

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.



SME FOUNDATION

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.



FINANCE MINISTRY

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

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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

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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.



UCB

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

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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

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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

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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

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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

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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 PGCGB, 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

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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

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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.