

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.80%	▲ 1.65%	\$1,673.50	\$35.90	▲ 0.18%	▼ 2.27%	▼ 1.72%	▼ 0.94%	BUY TK 83.95	94.34	107.82	11.93
4,231.48	7,808.85	(per ounce)	(per barrel)	35,697.40	19,416.06	2,783.72	2,968.52	SELL TK 84.95	98.14	111.62	12.54

আপনার বিআরটিএ ফি এবং সকল ইউটিলিটি বিল এসআইবিএল এর যে কোন শাখার মাধ্যমে জমা দিন

ফ্রি অনলাইন সেবা  
যে কোন প্রয়োজনে ০৯৬৯২০০৯৯২২

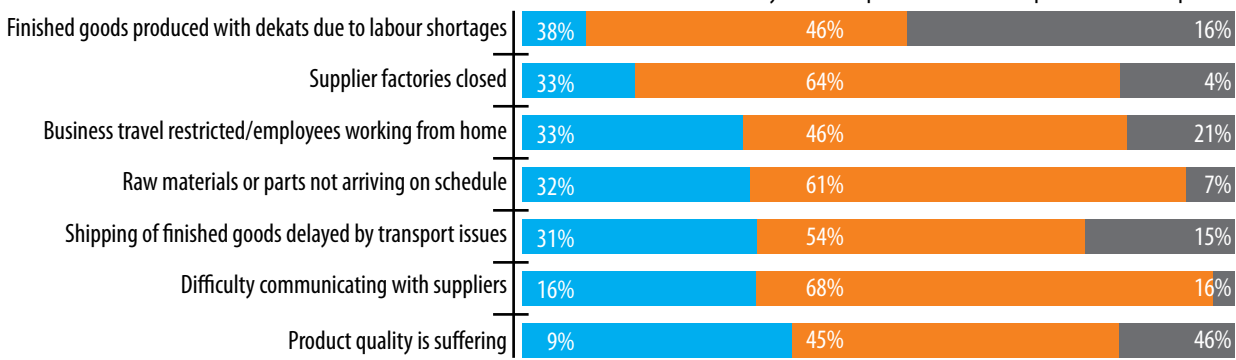
# Star BUSINESS

DHAKA THURSDAY MARCH 12, 2020, FALGUN 28, 1426 BS starbusiness@thedailystar.net

## Bangladesh to benefit from coronavirus fallout: survey

Brands looking to shift work orders from China

### IMPACT OF COVID-19 AND REPORTED SEVERITY



REFAYAT ULLAH MIRDHA

Bangladesh will benefit from the fallout of the coronavirus as most of the globally renowned companies are planning to shift work orders from China to other Asian countries, including Bangladesh, according to a new survey.

Hong Kong-based QIMA, a leading provider of supply chain compliance solutions and which partners with

brands, retailers and importers to secure, manage and optimise their global supply network, surveyed the executives of more than 200 globally renowned companies between February and early March.

Half of the survey respondents are considering shifting supplier sourcing away from China to new countries or regions, including Vietnam, India, and Bangladesh, as well as near-shoring and re-shoring options, the survey report said on Tuesday.

Nine out of 10 businesses report being affected by the Covid-19 epidemic, with US-based respondents more likely to be hit than EU-

based companies and the regions reliant on Chinese suppliers feeling the most impact.

"World consumption is decreasing. I don't see it impacting us positively yet. Some 30 per cent work orders are being slashed by a few customers," said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

Factory closures were cited as the top issue resulting from the outbreak, followed by labour shortages and delays in raw material supplies, the report said.

Only 4 per cent businesses consider themselves prepared for an event like the coronavirus outbreak.

Although China is the epicentre of the coronavirus, the disease has spread to more than 100 countries since its outbreak in early January.

READ MORE ON B3

## Farmers can now fire up a mobile app to sell paddy to govt

The move to ensure fair prices for farmers

SOHEL PARVEZ and REJAU KARIM BYRON

Technology can change the world, it is often said. And the lives of the country's 1.5 crore farm families, who are often shorn of fair prices, are about to change with the government move to purchase paddy from them by way of a mobile application.

The app, which is called Krishoker App, will be used to purchase paddy from farmers in all sadar upazilas in the upcoming boro harvesting season.

"Our aim was to ensure fair prices for farmers," said Food Minister Sadhan Chandra Majumder at a press conference at his office yesterday.

The app has already been piloted in 16 upazilas by the Directorate General of Food in the just concluded aman procurement season: 30,000 tonnes of paddy was bought off 23,000 growers.

The food office bought the highest amount of aman paddy of 6.27 lakh tonnes in recent decades and achieved its buying target -- a first in 24 years, according to data from the food ministry.

"Save for some minor errors, this was the first time we were able to buy such a big quantity of paddy. We hope we have become successful."

The paddy was bought directly from farmers based on a list of producers prepared by the agriculture ministry. The list had more than 135,000 names. From the list 23,000 were chosen at random. Some 25 teams monitored the purchase to ensure they were real growers and there was no political intervention or presence of middlemen.

Riding on the success, the food office will pilot paddy procurement through the mobile app in the remaining 48 sadar upazilas as well during the next boro harvest.

"We introduced the mobile app to ensure that we can reach out to more farmers and the initiative has paid off. The idea is to bring all the districts under the app-based procurement system in the next aman season," Majumder added.

A farmer can apply for selling paddy to public warehouses, track progress of his application and file complaint using the app.

Apart from paddy, the DG Food bought 3.37 lakh tonnes of parboiled rice from millers at Tk 36 per kg, and 43,400 tonnes of unboiled rice during the just concluded aman purchasing season.

In case of milled rice, the total amount of grain purchased during the aman harvest was 7.97 lakh tonnes, according to food ministry data.

With the aman purchase, the total amount of rice procured by the DG of Food including last year's boro stands at 22 lakh tonnes, food ministry data showed.

The government has allocated Tk 8,024 crore to buy 21.20 lakh tonnes of rice in the current fiscal year, according to the finance ministry.

The government's purchase has started to have an impact on the prices of the staple grain in the market, said Agriculture Minister Muhammad Abdur Razzaque.

At present, the price of coarse paddy is Tk 800 each maund and the prices of fine grain are between Tk 1,100 and Tk 1,200 a maund, much higher than before.

"Despite the rise, the prices of coarse grain are normal and there is no negative reaction from low-income people," Razzaque said, adding that the government is hopeful of buying paddy directly from growers in the next boro season.

Ensuring the percentage of moisture content in line with the required parameters of the food ministry has been the biggest obstacle for farmers in supplying grain to public warehouses and thus getting fair prices.

The agriculture ministry has bought adequate moisture measuring meters, which will be given to agricultural extension officials so that they can help farmers know if the moisture level in their grains is within the required level of 14 per cent.

As a result, officials at the local storage depots will not be able to refuse to buy paddy from the farmers.

"The government is determined to buy paddy from growers at any cost."

Razzaque went on to share his past experience as a food minister and said politically and socially influential people used to provide the grains to public warehouses depriving farmers.



He said he had once tried to buy wheat from farmers and found that influential people in the northwest districts of Thakurgaon, Panchagarh and Dinajpur were supplying the cereal by posing as farmers.

The food ministry also plans to buy rice from millers through the mobile app, said Food Secretary Mosammat Nazmanara Khanum.

Tushar Roy, a farmer from Dinajpur sadar, praised the government's initiative to buy paddy through the mobile app.

The grower signed up for the Krishoker App with the help of his relatives and received a text message later that he was selected in a lottery to sell paddy to the public food office.

He supplied the grain on the scheduled date and received the proceeds in his bank account just after delivery.

"This is a good system. Farmers will be benefited if the government makes its purchases in this way. But the government should ensure that all the farmers can sell their grains to food offices gradually," he told The Daily Star by phone.

Razzaque said farmers who could not provide paddy to the government godowns in the just concluded aman purchase scheme would be able to supply in the next boro season.

The names of those who supplied aman paddy this time will not be put in the lottery in the next boro paddy purchase drive so that all farmers are equally benefited, he added.

To ensure that real farmers get the opportunity to sell their produce to the government, the agriculture ministry is also preparing to provide farmers new cards as per an updated list, said Agriculture Secretary Md Nasiruzzaman.

Replying to a question on the progress in establishing 200 paddy silos, Majumder said the proposal for the Tk 6,000-crore project is now with the planning commission and its implementation might begin in the next fiscal year.

## Silver lining for the banking sector as loan recovery soars in 2019

AKM ZAMIR UDDIN

Pushed into a tight corner banks put up a spirited fight against the mounting default loans last year, as their loan recovery went up 15.46 per cent.

Banks retrieved Tk 15,465 crore from defaulters in 2019, according to data from the Bangladesh Bank.

The positive news comes at a time when the majority of the banks are mired in problems, including a lack of corporate governance and an upward trend of defaulted loans.

"Banks are suffocating under the burden of the defaulted loans and they have no way other than to give all-out efforts to recover the delinquent loans," said Md Arfan Ali, managing director of Bank Asia.

There was no scope for banks but to adopt a strong loan recovery programme to run their operations.

"Our recovery team is monitoring defaulters round the clock to realise the bad loans. The monitoring has paid off as we have recovered a handsome amount," Ali added.

But another managing director of a bank said the recovery of defaulted loans would have been much better had the central bank not offered the relaxed rescheduling facility.

The facility allows defaulters to reschedule classified loans by making a down payment of only 2 per cent of

their outstanding amount instead of the existing 10-50 per cent.

The defaulters also got a year's grace period.

But only Tk 536 crore were recovered as down payment, a tiny amount given the total rescheduling

amount of Tk 19,119 crore.

Many habitual defaulters have unclassified their loans by just giving a small amount of money, creating a barrier for banks to recovering their defaulted loans smoothly, the MD said.

Despite the relaxed rescheduling facility and a strong recovery effort, default loans stood at Tk 94,313 crore at the end of 2019, up 0.42 per cent

year-on-year.

Dhaka Bank has recently got travel restriction on a good number of habitual defaulters from the courts, which helped in containing the default loans, said its MD Emranul Huq.

The bank also filed cases against the defaulters under the Negotiable Instruments Act, 1881 as part of its effort to expedite the recovery of defaulted loans, he said.

Large borrowers usually take prompt measures to repay loans when they face embargoes on going abroad, he said.

"Many habitual borrowers of my bank had faced the consequence last year, which forced them to pay back the money hurriedly. We will continue the effort this year as this is a good tool to bring down the default loans," Huq said.

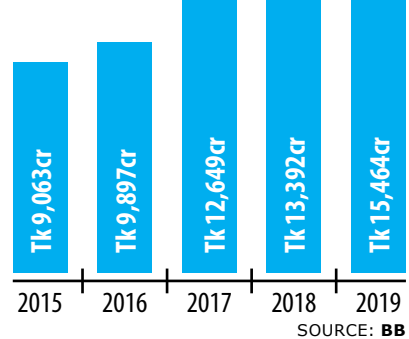
Pubali Bank gives awards to its officials based on their performance of recovering defaulted loans, said its MD MA Halim Chowdhury.

Loan recovery would have been increased manifold had lenders settled the pending cases with the money loan courts in a quick manner.

He fears that banks would face a tough situation in recovering the defaulted loans this year as a large number of borrowers had managed the one-year grace period.

READ MORE ON B3

### BANKS' DEFAULT LOAN RECOVERY OVER THE YEARS



SOURCE: BB

## Postal savings schemes go digital

STAR BUSINESS REPORT

The government yesterday initiated the automation of ordinary and fixed deposit accounts under Post Office Savings Bank to ensure transparency and prevent affluent people from abusing the high interest-bearing tools designed for marginal and low-income groups.

"I don't want the businessmen to take advantage of it. Only the targeted beneficiaries will receive the benefit," said Finance Minister AHM Mustafa Kamal while inaugurating the web-based database at a programme held at the secretariat in Dhaka.

The automation, which will allow people to open accounts and deposit and withdraw funds very quickly, will get rid of the misuse of the benefit under the existing system, he said.

The database will keep in check the investment within the limit as well as

ensure the transparency of the funds, said the finance division in a press release.

The automation will be completed by March 17, the minister said at the programme.

The government has already automated four types of popular savings schemes: five-year tenure Bangladesh savings scheme, three-month interest-based savings scheme, family savings scheme and pensioner savings scheme.

They are being sold at 1,659 branches under banks, post offices and the Department of National Savings (DNS), the press release said.

Now, the ordinary and fixed deposit accounts are set to go online under a programme of the finance division.

Last month, the finance ministry slashed the interest rates on the three-year tenure fixed deposit in postal

savings banks to 6 per cent from 11.28 per cent and ordinary deposit to 4.5 per cent, a move that sparked outcry from various quarters.

There are more than 50 lakh deposit accounts under the postal bank and marginal and low income people from rural and suburban areas mostly park funds there.

The government will restore the previous rate of interest on fixed and ordinary savings scheme by March 17, Kamal said.

"The government will not cut the benefit -- it would remain unchanged," he said, adding that benefits will be increased in some cases and the ceiling of deposits will go up.

The submission of tax identification number and the national identification number will be required while depositing more than Tk 2 lakh.

READ MORE ON B3

এনসিসি ব্যাংক  
আপনার সর্বোৎসাহ সহকারী।

উন্নত গ্রাহকসেবা আপনার দোরগোড়ায় পৌঁছে দিতে ঢাকায় এনসিসি ব্যাংক-এর তিনটি উপশাখা

## শুভ উদ্ভোধন

৯ মার্চ ২০২০	বনশ্রী উপশাখা হেডিং নং: ১৯ (শিলা তলা) রাস্তা: পি. মেলিন রোড, বনশ্রী রাস্তা, ঢাকা।
১০ মার্চ ২০২০	লালবাগ উপশাখা হেডিং নং: ১৭/৪/ক লালবাগ ক্লাসিক সিংয়ার চকপুলি রোড, লালবাগ, ঢাকা।
১২ মার্চ ২০২০	দনিয়া উপশাখা হেডিং নং: ১০১২.০০৬ মুন্সীর আমেনুল হক স্টেশন দনিয়া পোস্টাল বাক্স রোড যাত্রাবাড়ী, ঢাকা।





Salman F Rahman, prime minister's private industry and investment adviser, along with the representatives of the International Finance Corporation and the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) launches a report styled 'Bangladesh's Journey to Middle-Income Status: The Role of the Private Sector' at the chamber's office in the capital's Gulshan yesterday. IFC and the MCCI jointly published the report.

## Fed faces headache, taps epidemiologists in hunt for policy clues

REUTERS, Washington/San Francisco

The escalating coronavirus outbreak is giving the U.S. Federal Reserve a policy headache like never before: how to judge the potential impact on the economy in the absence of reliable data on how fast the flu-like illness is spreading across the United States.

The central bank slashed interest rates by half a percentage point a week ago in a pre-emptive bid to shield the U.S. economy from the fast-evolving global epidemic. But Fed Chair Jerome Powell also said it was too early to tell the impact it would have, with most of the data the Fed typically relies on being too backward-looking to be of use.

Instead, the Fed is turning to new methods to assess the likely spread and get a read on local responses as policymakers weigh what further action may be needed in the days and weeks ahead.

"I am talking extensively to epidemiologists and healthcare experts across the country...to try and interpret what we are seeing and what we are likely to see," Dallas Fed President Robert Kaplan said in Chicago last week.

For real-time impacts, the Richmond Fed has reached out to city and county executives "to understand what this might look like in our cities," research director Kartik Athreya told Reuters on Friday. Minneapolis Fed economists are monitoring credit card transactions while San Francisco Fed researchers are now tracking a daily measure of consumer sentiment published by



REUTERS/FILE

The Federal Reserve building is pictured in Washington.

Morning Consult.

These snapshots could quickly show whether the American consumer, the engine of U.S. growth, is pulling back. But assessing how long that could last relies on a good grasp of the outbreak's escalation.

The economic impact "is largely going to depend on how many people are going to be infected by this...how many people will be able to go to work, and how many hours they will be able to put into production," said Arizona State University's Bart Hobijn, who was a Fed economist during the financial crisis.

For Kaplan, the number of new cases will be a key indicator as he heads into the central bank's policy meeting on March 17-18, at which he and his fellow policymakers will have to provide their next set of

economic forecasts.

But an accurate reading remains elusive. The Trump administration has been criticized for its slow response and the short supply of test kits. The number of U.S. cases of coronavirus grew to 761 on Tuesday, including 27 deaths, with fast-growing concentrations in cities like Seattle, San Francisco and New York.

"Once you have a cluster in a certain city, there's a risk, in light of the facts here, that you might have many more undiagnosed cases than we are aware of and there is a risk that those undiagnosed cases will in turn infect other people," Kaplan noted.

About three-fourths of the 50 U.S. states have now reported infections. The slow pace of rolling out kits and testing capabilities means that policymakers will have

little concrete evidence about the extent of the U.S. outbreak ahead of next week's meeting.

"The amount of extra information that they'll have in the next few days, until these tests are widely available, is going to be minimal," said Mac Hyman, a professor of mathematics at Tulane University, who is an expert in epidemic modeling.

Only with more widespread testing to identify cases can experts more accurately track the disease's likely spread, he said.

Key to the length of the impact is also the extent to which people are made more aware of how they can become infected and provided with tools to prevent spreading the virus, from face masks to disposable gloves.

Global stock markets have tumbled as investors fret about the coronavirus causing a world recession, and roughly \$6 trillion of U.S. market value has been wiped out so far. Financial markets are predicting another big interest rate cut over the next week even though estimates on the hit to the U.S. economy vary widely.

A San Francisco Fed economist on Friday forecast U.S. GDP growth could dip to about 1.8 per cent this year, only a couple of tenths off policymakers' estimates before the outbreak took hold. But a Brookings Institution paper published last week estimated a pandemic could subtract as much as \$1.8 trillion from U.S. GDP this year, a far greater hit than the Great Recession.

## Buy or sell? Investors navigate coronavirus data fog

REUTERS, London

For money managers, it's bad enough watching the coronavirus wipe trillions of dollars off world markets' value. Even worse is not knowing how bad the outbreak really is for the economy, company balance sheets, and in turn for their portfolios.

Having torn across borders to almost 100 countries in the space of a few weeks, the virus is leaving official data releases and corporate trading statements struggling to keep up. That means many fund managers and economists who typically use forecasts to guide investment decisions or strategy calls are disregarding them altogether.

In short, investors, a group that hates uncertainty, are groping their way through what is the worst stock market rout and growth scare in years.

Government and business efforts to contain the virus are expected to wreak the most economic damage; those responses are ongoing and asymmetric and subject to constant change as the virus threat shifts. All of this is making it much harder to forecast the hit to growth or profits.

Nor are central bankers' signals much use, given monetary firepower is more or less exhausted after a decade of deployment, said Paul O'Connor, head of multi-asset at Janus Henderson Investors, which runs \$370 billion.

"Economic data are not going to be much use at all. We face at least a month, some more weeks of weak economic data, downgrades to growth and downgrades to company earnings. Data won't tell me where the market may bottom," O'Connor said.

"Nor is there a clear circuit-breaker

where policymaking is concerned."

Instead, O'Connor is using market moves to gauge when to buy or sell — on Monday when the S&P 500 and Europe's STOXX index suffered their biggest daily falls since 2008, he stepped in to buy, reckoning sentiment was near bottom.

As for economic data, that's getting short shrift. February US payrolls, which last week showed robust job creation and unemployment near 50-year lows, were brushed off by a plunging Wall Street that — quite simply — saw the numbers as old news.

February Purchasing Managers Indexes (PMIs) — considered one of the few forward-looking economic indicators available — showed euro zone businesses growing at their fastest pace in six months; even compiler IHS Markit dubbed them "a false dawn".

Meanwhile, economic forecasts roll in — with caveats attached. Oxford Economics (OE) cut its 2020 global growth forecasts by a half percent on Monday, assuming a Chinese bounceback. But this hinged on "the extent to which households and firms are able and willing to go about their normal business", it added.

OE also noted that the plunge in the global composite PMI to 46.1 in February implied a world economy in recession. But it argued that past surveys had "often overstated the likely scale of global growth slowdowns after major one-off events".

The foggy outlook has sent many investors scurrying to seek investment banks' advice; Goldman Sachs said "a large volume of questions" from clients had led it to compile a set of alternative indicators for stricken markets.



VISIONSPRING

Saber Hossain Chowdhury, chairman of the standing committee on the environment, forest and climate change ministry; Jordan Kassalow, founder of VisionSpring; Ella Gudwin, CEO; and Reade Fahs, chairman, pose at an event at Renaissance Dhaka Gulshan Hotel in Dhaka on Tuesday, where the USAID has partnered with VisionSpring to provide affordable spectacles to garment workers.



CONCORD GROUP

Shahriar Kamal, managing director of Concord Group; Md Anwarul Haque, a director; Md Habibur Rahman, head of the department of civil engineering at Bangladesh University of Engineering and Technology; and Raquib Ahsan, director of the BUET-Japan Institute of Disaster Prevention and Urban Safety; attend a deal signing ceremony on the campus in Dhaka for long-term research and academic collaboration.



GUARDIAN LIFE INSURANCE

MM Monirul Alam, CEO of Guardian Life Insurance, poses at its annual sales conference for 2020 at Hotel Sea Palace in Cox's Bazar recently.

## BoE slashes interest rate to 0.25pc over coronavirus

AFP, London

The Bank of England on Wednesday slashed its main interest rate to 0.25 per cent in an emergency move to combat the fallout from the coronavirus outbreak on the UK economy.

In a statement, the BoE said that at a meeting Tuesday, "the Monetary Policy Committee voted unanimously to reduce Bank Rate by 50 basis points to 0.25 per cent."

The reduction from 0.75 per cent heads a "package of measures to help UK businesses and households bridge across the economic disruption that is likely to be associated with COVID-19", the central bank added.

The BoE's biggest rate cut since the global financial crisis more than a decade ago comes ahead of the UK government's first annual budget since Brexit, due at 1230 GMT, and which itself is set to be dominated by action over the coronavirus.

"Although the magnitude of the economic shock from COVID-19 is highly uncertain, activity is likely to weaken materially in the United Kingdom over the coming months,"

the BoE said in its statement.

"Temporary, but significant, disruptions to supply chains and weaker activity could challenge cash flows and increase demand for short-term credit from households and for working capital from companies.

"Such issues are likely to be most acute for smaller businesses. This economic shock will affect both demand and supply in the economy," the bank warned.

BoE policymakers, led by outgoing governor Mark Carney, also voted to allow retail banks in Britain provide cheap lending to businesses, aided by central bank reserves.

Andrew Bailey, head of Britain's financial regulator, replaces Carney as governor of the Bank of England on March 16.

Sterling meanwhile fell sharply on the surprise BoE announcement, before quickly recovering some ground, notably against the dollar.

Finance minister Rishi Sunak presents the budget in parliament later Wednesday, after his predecessor Sajid Javid resigned unexpectedly last month.

It will be the country's first annual budget statement since Britain departed the European Union on January 31.

"We're looking at what the impact (of the virus) might be, whether it's on businesses... on our public services, and in all cases, on Wednesday, you will hear from me the various options and policies that we can put in place to provide that vital support," Chancellor of the Exchequer Sunak said at the weekend.

Sunak, 39, said he was ready to give the state-run National Health Service whatever it needed to help combat the coronavirus outbreak.

On Tuesday, it was revealed that a minister in the health department, Nadine Dorries, had tested positive for COVID-19.

Sunak meanwhile has said that the budget would deliver also on the promises made by Prime Minister Boris Johnson in the run-up to the December general election.

## Cathay Pacific 2019 profits plunge, predicts virus losses

AFP, Hong Kong

Cathay Pacific on Wednesday said profits plunged in 2019 as it reeled from political unrest in Hong Kong, while it warned financial losses lay ahead owing to the spread of the new coronavirus.

The flagship carrier was battered throughout the second half of last year as violent pro-democracy protests raged for months in Hong Kong, sparked by widespread public anger at Beijing's rule. The demonstrations, which saw battles between police and protesters rage for seven straight months, hammered tourist arrivals into the city, traditionally one of the world's busiest transport hubs.

On Wednesday the flagship carrier reported an attributable profit of HK\$1.7 billion (US\$220 million) for 2019, a significant drop from the HK\$2.3 billion it made in 2018.

And it warned of slipping into the red as airlines around the world suffer the huge travel disruptions caused by the rapid global spread of the deadly coronavirus.

"We expect to incur a substantial loss for the first half of 2020,"

chairman Patrick Healy said. "We expect our passenger business to be under severe pressure this year and that our cargo business will continue to face headwinds," he added.

The last time the airline made a loss was in the first half of 2018.

It then embarked on a major overhaul that brought the carrier back into the black but Cathay has found itself hammered by events beyond its control. Hong Kong's political unrest put Cathay squarely in the crosshairs of Beijing last summer after some of its 27,000 employees in the city expressed sympathy for the pro-democracy movement.

Nationalists on the mainland agitated for a boycott while Chinese aviation authorities placed a host of onerous extra checks on the airline. Cathay responded with the departure of its CEO and chairman as well as measures to punish staff that joined or voiced support for the protests, leading to an easing of regulations on the mainland.

Protests began winding down in December and January but before Cathay could recover, the deadly coronavirus emerged in the Chinese

city of Wuhan and has since spread around the world. International flight routes have been hammered with Cathay especially vulnerable because so much of its business relies on the Chinese mainland and connecting Asia to the rest of the world.

It has since slashed its capacity to mainland China by 90 percent and is flying 40 percent fewer routes globally. Last month the airline announced it was asking all its 34,000 staff worldwide to take up to three weeks of unpaid leave in a bid to alleviate a major cash shortage. Dozens of passenger jets are now parked on the tarmac at Hong Kong's airport, Cathay's transportation headquarters.

The profit results came as the airline separately confirmed a crew member had tested preliminary positive for the new coronavirus. The employee had last flown on a flight from Madrid to Hong Kong on March 7.

The plane has since been deep cleaned and fellow crew members are quarantining at home, Cathay said. Hong Kong's economy is currently in recession, battered by the China-US trade war, the protests and now the coronavirus.



# Beneficiary for remittance incentive extended

STAR BUSINESS REPORT

The central bank has extended the 2 per cent incentive on remittance to Bangladeshi government officials working at the United Nations and other global agencies abroad in a bid to boost foreign currency earnings.

Besides, Bangladesh citizens working abroad at shipping and airline companies, owned by Bangladeshi or foreigners, will be entitled for the incentive, according to a notice issued by the central bank yesterday.

Government staff stationed at the UN peacekeeping missions are also eligible. But pilots and mariners working at state-owned companies will not get the privilege, a central banker said.

As per the previous notice of the central bank, only expatriate Bangladeshi workers were eligible for the subsidy.

In the budget for fiscal 2019-20, the government introduced the cash subsidy for remitters to encourage them to send money home through legal channels.



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 riding on the incentive policy.

# Malaysia's sugar purchases from India hit record

REUTERS, Mumbai

India's exports of sugar to Malaysia so far in 2020 have nearly tripled over the figure for all of last year, as Kuala Lumpur steps up purchases to placate New Delhi in a trade dispute that halted its palm oil exports to India, trade officials said.

The record buying could also help India, the world's biggest producer of sugar, to cut stockpiles that are squeezing domestic prices.

India had been the biggest buyer of Malaysian palm oil for five years, but purchases ground to a halt after the

January curbs, a retaliation for then prime minister Mahathir Mohamad's criticism of New Delhi's policy regarding its Muslim minority.

"This year Malaysia was aggressively buying Indian raw sugar, which was a pleasant surprise," Praful Vithalani, president of the All India Sugar Trade Association (AISTA), told Reuters.

The trade body's data shows Malaysia has imported 324,405 tonnes of sugar from India this year. That compares with India's exports last year of around 110,000 tonnes and a 2008 record of 313,406 tonnes, according to trade estimates.

# Postal savings schemes go digital

FROM PAGE B1

The finance ministry reduced the interest rate amid a mad dash from a section of wealthy people to open accounts in postal savings bank to deposit money after the government tightened rules on investment in the high interest-bearing national savings certificates.

The government move aimed at preventing the abuse of the benefit given by the state to pensioners and middle-income families.

The instruments carry interest rates as high as 11.76 per cent, which is way higher than what banks offer.

As a result, fixed deposits in postal saving bank soared 66 per cent year-on-year to Tk 11,730 crore in the first half of the fiscal year, according to data from the Bangladesh Post Office.

At the same time, investment in savings

certificates sold by post offices plummeted 88 per cent to Tk 1,870 crore.

The ceiling for the highest investment in savings certificates doubled to Tk 50 lakh for individuals and Tk 1 crore under joint names. The investment ceiling for pensioner savings certificates will double to Tk 1 crore.

The deposits at the Post Office Savings Bank were more than a fifth of Tk 83,630 crore of investment made by people in various types of savings certificates, bonds and government schemes in fiscal 2018-19, DNS data showed.

The deposits accounted for 14 per cent of the government's accumulated liabilities as of June 30 last year.

Posts and Telecommunications Minister Mustafa Jabbar and Finance Secretary Abdur Rouf Talukder also addressed the programme.

# Silver lining for the banking sector as loan recovery soars in 2019

FROM PAGE B1

Besides, many businesses are going through a tough time because of the outbreak of coronavirus across the globe, he said.

"Banks may be hit hard by the situation and this will have an adverse impact on their recovery programme," Chowdhury

added. Default loans recovered by state-run banks rose 1.40 per cent year-on-year to Tk 4,110.56 crore in 2019. It rose 22.66 per cent to Tk 11,267 crore for private banks.

Recovery at foreign banks, however, dropped 42 per cent to Tk 87.52 crore.

# Ctg port seizes Tk 2cr illegal chocolates, baby milk

STAFF CORRESPONDENT, Ctg

Officials of Custom House Chattogram yesterday seized two containers of baby milk and chocolates imported under a false declaration.

The estimated value of the goods is Tk 2 crore, according to customs officials. Sources said Dhaka-based trader, Samit Trading International imported the goods, declaring 42 tonnes of Sweet Corn, from Singapore.

The shipment arrived at Chattogram port on January 26, Nur-A-Hasna Sanjida Anushua, assistant commissioner of Custom House Chattogram, told The Daily Star.

The importer was trying to evade revenue of around Tk 1.5 crore, she said.

# ICDs stop carrying cargoes to hike tariff

FROM PAGE B4

This time, it is very unfortunate that the ICD owners, who are also part of the business community, are hampering the supply chain, Chowdhury said.

BAFFA President Kabir Ahmed met with Khalid Mahmud Chowdhury, state minister for shipping, yesterday afternoon to talk over the issue.

The state minister has asked the shipping secretary to solve the matter as early as possible, Ahmed said.

Despite repeated attempts, this correspondent failed to reach Nurul Qayyum Khan, president of the Bangladesh Inland Container Depots Association, for comments.

# Decent youth employment can be ensured by rights-based integrated strategy

FROM PAGE B4

Lack of milestones, missing data and non-reporting of key indicators have weakened the SDG review process, so the government in consultation with the private sector and civil society organisations should set milestones of missing indicators for 2025 and 2030, it said.

The government may consider formulating a national youth budget that will address multidimensional aspects such as youth education, training, decent employment, gender equality and employment for the challenged and marginalised groups, it added.

The report on decent employment for the youth was among 10 such policy briefs presented at a "Conference on VNR 2020 of Bangladesh: Positioning Non-State Actors" at the capital's Lakeshore hotel yesterday.

It was organised by the Citizen's Platform for SDGs, Bangladesh, a civil society/ non-state actor initiative to contribute in the national SDGs process of the country, in association with 11 of its partner organisations.

The initiative is geared to provide inputs to the government's Voluntary National Review (VNR), a periodic exercise that helps countries and SDGs-implementing stakeholders to both review and learn from country experiences and formulate ways for the journey ahead.

The government will submit a VNR, for the second time, at a High-Level Political Forum 2020 in New York coming July.

The platform identified "Youth and Young People" as the cross-cutting theme for preparing the policy briefs.

The remaining nine focus points were: gender equality, empowering girls and young women,

rights of youth from marginalised communities, child rights and violence against children, youth and climate action, youth participation and representation in development process, youth extremism and WASH and youth.

Addressing the closing session, Rehman Sobhan, chairman of the CPD, said he was less aware of government reciprocity when it holds its own assessment of implementation of SDGs and whether it recognised the role of the non-state actors (NSAs).

Iftekharuzzaman, core group member of the platform and executive director of Transparency International Bangladesh, said he had questions over how much space was given to NSAs and that Bangladesh was moving towards "development without freedom".

An atmosphere of intimidation existed while core institutions were being turned dysfunctional through the incorporation of party politics, he added. Shaheen Anam, another core group member and executive director of Manusher Jonno Foundation, gave the welcome remarks.

Mustafizur Rahman, a distinguished fellow of the CPD; Farah Kabir, country director of ActionAid Bangladesh; KM Abdus Salam, director general of NGO Affairs Bureau; and Shamsul Alam, a member of the General Economics Division of the Planning Commission, also spoke.

Debapriya Bhattacharya, the platform's convener and a distinguished fellow of the CPD; Shahriar Alam, state minister for foreign affairs; Sudipto Mukherjee, resident representative of UNDP Bangladesh; and Rasheda K Choudhury, executive director of the Campaign for Popular Education, spoke in the opening session.

# LDC graduation, SDGs to dominate economy's course next decade

ICCB says

STAR BUSINESS DESK

Bangladesh's graduation from a least developed country in 2024 and achieving the Sustainable Development Goals will be among the major aspects that will govern the economy's course next decade, said the International Chamber of Commerce Bangladesh (ICCB) yesterday.

"LDC graduation will bring a lot of new challenges, especially concerning losing trade preferences in major export destinations. There are also stringent and tough development goals that need to be achieved by 2030."

The economy of Bangladesh faced some headwinds in the last fiscal year because of lower exports and imports caused by shrinking global economic growth, it said in its quarterly news bulletin on Bangladesh economy for October-December.

The business organisation said with 8.15 per cent GDP growth in fiscal 2018-19, the country did not suffer any major setback.

"The growth has been possible as the country found new export markets, attracted a large number of foreign investors and invested in a variety of mega projects," it said.

The Bangladesh Bank forecasts an 8.2

per cent GDP growth in the current fiscal. However, the World Bank and the Asian Development Bank predicted it to be 7.2 per cent and 8 per cent respectively.

Bangladesh's export earnings in 2019 were \$39.33 billion, up from \$39.25 billion a year ago. Import payment was \$59.09 billion against \$60.49 billion in 2018.

As several mega infrastructure projects are underway, including the Padma multi-purpose bridge, a mass rapid transit system, an LNG terminal and several power plants and deep seaports, the government depends on bank borrowing to finance development programmes due to limited resource mobilisation, the ICCB said.

"The spike in government borrowings from banks has worsened the flow of credit to the private sector," the bulletin added.

The growth of flow of loans to the private sector slowed to 11.32 per cent in 2018-19 against a target of 16.5 per cent.

"Presently, banks are facing a liquidity crunch. This is mostly due to banks holding large amounts of non-performing loans (NPLs)."

NPLs accounted for 11.69 per cent of the total outstanding loans last June and many of these are due to willful defaulters, the ICCB said.

# Seagrass from southern Bangladesh accessorising homes in Europe

FROM PAGE B4

Twin Trims got a shot in the arm in 2015 when it received a big export order from a German buyer for shopping bags made of jute and seagrass.

Farhana graduated from Jahangirnagar University and worked for YKK Zippers for ten years to gather a handsome capital to start her own venture as she had an indomitable urge to become an entrepreneur. When she left the job her monthly salary was more than Tk 2 lakh.

Along with non-traditional items, now she is exporting jute and jute products and leather goods.

German automobile giant BMW is on her client list: they buy jute from her for car interior.

She also exports footwear to Bata, Italy and other leather products to brands like Orora and Tommy Hilfinger.

Farhana said she drew buyers' attention by participating in many international fairs abroad and through the internet.

"Now Turkey, Russia, Bulgaria and many other countries want to know about my products as Chinese e-commerce giant Alibaba promotes my products because of their high quality," she said.

Her total exporting earnings ran into around \$50,000 in 2017-18 which more than doubled in the following year.

"And exports are poised to rise at a higher rate in the current financial year," she added.

Her company has created employment for more than 2,000 people, mostly women, who work from home.



NRB BANK

Some of the country's successful women entrepreneurs cut a cake at an event organised by NRB Bank at its corporate head office in Dhaka recently to mark International Women's Day 2020. Md Mehmood Husain, CEO of the bank, was present.



JAMUNA BANK

Md Atiqur Rahman, chairman of Jamuna Bank, opens the bank's sub-branch at Daulatpur in Khulna. Mirza Elias Uddin Ahmed, CEO, was present.

# Infrastructure equipment market booming on mega projects

FROM PAGE B4

As much as 60 per cent of the equipment available in Bangladesh is reconditioned and are either Japanese or German products, said M Samsuzzaman, general manager of ACI Motors, which entered the market in 2014 and represents one of the world's top producers of full line construction equipment, Case Construction Equipment.

"However, the use of Chinese equipment has risen since 2008," he said, adding that reconditioned infrastructure and construction equipment from Japan and Dubai are doing well too.

There are mainly four types of infrastructure equipment used in Bangladesh: earth-moving, road construction, metal handling, and bridge construction.

Most heavy duty construction and infrastructure equipment now comes from China as Bangladeshi contractors prefer Chinese products since it is comparatively cheaper than that of Japan or Germany, said Abdul Matlub Ahmed, chairman of

Nitol-Niloy Group, an Indian manufacturer of heavy duty trucks, bulldozers, cement mixers, etc.

However, the market size for infrastructure equipment is yet to see any significant increase as contractors rent the necessary tools from Singapore while foreign contractors bring their own.

Chinese construction machinery and equipment manufacturers control 60 per cent of the market because of their competitive pricing.

The remaining 40 per cent is imported from Korea and Japan, Ahmed added.

However, the current demand for equipment is still low compared with that of other developing countries, according to Mohammed Shahidul Islam, chairman of HNS Group.

HNS, a distributor of South Korean automotive giant Hyundai, imports heavy infrastructure and construction equipment, including excavator, skid loader and such, from Korea.

# Bangladesh to benefit from coronavirus fallout: survey

FROM PAGE B1

Almost half of the respondents rank the coronavirus epidemic as a bigger threat to their business than the US-China tariff war.

More than 90 per cent are concerned about the long-term impact of the outbreak and almost as many expect to see significant changes in how they manage supply chains.

Some 91 per cent of the respondents reported that their business and supply chain were affected by the virus and 40 per cent reported a strong impact on their business.

There was a strong correlation between a respondent's reliance on China for purchasing and the reported degree of the coronavirus impact on their business, the report said.

Of the respondents with more than half of their purchase from

China, more than 50 per cent reported being strongly affected, compared with 12 per cent of the businesses buying less than half of their items from China.

Among the respondents whose supply chains are feeling the impact, more than half indicated that they had switched or considered switching to suppliers in regions or countries other than their current sourcing destinations because of the outbreak.

However, not all industries and companies have the ability to be that agile: a sizeable portion of respondents reported taking the "wait and see" stance, while some noted they were not in the position to move production.

Among the respondents who have moved or are planning to move their sourcing to new geographies, the most popular destinations are: Vietnam, India, Bangladesh,

Europe, Turkey and the US.

Some 45 per cent of North American and European companies reported to have plans to source from new countries and are giving some thought to near-shoring and re-shoring.

Nearshoring is the practice of moving a business operation to a nearby country, especially in preference to a more distant one. Reshoring is the process of returning the production and manufacturing of goods back to a company's original country.

For instance, among the US-based respondents who are considering switching suppliers, 27 per cent stated plans to move production to the US, while a further 17 per cent were looking at Latin and South America.

The re-shoring sentiment was even stronger across the Atlantic: 50 per cent of EU buyers with plans to

diversify are considering sourcing more from European countries and another 30 per cent from Turkey.

Apart from home regions, western respondents are considering buying more from Vietnam, India and Bangladesh.

Respondents in the toy, accessories, homeware and footwear sectors reported higher levels of impact of the virus on their business, with up to 100 per cent respondents indicating some impact and more than half saying their business was strongly affected.

Meanwhile, the effect reported by textile and apparel businesses was among the lowest, with 12 per cent saying their supply chain was not affected by the outbreak.

Similar trends were observed in the promotional products sector, where 10 per cent of the respondents reported being unaffected.



# Infrastructure equipment market booming on mega projects

JAGARAN CHAKMA

Bangladesh's infrastructure equipment manufacturing sector is undergoing sweeping changes to meet the increased demand brought on by the implementation of the government's mega projects to accelerate economic growth.

The demand for highly advanced infrastructure equipment started its ascent when the government began construction of world-class development

projects such as the Padma bridge, Rooppur nuclear power plant, Matarbari power plants, Karnaphuli Tunnel and Dhaka Metro Rail.

With the impetus, the country's infrastructure equipment market has grown steadily for the last three to four years.

In 2019, the market size for infrastructure equipment was about Tk 1,500 crore. In 2001, it was less than Tk 100 crore, according to market players. In the last two years alone, the demand

for heavy-duty equipment increased almost 200 per cent.

"The amount of infrastructure and construction equipment that entered the country in the last two years is equivalent to the total import of such machinery for the last 20 years," said Hafizur Rahman, managing director of the Bangladesh Equipment Corporation (BEC).

The BEC is a retailer of infrastructure and material handling equipment such as excavators, bulldozers, forklifts, backhoe loaders, soil compactors and cranes.

In the last four or five years, the demand for such equipment rose in Bangladesh due to the ongoing development efforts undertaken by the government.

Rahman expects the rising trend in the demand for heavy construction equipment to continue for the next 10 years as the number of infrastructure development projects in Bangladesh will increase as well.

The government has about \$30 billion worth of development projects under construction across the country in a bid to mitigate Bangladesh's infrastructure issues and attract foreign direct investment to accelerate the country's economic growth.

Other than that, the construction sector grew 16.25 per cent year-on-year to Tk 73,594 crore in fiscal 2016-17 and the real estate sector 15.14 per cent to Tk 61,935 crore, according to the Bangladesh Bureau of Statistics.

There are over 10 importers of heavy duty construction and infrastructure equipment including ACI Motors, Nitil Niloy Group and HNS Group.



READ MORE ON B3



STAR

Prof Rehman Sobhan, chairman of the Centre for Policy Dialogue, addresses a "Conference on VNR 2020 of Bangladesh: Positioning Non-State Actors" organised by the Citizen's Platform for SDGs, Bangladesh at Lakeshore Hotel Gulshan yesterday.

## Decent youth employment can be ensured by rights-based integrated strategy

Says Citizen's Platform for SDGs, Bangladesh

STAR BUSINESS REPORT

Bangladesh's youth labour market is narrow and underdeveloped, with about 25 per cent of the working-age population being youths aged between 15-24 years but only 28 per cent of the labour force falling into this category, said a Centre for Policy Dialogue (CPD) report.

The participation of male and female youth workers is very much low (54.7 per cent and 25.9 per cent respectively) compared with that of the adult workforce (94 per cent and 39 per cent respectively), said the report.

Youth unemployment is considerably

high (13 per cent) compared with the national average (4 per cent), while 27 per cent of the youth population is not in education, employment and training, it said.

Even those who are employed are largely engaged in informal activities, with only 9 per cent working in formal jobs, which is about half of the national average of 17 per cent, it added.

An integrated national strategy led by Goal 8, decent work and economic growth, of the Sustainable Development Goals (SDGs) with a rights-based approach could ensure decent employment for the youth, the report said.

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## Seagrass from southern Bangladesh accessorising homes in Europe

AHSAN HABIB

Farhana Hakim, once an employee of a private company, embarked on her journey as an exporter of non-traditional items like baskets and showpieces banking on mere seagrasses (locally known as hogla) and date palm leaves.

She exported products made of seagrasses and date palm leaves worth more than \$20,000 to European countries in 2018-19, a jump from \$5,000 in the previous year, which is a clear demonstration how popular

these items could be among foreign buyers.

She hit upon the idea of exporting non-traditional items during her student life when she came to know that foreigners are very fond of such products.

Farhana brings processed seagrasses from the southern part of Bangladesh and provides those to the artisans in Gazipur who make the products.

She also exports coffins made of seagrasses to the US market.

"There is a huge demand for eco-friendly products in the Western

countries. I think the demand will rise further in the coming days," said the mother of twins.

Farhana established her handicrafts company Twin Trims in 2013 when she got an order worth \$2,000 for handmade gift cards from a UK-based business house named One Village.

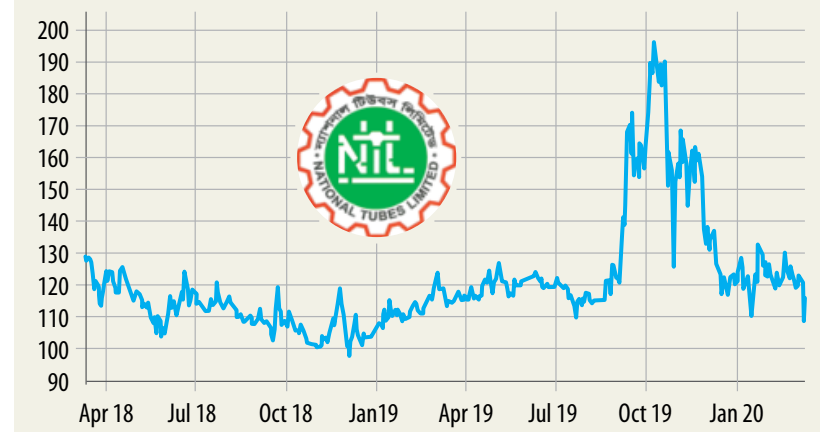
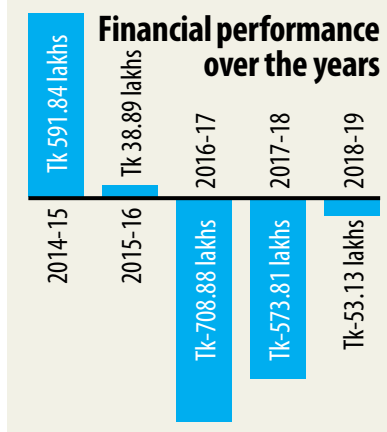
In 2014, she exported laptop bags made of jute to Canada.

"People think our jute has lost its glory. But I don't think so. I saw a huge demand for products made of jute or seagrass," she said.

READ MORE ON B3



## National Tubes to make foray into metal fabrication



STAR BUSINESS REPORT

National Tubes is set to erect a steel structure and fabrication unit for Tk 1.33 crore as the 51 per cent government-owned company looks to cash in on the current construction boom surrounding the government's implementation of myriad of development projects.

The pipe manufacturer, which got listed in 1989, informed the Dhaka Stock Exchange (DSE) yesterday. The news sent its stocks up 2.94 per cent to Tk 115.7.

The company deems the new unit will ramp up profits, said Md Saidur Rahman, managing director of National Tubes.

The unit will shape strong mild steel suited to construction work. Fabrication is the creation of metal

structures by cutting, bending and assembling processes. It is a value-added process.

About 1,000 tonnes of fabrication work will be done every year by the unit. Some Tk 50 lakh surplus revenue may be logged from the unit in future.

There is a scope for fabrication and galvanising works for the Bangladesh Economic Zones Authority, Export Processing Zones, Bangladesh Power Development Board, Bangladesh Rural Electrification Board, Power Grid Company of Bangladesh, government projects and various government and non-government organisations.

The initial investment for the unit will be Tk 63.65 lakh.

All the money would come from the company's own fund, according to

Rahman.

The company has more than Tk 520 crore in reserves and surpluses, DSE data showed.

A top official of the National Tubes said the management is earnestly trying to become a profitable concern.

The state-run pipe manufacturer has been in the losses since the 2016-17 financial year and its sales and production have been steadily declining since the 2013-14 financial year.

In the first half of the current financial year, the company's earnings per share were Tk 0.24, which was Tk 0.83 in the negative year-on-year.

The company's paid-up capital is Tk 34.82 crore. Institutional investors have 20.4 per cent share of National Tubes.

## The Tk 1,042cr bridge over Payra river was the PM's promise to a little boy

SOHRAB HOSSAIN, from Patuakhali

In 2016, Prime Minister Sheikh Hasina made a promise of building a bridge at Patuakhali's Mirzaganj upazila over Payra river to a to a class-4 student, who wrote to her with an earnest request.

Four years on, the premier put her words into action: on Tuesday, in the meeting of the Executive Committee of the National Economic Council (Ecnc) that she chaired she approved a Tk 1,042 crore project to build a 1,690-metre bridge to establish a connection between Patuakhali sadar and Dhaka.

The issue of the bridge came to light when Shershendu Biswas, the schoolboy, in a hand-written Bangla letter on August 15 in 2016 highlighted the hassles he had to face to cross the Payra river to go to his home in Jhalakathi.

The boy mentioned that sometimes boats and trawlers sink in the river



Shershendu Biswas, a class IV student, wrote to the prime minister in 2016 urging her to build a bridge over the Payra river.

with high waves.

Many had lost their lives in such accidents and he does not want to lose his parents as he loves them very much.

The prime minister in her reply said she was delighted to receive the letter

from him. She praised the boy for his awareness regarding his family's safety while crossing the river.

She said she was aware that the Payra in Mirzaganj is a turbulent river. The PM assured Biswas of taking steps to build a bridge over the river.

The bridge, whose construction will start this month, will go through Kachua, Betagi, Patuakhali, Lohaliya and Kalaiya roads. It is scheduled for completion in December 2025.

Under the project, around 600 meters of approach roads will be constructed and consultants will be appointed to acquire an eight-acre land.

Computerised toll collection system will be established for the bridge along with the construction of toll monitoring buildings, police stations and four residential buildings for people related to the project.

## ICDs stop carrying cargoes to hike tariff

DWAIPAYAN BARUA, Ctg

The owners of private inland container depots (ICDs) stopped transporting export containers of three foreign companies since yesterday morning to press home their long demand of a 22 per cent rise in tariff.

Denmark-based Maersk and Hong Kong-based Gold Star Line and Orient Overseas Container Line carry 60 to 65 per cent of the country's export cargoes to buyers.

Businesses now fear they would miss shipment deadlines because of the halt in loading from all the 18 ICDs.

To solve the issue, the leaders of the Bangladesh Container Shipping Association, one of the ICD users, sat in an urgent meeting yesterday. "But it ended without any solution," said an official present in the meeting.

It would be a fresh blow to the country's export sector which has been experiencing a downward trend from last year, said Nasir Uddin Chowdhury, chairman of the standing committee on port and shipping of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The disruption took place at a time when businesses have been struggling because of the coronavirus outbreak in China, he said.

The ICD owners are trying to impose additional charges on different stakeholders separately, which is a violation of the ICD policy, said Khairul Alam Sujan, a director of the Bangladesh Freight Forwarders Association.

They called the work abstention without any prior announcement when a tariff committee formed by the shipping ministry is working to review the ICD charges, he said.

Maersk Bangladesh informed its customers about the trade disruption through a letter yesterday.

Trucks and lorries carrying export-oriented goods which were scheduled to be transported by the containers of these three companies were not allowed to enter the ICDs since morning, said Delwar Hossain, senior general manager of Trident Shipping Line Ltd, the local agent of Gold Star Line.

"We came to know about the sudden decision only when one of our client-exporters informed in the morning that five vehicles carrying

refrigerated containers loaded with potato were barred from entering an ICD."

Later, they came to know that the ICDs stopped transporting containers of two other companies as well, he said.

"I think they started it with three of us with an ill-motive as they would try to do it with others in phases."

The ICDs have been demanding for a raise in tariff for the last couple of years, but it was opposed by the major stakeholders, including the BGMEA and the Bangladesh Knitwear Manufacturers and Exporters Association.

Around 90 per cent of the country's export goods, including garment products, are first brought from across the country to these ICDs for completing customs procedures before they are loaded into containers and taken to Chattogram port for shipment.

Two weeks ago, 2,631 twenty-foot equivalent units of containers missed shipment deadline, as the drivers and helpers of prime mover-trailers refrained from operating the vehicles for around 80 hours.

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