

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.70%	▲ 0.77%	\$1,600.80	\$52.66	▲ 1.26%	▼ 1.22%	▲ 0.39%	▲ 0.74%	BUY TK 83.95	92.77	106.64	11.90
4,466.07	8,282.89	(per ounce)	(per barrel)	38,623.70	21,082.73	3,019.56	2,992.90	SELL TK 84.95	96.57	110.44	12.51

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Star BUSINESS

DHAKA WEDNESDAY MARCH 4, 2020, FALGUN 20, 1426 BS starbusiness@thedailystar.net

Bangladeshi start-ups homing in on billion-dollar valuation

Says ICT State Minister Zunaid Ahmed Palak at the launch of IDLC's venture capital fund

STAR BUSINESS REPORT

Bangladesh's technology start-ups are catching the attention of venture capital (VC) firms, which have put in about \$200 million in funding over the last four years, said ICT State Minister Zunaid Ahmed Palak yesterday.

"The more the start-up ecosystem is maturing, the more the venture capital funding is coming," he said

often in search of start-ups to invest in.

"This is the outcome of an initiative the ICT division has taken a few years back," Palak said, while citing the creation of the Start-up Bangladesh project in 2016 as the turning point.

Already the government has approved the Start-up Bangladesh Company (SBCL) with the view to investing in different start-ups. A few hundred crores of taka have been

of IDLC Finance, will manage the fund under the Bangladesh Securities and Exchange Commission (Alternative Investment) rules.

Individual investors can invest in the fund but they will have to come with at least Tk 50 lakh. For institutional investors the number is Tk 2 crore.

The investment lock-in period is three years.

Khan said they believe that this will



at the inauguration of local merchant bank IDLC's VC fund at a ceremony held at the InterContinental Dhaka.

In just four years Bangladesh has nurtured several companies that are commanding hundred million dollars in valuation.

"And within the next few years a few of these might be valued at a billion dollars," Palak added.

IDLC's VC fund has kicked off with a moderate sum of Tk 45 crore and a tenure of 7 years. Its sponsors' contribution is Tk 5 crore.

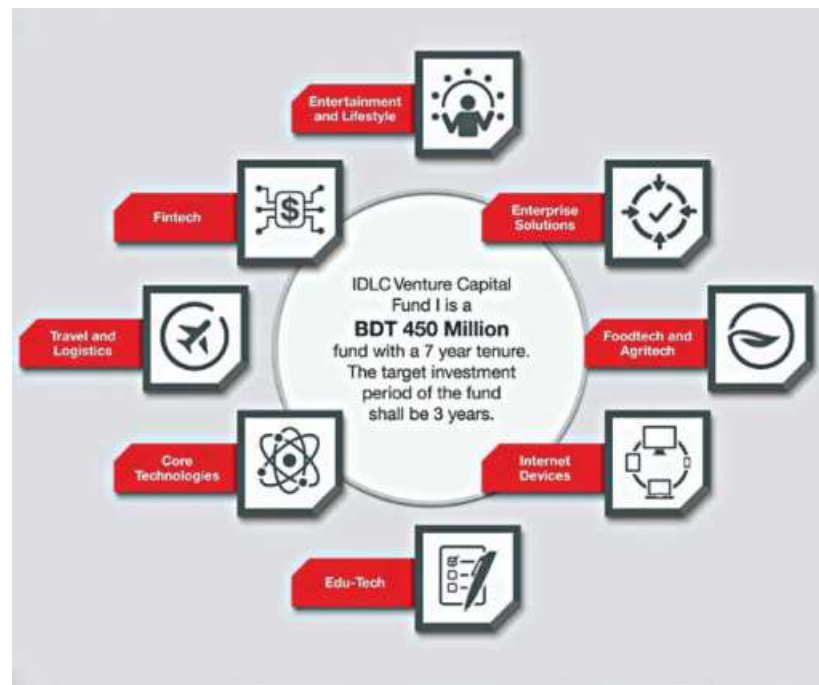
"Start-ups can create more employment than any formal sector and we are very proud that the Bangladesh government not only understands the issue but is also pushing for the creation of this culture," said Arif Khan, chief executive officer and managing director of IDLC Finance.

IDLC has already got 80 applications from different start-ups. Of them 15 have been shortlisted.

Without developing the entrepreneurial culture the country's overall development will not be possible, Palak said.

"Venture capitals like IDLC can play a huge role here."

Investors from Silicon Valley, Singapore and some other developed markets are coming to Bangladesh



allocated for the company, Palak said, adding that SBCL will be registered within the next few weeks.

"SBCL and IDLC can complement each other in establishing the start-up ecosystem in Bangladesh," the minister added.

IDLC said through this fund they have plans to make investments in early stage companies that are providing technology-enabled solutions to consumers and businesses of Bangladesh.

The fund will focus on certain sectors such as financial technology, entertainment and lifestyle, enterprise solutions, travel and logistics, core technologies,

education technologies, food technologies, agricultural technologies, and internet devices.

IDLC Asset Management, which is a wholly-owned subsidiary

be a great opportunity for the investor community to boost the start-up scene as well as generate substantial return for all stakeholders.

Young entrepreneurs are really helping in nation-building and they deserve more support from the financial institutions.

The objective of IDLC Venture Capital Fund is to provide investors with risk-adjusted returns through investing in, nurturing, and then exiting from early stage companies.

"In about 80 per cent of the cases venture capital fund may not work. But if one single start-up clicks it will cover up for the rest."

The fund will provide investors with an investment vehicle that is diversified from the usual ones in Bangladesh, Khan added.

About the country's move towards digitalisation Palak said they are building 28 ICT parks across the country for start-ups.

Already, the government got huge response from the parks that have been made operational.

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Food inflation tumbles to 42-month low in February

STAR BUSINESS REPORT

Food inflation fell to a 42-month low of 4.97 per cent in February, helped by easing off pressures on some items such as rice and onions in recent months, official figures showed yesterday.

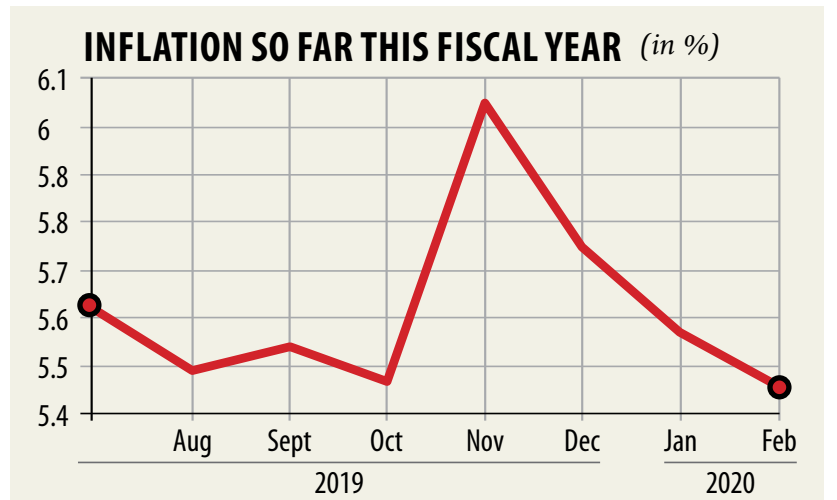
As a result, overall inflation dropped to a 12-month low of 5.46 per cent last month, according to data from the Bangladesh Bureau of Statistics (BBS).

"This is a good piece of news," said Planning Minister MA Mannan, while releasing the monthly figures of the Consumer Price Index (CPI) at the planning ministry in Dhaka.

It was apprehended that inflation might go up in February because of social events such as picnics and weddings. But the supply side was uninterrupted while the price of onion declined, he added.

In February, food inflation was down 15 basis points from a month earlier and non-food inflation, which encompass average prices of clothing and footwear to transport and communication, dropped seven basis points to 6.23 per cent.

Together, the two contributed to the 11 basis point-fall in overall inflation.



Food inflation was the lowest since September 2016.

Overall, inflation was the lowest since March last year and was slightly below than the Bangladesh Bank target for the current fiscal year. In January, inflation stood at 5.57 per cent.

Following volatility in prices of some food items such as onions towards the end of last year and some

READ MORE ON B3

Bank Asia to make receiving remittance easier than ever

AKM ZAMIR UDDIN

Bank Asia has come up with a novel way to bring in remittance as part of its efforts to get migrant workers to send money home through the official channels.

The private lender is set to introduce the remittance card that can be used at the 8,500 digital branches of the Bangladesh Post Office across the country as well as the cash machines of any bank to withdraw funds.

Bank Asia receives about \$1 billion in remittance every year. The lender is expecting the figure will double this year once the remittance card is rolled out later this month.

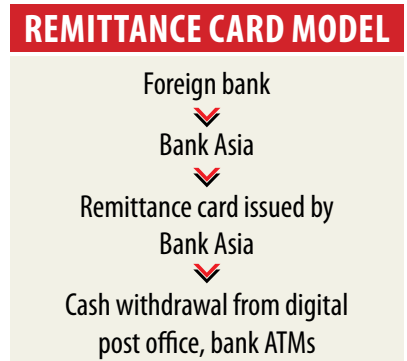
"This is a novel arrangement that will ultimately encourage remitters to send their money through the formal channel on a real-time basis," said Md Arfan Ali, managing director of Bank Asia.

Receivers of remittance will not face any hassle as the expatriate Bangladeshis can directly deposit their hard-earned money to the remittance cards of their near and dear ones.

The initiative will also help those living in remote areas as many lenders are yet to set up branches there but the post office's digital branches are

available. Every digital branch of the post office has installed a point of sale (PoS) terminal where the receivers will swipe their remittance card to get their desired fund.

Besides, the agent banking booths of Bank Asia will also be able to



provide the cash by using their PoS terminals.

Bank Asia has so far allowed a total of 3,422 agents in the country to run small-scale banking.

The latest move means customers can avoid going to bank branches to withdraw cash, Ali said.

Both the digital branches of the

Post Office and Bank Asia's agents will provide remittance card to clients on behalf of the lender.

Customers will not need to spend any amount to avail the card, which will be issued within three days of application.

To get the card, customers will need to fill in the Electronic Know Your Customer (e-KYC) form. And given the central bank's recent move to roll out e-KYC the process will take just five minutes.

Customers will be allowed to fill up the e-KYC by just submitting their national identity card.

Bank Asia will also offer discounts for cardholders if they purchase products from stores with which the lender has agreements, Ali said.

Remittance has recently become a major tool for the government to manage its macroeconomy as exports continue to slide in recent months.

It has turned into a lifeline of the economy given the frustrating performance of all other economic indicators.

In February, expatriate Bangladeshis sent home \$1.45 billion to take the tally to \$12.49 billion so far this fiscal year.

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Bangladesh to demand GSP reinstatement at TICFA meeting

STAR BUSINESS REPORT

Bangladesh will once again urge the US government to reinstate the generalised system of preferences (GSP) for numerous export products at the upcoming TICFA meeting, according to Commerce Minister Tipu Munshi yesterday.

The GSP, a preferential tariff system which provides tariff reduction on various products, was suspended for Bangladesh following the nation's deadliest industrial accident, the collapse of Rana Plaza in 2013.

The fifth round of the Trade and Investment Cooperation Forum Agreement (TICFA) meeting between the officials of Bangladesh's commerce ministry and the United States Trade Representative (USTR) will be held in Dhaka on Thursday.

Apart from reinstating the GSP, Bangladesh will discuss investment, the removal of trade barriers, easy market access to the US from Bangladesh, increasing bilateral trade, intellectual property rights, cotton issues and the digital economy during the TICFA meeting.

Munshi yesterday sat with Christopher Wilson, assistant USTR for South and Central Asia, at a meeting at his secretariat office in Dhaka.

During the meeting, an American delegation also discussed US investment in areas like agro-based industries, tax holiday benefits for US companies in Bangladesh and bilateral trade issues.

"We expect a positive outcome from the TICFA meeting as we have improved both workplace safety and labour rights in the country as per recommendations of the USTR," Munshi told reporters.

Delegations from both countries will also discuss Bangladesh's graduation from least



Christopher Wilson, assistant US trade representative for South and Central Asia, meets Tipu Munshi, commerce minister, at the latter's office at the secretariat in Dhaka yesterday.

developed country to developing country by 2024 as the country will lose a number of trade benefits in major export destinations. Therefore, Bangladesh's delegation will inform the meeting on the country's preparedness to face the challenges after the graduation.

After the collapse of Rana Plaza, the USTR suspended Bangladesh's GSP status in June in the same year, citing poor working conditions and a lack of labour rights in the garment sector. Interestingly though, the apparel industry did not enjoy GSP facilities in the US at the time.

The USTR had also outlined 16 conditions to be met by Bangladesh should the country wish to reclaim the GSP status.

Following the Rana Plaza incident, improvements were made in electrical, fire safety and structural issues in factories. Labour laws

were also amended to improve worker's rights as per the recommendations.

Progress reports on workplace safety were submitted to the USTR twice. However, the USTR did not reinstate GSP status for Bangladesh as the US government observed that further improvements, especially in labour rights, were required.

Currently, the US government does not provide GSP status to apparel items from any country but the duties imposed differ from nation to nation.

The total value of exports from Bangladesh to the US under the GSP was \$34.7 million until it was scrapped. Beneficiaries included sectors such as tobacco, sports equipment, porcelain and plastic products.

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Norway wants amicable solution to GP's issues

STAR BUSINESS REPORT

Norway wants a quick and amicable solution to the problems the country's leading mobile operator Grameenphone is facing in running its operations, said a top diplomat from the Nordic country.

"We have some concerns over the matters related to Grameenphone. We discussed those. We agreed to find a satisfactory solution," said Norwegian Foreign Ministry Secretary General Tore Hattrem after the second political consultation at the state guest house Padma in Dhaka yesterday.

Last year, an audit by the Bangladesh Telecommunication

Regulatory Commission (BTRC) into Grameenphone's books from its inception in 1997 until 2014 found that the carrier owed Tk 12,579.96 crore to the commission in revenue share, taxes and late fees. The BTRC then directed Grameenphone to pay the amount.

The telecom operator then went to the court. Eventually, the Supreme Court ordered the operator to pay Tk 2,000 crore to the BTRC. On February 23,

Grameenphone paid Tk 1,000 crore.

Earlier, the operator said it wanted court protection due to the pressure the BTRC has applied on it and its management. The commission's actions included declining no-objection certificates since July last year, issuing show-cause notice for licence cancellation and denying recycling of number series, it said.

Both sides took note of Bangladesh Supreme Court's recent order on this issue, said Foreign Secretary Masud Bin Momen, who led the Bangladesh side at the consultation.

"Norway sought the full court verdict, so the government will contact the attorney general in this regard."

The Norwegian government has a substantial share in Telenor, and if the Grameenphone issue is settled quickly, the country can make more investment in Bangladesh.

"We want the legal procedures to be settled quickly," Momen added.

Telenor owns 55.8 per cent share in the country's leading mobile phone operator.

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Quazi Osman Ali, managing director of Social Islami Bank Ltd, opens the bank's three-month campaign 'Customer Service and Deposit Collection' at its corporate branch in Dhaka on Sunday.

US cuts rates as G7 pledges all tools to beat coronavirus

REUTERS, Tokyo/Washington
The US Federal Reserve cut interest rates on Tuesday in an emergency move designed to shield the world's largest economy from the impact of the coronavirus as Group of Seven finance officials pledged all appropriate policy moves.

In a statement, the Fed said it was cutting rates by a half percentage point to a target range of 1.00 per cent to 1.25 per cent.

"The fundamentals of the US economy remain strong. However, the coronavirus poses evolving risks to economic activity," it said in a statement.

The coronavirus, which emerged in the central Chinese city of Wuhan late last year, has spread around the world over the past week, with more new cases now appearing outside China than within. It has hit sports events, trade exhibitions, book fairs, prayer meets and other large gatherings worldwide.

There are more than 90,000 cases globally, with more than 80,000 of them in China, and infections appearing in 77 other countries and territories, with Ukraine the latest country to report its first case.

China's death toll is 2,943, with more than 75 deaths elsewhere.

Finance ministers from the G7 group of rich countries were ready to take action, including fiscal measures where appropriate, Japanese Finance Minister Taro Aso told reporters. Central banks would continue to support price stability and economic growth.

"We reaffirmed our commitment to adopt all appropriate policy steps to protect the economy

from downside risks posed by the coronavirus, and that we stand ready to cooperate further on timely and effective measures," Aso said after a G7 call.

He was short on specifics and said the desirable policy response would vary from country to country. Asked if all appropriate policy steps would include both monetary and fiscal policies, Aso said: "Yes,



Crowds wearing protective masks following the coronavirus outbreak are seen at Shinjuku station in Tokyo yesterday.

anything will be included, both monetary and fiscal steps."

US Treasury Secretary Steven Mnuchin told the US House Ways and Means Committee that G7 finance ministers and central bank governors had agreed to "do everything possible" to limit economic harm.

A sharp rebound in world stock markets lost only a little steam on Tuesday despite a lack of any immediately gratifying G7 measures. Europe's main bourses

were almost 2 per cent higher but Wall Street's main S&P 500 and Dow Jones markets gave up early gains to slip into the red.

"This is a tug of war between hope and fear. Central banks are giving hopes with their potential stimulus," said Vasu Menon, senior investment strategist at OCBC Bank Wealth Management.

"The question is what they will

could deal a serious blow to a world economy trying to recover from the US-China trade war.

New coronavirus cases in China have been falling sharply, with 125 reported on Tuesday, thanks to aggressive containment measures.

After what critics said was an initially hesitant response, China imposed sweeping restrictions, including suspensions of transport, sealing off communities, and extending a Lunar New Year holiday across the country.

Now China is increasingly concerned about the virus being brought back into the country by citizens returning from new hotspots elsewhere. Authorities on Tuesday asked overseas Chinese to reconsider or minimize their plans to travel home.

All travelers entering Beijing from South Korea, Japan, Iran and Italy would have to be quarantined for 14 days, a city official said. Shanghai has introduced a similar order.

The most serious outbreak outside China is in South Korea, where President Moon Jae-in declared war on the virus, ordering additional hospital beds and more masks as cases rose by 600 to nearly 5,000. Thirty-four people have died in South Korea.

In the United States, the virus is now believed to be present in at least four communities in the Pacific Northwest - two in northern California, one in Oregon and one in Washington state - and authorities there are having to go well beyond the quarantine of infected travelers and tracing of close contacts, which until now had been the response.

World pharma supplier India restricts export of some ingredients, drugs

REUTERS, Bengaluru/New Delhi

India, the world's main supplier of generic drugs, on Tuesday restricted the export of 26 pharmaceutical ingredients and drugs made from them, including paracetamol, as concern mounted the coronavirus outbreak could turn into a pandemic.

Indian pharma companies get almost 70 per cent of the active pharmaceutical ingredients (APIs) for their medicines from China.

Already, the coronavirus outbreak has disrupted businesses dependent on Chinese supplies and industry professionals say Indian generic drugmakers are likely to face supply shortages from China if the epidemic drags on.

"Export of specified APIs and formulations made from these APIs... is hereby 'restricted' with immediate effect and till further orders," the Director General of Foreign Trade said in a statement here without explaining the extent of the restrictions.

The list given by the government included 26 APIs and formulations, which amount to 10% of all exports.

"Irrespective of the ban (restrictions), some of these molecules may face shortages for the next couple of months," Dinesh Dua, chairman, Pharmaceuticals Export Promotion Council of India (pharmexcil), told Reuters. The council falls under the federal commerce ministry.

"If coronavirus is not contained, then in that case there could be acute shortages,"

Dua said.

Separately, the government said on Tuesday it had detected "high viral load" in six people who had been in contact with a patient who contracted the coronavirus in the capital New Delhi.

The people have been kept in isolation and their samples are being sent to India's National Institute of Virology for confirmation, the government said in a



Medical staff wearing protective gear are seen inside a ward, specialised for people who may have been infected with coronavirus, at the Rajiv Gandhi Government General hospital in Chennai.

statement here

On Monday, India reported three new cases of coronavirus, including an Italian national in the western Indian state of Rajasthan. The patient in New Delhi is being closely monitored but stable, the government said.

The Indian ministry of health did not immediately give further details on the cases when contacted by Reuters.



Rajesh Surana, CEO of LafargeHolcim Bangladesh, unveils a new packaging design for Holcim Strong Structure Cement at a hotel in Dhaka on Monday.

Jack Welch, iconic General Electric CEO, dead at 84

AFP, New York

Jack Welch, who built General Electric into a global industrial flagship and became one of America's best-known businessmen, died on Monday aged 84, the company said.

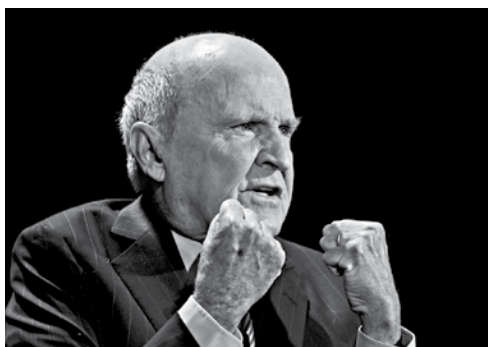
Dubbed the "manager of the century," by Fortune magazine in 1999, Welch transformed GE into a sprawling conglomerate during his two decades as chief executive.

"Today is a sad day for the entire GE family. Jack was larger than life and the heart of GE for half a century. He reshaped the face of our company and the business world," company chief Larry Culp said in an email.

Welch, the son of a railway worker and a homemaker, rose from his working class roots to ultimately expand GE beyond household appliances, healthcare and aeronautics into finance with GE Capital and media through NBCUniversal.

The company's market capitalization grew from \$12 billion when he took over in 1981 to \$410 billion on his departure.

Welch's hard-hitting reforms at GE came at a cost,



Jack Welch

however, and he was criticized for firing thousands of employees.

"His no nonsense leadership style gave him a reputation of being hard, even ruthless, but also fair when making business decisions," Welch's GE biography said. As the layoffs mounted, he became known as "Neutron Jack" due to his reputation for eliminating workers and jobs without demolishing the buildings they worked in. The hard-charging executive said in a 2005 television interview that he

hated the nickname.

President Donald Trump used the moniker to pay tribute to Welch.

"There was no corporate leader like 'neutron' Jack," Trump tweeted. "He was my friend and supporter. We made wonderful deals together. He will never be forgotten," the president said.

Welch was an ardent supporter of the Republican party. Born in Massachusetts, Welch earned a doctorate in 1960 and joined GE the same year as a chemical engineer in its plastics division, rising through the ranks to become vice chairman in 1979, then CEO two years later.

SoftBank CEO tells US investors he'll be more careful

REUTERS, New York

SoftBank Group Corp Chief Executive Masayoshi Son, under pressure from hedge fund Elliott Management to rein in his mercurial investment style, turned on the charm in a meeting with US investors on Monday, but offered few concrete concessions.

"I promise you I'll start to be more careful and listen. My view doesn't change, but my behavior becomes a little more careful," sources quoted Son as telling investors who attended his presentation at the Lotte New York Palace hotel in Manhattan.

Son, who built SoftBank into a technology investment powerhouse, is now having to defend his track record after several of its expensive bets on startups, including office space-sharing firm WeWork, soured.

Elliott, which oversees \$40 billion in assets, has held discussions with SoftBank's management and is calling on the company to buy back some \$20 billion of its stock, improve

its governance by increasing the independence and diversity of its board and improving transparency, sources said last month.

Son said on Monday he had not given enough weight to the opinions of investors and the company's independent board members, according to three sources who attended the meeting which was closed to media and provided details on condition of anonymity.

Son pointed to SoftBank's stock trading at a big discount to the value of its assets as an opportunity for investors to buy in. His approach to investing heavily in companies with disruptive technology potential and giving carte blanche to the founders of startups he backs has helped make him one of the world's wealthiest investors. Yet it has also led to blunders that have blemished SoftBank's performance.

Chief among SoftBank's misses is WeWork, in which SoftBank invested billions of dollars to back CEO Adam

Neumann before stepping in to bail the company out and replace him.

The WeWork investment was made out of SoftBank's \$100 billion Vision Fund, which has also invested in or acquired the likes of Uber Technologies, British chip technology firm Arm Holdings and US wireless carrier Sprint Corp.

SoftBank was aiming to raise \$108 billion in funds for a second Vision Fund, and has committed \$38 billion of its own money toward that goal. However, Son said last month its launch had been delayed due to investor concerns about the performance of the first Vision Fund.

As a result, Son has said SoftBank may spend up to two years investing its own money in a bridge fund, to build a portfolio that will give investors enough confidence to participate in a second Vision Fund. In his remarks on Monday, Son said WeWork new CEO Sandeep Mathrani will turn SoftBank's investment around, but cautioned this could take years.



The directors of the Dhaka Chamber of Commerce and Industry led by its president Shams Mahmud call on Planning Minister MA Mannan at his office in Dhaka on Monday. The chamber urged the government to develop bond market for long-term infrastructure financing.



Syed Abdullah Mohammed Saleh, chairman of the executive committee of Reliance Finance, cuts a ribbon to launch its 'Islamic Finance Wing' recently. Md Abdul Jabbar, managing director, was present.

National SME Fair begins today

STAR BUSINESS DESK

The National SME Products Fair 2020 is set to start in the capital today aiming to promote homemade products and generate jobs. Prime Minister Sheikh Hasina is scheduled to inaugurate the 9-day fair at the Krishibid Institution Bangladesh, said Industries Minister Nurul Majid Mahmud Humayun at a press conference at the auditorium of the SME Foundation on Monday.

The foundation is organising the fair at the Bangabandhu International Conference Centre. A total of 296 small and medium enterprises (SMEs) will showcase their products in 309 stalls. Of them, 195 are owned by women and 101 by men, said Humayun. No foreign entities are allowed to showcase products at the fair, he added. Local SME entrepreneurs will showcase products, including jute

goods, agriculture, food and leather products, electronics and electrical items, plastics and synthetic goods, IT products and handicrafts.

Three male and two female SME entrepreneurs will be awarded the "National SME Entrepreneurs Award-2020" for their outstanding contribution in the sector at the inaugural ceremony, according to a statement.

Several seminars will be organised at the fair. They include: Light Engineering; product of the year 2020 and its potential in national development; Increasing sale of SME products through online platform; Participation of women SME entrepreneurs in export trade; Potential and Challenge; Digital Financing for SMEs; and Role of SMEs in achieving Sustainable Development Goals (SDGs) in Bangladesh.

The fair is open to visitors from 10am to 8pm.

Industries Secretary Md Abdul Halim and SME Foundation Managing Director Md Shafiqul Islam were present at the press conference.

Products worth Tk 16.93 crore were sold and SMEs received orders worth around Tk 30.12 crore in the last seven SME fairs. Products worth Tk 9.16 crore were sold and entrepreneurs received Tk 6.44 crore orders in the regional SME fairs held in 23 districts in 2018-19, the statement added.



Industries Minister Nurul Majid Mahmud Humayun speaks at press conference on organising of the National SME Fair, at the auditorium of the SME Foundation in Dhaka on Monday.



Ingrid Van Wees, vice-president for finance and risk management at the Asian Development Bank (ADB), calls on AHM Mustafa Kamal, finance minister, at the latter's office in the planning ministry in Dhaka. Wees informed the minister that ADB is keen to support Bangladesh for issuing local currency bond and helping in curbing the non-performing loans in banking sector. Manmohan Parkash, ADB Country Director for Bangladesh, was present.

BB asks NBFIs to find ways to restructure weak peers

STAR BUSINESS REPORT

The central bank yesterday asked non-bank financial institutions to explore avenues to restructure their weak peers with a view to improving the image of the financial sector.

The banking watchdog came up with the proposal at a meeting with the Bangladesh Leasing and Finance Companies Association (BLFCA), a forum of the managing directors of the NBFIs, at the central bank headquarters in Dhaka.

Bangladesh Bank Governor Fazle Kabir and managing directors of a

good number of NBFIs were present.

Some NBFIs are struggling to survive as they faced a wide-range of financial scams in recent years.

"The BLFCA has made some recommendations to the central bank to overcome the existing woes in the NBFIs sector. And the BB has accepted the proposals very positively," said BLFCA Chairman Mominul Islam.

The central bank sought suggestions from the BLFCA on how to restructure the weak NBFIs as well, he said.

"We will work on it and give proposals to the central bank to this end. Fresh sponsor-shareholders may be allowed

into the weak NBFIs in order to improve the financial health," he said.

The lenders requested the central bank to extend emergency liquidity support to the NBFIs against their cash reserve requirement and the statutory liquidity ratio, except those struggling owing to poor corporate governance.

"The central bank has given an assurance to provide the facility as per the existing rules and regulations," Islam said.

The association sought similar supports from the finance ministry on Monday in order to make the NBFIs sector vibrant.

Food inflation tumbles to 42-month low in February

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There is a risk of rising food and non-food inflation due to the direct and knock-on effects of the recent increase in electricity prices, disruption of import supply chain, from China in particular, because of the coronavirus and increased demand as Ramadan approaches.

"The Bangladesh Bank has taken some measures to ensure the adequacy of the supplies of essentials. Their vigilance must continue," he added.

At a time when people are grappling with high prices of many daily essentials, the government recently hiked the power tariff by 5.3 per cent. The new rate will take effect from Sunday.

In rural areas, inflation slid eight basis points to 5.44 per cent, helped by seven basis points fall in food inflation and 10 basis points decline in non-food inflation.

In urban areas, general inflation was down 19 basis points to 5.48 per cent, aided by 33 basis points slip in food inflation and five basis points down in non-food inflation.

It appears that the prices of vegetables such as potato, eggplant, carrot, cucumber, tomato, radish, cauliflower, cabbage and red spinach and spices such as onions,

garlic and ginger fell in February compared with January, according to a press release of the BBS.

The non-food inflation fell last month after soaring 6.30 per cent in January, the highest since December 2015.

The statistical agency calculates CPI based on the prices of 318 goods and services in rural areas and 422 commodities in urban areas. It computes the CPI at the national level by combining the urban and rural indices using weight factors.

The overall growth of nominal wages was 6.51 per cent, down from 6.56 per cent in January, the BBS said.

The wage in the manufacturing and services sectors was slightly up at 6.14 per cent and 6.52 per cent, from 6.15 per cent and 6.52 per cent respectively, while that in the agriculture sector fell to 6.65 per cent from 6.74 per cent a month ago.

However, the wages in agriculture, manufacturing and services sectors grew at a higher pace than inflation, according to BBS's Wage Rate Index.

The government has targeted a 5.5 per cent inflation rate in the current fiscal year. It was able to contain it at 5.48 per cent last fiscal year, which is comfortably below the target of 5.6 percent.

Bangladeshi start-ups

FROM PAGE B1

He cited the case of Sheikh Hasina Software Technology Park in Jashore, which is packed to the rafters with 50 companies.

"But initially when we have set up the park people were teasing us, saying who will go there? But now we cannot manage space as every company is asking for more space," he said, adding that even companies from Dhaka have shifted there.

Access to funding is very important for the start-up culture and if financial institutions like IDLC can shoulder that responsibility the country will certainly get new ICT heroes, Palak added.

Currently, there are 17 venture capital licence-holders in Bangladesh but only a few are in operation.

Apart from those, there are some other foreign ones investing in Bangladesh's start-ups.

Foxconn says China factories operating at 50pc over virus outbreak

AFP, Taipei

Taiwanese tech giant and iPhone assembler Foxconn said Tuesday its Chinese factories are operating at 50 per cent of seasonal capacity and are expecting to take a hit for the current quarter due to the coronavirus outbreak.

Also known by its official name Hon Hai Precision Industry, Foxconn is the world's biggest contract electronics manufacturer and makes Apple's iPhones as well as gadgets for other international brands.

Foxconn employs more than

one million workers across its vast network of factories in China, where operations have been affected by the deadly COVID-19 outbreak that emerged in central Wuhan before spreading to over 70 countries.

The firm's chairman Young Liu told investors that its plants on mainland China are currently operating at "over 50 per cent of seasonal demands" and are expected to resume normal seasonal capacity by the end of March.

The virus outbreak is having an impact on international supply chains and manufacturing given China's

lynchpin role in the global economy. Apple said last month its revenue for the current quarter would be below its forecasts, and that the worldwide iPhone supply "will be temporarily constrained" because of the outbreak in China, where Apple manufactures most of its devices.

One of Foxconn's largest facilities in the central city of Zhengzhou is dubbed "iPhone City", where around 60 per cent of the devices are assembled according to analysts.

Chinese state media Global Times said Tuesday the Zhengzhou plant is short of 50,000 workers, or 22 per cent of the plant's capacity.

Bangladesh to demand GSP reinstatement at TICFA meeting

FROM PAGE B1

The US is Bangladesh's single largest export destination. As a least developed country, 97 per cent of the goods originating from Bangladesh had enjoyed duty-free benefits in the US markets as per the decision taken during the Hong Kong Ministerial Meeting of the World Trade Organization in 2005.

However, the country's main export item, garments, was not included in the 97 per cent package. Garment exports account for 95 per cent of Bangladesh's exports to the US.

As a result, Bangladeshi exporters face 15.62 per cent duty on the export of apparel items to US markets.

In fiscal 2017-18, Bangladesh exported goods worth \$5.98 billion to US markets while importing goods worth \$1.70 billion, according to data from the commerce ministry.



Arif Quadri, acting managing director of United Commercial Bank, and Sarder A Nayeem, chairman of Japan Bangladesh Friendship Hospital, exchange documents after signing a deal at the bank's corporate office in Dhaka on Monday. Credit and debit cardholders of the bank and its employees will get upto 40 per cent discounts at the hospital.

BoE to 'take all necessary steps' over virus

AFP, London

The Bank of England will "take all necessary steps" to support the UK economy from coronavirus fallout, governor Mark Carney said Tuesday, as G7 finance ministers readied a coordinated response.

Carney's comments come as global stock markets experience heightened volatility, with the deadly Covid-19 having killed more than 3,100 people and infected over 90,000.

"The Bank of England's role is to help UK businesses and households manage through an economic shock that could prove large but will ultimately be temporary," Carney told a panel of British lawmakers, two weeks before he steps down as BoE chief.

Norway wants amicable solution to GP's issues

FROM PAGE B1

Momen appreciated Norway for extending duty-free and quota-free access to Bangladeshi products under the Norwegian generalised system of preferences (GSP) since July 2002 and requested continuation of the preferential trade treatment even after Bangladesh's graduation from the least-developed country bracket in 2024.

Both sides agreed to work on cooperation in the field of skill development in view of Bangladesh's graduation, rapid automation, among others, in the textile sector and disruptive technologies.

Bangladesh requested for continued and intensified support of Norway to ensure safe, dignified and sustainable return of the

forcibly displaced Rohingyas.

Secretary General Hattrem reiterated Norway's support for the Annan Commission's recommendations and the International Court of Justice's provisional measures and called for their full implementation by Myanmar.

Norway, which is currently running for a non-permanent seat at the UN Security Council, vowed to intensify its efforts at the UN to resolve the crisis, if elected, he said.

Two sides agreed to hold two milestone events of Bangladesh, namely the 100th birth anniversary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman and the 50th anniversary of the glorious Independence of Bangladesh in Oslo, Norway early next year.

Broccoli winning hearts in Barishal

FROM PAGE B4

Broccoli is very good for health as it boosts human immune system, said Amerandra Nath Chakrabarty, an assistant professor of gastrology department of Sher-e-Bangla Medical College in Barishal and one of the regular visitors of Dulal.

It is a good source of lutein, a compound antioxidant.

However, there is no dedicated place to sell broccolis in Barishal, Dulal said. "The health-conscious people are my main customers."

He said he had no experience in broccoli farming, but found success thanks to the suggestions of Najma Begum, a sub-

assistant agriculture officer for Barishal sadar upazila at the DAE.

And the use of low-cost organic fertilisers encouraged the local farmers to start its cultivation, he said.

All the farmers are now looking for advanced trainings on cultivation of this type of foreign vegetable, Sarker said.

"We are going to take an initiative to encourage more farmers into broccoli production, as the soil of the southern region is very suitable for it," said Alam of the DAE.

The farmers produced about half a tonne of the vegetables worth Tk 7,000 to Tk 8,000 a day for the last three months in Jagua union, according to Begum.

Envoy Textiles to raise Tk 87cr through preference shares

FROM PAGE B4

On the other hand, the textile maker imports only 15-20 per cent of its requisite cotton from China, which can be brought from India though but at a higher cost.

"However, if the epidemic continues for long it will impact all textile companies. And the woven garment makers would be impacted the most," he added.

The news of the announcement though failed to cheer the market: shares of Envoy Textile closed 0.40 per cent higher at Tk 24.80 yesterday.

Market cheers as KDS Accessories decides to boost production

FROM PAGE B4

Contribution of label and elastics & narrow fabrics is now 3.53 and 5.53 per cent respectively, which was lower in the previous year. In the 2018-19 financial year the company's overall sales increased 11.17 per cent year-on-year to Tk 230 crore.

At the same time, KDS's earnings per share fell to Tk 2.20 from 2.21. Net operating cash flow per share of the company also declined 34.41 per cent to Tk 2.02.

The company's stocks rose 35.13 per cent to Tk 45 in the span of last one and half months.

AiIB lends \$200m to enhance electricity coverage

FROM PAGE B4

Co-financed with the Asian Development Bank, the project is expected to help Bangladesh achieve its target to provide electricity for all by 2021 and supply uninterrupted electricity to industries by 2020. The AiIB loan has a maturity period of 25 years, including a grace period of five years.

Of the project financing, \$300 million will come from the ADB, \$0.75 million from China's Poverty Reduction and Regional Cooperation Fund and \$249.25 million from PGC&B, according to the project document. The project area will comprise 20 districts. The expected date of the project completion is June 30, 2024.

Coca-Cola to invest \$200m in Bangladesh

FROM PAGE B4

In 2015, Coca-Cola brought its 5by20 initiative to Bangladesh and established the country's first Women Business Centres (WBC).

5by20 is a global initiative that aims to enable the economic empowerment of 5 million women entrepreneurs across the company's value chain by 2020.

By the end of 2020, more than 100,000 Bangladeshi women and their families are expected to benefit from the project, which is currently active in Jamalpur, Khulna and Bagerhat.

The WBC is a unique model that supports female Bangladeshi entrepreneurs in rural areas by providing skill development courses and financial assistance, said Quincey, who called in to Bangladesh for just a day.

Besides, these facilities -- which are run by women and developed to address some of the more common barriers faced by female entrepreneurs -- also offer access to business skills training, market information, agriculture training, mobile banking assistance, healthcare counselling,

mentoring and networking opportunities.

Currently, there are about 240 WBCs working to empower more than 70,000 women across the country.

Coca-Cola has been operating in Bangladesh for more than five decades but the company remains incredibly optimistic about the country's economic growth, Quincey said while using his visit as an example to drive the point home.

The company also intends to strengthen the communities in Bangladesh through various other programmes, such as 'Every Drop Matters' and 'WASH'.

Both the initiatives help promote sanitation and hygiene while also providing clean water and rainwater harvesting projects to schools across the country.

T Krishna Kumar, president of Coca-Cola's India and Southeast Asia operations; Manuel 'Manolo' Arroyo, chief marketing officer and group president in Asia Pacific; Marcelo Boffi, president and Bottling Investments Group and Deputy Group president in Asia Pacific; and Ajay Bathija, managing director, were also present at the event.

Bank Asia to make receiving remittance easier than ever

FROM PAGE B1

The eight-month receipts were up 20.05 per cent year-on-year, according to data from the Bangladesh Bank.

The move would also help further the central bank's financial inclusion agenda as it would attract rural people to open accounts with the lender, according to Ali.

Besides, remitters will also be discouraged to send money through 'hundi'

channel, which is a cross-boundary illegal money transferring system that sidesteps banks, Ali said.

Bank Asia's net profit in 2018 stood at Tk 226.62 crore, up 10.68 per cent year-on-year.

Shares of Bank Asia, which made its debut on the Dhaka Stock Exchange in 2004, closed at Tk 16.50 yesterday, up 1.85 per cent from the previous day.

Envoy Textiles to raise Tk 87cr through preference shares

STAR BUSINESS REPORT

Envoy Textiles is set to raise Tk 87 crore by issuing non-convertible cumulative preference shares in order to bring sustainable finishing machine and build captive power.

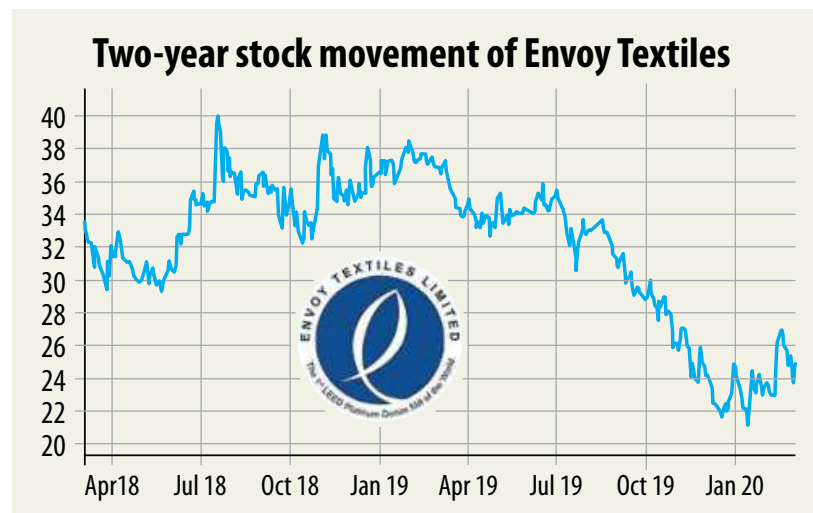
The preference share would be fully redeemable, with a tenure of five years. The shares would be issued to banks, insurance companies, institutional investors and eligible investors.

The face value of the preference shares would be Tk 1 crore for institutional investors and Tk 50 lakh for eligible investors.

The Bangladesh Securities and Exchange Commission yesterday gave Envoy Textile, which made its debut on the stock exchange in 2012, the go-ahead to issue the preference shares.

"We will utilise the fund to purchase sustainable finishing machine where chemical would be used at a very low level," said Kutubuddin Ahmed, chairman of Envoy Textile.

The other funds would be used



in forming captive power of 10 megawatts and repayment of short-term loan, Ahmed said.

Envoy's profit after tax shot up 68 per cent year-on-year to Tk 55.4 crore in the 2018-19 financial year. During the period, its revenue increased 20.6

per cent to Tk 911.85 crore.

Asked about the impact of the coronavirus pandemic on Envoy Textile, Ahmed said they are lucky that they brought in raw materials in hordes before the virus spread.

READ MORE ON B3

Market cheers as KDS Accessories boosts production

STAR BUSINESS REPORT

KDS Accessories has enhanced its production capacity of elastics and label and garment accessories products by introducing a machine in order to meet higher demand.

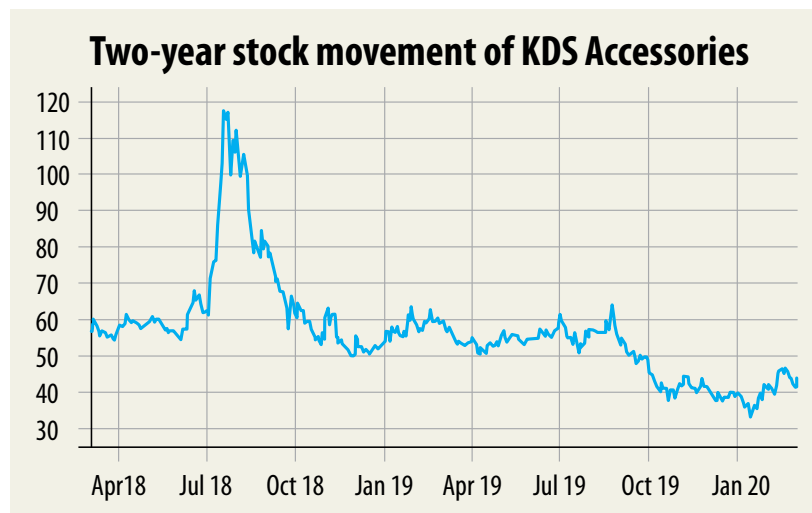
The highest capacity will be 4 crore pieces per year and it may generate approximate additional sales revenue of Tk 33.3 lakh per month and Tk 4 crore annually on utilisation of highest capacity.

The commercial production started from Saturday, KDS Accessories said in a posting on the Dhaka Stock Exchange website yesterday.

The news sent the company's share price up: KDS Accessories closed at Tk 44.20, 5.71 per cent higher than the previous day.

The company decided to purchase the machine at \$0.091 million in mid-October.

"The new machine will be able to produce elastics and label with printing and everything," said Biplob



Kanti Banik, chief financial officer of KDS Accessories, adding that the instrument was bought with the company's own funds.

As the textile sector is expanding, the demand for accessories is also enhancing. To meet the demand the

company expanded its production capacity, Banik added.

The company's main contribution to its revenue came from carton: it contributed 77 per cent or Tk 178 crore.

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HC questions legality of BB's 9pc interest rate cap

STAR BUSINESS REPORT

The High Court yesterday questioned the legality of a Bangladesh Bank's decision that instructed banks to set a maximum 9 per cent interest rate on all loans except credit cards.

The court issued a rule asking the respondents to explain why the central bank's decision should not be declared illegal.

The finance secretary and the BB governor and its general manager for banking regulation and policy have been made respondents to the rule.

The HC bench of Justice Abu Taher Md Saifur Rahman and Justice Md Zakir Hossain came up with the ruling after hearing a writ petition that challenged the legality of the BB's decision.

During the hearing, petitioner's lawyer Barrister Sayedul Haque Suman told the court that about two lakh people would be benefited following the BB's decision, whereas about 50 lakh depositors and their family members would be victimised.

On March 1, Md Mahfuzur Rahman, an apprentice lawyer, submitted the writ petition.

The central bank's February 24 decision may severely affect the already under-pressure banking sector and such capping of the interest rate is unlawful against the establishment of financial policies and international practices of free market economy, he said in the petition.

The limit will further stifle the availability of loans needed to set up and expand small, medium and large businesses and commercial entities and industries, he said.

The significant reduction in the interests or profits charged by banks would impact the income of depositors via fixed deposit schemes, resulting in serious prejudice to middle income groups of the country, the lawyer said.

Therefore, the BB decision is a violation of the fundamental right of "equality before law" guaranteed in the constitution, he added.



BSCIC estate in Rajshahi sees cost revision for 3rd time

Expenditure up 31 per cent

STAR BUSINESS REPORT

The proposed Rajshahi BSCIC Industrial Estate-2 project has been revised for a third time, raising its cost by 31 per cent to Tk 172.70 crore.

The Executive Committee of the National Economic Council (ECNEC) accepted the new proposal during a meeting chaired by Prime Minister Sheikh Hasina at the NEC conference room in the capital's Sher-e-Bangla Nagar yesterday.

The project, which was initially estimated to cost Tk 128.81 crore, received the green light on March 22 in 2016 with construction expected to last from July 2015 to June 2018.

The third revision was made to accommodate changes in layout, incorporate new components, lengthen the project's duration and re-estimate the civil work costs.

The first revision saw costs increase by 2.27 per cent to Tk 131.74 crore and the second revision maintained the estimated expenditure while the project's duration was extended by a year.

As of June 2019, the BSCIC spent Tk 87.23 crore, or 66.21 per cent of the cost.

Some of the major activities to be undertaken for the project are the acquisition of 50 acres land, construction of a two-storey building, a pump house and pump driver quarter, entry gate and boundary wall, and setting up of a deep tube-well and water pipeline.

The project is expected to create 5,000 jobs.

The meeting also approved the expansion and modernisation of the Amin Bazar landfill at a cost of Tk 786.26 crore. The Dhaka North City Corporation (DNCC) will implement the project, for which development will begin in July 2020 and end in June 2023.

Under the accepted scheme, the DNCC will set up new landfill sites, incineration plants and infrastructural facilities on 80 acres of land for the resource recovery and disposal of medical



waste. The DNCC will also develop an environment-friendly and hygienic way to collect, transport and dump waste materials. At the resource recovery facilities, wastes will be recycled to produce biogas and organic fertilisers.

The ECNEC also approved five more projects: emergency water supply; widening and strengthening of the

(Jhenaidah)-Shoilakupa-Langalbandh (Shreepur)-Wapda district highways; protecting the right bank of the Jamuna river from Munshiganj to Khanpura and Kazirhat to Rajdardia of Bera upazila of Pabna; protecting the left and right banks of the Dharala river, including flood control in Kurigram sadar, Rajarhat and Fulbari upazila; and protecting the Padma river from erosion in Charbagdanga and Shajahanpur in Chapainawabganj district.

AIIB lends \$200m to enhance electricity coverage

STAR BUSINESS REPORT

The Asian Infrastructure Investment Bank (AIIB) has approved a \$200-million loan to Bangladesh to increase access to electricity and improve service efficiency in the



capital of Dhaka and the country's western zone.

While the government of Bangladesh has implemented various programmes to meet growing demand for power, mainly as a result of rapid industrialisation and urbanisation, a lot of the population still lack access to electricity.

It is estimated that poor power supply has resulted in about 2-3 per cent loss to Bangladesh's gross domestic product annually, with significant sums spent on diesel generators for backup.

By 2025, the \$750-million Dhaka and Western Zone Transmission Grid Expansion Project is expected upon completion to reduce the number of annual power outages to 15 from 60, reduce transmission loss to 2.50 per cent from 2.76 per cent and add

7,440 megawatt-amperes of power transmission capacity, said the Beijing-based lender in a statement yesterday.

The project, which will lead to the construction of 408 kilometres of transmission lines, will also have a positive environmental impact, reducing average annual carbon dioxide emissions by 455,785 tonnes.

The objective of the proposed project is also to strengthen institutional capacity of state-run Power Grid Company of Bangladesh (PGCB).

"AIIB's investment gives much-

needed financing to provide affordable, reliable and modern energy, especially in areas where people lack basic infrastructure," said AIIB Vice President and Chief Investment Officer DJ Pandian in the press release.

The project will also help the power sector tackle climate change impact, making the grid more climate-resilient, he added.

The latest lending took the total approved and proposed loans to Bangladesh to \$1,915 million.

Bangladesh is currently the fastest growing economy in South Asia, growing at more than 7.5 per cent per annum in the last three years.

The country is also rapidly urbanising with nearly half its population expected to live in urban areas by 2025.

These trends, combined with a policy push to achieve universal electricity access for Bangladesh's population, present a tremendous growth opportunity for the country's infrastructure sector in the near future.

READ MORE ON B3



Coca-Cola to invest \$200m in Bangladesh

Says its global chief

STAR BUSINESS REPORT

The Coca-Cola Company, one of the world's top three beverage manufacturers, plans to further expand its Bangladesh operations by investing \$200 million over the next five years, said its chairman and chief

executive officer James Quincey.

"We have an enduring belief that our business is only as sustainable as the communities in which we operate. This means that for our business to be viable and grow, the communities must also grow," said Quincey while addressing the press at the Radisson Blu

Dhaka Water Garden hotel yesterday.

Coca-Cola has already invested more than \$100 million in Bangladesh but to expand its operations in a sustainable manner, the company will need to understand and align itself with the country's priorities, he added.

READ MORE ON B3

Broccoli winning hearts in Barishal

SUSHANTA GHOSH, Barishal

Broccoli is gaining popularity as an alternative to the traditional vegetables the farmers in Barishal grow, as it is letting them take home comparatively higher returns.

The green plant assisted the farmers at Jagua union in Barishal sadar upazila to rake nearly 1.5 times higher returns than pumpkin, bottle gourd, bitter melon, papaya and mangetout.

In October last year, six farmers sowed broccoli seeds for the first time in the area in a separate land, which will be less than 1 acre in total, according to local growers.

The six earned about Tk 45,000 for every Tk 15,000 they invested on an average, whereas the profit would hit a maximum Tk 30,000 in case of pumpkin and others, they added.

The number of broccoli farmers is growing every day.

"All of us are targeting double the acreage next year," said Litu Sarker, a farmer of the district's Bamnikathi village.



The Department of Agricultural Extension (DAE) has no official data on broccoli farming in the zone, said Toufikul Alam, a deputy director of the government agency.

"The farmers have started broccoli farming for the first time this season. We will start collecting information once the acreage gets bigger," he added.

Sarker used a 20-decimal land to grow broccoli, which is high in many nutrients, including fibre, vitamin C, vitamin K, iron and potassium.

He used to cultivate local bitter melon, papaya, bottle gourd and pumpkin. "But this time I tried a new vegetable and it worked for me."

Sarker spent about Tk 12,000 on seeds, organic fertiliser and labour to plough and prepare the land for broccoli farming. He made a profit of Tk 40,000 in just three months.

It is a must to sow broccoli seeds by October. The vegetable gets ready for sales within two months and it can be sold from the land for the next three months, he said.

"When I planted broccoli seeds worth Tk 900 in a 20-decimal land five months ago, all of my fellow farmers discouraged me, as we had little knowledge about the vegetable," said Sheikh Munje Elahi Dulal, a farmer of Bamnikathi village.

But his hard work paid off when he started making profits: he earned Tk 10,000 in January. He has now another 200 broccolis left, from where he hopes to earn Tk 12,000 more.

Dulal was one of the first few farmers who came to know from the local doctors and agricultural officers about the health benefits of broccoli and its rising demand as a nutritious vegetable.

He made lower profits than his peers, as he used to give many broccolis for free to encourage people to go for its farming.

"Many people have visited my land to see how I am growing the vegetable. A lot of doctors have requested me to call them when broccolis are ready for sales," he added.

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