity of garlic from China so far this fiscal

year. Importers are bringing in ginger, garlic and cinnamon from Myanmar, Vietnam, Thailand, Indonesia and Egypt.

The import of garlic and ginger from China will be affected to some extent because of the coronavirus outbreak. But, there is no possibility of a supply shortage of the items in the local markets, the finance ministry report said.

China is not among the main export destinations of Bangladesh but it is an emerging market. Bangladesh's main export items to China are garment, jute and jute products, leather and leather products and crab and eel.

Half of the main exportable items destined for the country were shipped in the first seven months of the fiscal year. Given the trend, there is no big risk to exports to China, the report said.

As inbound ships from China are mandatorily berthed at the outer anchorage of Chattogram port for at least 10 days as part of quarantine, the unloading of imported items are being delayed. Flights to and from China have been very limited and people's movement has been restricted. As a result, hotel bookings fell significantly.

Bangladesh receives 5-6 lakh tourists every year and of them, a major portion comes from China. Now, their arrival will go down hugely.

The overall trade may be affected to some extent because of the coronavirus.

If the overall export earnings go down in the current fiscal year, Bangladesh's current account deficit is in good shape compared with the previous two fiscal years thanks to increased remittance flow.

Money sent by migrant workers rose 21.49

per cent to \$11.05 billion in the July-January period on the back of the 2 per cent cash incentive. Bangladesh will also benefit from the declining petroleum prices in the international market.

Oil prices have fallen 14 per cent because of the pandemic. This may allow Bangladesh to save up to \$450 million this fiscal year, helping the country keep its current account deficit and inflation lower.

The country imported crude oil and finished petroleum products worth about \$3.3 billion in fiscal 2018-19.

Social media giants can get VAT registration soon

FROM PAGE B1

But the tech giants will have to name a local agent in the registration form for communication purpose with the NBR, said Rahman, who was present at the meeting.

Recently, Amazon Web Services (AWS), informed its clients in Bangladesh that it would soon be required to collect VAT on the sales of its cloud services.

AWS asked clients to update accounts by providing VAT registration numbers, according to a Facebook post of Md Zakir Hossain, commissioner of the Customs, Excise & VAT Commissionerate, Jashore.

AWS has started the procedure to pay VAT in Bangladesh, he said, adding that it is good news for Bangladesh as it would allow the country to collect VAT on cross-border transactions.



SOUTHEAST BANK

Md Altaf Hossen, a freedom fighter, and M Kamal Hossain, managing director of Southeast Bank, open the bank's sub-branch at Bondhon Tower in the capital's West Madartek.



IBCCI

Indian High Commissioner Riva Ganguly Das speaks at a seminar on 'Enhancing Indo-Bangla bilateral trade in light of Indian National Budget 2020' jointly organised by the high commission and the India-Bangladesh Chamber of Commerce and Industry at The Westin Dhaka on Wednesday.

Adani registers Bangladesh subsidiary

FROM PAGE B1

Now, the negotiation is going on whether the Bangladesh Economic Zones Authority will be involved in equity or not. Adani, which has vast experience as India's largest private multi-port operator, wants to set up a dedicated port in the zone. Its port arm APSEZ has invested in several terminals in India. It has investments in ports, power, energy and real estate and is also present in Haldia, West Bengal.

It has an edible oil refining facility through Adani Wilmar. Bangladesh Edible Oil, manufacturer and marketer of edible oil brands such as Rupchanda, King's, Fortune, Meizan & Veola, is a 100 per cent joint venture between Wilmar International, Singapore and Adani.

Singapore-based Wilmar and Adani Group plan to invest \$350 million in Bangladesh to establish an industrial park in the Mirsarai economic zone under a joint venture that will produce agro-based foods and allied products.

Adani Power's wholly-owned subsidiary Adani Power (Jharkhand) is setting up 1,600 MW ultra-supercritical power project at Godda in Jharkhand, for supplying power to Bangladesh, according to the annual report of the Adani Power. It is targeting to complete the first unit in January 2022 and the second unit in May 2022.

Adani Ports & Special Economic Zone closed yesterday at Rs 353.50, down by 1.46 per cent on the Bombay Stock Exchange, while Adani Power closed 3.21 per cent lower at Rs 52.80.

Fed policymakers on why diversity matters and how to get there

REUTERS, Washington/San Francisco

Several US Federal Reserve policymakers told Reuters why increasing diversity within the US central bank system matters. Here are some highlights:

"The research now is very compelling that homogenous groups are more prone to groupthink that leads to lower quality discourse and lower quality decisions.

"One of the strong findings in the research is that in order to have the best possible decision making, we need a diverse group of leaders. In order to have a diverse group of leaders, we need to bring people up as they progress in their careers and have that same kind of diversity."

"What I think we are still seeing too much of is a reluctance to take

a chance on a woman or a minority, particularly when the people making that selection themselves are not very diverse and perhaps might be a little uncomfortable and have a little lack of ability to see how someone who's quite different from who they are - who perhaps came up a different route - could succeed in that position.

"So I think the problem that we still have today is providing enough opportunities for women and minorities to be in leadership positions and then supporting them."

"By having this diversity of view points in the room, I think it challenges ideas differently and more rigorously. I think it makes deliberation more robust... my work has been much crisper, more precise and less speculative because of the presence of diversity."

"Our board members have been great ambassadors to us in attracting other board members... We do a lot of tracking: we keep a list of potentials from the full district; we track on business sector; we track on size of the business; we track on geography, urban, rural, and then we track on these dimensions of diversity. It is all about the intentionality. We want to make sure that we are hitting on all cylinders on all dimensions."

"During the last 12 years that I've been president, understanding that maximum employment is probably a lower unemployment rate than we thought 12 years ago, and than we thought three to four years ago ... just having more discussion and understanding the benefits are really substantial ...I really do appreciate the contributions that all of my board members have made."

Reform policies looking beyond 2024, suggests Japan's envoy

FROM PAGE B4

Bangladesh plans to rise to a double-digit spot from the current three-digit one in the index within two years.

It had first advanced one place to take up the 176th position in the 2019 assessment before making a jump to become 168th among 190 countries in the 2020 index.

The government is working towards bettering the rank as it helps to attract foreign direct investment, which leads to a win-win situation with businesses profiting and the government earning revenue, said Md Sirazul Islam, executive chairman of the BIDA.

Chairing the event as chief guest, he urged the private sector to hold events on their expectations and inviting over government officials involved in the ranking reform processes to address inconsistencies.

Miah Rahmat Ali, senior private sector specialist at the World Bank Group, gave a presentation on the index. Masud Rahman, president of the CanCham Bangladesh, and Yuiji Ando, president of the JBCCI, also spoke on the occasion.

More bad news for Ring Shine investors

FROM PAGE B1

"This is an internal decision of the owners," he added.

Abdul Mannan, a stock investor, said the stock tumbled to less than its face value when the rumours of its foreign owners jumping ship spread.

Now, the key sponsor's share selling will have bigger impact on general investors. "So, its stock price is declining," he said.

A top official of the Bangladesh Securities and Exchange Commission (BSEC) said the regulator cannot deter a sponsor from selling his/her shares if they are doing so by abiding by the laws.

Under this circumstances, stock investors should be cautious about investing in the stock, he said, adding that the BSEC is now giving approval to initial public offerings on a disclosure basis.

A merchant banker said such share selling by a sponsor at a price of under the face value means the company's stakeholders themselves do not think it has a bright future.

And their selling so soon after the company's debut on the bourse also means sponsors always had the plan to cash out right after listing.

"A sponsor can sell his/her shares. But when he does so under face value then it raises questions about the company's potential," he added.

According to the company's annual report for the 2018-19 financial year, its sales dropped 1.72 per cent to Tk 982.37 crore from a year earlier.

The net profit margin also decreased from 5.54 per cent to 5 per cent during the period.

Sung said in the annual report of the 2018-19 financial year that the

company's sales and profitability decreased because of an increase in production cost by almost 1 per cent, and a decline in the price of goods sold in market. Ring Shine's capital raising has been shrouded in controversy from the very beginning because it raised a huge amount of money, said Sharif Anwar Hossain, president of DSE Brokers Association of Bangladesh.

"Many stock brokers were saying that the company was coming to the market in order to dump its shares on the general shareholders."

So, general investors should have been more cautious, Hossain said, adding if investors did not buy its shares the company would not have been able to come to the market. "However, our investors rushed to snap up Ring Shine shares. They also need to assess what shares they should buy and what not to."

FOR SALE (Electrical Pole Fittings)

Sl.	Items	Qty
1	200KVA, 11/0.4KV Distribution Transformer Accessories	L/S
2	33/11KV Pole Fittings	L/S
3	120 & 35mm Aerial Cable Aces.	L/S
4	300mm UG Cable Accessories	L/S
5	Nut & Bolt (Various Size)	L/S

Interested parties are requested to contact on Cell:

01877999830

Email: ahsanbinbasha@gmail.com

D-49

Govt wants deeper trade ties with the US

Says the industries minister says at the opening of 27th US Trade Show opening



COLLECTED
Nurul Majid Mahmud Humayun, third from left, industries minister, cuts a ribbon to open the 27th US Trade Show at the Sonargaon hotel in Dhaka yesterday. The US embassy in Dhaka and the AmCham jointly organised the three-day show.

STAR BUSINESS REPORT

Bangladesh is keen to take its bilateral trade and investment with the US to a higher level in the incoming days for the benefit of both countries, said the industries minister yesterday.

The US-Bangladesh bilateral trade is witnessing an upward trend and in 2019 crossed the \$9 billion-mark, doubling since 2008. The US is the

number one export destination for Bangladeshi products.

"This is a remarkable growth closing the trade deficit," said Nurul Majid Mahmud Humayun, industries minister, at the opening of the 27th US Trade Show at the Pan Pacific Sonargaon Dhaka.

The three-day show, jointly organised by the US embassy in Dhaka and the American Chamber

of Commerce in Bangladesh (AmCham), is open to visitors from 10am to 8pm.

Some 48 American companies operating in Bangladesh in areas of energy, agro-mechanisation, and food and beverage are showcasing their products and services in 78 stalls. During the trade show, the embassy will host four seminars.

READ MORE ON B2

Container transport from Ctg port grinds to a halt

Drivers, helpers of prime movers stop working to protest

DWAIPAYAN BARUA, Ctg

Container transport between Chattogram port and 19 private inland container depots (ICDs) remained suspended for around 34 hours until yesterday afternoon due to work abstention by drivers and helpers of prime mover-trailers.

They stopped operating the vehicles as the ICD owners have been stalling giving them appointment letters.

The workers were actually demanding a raise in their fixed wages and appointment letters that reflect the higher salaries, said Md

Ruhul Amin Sikder, secretary of the Bangladesh Inland Container Depots Association.

Two vessels left the port jetties yesterday without taking any of the 100 export-laden containers, which could not be sent to the port from the ICDs due to work abstention.

Port users fear more disruption in timely shipment of export goods if the stalemate prolongs.

However, there was no problem with the import of goods as they are directly delivered from the port sheds.

Drivers and helpers of prime movers stopped operating the vehicles, as the

owners of 19 private ICDs had been delaying in issuance of appointment letters, Md Abu Bakkar Siddiqui, general secretary of Chattogram Prime Mover-Trailer Sramik Union, told The Daily Star.

Earlier on January 29, the ICD owners made a deal with the union leaders and promised that they will issue appointment letters to all workers by February 20.

Siddiqui said they sat with the ICD owners on February 23 but no decision was taken as the owners sought more time to meet the workers' demand.

READ MORE ON B3

Reform policies looking beyond 2024, suggests Japan's envoy



STAR
Md Sirazul Islam, executive chairman of Bangladesh Investment Development Authority (BIDA), addresses a view-exchange meeting on the "Ease of Doing Business" jointly organised by BIDA, the Canada Bangladesh Chamber of Commerce and Industry and Japan Bangladesh Chamber of Commerce and Industry at The Westin Dhaka yesterday.

STAR BUSINESS REPORT

Bangladesh should prepare not only for graduating into the developing country bracket in 2024 but also look beyond while taking good care of existing companies by resolving the challenges they face, said Japanese Ambassador Naoki Ito yesterday.

The year will centre around completion dates of some major infrastructure projects such as the third Hazrat Shahjalal airport terminal, the Matarbari port and coal-fired power plant and the Mirsarai special economic zone, he said.

These will welcome increasing investment for which new trading arrangements, in addition to preferential ones with the European Union, alongside improvements to the business climate are needed, said Ito.

Differential treatment exists between companies inside and outside of the export processing zones (EPZs), especially when it came to providing cash incentives for exporting apparel to new markets, said the envoy.

Japanese apparel companies inside the EPZs are exporting to Japan, a non-traditional market, but are not getting the 4 per cent cash incentive which is being provided to their peers located outside, he said.

Such policies and challenges being faced by existing companies need to be addressed, otherwise they will go on to be applicable for new investors who are hoping to come over to the upcoming special zones, he added.

The ambassador was addressing a view-exchange meeting on "Ease of Doing Business" jointly organised by the Bangladesh Investment Development Authority (BIDA), the

Canada Bangladesh Chamber of Commerce and Industry (CanCham Bangladesh) and the Japan Bangladesh Chamber of Commerce and Industry (JBCCI) at The Westin Dhaka.

The World Bank's Ease of Doing Business index sheds light on how easy or difficult it is for a local entrepreneur to open and run a small to medium-sized business when complying with relevant regulations.

The Washington-based multilateral lender's Doing Business report points out changes in regulations affecting 10 areas in the life cycle of a business.

It ranges from starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts to resolving insolvency.

READ MORE ON B3

A TERRIBLE WEEK IN BOURSE

Stocks witnessed a free-fall in the last week after adding 280 points in the previous two weeks. DSEX has now come below the psychological 4,500-mark as shaky investors dumped their holdings amid concerns about the implication of single-digit interest rates on banks' businesses. The court order on Grameenphone to pay another Tk 1,000 crore to the BTRC within 90 days also prompted investors to dump its shares.

DSEX fell to **4,480** points
(down **253** points, or **5.3%**)

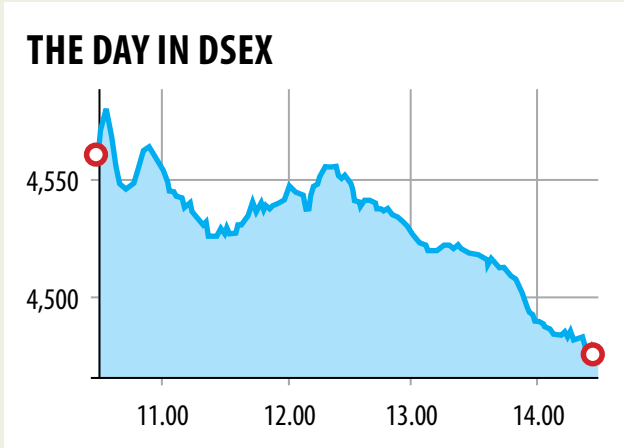
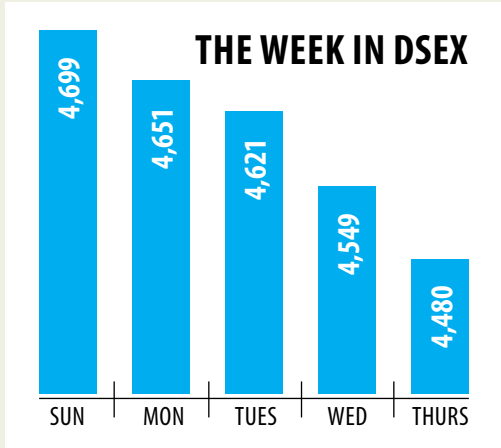
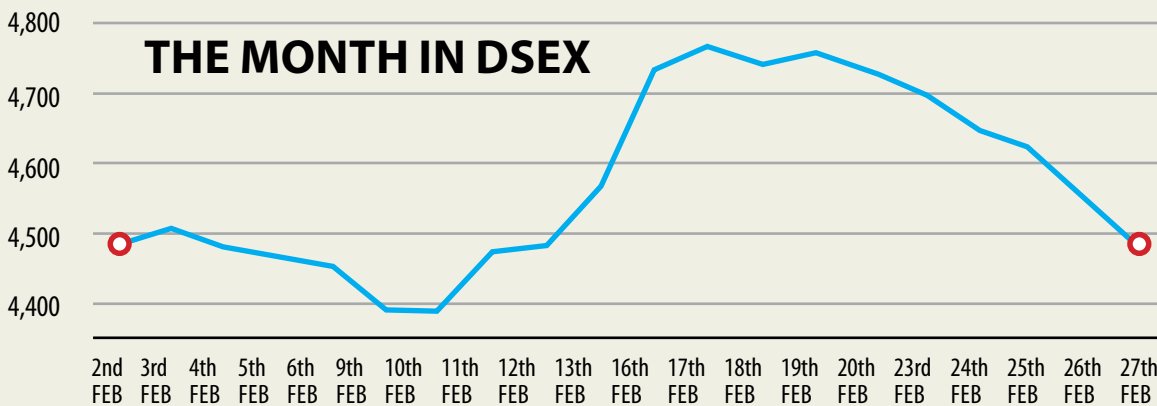
Average turnover fell to Tk **617.5cr** (down Tk **287cr**, or **31.7%**)

TOP FIVE GAINERS	
Company	Gain (in %)
Central Pharma	39.4
VFS Thread	23.1
CVO Petrochemical	18.5
Far Chemical	17.9
Beacon Pharma	17.9

TOP FIVE LOSERS	
Company	Loss (in %)
Prime Insurance	25.1
Saiham Textile	22.9
Brac Bank	22.7
Northern Jute	19.1
ILFSL	17.0

TOP SECTORAL CONTRIBUTION	
Sector	Change in market cap (in %)
Jute	13.6
Ceramic	8.4
Bank	7.4
Food & Allied	7.1
Telecommunication	7.0

TOP TURNOVER	
Company	Average turnover
Grameenphone	Tk 116cr
VFS Thread	Tk 90.7cr
Orion Pharma	Tk 76.3cr
Brac Bank	Tk 70.3cr
Indo-Bangla Pharma	Tk 64.2cr



NEXT STEP

Making a DIFFERENCE

Bangladesh is rapidly moving towards middle income status by 2021. Our businesses definitely offer immense opportunities for the growing economy and this diversity needs a stage for the stories untold. See Bangladesh make its mark on the global map as Making a Difference brings you our proudest success stories from across the country.

Time Management Strategies for Entrepreneurs

OROBI BAKHTIAR

As an entrepreneur, you are your own boss. To remain sane amidst the chaos, you must master the art of juggling crucial tasks and responsibilities without letting any of them fail. When it comes to entrepreneurial time management skills, the cracks show faster. Entrepreneurs with weaker time management skills will experience a direct impact on their revenues and profits.

PURSUe THE 2-MINUTE RULE

One of the biggest hurdles of an entrepreneur is procrastination during work. They tend to delay the task at hand due to a lack of focus or inadequate motivation. The purpose of this rule is to make you start as easy as possible. Want to finish editing your financial reports? Try setting your goal of logging onto your records. As you master the art of showing up, the first two minutes simply become a ritual for a larger routine.

SET YOUR PRIORITIZATION AND DELEGATION QUOTIENT

Prioritization is knowing when to say "no" to things that don't necessarily need your attention at the moment.

Try to sort your tasks in 4 categories: must do, should do, would do and could do. Make sure to delegate those tasks to the appropriate individuals.

ANTICIPATE DISRUPTIONS

No matter how trivial or critical a task is, they all affect your overall time management. From a workplace mishap to a simple car breakdown in the middle of the road, it would be difficult to accommodate these contingencies if your schedule is packed to the brim with your duties. For this reason, you must keep some white space in

your schedule for emergencies.

USE TECHNOLOGY TO YOUR ADVANTAGE

Work smarter, not harder. Modern entrepreneurs should know how to use technology to save some precious minutes. Automated bill payment systems, appointment reminders, and time tracking apps, along with analytics platforms, can help you save time. Gone are the days when you have to ask your assistant or manually input data. With the help of technology, you can simply put on autopilot to have one less thing to worry about.

