

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▼ 1.56%	▼ 1.62%	\$1,582.20	\$49.67	▼ 3.64%	▼ 3.67%	▼ 3.23%	▲ 3.71%	83.95	91.74	106.98	11.89	
4,409.91	8,197.37	(per ounce)	(per barrel)	38,297.29	21,142.96	3,011.08	2,880.30	BUY TK	84.95	95.54	110.78	12.50

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DHAKA MONDAY MARCH 2, 2020, FALGUN 18, 1426 BS • starbusiness@thedailystar.net

Walton's smartphones, ACs set sail for US and India

Its industrial campus declared private hi-tech park

STAR BUSINESS REPORT

Walton yesterday kicked off exports of air conditioner and smartphones to India and the US respectively, in a development that can be viewed as yet another feather in the cap for the trailblazing home-grown electronics giant.

Finance Minister AHM Mustafa Kamal flagged off the shipments in a ceremony held at the premises of

Walton Digi-Tech Industries in Chandra, Gazipur. Posts and Telecom Minister Mustafa Jabbar and ICT State Minister Zunaïd Ahmed Palak were also present at the ceremony.

The dignitaries also inaugurated various projects and products of Walton Hi-Tech Industries: the country's first lift manufacturing plant, all-in-one PC manufacturing plant and Walton TV's own operating system ROS. The annual production capacity of the newly built



elevator factory is about 1,000 units. The plant will save the country huge sums of foreign currency.

Currently, the country needs about 5,000 elevators, with the amount expected to increase given the rate at which high-rise buildings are sprouting, according to Walton.

So, Walton plans to set up another unit for lift manufacturing.

The ministers also visited various production plants at the campus, including those of refrigerators, compressors, televisions, air conditioners, mobile phones, computers, laptops, home appliances and electric appliances.

Kamal praised Walton for breeding a technological industry and asked the company to take forward the current government's political mandate of Digital Bangladesh.

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ACI swims against the tide, enters shrimp export market

Sets up a modern Tk 25cr processing plant

SOHEL PARVEZ

ACI Agrolink, a subsidiary of Advanced Chemical Industries (ACI), has set foot in shrimp processing to make a breakthrough in the global seafood market and take the sector out of troubled waters.

Bangladesh's shrimp exports have been on the wane since fiscal 2013-14 in the face of increased competition from countries such as India, Vietnam and Thailand, where low-priced vannamei shrimp are grown.

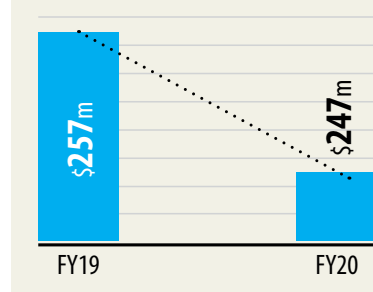
The factory, which was set up at a cost of Tk 25 crore, sits in the shrimp farming village Amian in Kaliganj upazila of Satkhira, one of the main

shrimp growing districts. This is in contrast to other processors, who opt to have plants on the banks of Rupsha river in the southwest division of Khulna, meaning the shrimps spend hours on the road before they are processed. As a result, the quality of shrimp deteriorates.

"This is one of the differences in our shrimps," said FH Ansarey, managing director and chief executive of ACI's agribusiness division.

ACI Agrolink purchases black tiger shrimps directly from farmers, so there is next to no risk of bacterial contamination en route to the processing plant, which has the

Export earnings in first seven months of fiscal year



capacity to process 30 tonnes of shrimp daily.

Besides, the locational advantage means the quality of shrimps sold will be better than the other processors.

"So, ACI will be able to win the confidence of the quality conscious customers abroad," Ansarey added.

ACI is entering the export-oriented sector at a time when half of the shrimp and fish processing factories have gone out of business due to shortage of a few essential raw materials.

Currently, about 15 processing plants are engaged in exports.

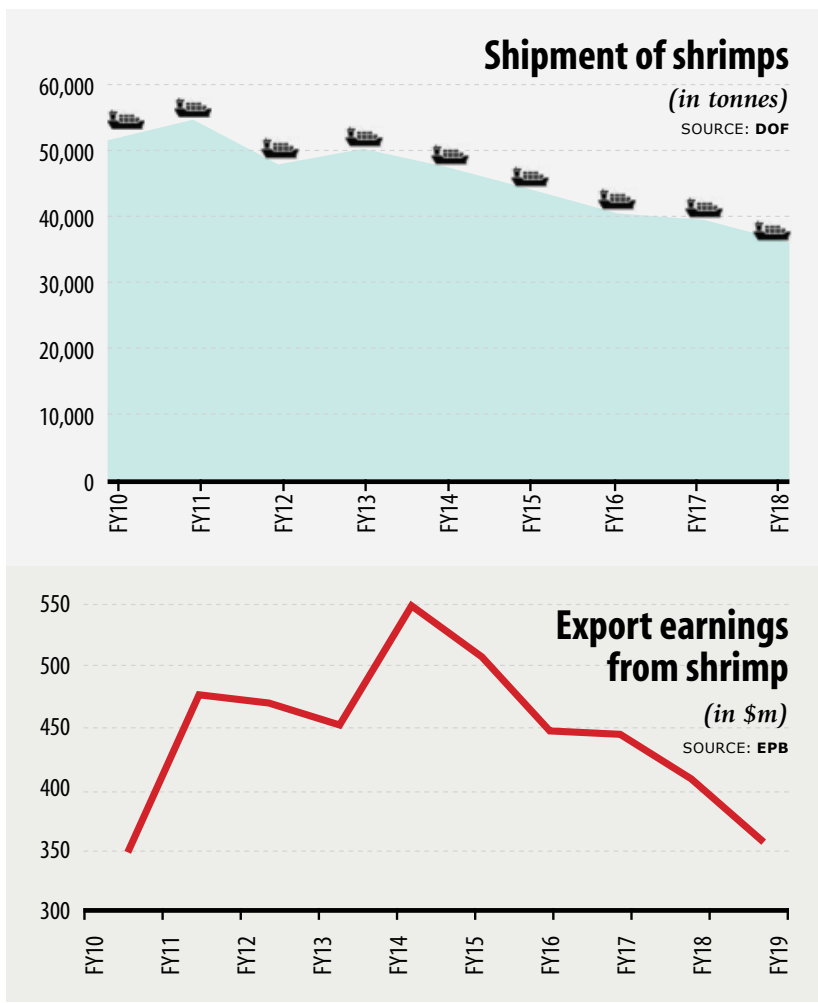
They are registering falling receipts thanks to change in consumer preference: buyers now opt for cheaper alternatives to the expensive black tiger and freshwater prawn varieties of shrimp, which are mainly farmed on 2.72 lakh hectares of land in the southwest coastal region.

More than eight lakh farmers cultivate shrimps for their livelihoods and the US market has been the mainstay of their earnings over the past couple of decades.

As demand from abroad has fallen in recent years in the face of ample supply of vannamei shrimp from other countries, the local market acted as a safety net for farmers thanks to the rising purchasing power of people.

ACI Agrolink, which began production at their factory in October last year, is well aware of this fact.

READ MORE ON B3



Salt farmers, millers demand increase in import duty on sodium sulphate

Sodium chloride imports disguised as sodium sulphate, they allege

STAR BUSINESS REPORT

Salt farmers and millers yesterday demanded a three-fold increase in import duty for sodium sulphate, alleging unscrupulous businesspersons use the organic compound as camouflage to bring in sodium chloride to sell in the local market.

Sodium sulphate, which is mainly used in the manufacture of detergents, industrial dyes and paper pulp, has about 31 per cent duty on their imports for industrial use.

Salt millers or marketers are not allowed to import edible salt, or sodium chloride. They only get import permission when annual production fails to meet local demand owing to natural disasters. And they have to pay about 90 per cent import duty.

"Mis-declaration in sodium sulphate import is becoming a serious threat for us. Our business is on the brink of closure," said Motaherul Islam Chowdhury, vice-president of the Bangladesh Labon Mill Malik Samity, the association of private salt mill owners.

As they look alike and are similar in taste, many crooked businessmen are also selling sodium sulphate as salt.

The use of such salt in food poses serious health risks, Chowdhury said while speaking at a public hearing organised by the Bangladesh Trade and Tariff Commission at its office in Dhaka.

The import of sodium sulphate rose 7.45 per cent year-on-year to 563,080 tonnes last fiscal year. In the first six months of the current fiscal year, the import stood at 331,225 tonnes.

READ MORE ON B3

Remittance: the only bright spot

Maintains its strong hold in February

STAR BUSINESS REPORT

Remittance kept up its strong growth momentum last month as migrant workers sent home 10.16 per cent more than they did a year earlier, in a major boost to the economy under stress from sliding exports.

Exports fell 5.21 per cent year-on-year to \$22.92 billion in the first seven months of the fiscal year, according to data from the Export Promotion Bureau.

In February, expatriate Bangladeshis sent home \$1.45 billion to take the tally to \$12.49 billion so far in fiscal 2019-20. The eight-month receipts were up 20.05 per cent year-on-year, according to data from the Bangladesh Bank.

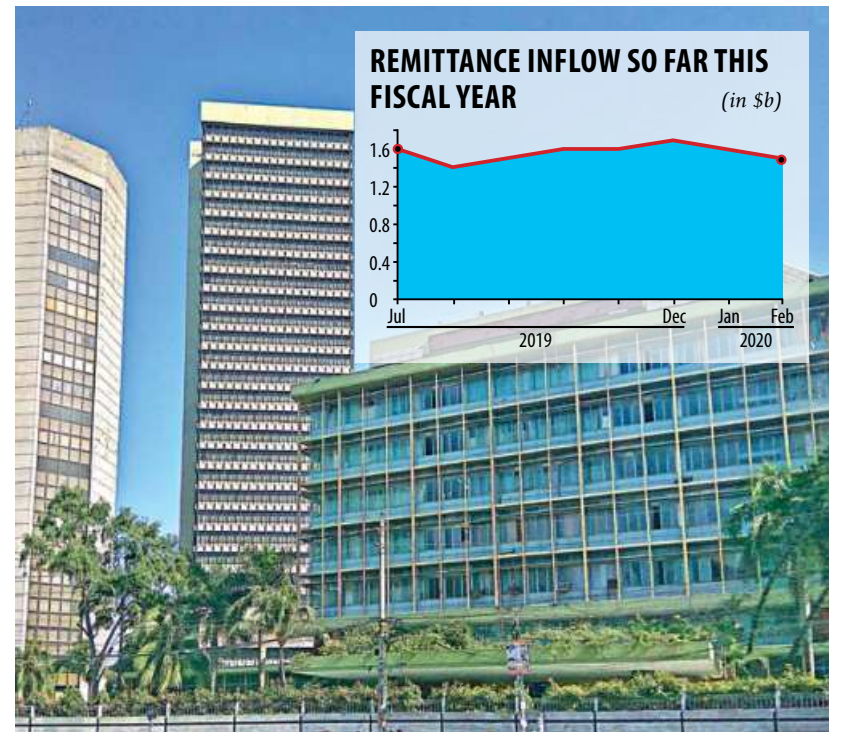
The 2 per cent cash subsidy for remitters from this fiscal year has been the main driver behind the spike, according to economists and BB officials.

If the trend continues, remittance will hit a milestone of \$20 billion come the end of the fiscal year, said BB officials. Some \$16.4 billion flew in to the country last fiscal year.

"Remittance has become the lifeline of the economy given the frustrating performance of all other economic indicators," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

The country's balance of payment would have faced severe crisis if remittance had failed to maintain the upward trend.

The current account deficit contracted 60 per cent year-on-year to \$1.34 billion in the first half of the fiscal year. The overall balance, another



major component of the balance of payment, stood at \$27 million during the period. A year earlier, it was \$513 million in the deficit.

Besides, the foreign exchange reserve is at a comfortable level thanks to the strong growth of remittance, said Mansur, also a former economist of the International Monetary Fund.

"The favourable exchange rate of the taka against the US dollar and a strong stance taken by the central bank against illegal money transfers have had a positive impact on remittance," said Md Arfan Ali, managing director of Bank Asia.

On March 1, the inter-bank exchange rate stood at Tk 84.95 per dollar, up nearly 1 per cent from a year earlier, BB data showed.

Banks have recently improved their skills to mobilise remittance in order to tackle the shortage of foreign exchanges, Ali said.

The expanding remittance flow has had a good impact on GDP growth as well, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

"This has increased the spending power of the near and dear ones of remitters."

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As our economy advances, Group Insurance is becoming a necessity for many companies. It is a major compliance issue for major MNCs and for the local companies, it allows a competitive advantage in the provision for employee benefits at low cost. With more than 300,000 lives covered under health and life coverage, the secret to GLIL's success in group business lies in the core values of the company which are: Customer Service, Relationship Management, Innovation, Networking and quick Claim Settlement.

Customer Service: Insurance has a lot to do about quality delivery of service. Insurance companies are service-oriented industry. It is an intangible product; a good insurance company should have excellent customer service as core to its business. GLIL is dedicated to ensure that customers are updated with every piece of information they need through its sales team, service team and 24/7 call center.

Relationship Management: GLIL has set a new benchmark in the industry for relationship management with corporate clients. It has set them apart from their peers and helped them to reach new heights within a short period of time. In just a few years, Guardian has amassed 222 corporate clients. GLIL's approach to clients is uniquely impressive. Rather than just selling a product; they play the role of a consultant. After evaluating client's expectations, GLIL's representatives advise the best line of products suitable according to the client's needs. Additionally, when a client is on-boarded, Guardian keeps constant communication with the client to ensure enhanced services. They have created a separate Group Client Service function in order to ensure a strong relationship throughout the lifespan of the relationship. It allows the client's flexibility to select the plan that has the aggregate benefit of the company.

Claim Settlement and Networking Parallel to the Corporate Relationship Management department, the Claims Department works diligently to ensure every case is handled smoothly and transparently. GLIL settles claims within five working days after all the documents have been submitted. GLIL does not only ensure valid claims are paid but it also guarantees that all claims are processed promptly. GLIL has already paid over BDT 95 crores in claims in the segment. Another unique selling proposition for Guardian Life is its wide span of hospital network. GLIL's hospital network is more extensive than any of the peers in the market. Currently, there are 348 hospitals under GLIL network.

Innovation In order to keep up with the ever changing landscapes, every company must embrace innovation. GLIL has turned the entire insurance industry around a corner by innovating to make every step of the process easier and more transparent. They design a product according to the group client's needs. They have also developed software which calculates estimated premiums on the spot. A similar estimation used to take a lot of time but now can be done even in few seconds. Innovation has truly put GLIL at the forefront of the insurance boom. In a short span of six years, GLIL has established itself as the most reliable and competent insurance company in Bangladesh. Group business has high potential in Bangladesh. It has become a necessity for numerous companies; GLIL wants to be the harbinger of modern group insurance in Bangladesh. The company believes, the more transparency they can provide, the better they can penetrate in this promising market.

By Md. Rayhan Uddin Fakir



Md Ahsan-uz Zaman, managing director and CEO of Midland Bank, presides over the branch managers' conference 2020 in the capital on February 28.



Md Siddiqur Rahman Choudhury, chairman of SMC; Muhammed Ali, director; Ali Reza, managing director and CEO, attend the annual conference of SMC Pharmaceuticals, a division of SMC Enterprise Ltd, at Le Méridien Dhaka on February 29.



SM Moniruzzaman, deputy governor of Bangladesh Bank; Syed Rafiqul Haq, additional managing director of Mutual Trust Bank, attend the opening of a school banking conference at Cox's Bazar recently. MTB organised the event as the lead bank.



Azam J Chowdhury, chairman of Prime Bank, and Rahel Ahmed, CEO, pose at 'Prime Bank Town Hall 2020' at Chef's Table Courtside in Dhaka recently.



Harry Verweij, ambassador of the Netherlands, and Anjan Chowdhury, managing director of Square Toiletries Ltd, pose at the launch of Jonaki, a new perfume brand designed in Bangladesh, inspired by France and made in Malaysia, at the Westin Dhaka on February 28. Square Toiletries is the sole distributor of the perfume.

Government of the People's Republic of Bangladesh
Office of the Upazila Engineer
Local Government Engineering Department
Durgapur, Netrakona
www.lqed.gov.bd

উন্নয়নের গণতন্ত্র
শেখ হাসিনার মূলমন্ত্র

Memo No: 46.02.7218.000.001.01.2020-61 Date: 01-03-2020

e-Tender Notice: 02/2019-20

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for 06 (six) Package ADP/DEV/DUR/NET/2019-20/001, ADP/DEV/DUR/NET/2019-20/002, ADP/DEV/DUR/NET/2019-20/003 ADP/DEV/DUR/NET/2019-20/004, ADP/DEV/DUR/NET/2019-20/005 & ADP/DEV/DUR/NET/2019-20/006 for this Upazila.

Sl No.	Tender ID	Name of work	Last selling date & time	Closing date & time	Opening date & time
01	434899	Construction of RCC Box Culvert near H/O Aiub Ali at Katalkali GPS road under Kullagora Union Durgapur Netrakona	18-Mar-2020 12:00	18-Mar-2020 14:00	18-Mar-2020 14:00
02	434905	(1) Construction of Foot Bridge Baniapara Village Late Hafiz Moral House on North Side Khal & (2) Construction of U-Drain near H/O Noagoan Abdul Kuddus House-Graveyard road under Chondigor Union Durgapur Netrakona	18-Mar-2020 12:00	18-Mar-2020 14:00	18-Mar-2020 14:00
03	434908	Construction of RCC Palisading work for Protection at Pupulnari HBB Road side pond Birishiri Union Upazila Durgapur Dist Netrakona	18-Mar-2020 12:00	18-Mar-2020 14:00	18-Mar-2020 14:00
04	434909	(1) Maintenance work of Charigawpara Community Clinic Roof (2) Maintenance work of Sheeramkhila Community Clinic Roof (3) Improvement of road by HBB on near Patli Graveyard-Bridge road (4) Improvement of road by Soling on Chotto Khatori Chanfor Ali House-Hazi Rumali House & (5) Improvement road by Soling on Gabauta Abdul Hakim House to Patli HBB Road under Bakoljora Union Durgapur Netrakona	18-Mar-2020 12:00	18-Mar-2020 14:00	18-Mar-2020 14:00
05	434911	(1) Construction of Boundary wall at Kakorgora High School & (2) Construction of Boundary wall at N. Vaurtola High School under Kakorgora Union Durgapur Netrakona	18-Mar-2020 12:00	18-Mar-2020 14:00	18-Mar-2020 14:00
06	434904	(1) Construction of Foot Bridge over a Khal East Side of Uttor Nowdara Large Bridge (2) Improvement of Road by HBB at Munsipara Usman House-Badua Bazar Road & (3) Construction of U-Drain on Dubrajpur near at the of Abul Hussan Foraji House under Gaukandia Union Durgapur Netrakona	18-Mar-2020 12:00	18-Mar-2020 14:00	18-Mar-2020 14:00

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.

To submit e-Tender, registration in the e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered bank branches up to 18-Mar-2020 12:00. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

Md. Abdul Alim Liton
Upazila Engineer
Durgapur, Netrakona
Phone: 09525-56020
E-mail: ue.netrakona-s@lqed.gov.bd

GD-400

Government of the People's Republic of Bangladesh
Office of the Director
Chattogram Medical College Hospital
www.cmch.gov.bd

Memo No: CMCH/Tender/2019-20/Miscellaneous Tender/2300 Date: 01-03-2020

Invitation for Tender

Sealed tenders are hereby invited from experienced Importers/Contractors/Suppliers/Distributors to supply/repair items stated below in the fiscal year 2019-20. As per PPA-2006 & PPR-2008 (Including all corrigendum); terms and conditions are as follow(s):

KEY INFORMATION			
1	Ministry/Division: Ministry of Health and Family Welfare.		
2	Agency: Chattogram Medical College Hospital, Chattogram		
3	Procuring entity name, designation & contact details: Brigadier General Mohsen Uddin Ahmed; Director, Chattogram Medical College Hospital. Telephone: +88031630179, Fax No.: 88-031-610022, e-mail address: cmch@hospi.dghs.gov.bd		
4	Source of fund: GOB		
5	Procuring entity district: Chattogram.		
6	Invitation for: Procurement/repair of (1) Electro-Medical Equipment, (2) MSR goods & (3) Non-MSR goods for Chattogram Medical College Hospital in the fiscal year 2019-20.		
7	Tender Ref. No. & date: CMCH/Tender/2019-20/Miscellaneous tender/ Date: 01-03-2020 AD.		
8	Procurement method: Open Tender Method (National). Bidders will bid item-by-item except SI No. 4 and 6		
FUNDING INFORMATION			
9	Budget and source of funds: GOB in Bangladeshi Taka.		
PARTICULAR INFORMATION			
10	Tender name: Procurement/repair of (1) Electro-Medical Equipment, (2) MSR goods & (3) Non-MSR goods (4) Recruitment of manpower supply contractor for Chattogram Medical College Hospital in the fiscal year 2019-20.		
11	Tender publication date: 01-03-2020.		
12	Tender selling starting date and time: 15-03-2020, 11:00am.		
13	Pre-tender meeting: 22-03-2020 during office hours.		
14	Tender last selling date and time: Dropping date: 23-03-2020, Dropping time: from 09:00am to 12:00pm, closing time: 12:01pm.		
15	Tender dropping & closing date and time: 23-03-2020 at 01:00pm		
16	Tender opening date and time: 23-03-2020 at 01:00pm		
Name and address of the office's			
(a)	Selling tender documents: 1 Cashier, Office of the Director, Chattogram Medical College Hospital. 2 Cashier, Office of the Civil Surgeon, Chattogram District.		
(b)	Receiving tender documents: 1 Office of the Director, Chattogram Medical College Hospital. 2 Officer In-Charge, Panchlaish Model Police Station, Chattogram Metropolitan Police.		
(c)	Tender documents opening place: Office of the Director, Chattogram Medical College Hospital, KB Fazlul Kader Road, Chattogram-4203.		
INFORMATION FOR TENDERER			
18	Bidders eligibility (Bidders has to submit these certificates/ attested photocopy (as applicable), deficiency of any of these documents would be counted as ineligibility of the respective bidder)		
All Bidders must submit tender through "Tender Booklet" prepared by procuring entity and abide by the terms and conditions stated in the "Tender Booklet".			
The Bidders shall submit with its tender the following additional documents:			
A	The bidder must be a Bangladeshi Citizen and must submit attested photocopy of Nationality Certificate/National Identity Card.		
B	02 (two) Passport size photo of the bidder/representative.		
C	Trade license valid for fiscal year 2019-20.		
D	Valid Business Identification Number (BIN) Registration Certificate & VAT Clearance Certificate.		
E	Electronic Tin (E-TIN) registration certificate.		
F	Valid Taxpayer Identification Number (TIN) certificate and Income Tax Clearance Certificate for the fiscal year 2018-19.		
G	Financial solvency certificate stating amount from any reputed bank (The certificate should be issued after 29-02-2020). Certificate stating "Sound & Solvent" is not acceptable and bids submitting that type of certificate will be rejected.		
H	Bank statement (Original Computer Sheet) from 01-03-2019 to 29-02-2020. Bidders bidding for different groups should attach the original copy of the bank statement with one group and attested photocopy of the same with other groups.		
I	Bidders must be experienced in supplying/repairing similar types of items/goods worth stated below to/at any Tertiary level hospital/specialized Govt. Hospital/Civil Surgeon office/Any Government Hospital within last 03 (three) fiscal years. Experience certificate must be submitted.		
Name of groups: 1, 3, 4 & 6 Bidders experience in financial value: 25,00,000.00 (twenty-five lac only)			
2 & 5 Bidders experience in financial value: 1,00,000.00 (one lac only)			
Description of groups, price of tender document, tender security etc.			
Group No.	Description of groups	Price of Tender document in BDT (Only in Cash, non-refundable)	Tender security in BDT (In the form of Pay Order/Demand Draft)
1	Supplying goods (a) Electro-Medical equipment (Retender) (b) Medicine and Chemical, Re-agent etc.	Group 1, 3, 4 and 6 BDT 1,000.00 (one thousand only) for each sub groups: Group: 2 and 5 BDT 500.00 (five hundred only) for each sub group)	Bank Draft/Pay Order from any scheduled bank valued (A). BDT 1,00,000.00 (one lac only) for each sub groups of SI No. 1, 3, 4, 6 (B) BDT 50,000.00 (fifty thousand only) for each sub groups of 2 (a and b) (C) BDT 20,000.00 (twenty thousand only) for each sub groups of 2 (c) & 5 is to be submitted during bidding as tender security in favour of the Director, Chattogram Medical College Hospital. Tender security applicable for per sub-group. Bank Guarantee is not acceptable.
2	Repair (a) Electro-medical equipment repair (b) Furniture repair (c) Motor Vehicle repair		
3	Leverage supply		
4	Recruitment of Manpower supply Contractor (Retender)		
Miscellaneous items			
5	a) Hospital Decorations in occasions b) Neon signs supply c) Repair of telecommunication and intercom		
6	Installation of CC camera		
20	Description of related services	Detailed description in Tender Booklet.	
Note:			
(a) Corrigendum if necessary in future will be a part of this notice. The competent authority reserves the right to accept or reject any or all tender without assigning any reason whatsoever.			
(b) If the date of selling, receiving & opening of tender is disturbed under any unavoidable circumstances, the next working day will be applicable for the same respectively.			

Development community needs to support graduating LDCs

Debapriya Bhattacharya says while briefing LDC ambassadors in New York

STAR BUSINESS DESK

The international development community has to devise a set of support measures for the least developed countries in order to ensure their smooth and sustainable graduation, said Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue (CPD).

In the next decade, 12 countries, including Bangladesh, will walk out of the LDC group, he said.

"This is one of the rare success stories of recent development history. However, these countries will be graduating with a host of vulnerabilities and fragilities."

He spoke while briefing the LDC ambassadors accredited to the United Nations in New York on February 28.

The meeting was chaired by Rabab Fatima, ambassador of Bangladesh to Japan, permanent representative of Bangladesh to the United Nations, New York and the acting chair of the coordination bureau of the LDC group in the UN.

The meeting was addressed by the permanent representatives and ambassadors of Afghanistan, Laos, Nepal and Sierra Leone.

Roland Mollerus, head of the UN CDP Secretariat; Susannah Wolf, deputy chief of the Office of the High Representative Least Developed and Land-locked Countries, and

Matthias Bruckner, economic officer of the CDP Secretariat, also spoke on the occasion.

The graduating LDCs include small island states, landlocked countries, climate change affected economies and post-conflict societies and they suffer from structural weaknesses, said Debapriya, also a member of the Committee for Development Policy (CDP) of the United Nations.

He alerted the participants of the meeting about the possible impact

of the post-graduation loss of the preferences and flexibilities usually available to the LDCs.

He particularly highlighted the specific implications in the areas of duty- and quota-free market access, access to concessional and blended finance, enforcement of intellectual property rights and technology transfer.

Debapriya suggested that a technical and political process needs to be urgently put in place urgently to design a post-graduation

incentive package for the countries leaving the LDC group.

Such a package may be endorsed by the fifth UN Conference on LDC (LDC V) that is to take place in Doha in March 2021.

Ambassador Fatima in her concluding comments called upon the LDC members and the international development partners to actively take part in the regional preparatory meeting of the LDC V that is to take place in Dhaka in end April 2020.



Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue, speaks while briefing the LDC ambassadors accredited to the United Nations in New York on February 28. Rabab Fatima, ambassador of Bangladesh to Japan and permanent representative of Bangladesh to the United Nations, New York, is also seen.

Automate insurance services, restore people's trust: PM

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday directed the authorities concerned to bring insurance activities under technology based automation system and settle insurance claims of clients quickly to restore the people's faith in the sector.

"Bring all activities of the insurance sector under technology based automation system," she said.

The premier spoke while addressing the first-ever National Insurance Day at Bangabandhu International Conference Centre in the capital.

The prime minister emphasised implementation of modern ICT based automation system aimed at making insurance services easier for clients.

People still lack trust in insurance industry, so the authorities concerned should take special measures to build trust, Hasina said. The working class people should be brought under insurance policy so that they can get financial security during their bad times, she said.

Bangladesh Bank and Insurance Development and Controlling Authority are going to introduce "Bangabandhu Education Insurance" for the school students, she said.

"Step has been taken to ensure education for students of different schools up to secondary level in absence of their parents or guardians or even due to lack of their physical capability."

Bangabandhu Sheikh Mujibur Rahman worked in the insurance industry alongside doing politics to meet his livelihood expenses, she said.

After independence, Bangabandhu enacted necessary laws and formed institutional bodies to make insurance

industry more vibrant, she said.

Hasina also elaborated the government's initiatives for the development of insurance industry and said, the Insurance Act, 2010 was formulated in place of the old law of 1938, while the National Insurance Policy 2014 was also formulated.

Besides, the government also constituted the Insurance Development and Controlling Authority, 2010 to give the industry an institutional shape, she added.

The government has introduced insurance for expatriate Bangladeshi workers, while steps have also been taken to introduce various types of insurances, including agriculture insurance, health insurance, insurance for the rail passengers and building insurance.

The government in collaboration with the World Bank is implementing Tk 632 crore project to bring all insurance companies under the automation system, she said.

"Besides, the government also introduced state-of-the-art IT based Unified Messaging Platform System to protect interest of the clients."

Finance Minister AHM Mostafa Kamal presided over the function.

Chairman of the Insurance Development and Controlling Authority Shafiqur Rahman Patwary, Senior Secretary of Finance Division Ashrafur Alam, President of Bangladesh Insurance Association Sheikh Kabir Hossain and Bangladesh Insurance Forum president BM Yusuf Ali also spoke.

Earlier, the prime minister unveiled two insurance related books titled "IDRA Directives" and "Bima Manual".

She also distributed Bima Padak among five recipients for their contribution in the insurance sector of the country.

Huawei launches app gallery for Bangladesh

STAR BUSINESS REPORT

Huawei opened its mobile application gallery for the Bangladeshi customers yesterday.

The Chinese telecom giant is now working to build a mobile application ecosystem with the help of the secured and reliable App Gallery, officials of Huawei said at the launch of the Gallery at the Westin Dhaka.

As part of the effort, over 55,000 apps have been added to the App Gallery where a good number of Bangladeshi apps have also been uploaded, they said.

More than 1.3 million developers and 3,000 engineers are working relentlessly with Huawei for the affluence of the entire ecosystem, Huawei said.

Among the world's top three app marketplaces, Huawei currently has 400

million monthly active users in 170 countries.

Besides, Huawei App Gallery is now pre-installed in more than 3 million Huawei and Honor brand handsets in Bangladesh. There are more than 400,000 active users of App Gallery in the country.

Bangladesh is one of Huawei's high priority market in this region and that is why it is planning to give some incentive for local app developers, the officials also said.

At the event, Huawei also unveiled its flagship smartphone Mate 30 Pro for the Bangladeshi market. The phone will run by Huawei's own operating system.

Beyond Zheng, director of Huawei consumer business group of Bangladesh, and Junior Salahuddin Sanjee, sales director, described their products and app gallery in the event.

Walton's smartphones, ACs set sail for US and India

FROM PAGE B1

The Bangladesh Hi-Tech Park Authority also took the occasion to declare Walton High-Tech Industries a private hi-tech park, a move that would enable the local business group to get additional tax benefits from the government. It will also get electricity on a priority basis.

Walton would be the original equipment manufacturer (OEM) of the smartphones, which, however, would carry an American brand's name.

This would be first time that smartphones, which are sophisticated products, be entering the export basket that is populated by garment, pharmaceuticals, fish, leather and jute products.

Walton was the first to set up a mobile phone manufacturing plant in Bangladesh in October 2017.

Since then, the assembly line has churned out 60 lakh handsets, of which 17 lakh were smartphones.

Walton meets its entire demand from local production and since 2018 has stopped importing handset completely.

Currently, the plant's production capacity is 8 lakh smartphone and 20 lakh feature phone per month.

Beside handsets, Walton also manufactures mobile phone accessories such as chargers, batteries, earphones, cases, printed circuit boards, USB cables and meets its entire demand

from local production.

Currently, it manufactures 10 lakh chargers, 5-6 lakh batteries and more than 6 lakh earphones. However, its production capacity is double of what it is currently manufacturing.

Walton currently exports a wide variety of products to different countries after meeting local demands.

Walton Hi-Tech Industries Chairman SM Nurul Alam Rezvi, Vice-chairman SM Shamsul Alam, Managing Director SM Ashrafur Alam, Director SM Mahbulul Alam; Walton Digi-Tech Industries Chairman SM Rezaul Alam, MD SM Monjurul Alam; Walton Group Director Tahmina Afrose Tanna, Raisa Sigma Hima and Rifah Tasnia Swarna were present.

Salt farmers, millers demand increase in import duty on sodium sulphate

FROM PAGE B1

Chowdhury blamed the government's import policy that has fixed a lower import duty on crude salt.

"Corrupt businessmen manipulate the rule and import edible salt in disguise and are selling them in the market at a lower price," said Omar Faruk, a salt miller.

Sodium sulphate is a very crucial ingredient for industries like textiles, according to Mustafa Kamal Chowdhury, president of the Bangladesh Labon Chashhi Parishad, a body of salt farmers. "So, we can't demand the government completely ban its import."

Only the quantity needed should be allowed for import.

"But thousands of tonnes of sodium sulphate are illegally imported through the Chittagong port regularly."

This has nearly caused the closure of local salt mills. If the situation continues, farmers would run away from this occupation," he added.

In order to solve the problem, the government needs to estimate the local supply and demand of edible salt first, said Tapan Kanti Ghosh, chairman of BTTC.

"For that, we will send a letter to the commerce ministry and the industries ministry requesting them to assess how much salt is needed to import for human consumption and industrial use. Then we could take steps to evaluate the rate of import duty on sodium chloride and sodium sulphate."

The government has restricted the import of salt to protect the interests of local producers, the chairman said.

In the last fiscal year, local farmers produced about 18.24 lakh tonnes of crude salt against the target of 18 lakh tonnes. Salt is mainly produced in the south-eastern coastal region of Cox's Bazar.

Bangladesh's annual demand for edible salt stands at 9 lakh to 10 lakh tonnes. Md Mahmodul Hasan, assistant chief of the commission, also spoke.

ACI swims against the tide, enters shrimp export market

FROM PAGE B1

Therefore, the company intends to target premium customers through marketing and branding of local amian shrimp, according to Ansarey.

"Consistent quality is a must for branding." And ACI is confident of delivering what it promises on the label.

"This is the future of Bangladesh shrimp," he added. A few industry insiders remain sceptic over whether ACI can succeed in the absence of increased production of shrimp and higher value addition.

Exports are declining as the black tiger variety is failing to withstand the competition from the high-yielding vannamei, said Kazi Belayet Hossain, president of the Bangladesh Frozen Foods Exporters Association.

"As a result, factories are becoming sick day by day." Feasibility study shows the prospects of new entrants are not too bright. "They may do well but the chances appear to be low," Hossain added.

There are currently four or five companies that are sincerely trying to boost the country's exports. But they are yet to derive any benefit since they are not too well-known like ACI, Ansarey said.

"We have a corporate brand image, and buyers have confidence in us," he added.

ACI Agrolink have identified the reasons why Bangladesh is not faring well in the export market, said its chief executive officer M Saifullah.

"Corporate governance, quality and compliance will be key. Besides, the other are not be able to do the kind of communication that we would be able to," he added.

At present, ACI's market capitalisation stands at Tk 1,071 crore.

ACI have nearly 220 tonnes of shrimp worth more than \$2 million in total, said M Ahsan Habib head of operations and marketing of ACI Agrolink.

Remittance: the only bright spot

FROM PAGE 1

The country's rural economy has been in good shape in recent years thanks to the robust flow of remittance, said Rahman, also an immediate past chairman of the Association of Bankers, Bangladesh, a forum of managing directors of banks.

The strong growth in the flow of remittance will fuel domestic demand, said the finance ministry recently.

Bangladesh's current account deficit is in a good shape compared with the previous two fiscal years thanks to increased remittance flow, it said.

But Mansur went on to express fears that remittance may decline in the coming months as the price of petroleum products has sharply fallen in the international market in the wake of the coronavirus outbreak.

Moreover, workers going abroad have

been declining for the last two years, in an alarming sign for the economy.

"The government should explore avenues to maintain the upward trend of remittance by sidestepping the recent spates of global crisis," Mansur said.

The majority of the banks now use application protocol interface (API) to bring remittance on a real-time basis, encouraging remitters to send their hard-earned money through the banking channel, Ali said.

An API is a set of digital programming code that enables data transmission between software products. It also contains the terms of data exchange.

The software has become an important part of today's banking system as lenders use data in order to perform several functions, including sending remittance from one bank to another.

Would the monetary policy still be useful

FROM PAGE B4

Risk premia are high because of high inflation risk, as evident from BB surveys of inflationary expectations and high business risk as evident from high rates of wilful loan default. Interest rate ceiling cannot address either the inflation risk or the default risk, not to speak of broader business risks.

Inflation risk is best handled through sound macroeconomic management. A pre-requisite in this regard is a central bank able to conduct monetary policy with some degree of independence to keep inflation low and predictable.

Structural problems require structural policy responses. Structural reforms, including regulatory and legal reforms

in the financial sector, are needed to address business risks. Fixing lending rate uniformly at a predetermined level is equivalent to not only shooting the messenger but also disabling the monetary policy apparatus. Interest rate can no longer serve as an automatic stabiliser and a link in the transmission of monetary and fiscal policies.

Additionally, when both the credit controls and liquidity support are imperfect as well as unpredictable, the BB will also suffer from credibility gap, thus further undermining the traction of its policies in shaping macroeconomic stability and regulating the financial sector.

The author is an economist



Md Mahbub ul Alam, managing director and CEO of Islami Bank Bangladesh Ltd (IBBL), opens the Digital Banking Fair, jointly organised by IBBL, First Security Islami Bank, Social Islami Bank, Union Bank and NRB Global Bank, at Chittagong Club in the port city on Saturday. AKM Mohiuddin Azad, an executive director of Bangladesh Bank, was also present.



Shahriar Kamal, managing director of Concord Group, hands over SMC Tower 2 project, constructed by Concord Engineers and Construction Ltd, to Ali Reza, managing director and CEO of SMC, at the Westin Dhaka recently.

Would the monetary policy still be useful after 9pc interest rate?



ZAHID HUSSAIN

The big question on economists' mind is, how will the 9 per cent ceiling on bank lending rates impact the conduct of monetary policy?

Currently, the Bangladesh Bank practises a quantity-based monetary policy framework. At the beginning of the fiscal year, the BB announces reserve and broad money targets to support the GDP growth and inflation objectives. The monetary programme does not set the level of interest rates or the exchange rate.

These are left to be market-determined through practices customary in the lending-borrower (interest rate) and buyer-seller (exchange rate) relationships embedded within a set of regulatory code of conduct.

Remember, under a market-determined setting, there is no such thing as "the interest rate".

Deposit rates vary by types and tenure, while lending rates vary by borrower risk profile and loan tenor. Supply and demand forces generally determine the level of interest rates in each market segment.

The BB influences interest rates by influencing the quantity of liquidity available at any given point in time in the money market subject to its stance in the foreign exchange market.

The regime under which the BB can conduct the monetary policy will change from April 1, 2020. Interest rate will be fixed at 9 per cent for most lending (except credit cards).

But the BB notice promulgating the interest rate ceiling is silent on the deposit rate. So, formally only the lending rate is being capped.

The assumption appears to be that the lending rate cap will automatically lower the deposit rate below 6 per cent. After all, how many banks, if any, can afford to operate with just 3 per cent spread?

The key question is whether the BB is left with any choice on setting the levels of reserve and broad money.

Note that the 9 per cent ceiling is binding for most bank loan market segments. Interest rates on loans to large corporates, small- and medium-sized enterprises (SMEs) and home owners are in double digits, ranging between 9.5 and 16.5 per cent.

The imposition of interest rate below these market rates makes it a binding ceiling. Other things equal, this will reduce the supply and increase the demand for loanable funds, thus creating excess demand at the ceiling rate.

Since lenders cannot be forced to lend more than what they are willing to, the short side of the market will prevail, i.e. the total amount lent will equal the total the lenders are willing to lend -- and not the total the borrowers are willing to borrow.

The BB has the option to make it equal the amount the borrowers are willing to borrow.

It can do this by lowering prudential controls such as the cash reserve ratio (CRR), increasing the loans-deposit ratio or providing liquidity support at reduced policy rates.

The BB implemented a mixture of these policies in 2018 and 2019. Yet the average lending rate stayed above 9 per cent. More will, therefore, be needed to accommodate the excess credit demand resulting from the 9 per cent ceiling.

Absent such regulatory and/or direct BB accommodation, the impact of the ceiling will be contractionary as the supply of liquidity in the economy will fall through credit rationing.



This, in turn, will decrease consumption and investment demand because of tighter financing constraints.

The high-risk sectors such as the cottage, micro and small enterprises are more likely to be excluded as will all borrowing categories where the marginal cost of providing loans (including risk premia) exceed 9 per cent.

The demand-induced recession in the excluded sectors may subsequently ripple through the rest of the economy -- with consequences for the overall level of employment and incomes.

The alternative is to accommodate the increased demand for loanable funds.

Fixing lending rate uniformly at a predetermined level is equivalent to not only shooting the messenger but also disabling the monetary policy apparatus.

The ability to relax regulation to increase the supply of loanable funds has its limits. The CRR can at best be zero and the loan-deposit ratio cannot exceed 100 per cent.

Policy rates can, in theory, be negative, but in practice it is highly unlikely in Bangladesh.

The BB can engage in open market operations to inject liquidity directly into the banking system.

Whatever the method used, the immediate impact will be to increase the supply of loanable funds beyond the level demanded before the interest rate ceiling became effective. A monetary expansion will ensue.

Sustaining the ceiling at 9 per cent over time will require the BB to fully accommodate the growth in demand for credit irrespective of what the macroeconomic targets of the monetary programme warrant.

Such expansions risk rising inflation that

is already cost-pushed by gas, electricity and water price increases.

The bottom line is that the space for manoeuvring monetary policy when faced with expanding demand for credit is severely constrained by the interest rate ceiling.

Interest rate can no longer respond to upside aggregate demand shocks to stabilise the economy. For instance, in the absence of the ceiling, a rise in demand for credit will increase both the quantity of money traded in the credit markets as well as the interest rate.

The latter will soak part of the initial increase in demand, thus limiting its impact on aggregate demand for goods and services and hence on inflation.

A binding ceiling will prevent such increase in the lending rates and allow credit to expand as much as originally because of accommodation from the BB. All that the central bank can choose is how to accommodate the excess demand.

It can administer a yet-to-be-fully-specified set of directives to banks for allocation of credit to various sectors at the desired level and ensure that they have enough liquidity to implement such directives.

The known unknowns in this case are the credit market outcomes.

One possibility is a fall in credit in the absence of monetary accommodation.

Another possibility is a rise in credit made possible by easing regulatory controls while introducing directives on credit allocation and ensuring their enforcement.

If this proves to be inadequate, the BB can inject additional liquidity.

The extent of liquidity decline if it decreases and that of liquidity increase if it increases will depend on the extent of monetary accommodation and the effectiveness of credit directives at the level of borrowers and lenders.

A variety of intermediate outcomes are conceivable between these two extremes.

Interest rate ceiling will eat up monetary policy space through increased fiscal dominance.

Any increase in domestic financing of budget deficit will create pressure for monetary accommodation.

If non-bank borrowing is used, the supply of loanable funds to the private sector will dry out. This will need to be met by regulatory easing and forbearance, of which there is not much room, or direct liquidity support from the BB.

currently range between 7 and 9.1 per cent.

Domestic financial markets in Bangladesh do not have enough depth to absorb the placement of public debt.

The BB will have no option but to accommodate increased domestic financing needs of the government to mitigate any adverse effect on private credit growth due to expanded options to banks to place funds at attractive risk-free rates.

This will amplify the impact of fiscal expansion on aggregate demand.

The exigencies of the budget will take precedence over controlling inflation and supporting growth. Fiscal policy considerations will get primacy in conducting monetary policy.

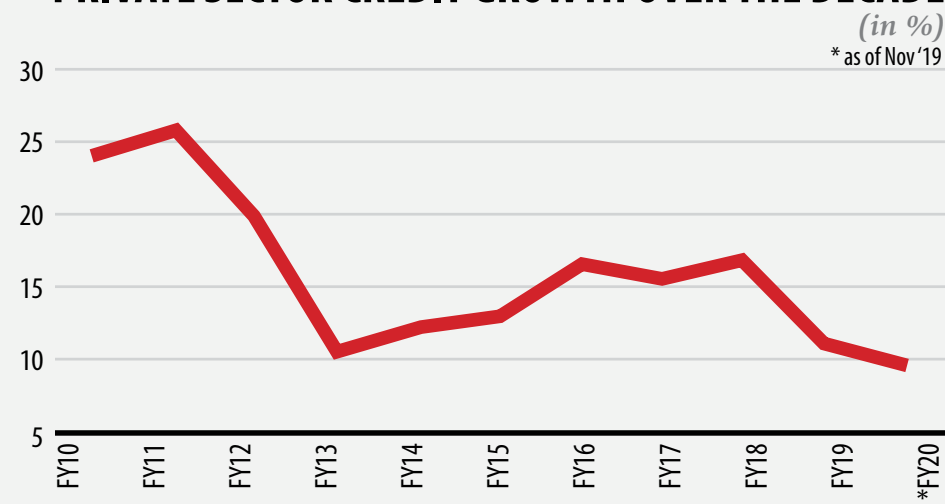
The above discussion assumes the regulatory changes introduced to make it easier for banks to lend at 9 per cent do not have any unintended consequences. Such consequences are likely when monitoring and enforcement are weak.

Credit misallocation and asset price bubbles often result from lending rate repression both in theory and in practice.

Influential borrowers availing excessive cheap credit may put them to speculative investments in asset markets, thus causing credit misallocation and asset price bubbles.

Rise in financial disintermediation cannot be ruled out either. By increasing systemic risk to financial stability, these will create

PRIVATE SECTOR CREDIT GROWTH OVER THE DECADE



EXISTING INTEREST RATES OF BANKS (in %)

Farm loans	4-9
Term loan to large, medium industries	6-16.5
Term loan to small industries	8-20.5
Working capital to large, medium industries	6.75-17
Working capital to small industries	8-17
Export credit	6.75-7
Trade financing	6.75-16
Home loans	7-16
Consumer credit	7.99-20
Credit to non-banks	6.75-20.5

SOURCE: BANGLADESH BANK

Using bank borrowing will have the same effect on the supply of loanable funds, the difference being a possible rise in risk-free rates available to banks, which further acts as deterrent to lending to the private sector at the ceiling rate.

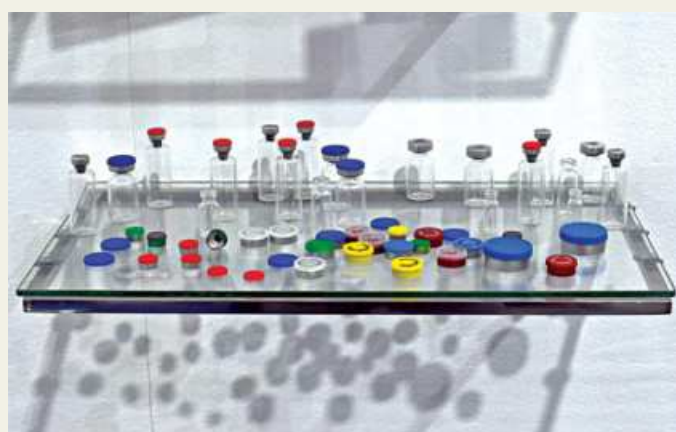
Note that there are no ceilings on the risk-free T-bills and T-bonds rates. Yields on these instruments of short and long maturities

formidable new challenges for financial regulation.

If we accept the proposition that interest rates in Bangladesh are high because risk premia are high, and not predominantly because of non-competitive behaviour by banks, then the ceiling cure is most likely to be worse than the disease.

READ MORE ON B3

PHARMACEUTICALS INDUSTRY IN FOCUS



The 12th edition of 'Asia Pharma Expo-2020' organised by the Bangladesh Association of Pharmaceutical Industries in collaboration with GPE Expo Private at the International Convention City Bashundhara in Dhaka concluded yesterday. Professionals and solution providers shared knowledge and technological advancements of the pharmaceuticals industry in the exhibition, where about 530 companies from 18 countries participated.

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