

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	BUY TK	EUR	GBP	CNY	
2.39%	1.88%	\$1,608.70	\$33.53	8.18%	4.41%	3.77%	1.52%	83.95	93.74	106.67	11.87	
4,129.96	7,661.78	(per ounce)	(per barrel)	32,778.14	18,559.63	2,678.64	2,923.49	SELL TK	84.95	97.54	110.47	12.47

OPENING of DAYAGONJ SUB-BRANCH March 16, 2020

47/1 Sharatgupta Road Dayagonj Notun Rasta Sutrapur, Dhaka

SIBL

Star BUSINESS

DHAKA FRIDAY MARCH 13, 2020, FALGUN 29, 1426 BS starbusiness@thedailystar.net

Coronavirus sends chills down bus operators' spine

TUHIN SHUBHRA ADHIKARY and SOHEL PARVEZ

Bus operators are bracing for bumpy roads ahead in the wake of India's ban on entry of foreign nationals until April 15 and people avoiding travel within the country over apprehensions centring the coronavirus outbreak.

"We have not seen any significant change yet but we see a trend of passenger slowdown as people have started trying to avoid non-essential travel," said Faruk Talukder Sohel, managing director of Shohagh Paribahan, a major inter-

city bus operator with a 100 bus-strong fleet. The flow of passengers has dropped 10 per cent over the past one week.

"The worst effect is going to be on our trips to border checkpoints (where passengers shift to buses on the other side) after suspension of tourist visas by India. Our seats have become almost vacant from tonight (yesterday)," he said.

On March 11, India said that it was suspending visas for all short-term foreign visitors -- regardless of their nationality or recent travel history -- until April 15, a lockdown aimed at preventing the import of coronavirus into the country.

On March 7, the Institute of Epidemiology, Research and Disease Control (IEDCR) urged people arriving from countries with coronavirus cases to avoid public transport and crowded places.

A day later, Bangladesh confirmed its first three cases of coronavirus. The affected people, aged between 20 and

35, include two who returned home from Italy recently. The other was a family member of one of those two.

Many people have already started avoiding public buses in the city and some long-distance travel.

Road is the main mode of transport in Bangladesh, accounting for 87 per cent of 195 billion passenger-kilometres in 2018, according to a Planning Commission document.

Waterways carried 8 per cent and train transported the rest, showed the estimate.

On a regular day some 5,000 buses leave for various districts from Dhaka and an equal number return loaded to full capacity, according to bus operators.

Besides, more than 6,000 public buses operate within Dhaka city.

Suvenker Ghosh Rakesh, managing director of Shyamoli NR Travels, which operates buses on all five international routes with India, said the coronavirus effect started to have an impact on their businesses a few days ago.

READ MORE ON B3

The curious rise of Islamic banking in Bangladesh

Jamuna becomes the latest lender to jump on the bandwagon

AKM ZAMIR UDDIN

Conventional banks have to maintain 18.5 per cent statutory liquidity ratio (SLR) and cash reserve requirement (CRR) of their total clients' deposits. They must also maintain a maximum 85 per cent loans-deposit ratio.

But the regulatory requirements are much lax for Islamic banks: they have to keep a combined SLR and CRR of 11 per cent and their loans-deposit limit is 90 per cent.

And it is for these reasons that lenders are jumping on the Islamic banking bandwagon.

Jamuna Bank got the approval from the

unearthed the topic, said Ali, also a former executive director of the central bank

This means the Islamic lenders fix the profit rate like the interest rate setting by the conventional banks.

The country's existing eight Shariah lenders and Islamic windows of the conventional banks have given out loans at less than 2 per cent of their total lending portfolio as per the different research works.

"No bank in the globe has yet to start a full-fledged Islamic banking."

Only Malaysian and Turkish banks have got a bit success in replicating Islamic banking. But even then they are not Shariah banks in the truest sense, Ali

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Could Thailand be an alternative to India for consumer goods?

REFAJET ULLAH MIRDHA

The import of Thai products is growing in Bangladesh on the back of higher demand and good quality in a country where the consumer class is fast-expanding.

Babywear, cosmetics, fashionable footwear, fancy products, spices, fresh vegetables, fruits and foods, nuts and snacks segments are full of Thai goods.

Thai boutique hotels, restaurants, beauty parlours and salons are springing up in major cities like Dhaka, Chattogram and Khulna as well as in many district towns.

Local businessmen choose the Southeast Asian nation as an alternative to two major sourcing destinations: India and China. In fact, Thailand has become a very popular alternative destination, especially to small and medium traders mainly for two reasons: better quality and geographical location.

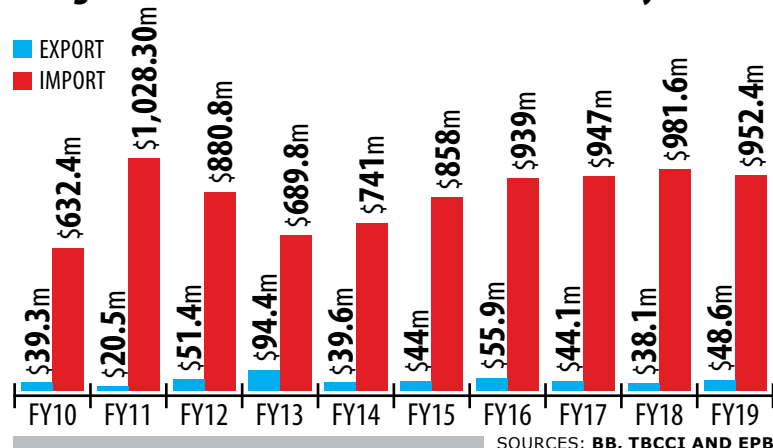
Many businessmen don't want to rely on India and China. Goods are smuggled into Bangladesh from India as the two countries share more than 4,000 kilometres of borders, while China can't always supply quality food at affordable prices.

For instance, Antu Kareem, managing director of Pentagon International, a consumer goods distributor, began stationery business in Bangladesh in 2000.

He used to import ball point pens from India. His business had



Bangladesh's trade with Thailand over the years



been on a roll as the demand was high. He was an agent of nearly 15 Indian consumer goods in Bangladesh.

But, his profitable business faced a major setback all on a sudden when similar kinds of branded goods started slipping into the country through borders. The business nosedived overnight.

He desperately tried to keep his business afloat, but to no avail.

With the changed situation, he also changed his sourcing

destination and chose Thailand, as there is no possibility of the products being smuggled into the country.

"I did not choose China as people do not have faith in Chinese goods. Japan is a very expensive destination and I also have to follow a lot of rules and regulations if I do business with Japan," Kareem told The Daily Star.

The US could have been another potential source, but he did not choose the American market as it

required a lot of capital.

"I thought only Thailand can be my perfect choice in Asia as I can buy all goods at competitive prices with shorter lead time and quality goods."

He started business with Thailand in 2005. Today, Kareem is the sole distributor of Kodomo-branded goods in Bangladesh. Currently, he distributes branded items such as shampoo, soap, toothpaste, face powder and utensils.

Kareem's annual turnover is Tk 100 crore and sells Tk 40 crore worth of Kodomo-branded goods in the country.

"My business is very good now and I don't have any fear about smuggling."

Thailand is far away from Bangladesh. However, geographically it is closer to the country compared with other Asian countries. "This is the biggest advantage of doing business with Thailand," he said.

Many local small and medium-sized businessmen can't afford the business of consumer goods with the US and European countries, although there is a big demand for the goods from the regions.

"However, Thailand can offer all those goods at competitive prices," Kareem added.

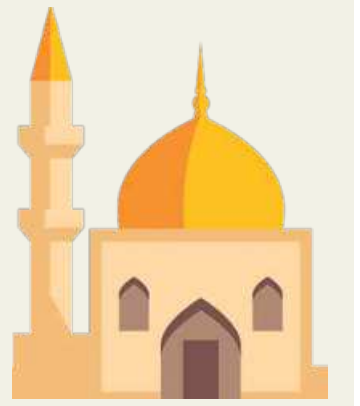
Like Kareem, Abdus Salam, head of business for food division at Fair Group, is another businessman who supplies snacks of the Thai brand Tong Garden all over Bangladesh.

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ISLAMIC BANKING IN BANGLADESH AS OF 2019

By the numbers

- ▶ Total deposits: Tk 280,228cr
- ▶ Total investments: Tk 262,752cr
- ▶ Both of which are about 25% of the banking sector
- ▶ Excess liquidity: Tk 9,733cr
- ▶ Which is about 9.2% of the banking sector
- ▶ Total number of branches: 1,380
- ▶ Total manpower: 35,906



central bank yesterday to become a full-fledged Islamic lender, following the lead of Standard Bank and NRB Global Bank, who became Shariah-based lenders on February 9.

This takes the tally of Islamic lenders in Bangladesh to 11.

And IFIC Bank, another conventional lender, is waiting to get the central bank's nod to become an Islamic lender.

But, there are questions on whether the Islamic lenders in Bangladesh actually follow the Shariah rules and regulations in the absence of strict monitoring by the Bangladesh Bank.

"The central bank does not have enough prudential guidelines to monitor Islamic banks," said Ahsan H Mansur, executive director of the Policy Research Institute.

They frequently violate the Shariah rules while setting profit-sharing method for both deposits and investments, said Yasin Ali, a former supernumerary professor of the Bangladesh Institute of Bank Management.

Islamic lenders usually set a provisional profit rate before mobilising deposits and giving out loans.

"But the country's Islamic lenders hardly change the profit rate at the end of the year, which is fictitious in true sense. This cannot happen if they follow the actual Shariah rules."

The country's Islamic lenders had earlier confessed the issue after the researchers

added.

"One section of people are using Islam for politics and some businessmen are using exploiting people under the guise of Islamic banking," said Khondker Ibrahim Khaled, a former deputy governor of the central bank.

There was no banking system in seventh century when people embraced Islam as religion. Islamic banking started its journey in the 70s.

The central bank should strengthen its monitoring on the lenders with a view to ensuring the discipline in the banking sector.

He suspects conventional banks are switching to Islamic banking to circumvent the interest rate bounds of 9 per cent and 6 per cent for lending and deposit respectively.

"Since the Islamic lenders do not follow the interest rate module, they could take undue facilities from the central bank's initiative," he added.

But a BB high official said the 9-6 per cent interest rate bound will also be applicable for Islamic lenders.

When his attention was drawn on the central bank's claim, Khaled said that such embargo would not be eligible for Islamic lenders due to the Shariah norms.

Mansur echoed the same as Khaled.

"The spree of conversion has become a matter of concern. The central bank should take decision cautiously to this end," he added.

Bourses in meltdown all over the globe

STAR BUSINESS REPORT

Stocks all around the world, including in Dhaka, went on a freefall again yesterday, a day after the coronavirus outbreak was declared a global pandemic by the World Health Organisation.

There are 118,000 cases, more than 4,000 deaths, the agency said, and the virus has found a foothold on every continent except for Antarctica.

DSEX, the benchmark index of the Dhaka Stock Exchange, dropped 101.52 points, or 2.39 per cent, to close the day at 4,129.96.

The fall means the recovery from Monday's 255 points plunge, the steepest fall since in 2013, was short-lived, as nervous investors went for sell-offs to escape further losses.

The coronavirus is affecting almost all the listed companies due to the shortage of raw materials that come from external sources, including China, and shrinking consumption in the affected countries.

So, it would impact the earnings of the companies, said a top official of an asset management company.

The virus has spread to more than 116 countries, including Bangladesh and the country's export destinations. China, the

largest trading partner of Bangladesh, is the epicentre of the virus.

If the virus contagion continues, it would affect the economy and thus the listed companies, he added.

This has left the global economy reeling. Yesterday, global stocks tumbled after the US suspended travel from Europe. Some weaker companies warned about their prospects for survival.

Trading in the US was halted after the S&P 500 fell 7 per cent. The index triggered a circuit breaker for the second time in a week. The halt, for 15 minutes, is intended to prevent markets from crashing.

The waves of selling this week have left the Dow Jones industrial average and several major global benchmarks in bear market territory -- a term that signifies stocks have fallen more than 20 per cent from their highs. Without a substantial recovery on Thursday, the S&P 500 will end there as well.

Europe also saw bearish day due to the fear of the world economy contraction riding on the epidemic coronavirus.

Eurozone's stock index Euro Stoxx 50 Pr fell 5.9 per cent, London's FTSE 100 Index 5.71 per cent, Germany's Dax Index 5.92 per cent and Spain's IBEX 35 6.15 per cent.

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Tk 100cr subsidy earmarked for farm machinery

Move to reduce farmers' production cost in next boro season

REJAUL KARIM BYRON and SOHEL PARVEZ

The government is putting its best foot forward to help farmers buy agricultural machinery with subsidy ahead of the next boro season so that the growers can bring down their production costs, said officials of the agriculture ministry.

Some Tk 100 crore has been set aside for this purpose this fiscal year and the farmers will get 50 per cent of the price of a machine as subsidy.

For example, a farmer will be entitled to up to Tk 14 lakh of subsidy for buying a combine harvester, which will help him bag produce on time by reducing dependence on labourers.

Similar support will be provided for buying reapers and transplanters, the officials said.

"We will start offering the support to farmers as soon as possible," said Agriculture Secretary Md Nasiruzzaman.

On Wednesday, Agriculture Minister Muhammad Abdur Razzaque said the finance ministry has already allocated the money and additional fund would be available if needed.

On top of that, his ministry has outlined a Tk 3,200-crore project to speed up mechanised farming and the project would soon be placed at the Executive Committee of the National Economic Council (Ecne) meeting for



approval.

The initiative comes in the face of soaring wages due to a shortage of farm labourers in the peak season of harvest and plantation, causing a loss in the yield of rice. Paddy is cultivated on 71 per cent of the total croplands of 1.54 crore hectares in the country, according to official data.

As per Bangladesh Bureau of Statistics (BBS), the average daily agricultural labour wage remains high during harvesting seasons of aman and boro rice crops, which account for more than 90 per cent of the total annual production of 3.73 crore tonnes of milled rice.

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Syed Ferhat Anwar, director of the Institute of Business Administration under Dhaka University; Sakshi Handa, human resources director of Unilever Bangladesh; and Tanzeen Ferdous Alam, homeware, and food and refreshment director, attend a deal signing ceremony in Dhaka on Wednesday on academic collaboration for research and innovation with special focus on sustainable development.



Md Showkat Ali Chowdhury, chairman of Eastern Bank Ltd, opens a 'Mujib Corner' at the bank's head office in Dhaka on Wednesday to mark the birth centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. Ali Reza Iftokhar, CEO, was present.



Emranul Haq, CEO of Dhaka Bank, opens a sub-branch of the bank in the capital's Badamtali area yesterday.



HBM Iqbal, chairman of Premier Bank, opens a 'Bangabandhu Corner' at the 14th floor of the bank's head office in Dhaka on Tuesday to mark the birth centenary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. M Reazul Karim, CEO, was present.



Syed Hamdul Karim, general manager for MetLife Bangladesh, launches a new health insurance plan, MediCare, at the insurer's office in Dhaka recently.

More than half German firms hit by coronavirus effects: Ifo

AFP, Berlin

Some 56 per cent of German companies are suffering negative effects from the coronavirus epidemic, Munich's Ifo institute said on Thursday, with the tourism and hospitality sectors hit hardest.

Fears of recession in Europe's biggest economy have grown since the outbreak of the coronavirus and the government has warned that export-oriented industries will suffer from disruptions to supply chains.

Some 63 per cent of companies in the manufacturing sector said they were negatively affected, with most citing cancelled or postponed business trips as the main factor. About half cited problems with raw materials or parts.

About half of companies in the service sector also said they were hit, mainly due to a decline in demand and the cancellation of bookings, trade fairs and conferences.

Almost 96 per cent of firms in the tourism sector and 79 per cent of those in the hospitality sector were hit. Some 63 per cent of firms in the trade sector are suffering, Ifo said, chiefly due to supply delays and lower demand.

Ifo surveyed almost 3,400 firms. Germany has reported 1,567 cases of the virus and three deaths.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
মহিলা বিষয়ক অধিদপ্তর
২০টি শিশু দিবায়ক কেন্দ্র স্থাপন প্রকল্প
৩৭/৩ ইন্সটান গার্ডেন রোড, ঢাকা।
E-mail: pddcdwa@gmail.com

স্মারক নং-৩২.০২.০০০০.০২৭.১১.০৩৮.২০-৩৩৫৭ তারিখঃ ১১/৩/২০২০

আউটসোর্সিং পদ্ধতিতে জনবল সরবরাহের উন্মুক্ত দরপত্র বিজ্ঞপ্তি (একাধিক লট)

মহিলা বিষয়ক অধিদপ্তরের ২০টি শিশু দিবায়ক কেন্দ্র স্থাপন প্রকল্পের সদর কার্যালয় ও ২০টি শিশু দিবায়ক কেন্দ্রের কার্যক্রম পরিচালনার জন্য মাসিক সাকুল্য বেতনে আউটসোর্সিং পদ্ধতিতে জনবলের সেবা গ্রহণের উদ্দেশ্যে The Public Procurement Act 2006 এবং The Public Procurement Rules 2008 অনুযায়ী জনবল সরবরাহকারী প্রতিষ্ঠানের নিকট হতে সীল মোহরকৃত খামে উন্মুক্ত দরপত্র আহবান করা যাবে।

Sl. No.	Package No.	Name of works	Tender/ Proposal ID No.	Method of tender
1.	GCP-3/C-W178	Improvement of Kangshanagar GC - Alhabad UPC via Shimarkanda Road at 5074-6116m Road ID. 419403021 under Debidwar Upazila, District: Cumilla.	436003	LTM
2.	GCP-3/C-W179	Improvement of Masikara Bazar-Gunaighar (North) UPC (Modomora) Road at 00-737m Road ID. 419403009 under Debidwar Upazila, District: Cumilla.	436004	LTM
3.	GCP-3/C-W182	Improvement of Kalikapur steel bridge to Shichapara bazar Road at 00-1000m Road ID. 419405031 under Debidwar Upazila, District: Cumilla.	436007	LTM
4.	GCP-3/C-W183	(a) Improvement of Kutambapur National Highway to Vani Baburbari via Tribidda Road at 2708-3548m Road ID. 419404039, (b) Construction of 6m Culvert at Ch. 2710m on the same Road, (c) Construction of 229m Protective Work on the same Road under Debidwar Upazila, District: Cumilla.	436008	LTM
5.	GCP-3/C-W188	Improvement of Cheowra Kuripukur Par- Chharpura - Halder Mura Road at 00-1025m Road ID. 419314300 under Choudhagram Upazila, District: Cumilla.	436013	LTM
6.	GCP-3/C-W190	Improvement of Rampur - Muzzafar Ali College-Baidanathpur Bazar Road at Ch. 1500-2500m Road ID. 419884007 under Upazila Meghna, District: Cumilla.	436015	LTM
7.	GCP-3/C-W191	Improvement of Rampur Post Office-Bharella Bazar Road at Ch. 00-1500m Road ID. 419184051 Salvage Tk. 210739/- under Upazila Burichong, District: Cumilla.	436016	LTM
8.	GCP-3/C-W192	Improvement of Aggapur Rail line-Chinaya via Latif Member House Road at Ch. 00-793m Road ID. 419184087 under Upazila Burichong, District: Cumilla.	436017	LTM
9.	GCP-3/C-W195	Improvement of Shahababad Bazar-Jeroine Road at Ch. 00-355m & 1993-2150m Road ID. 419154008 Salvage Tk. 98231/- under Upazila Brahmanpara, District: Cumilla.	436020	LTM
10.	GCP-3/C-W185	Improvement of Abdullapur DC Road-Gomtir Ayil Via Sarker Bari Road at 1185-1600m Road ID. 419405102 under Debidwar Upazila, District: Cumilla.	436010	LTM
11.	GCP-3/C-W189	Improvement of Baharkhola UP-Gobindapur UP via Khirarchak Bazar Road at Ch. 2353-3850m Road ID. 419883006 under Upazila Meghna, District: Cumilla.	436014	LTM
12.	GCP-3/C-W193	Improvement of Mohonpur GC -Abidpur GC Road (Debidwar part) Road at Ch. 1873-2650m Road ID. 419402017 under Upazila Debidwar, District: Cumilla.	436018	LTM
13.	GCP-3/C-W184	Improvement of Agaragham Pny. School to B. Para Road at 1100-1560m Road ID. 419404023 under Debidwar Upazila, District: Cumilla.	436009	LTM
14.	GCP-3/C-W187	Improvement of Jugirhat (Sha Fakhar Uddin)-Fulmuri Primary School Road at 00-780m Road ID. 419314232 (Salvage Tk. 239716/-) under Choudhagram Upazila, District: Cumilla.	436012	LTM
15.	LGED/Cum/VRRP/Re-hab/19-20/W-847	1. Rehabilitation of Jalom (North) UP - Sreeyang Bazar Road via Barakeshtola Bazar, Monchorganj Portion, Road from Ch. 00m-1960m (Road ID. 419903004) under Jhomol South Union, Upazila Monchorganj, District: Cumilla (2nd call).	436986	LTM
16.	GCP-3/C-W167	a. Improvement of Kuarbazar - Bakoi UPC Road (Ch. 00-2533m Road ID. 419723022, Salvage Tk. 309568/-, b. Construction 4.50m Culvert at Ch. 1447m on the same road, c. Construction of 1024m Protective work on the same road under Laksham Upazila, District: Cumilla (2nd Call).	436750	OSTETM
17.	GCP-3/C-W194	Improvement of Chandia UP Office (R&H)-Darpanarayanpur Kandughur bazar Road at Ch. 2550-4530m (Road ID. 419153006) Salvage Tk. 736858/- under Upazila Brahmanpara, District: Cumilla.	436019	OSTETM
18.	SupRB/Cum/Replace/19-20/W-01	Replacement of 50m long RCC Arch Girder Bridge on Munshirhat-Hasnabad Road at Chainage: 5554m (419902005) under Monchorganj Upazila, District: Cumilla.	430361	OTM

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP Portal have to be deposited through online at any branches of registered bank up to 29-03-2020, 17:00pm for Sl. No. 1 to 16; up to 12-04-2020, 17:00pm for Sl. No. 17 to 18. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

The Tender Notice will be available on the website: www.lged.gov.bd.

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Khandaker Asaduzzaman
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**Md Shirajul Islam Mollah
Ceramic-maker's
body re-elects
top brass**

STAR BUSINESS DESK
Md Shirajul Islam Mollah, managing director of China-Bangla Ceramic Ind Ltd, has recently been re-elected president of the Bangladesh Ceramic Manufacturers and Exporters Association for a two-year term.
The association also re-elected Moynul Islam, vice chairman of Monno Ceramic Ind Ltd, and Irfan Uddin, a director of Farr Ceramics Ltd, as its senior vice president and general secretary respectively, according to a statement.

Asia stocks sink after US bans Europe travel on virus

AFP, Tokyo

Stock markets tumbled Thursday after US President Donald Trump announced a 30-day ban on travel to the United States from Europe over the coronavirus. Asian markets were already a sea of red at the open, with traders taking their lead from a global rout as the World Health Organization declared the spread of the new virus was officially a pandemic.
But Trump's announcement of the 30-day ban, which excludes Britain, caused further selling, despite a series of measures intended to ease the financial pain of the outbreak, which has paralysed travel and hit businesses around the world.
Tokyo's benchmark Nikkei was down 5.42 per cent or 1,051.88 points to 18,364.18, while the broader Topix was down 5.06 per cent or 70.15 points to 1,314.97 in the hour after Trump's address.
Australia's ASX was down 5.4 per cent, while Hong Kong tumbled three percent at the open.
The news also sent the yen higher, with the safe haven currency gaining as uncertainty continues. The dollar

fetched 103.63 yen by 01:30 GMT, from 104.57 yen in early Asian trade.
"Trump travel ban: sell, sell, sell is being heard across dealing rooms in Asia," wrote Stephen Innes, global chief markets strategist at AxiCorp.
"Travel restrictions equal slower global economic activity, so if you need any more coaxing to sell... after a massively negative signal from overnight trading in US markets, it just fell in your lap," he added.
The losses followed another brutal session on the US markets, with wave after wave of bad news, including Hilton withdrawing its earnings forecast and Boeing saying it would suspend most hiring and overtime pay.
The coronavirus outbreak has left virtually no sector untouched, though travel and tourism have been particularly hard-hit as countries institute travel bans and quarantine requirements.
The Dow Jones Industrial Index plunged around 1,465 points, or 5.9 percent, to 23,553.22 on Wednesday, in a bruising session that left the index more than 20 percent below its peak, making it a bear market.
Leading stock markets in Europe also retreated, including the FTSE 100

which dropped 1.4 percent despite the Bank of England slashing its key interest rate to a record low and the government pledging \$39 billion of fiscal stimulus.
Analysts said markets were struggling

under the weight of twin crises: the burgeoning coronavirus outbreak and an oil price war. Oil prices also fell sharply after Trump's comments, plunging more than five percent.
The oil market was already under

pressure after Saudi Arabia and Gulf partner UAE stepped up a price war with plans to flood the global markets.
The move is the latest escalation of a fight among oil producers after Russia balked at an Opec-backed plan to cut production in response to lost demand from the coronavirus.
"The virus itself continues to spread in Europe and the US, meaning more extensive containment measures are likely, which will weigh further on global growth," said Tapas Strickland, senior analyst at National Australia Bank.
"Markets are crying out for a coordinated response to COVID-19 headwinds and a lack of concrete US policy action is rattling markets," he said.
Trump's address included several measures intended to ease the financial burden particularly for small business, including payroll tax relief and deferred tax payments.
But the measures did not appear to be enough to convince investors, though Innes said the stepped up US action could herald "an avalanche of global fiscal action across the board" that might cheer markets eventually.



REUTERS/FILE
A broker reacts while trading at his computer terminal at a stock brokerage firm in Mumbai.

Tk 100cr subsidy earmarked for farm machinery

FROM PAGE B1
Farmers harvest most of their aman paddy during the months of November and December and the principal crop boro during May and June.
The average daily wage (excluding the cost of food) of a male farm worker rose 27 per cent to Tk 337 in May of 2016 from Tk 265 two years earlier, according to BBS data. Currently, farmers prepare more than 90 per cent of their total croplands by power tillers and tractors.
A majority of the grains, mainly rice, are threshed by machines and the rate of mechanisation is growing as farmers find the use of agricultural machinery beneficial in terms of cost-saving and timely cultivation.
However, the progress in mechanised transplantation and harvest has been slow over the years owing to the high cost of machines, a lack of machinery suitable for cultivating all types of soils and a dearth of operators and mechanics, said agriculturalists.
To provide support to farmers, the agriculture ministry requested the finance ministry in October last year to allocate a subsidy fund for combine harvesters, reapers and transplanters.
Agriculture Secretary Nasiruzzaman said the agriculture ministry sought the fund from the allocated subsidy of Tk 9,000 crore this fiscal year and the finance ministry would provide another Tk 100 crore if needed.
However, the finance ministry has fixed the ratio of subsidy and farmers' contribution at 50:50 for buying the machinery.
Based on that, the agriculture ministry set a ceiling for the price of a combine

harvester at Tk 28 lakh to prevent showing inflated prices, he said.
"We are trying to finalise everything so that farmers can buy the machinery with subsidy before the upcoming boro season," said Md Hasanuzzaman Kallol, additional secretary of the agriculture ministry.
Officials said a large number of farmers have applied for the subsidy support to buy combine harvesters and other equipment and Tk 350 crore would be required if all applications are granted.
With the current allocation, subsidy can be provided to buy 800-plus combine harvesters, and 400 reapers and transplanters, according to the officials.
"We had sought a priority list of farmers from the government's upazila level offices. We have already got the list and a panel here will take decisions so that support can be given to every upazila proportionately," said Sheikh Md Nazim Uddin, member secretary of the technical committee on the agri-machinery subsidy programme under the ministry.
Using farm machinery is the only option for reducing production cost and loss of crops, said Subrata Ranjan Das, executive director of ACI Motors, one of the leading farm machinery marketers.
Farmers can save their cost by around 70 per cent by using machinery like combine harvesters and rice transplanters, he said, adding that the government initiative will have a positive impact on farmers' income.
The demand for harvester is quite high and around 60,000 units of harvesters will be needed within the next 3-5 years for a positive impact.
"So, the allocation of Tk 100 crore is not enough to meet the requirement," Das added.

Japan govt to slash view on economy on coronavirus impact: sources

REUTERS, Tokyo

Japan's government is expected to cut its assessment of the economy in a monthly report due later this month, two sources familiar with its thinking said, highlighting the widening economic damage from the coronavirus outbreak.
In its monthly report for March expected on the 26th, the government could also remove language describing the economy as recovering moderately or replace it to reflect weakening fundamentals, the sources said.
The government kept its economic view unchanged in February, saying it was recovering at a moderate pace even as weakness centred on manufacturers continued.
Though it lowered its overall assessment four times last year, the government has consistently maintained that the economy was "recovering moderately" since January 2018.
Policymakers haven't reached agreement yet whether to keep or remove that phrasing, the sources said on condition of anonymity as they were not allowed to discuss the matter publicly.
The government is expected to cut its view on consumption as the service sector in particular takes a large hit from the coronavirus outbreak, which has sent financial markets into a tail spin on worries it could tip the global economy into recession.
It is also likely to take a dimmer view on capital spending and corporate profits, with manufacturers and service-sector firms both seeing growing pressure from the pandemic. Revised data released on Monday showed the world's third largest economy shrank at the fastest pace in almost six years in the December quarter as a sales tax hike hit consumer and business spending.

Could Thailand be an alternative to India for consumer goods?

FROM PAGE B1

Every year, Salam, who previously had trading relations with India, imports \$1.5 million worth of snacks of the brand and distributes them through his agents. He has been doing business with Thailand for the last 10 years.
"Bangladeshi consumers have more trust in Thai products than goods from other Asian countries like China and India."
With the rising demand of Thai goods, Salam's business is growing at 20 per cent year-on-year.
"The secret to the business's success is that there is no border between Bangladesh and Thailand through which goods can be smuggled into."
He applauded the Thai embassy in Dhaka for working relentlessly to promote Thai companies in Bangladesh for many years.
"The embassy's cooperation helped a lot grow business here. Thai people are very cooperative. We feel encouraged," Salam added.
Superstores also sell Thai fresh foods and vegetables, dehydrated foods and fruits, according to Kamal Bayazid, owner of Thai Corner (Food).
Almost all superstores have a separate Thai corners as the demand for the items from the Southeast Asian nation is increasing, he said.
Bayazid supplies Thai fruits, vegetables and pastes of spices to superstores.
The three businessmen demanded Bangladesh sign a free trade agreement (FTA) with Thailand for easing business as the demand for Thai goods is going up.
The import duty on some of the Thai goods is more than 200 per cent, importers say. For instance, importers have to cough

up Tk 200 to import one kilogram of nuts. Such a high duty is a major barrier to flourishing trade between the two countries, they said.
Commerce Minister Tipu Munshi discussed the issue of signing an FTA during a recent visit to the country.
"The Thai government is very eager to sign an FTA. We are also actively considering to strike the FTA with Thailand and some other Asian countries soon," he told The Daily Star.
At the fifth joint trade commission meeting between Bangladesh and Thailand in Bangkok in January, the minister demanded trade benefit on the exports of 36 Bangladeshi products to Thailand.
"Our export basket is narrow. So, we can't exploit the Thai market that much," said Munir Hossain, vice-president of the Bangladesh Thai Chamber of Commerce and Industry.
"We can send garment items to international retail chains such as H&M and Zara, which have presence in Thailand."
If the proposed FTA is inked, textile, garment, pharmaceuticals, jute and jute goods and light engineering of Bangladesh should be included.
"Otherwise, Bangladesh might not benefit from the FTA," Hossain added.
Thai businesses are widening their footprint in Bangladesh as such a breakneck speed that Thai Airways has tripled its daily flights to and from Bangladesh, apart from state-run Biman Bangladesh Airlines and some private airlines.
"We are seeking Thai direct investment in the industries like hospitality, textile, motor parts and hotel management as they are already strong in these areas," Hossain added.

Khatunganj in troubled waters

FROM PAGE B4
The Institute of Water Modelling (IWM) of the water resources ministry has been hired as the consultant firm to carry out the second study.
Bangladesh stands third among the countries most hit by natural disasters in the Global Climate Risk Index 2020.
The country faced 191 large-scale climate-related disasters between 1991 and 2018, said IWM Director Mollah Md Awlad Hossain.
Bangladesh incurred losses of about \$1.69 billion over the past 20 years due to climate change and this accounts for 0.41 per cent of the total GDP, he added.
The study will aim at developing a risk profile for the industrial sector in order to provide industrialists, decision-makers and authorities an effective planning approach to minimising the loss and damages caused by climate change and natural disasters.
Forum For a Planned Chattogram leader Zarina Hossain, CPA Member (Admin) Md Zafar Alam, CDA Executive Engineer Ahmed Mainuddin, CCC Chief Engineer Rafiqul Islam and CCCI Director Syed M Tanvir, among others, spoke at the event.



BSRM
Md Sirazul Islam, executive chairman of Bangladesh Investment Development Authority, attends the 'Chattogram Innovation Dialogue 2020' organised by Bangladesh Innovation Conclave in the port city on Tuesday. Steel re-rolling mill BSRM and Elite Paint supported the event.

Coronavirus a 'catastrophe' for Paris tourist industry

AFP, Paris

Rachid Saidi puts on a brave face at the Paris hotel he manages, forcing a smile even though the coronavirus outbreak threatens his livelihood as tourists avoid the City of Light.
Saidi runs the Monsieur Saintonge, a four-star hotel in the heart of the hip Marais district, which has seen bookings drop by 30-40 percent so far in March.
"It is a difficult period, but we must be strong... There's nothing else we can do," Saidi said as he pored over the bookings register.
"Despite cutting our prices in half... there has been no increase in reservations," he told AFP. "Even if we make the room price one euro (\$1.13). I'm not sure that more people will come!" Hotels and

restaurants across the city have been hit hard by fears over the virus, which has infected nearly 2,300 people in France and killed 48. Business travel has been particularly dented as major events are cancelled, including the International Tourism Trade show and Paris Book Fair.
The US government's ban on travel from Europe and its call for Americans to avoid overseas trips will only add to the pain.
The French capital and the surrounding Ile-de-France region saw 50 million visitors last year, spending a total of 22 billion euros (\$24.8 billion), according to the CRT regional tourism committee.
The downturn comes as businesses in one of the world's most visited cities are still counting the costs of a historic public transport strike that

crippled Paris for weeks on end, as well as months of anti-government "yellow vests" protests that often turned violent.
"It is starting to feel like catastrophe. It is worse than the strikes, worse than the yellow vests," Saidi told AFP.
An enormous bottle of sanitising hand gel sits on the reception counter, next to a tray of health ministry pamphlets on preventing the spread of the virus.
Staff have been instructed to intensify cleaning of the hotel's 22 rooms, "mainly to clean the door handles, to clean the remote controls well; everything that a client can touch with their hands," Saidi said, "and above all, to wash their hands every time they exit a room." Cleaners have been issued special gloves "and there are even some who wear masks," he added.

Coronavirus sends chills down bus operators' spine

FROM PAGE B1

Buses operate on five cross-border routes: Dhaka-Kolkata-Dhaka, Dhaka-Agartala-Dhaka, Dhaka-Sylhet-Shillong-Guwahati-Dhaka, Agartala-Dhaka-Kolkata-Agartala and Dhaka-Khulna-Kolkata-Dhaka.
"And from tomorrow [today], no bus would be going to India. This is the peak season," he said, adding that Shyamoli's international services have already been hit by issues centring the national registry of citizens in India.
He, however, said Shyamoli's domestic operations were yet to be affected. Although some have cancelled tickets, others have snapped them up, he added.
Although their service is yet to be affected, they are very much fearful about it, said Mosharref Hossain, general manager of Hanif Paribahan.
"If the situation deteriorates, people, especially those from the countryside, would stop coming to Dhaka and thus our business would seriously be affected," he told The Daily Star yesterday. A Bangladeshi official working in an international organisation said their office had directed them to avoid crowds and advised limiting movement.
"I had a plan to visit a southern district to join a programme there but cancelled it as I had to use public transport to go there," he said, wishing anonymity.
However a top official of Dhaka Road Transport Owners Association said the effect of coronavirus was still not visible. Asked about their preparations, he said, "So far we have no preparation in this regard."

The narrative on rising inequality

FROM PAGE B4

INEQUALITY HAS DEEP ROOTS
The bottom line is that structural transformation and governance deficits create, and low intergenerational mobility perpetuates, inequalities across generations. Addressing persistent inequality requires reforms to strengthen governance institutions, efficient growth, social protection and enhance opportunities for all without discrimination.
Breaking the cycle of low mobility and high inequality will require removing the disadvantages that certain segments of society face due to their pre-determined circumstances. The focus must be on selected interventions on which a body of rigorous evidence has been accumulated. Existing evidence points to early childhood development, universal health care coverage, good-quality education, conditional cash transfers, investments in rural infrastructure, electrification and income and consumption taxes as promising areas of interventions.

The author is an economist

The narrative on rising inequality

Export container movement remains halted

ICDs yet to give in

STAR BUSINESS REPORT

The transport of containers between the Chattogram port and private inland container depots (ICDs) remained at a standstill yesterday, leading to uncertainty over the timely shipment of a major portion of the country's export-oriented cargo.

Various businesses have expressed deep concern over the deadlock, fearing that it will adversely impact Bangladesh's foreign trade, which is already facing issues brought on by the global spread of coronavirus.

Considering the current situation of the country's foreign trade, the Bangladesh Shipping Agents Association (BSAA) and the Bangladesh Container Shipping Association (BCSA) yesterday sent separate letters to the Bangladesh Inland Container Depots Association (BICDA).

The letters urged the BICDA to resolve the matter and resume the transport of export containers of the three major ICD companies.

The BICDA stopped transporting containers through the main line operators (MLOs) -- Maersk, Gold Star Line and Orient Overseas Container Line -- because they did not pay their respective ICD charges since January, said BICDA Secretary Md Ruhul Amin Sikder.

The unpaid dues amount to Tk 21.40 crore. Almost all shipping agents of these MLOs and some others who are operating directly in Bangladesh have not paid their charges since January.

"But we stopped transporting containers of the three MLOs since they are not receiving our bills," Sikder said.

Only 25 per cent of the total export cargo is transported through containers owned by the three companies, he added.

Trident Shipping Line, a local agent of Gold Star Line, did not pay the charges as the bills sent by the ICDs had been marked up 22 per cent, Delwar Hossain, senior general manager of Trident Shipping, told The Daily Star.

A revision of the existing ICD charges is now on the cards at the shipping ministry and the shipping secretary will supervise the tariff enhancement, said BCSA General Secretary Captain Shahed Ahmed Chowdhury.

Since the matter has already been brought to the ministerial level, everyone should wait until a decision is taken, he added.

Such a deadlock will have further detrimental effects on the garment industry as the entire sector is going through a rough patch.

The country's apparel exports is facing fierce competition from other garment producing nations, said Nasir Uddin Chowdhury, chairman of the standing committee on port and shipping of the Bangladesh Garment Manufacturers and Exporters Association.

Moreover there is a disruption in the raw material supply chain due to the coronavirus outbreak in China, he added.

READ MORE ON B3



ZAHID HUSSAIN

Inequality occupies a salient spot in Bangladesh's development discourse. Most measures of inequality increased from 2000 to 2016. In recent years, the income Gini coefficient increased from 0.458 in 2010 to 0.482 in 2016. The number of ultra-high net worth (above \$30 million) population increased 17.3 per cent during 2012-17, according to the Wealth-X report.

What do we make of the rise in inequality? One explanation that seems to have gained uncritical acceptance in the establishment is the Kuznets's inverted U-Curve.

Income inequality is low at very low levels of income. Practically everybody lives at, or close to, subsistence level. As the process of growth began, people migrated from the traditional agriculture where incomes are low to modern industry, garments being the biggest but not the only one, and abroad, where wages are higher.

The scarce physical and human capital are still heavily concentrated among the relatively few. The high returns they command caused income inequality to rise. As the accumulation of the two types of capital becomes more diffused among the population, income distribution will tend to become more equal with the rise in industrial diversification, agency and the welfare state.

The rise in inequality, therefore, is a temporary phenomenon that development will self-correct. This would have been reassuring if we could safely assume inequality predominantly resulted from structural transformation.

In Bangladesh, the change in income share by deciles in 2016 compared with 2010 (the Household Income and Expenditure Survey data of the Bangladesh Bureau of Statistics) depicts a combination of S-shape (poverty trap) at the bottom and elephant shape at the top, notwithstanding the fact that survey data cannot capture top incomes well and are not consistent with macroeconomic totals.

The income shares of the bottom 5 per cent declined from 9.25 per cent in 2010 to 7.95 per cent in 2016 while the share of the top 10 per cent increased from 35.85 per cent to 38.09 per cent. The share of the middle 40-60 per cent rose from 18.33 per cent to 18.85 per cent while those in the 70-90 per cent decile dropped from 36.5 per cent to 35.17 per cent. The share of the bottom 5 per cent declined

from 0.78 per cent to 0.23 per cent while that of the top 5 per cent went up from 24.6 per cent to 27.8 per cent.

Income growth rate has been the slowest at the bottom 30 per cent and negative at the bottom 5 per cent, while they have been the fastest at the top 10 decile. The middle 40-60 per cent had modest growth and the upper middle 70-90 per cent even less so. The ultra-

agency dimensions of governance with rising inequality.

To the extent growth is biased in favour of the owners of capital in a labour-abundant economy because of trade and exchange rate policy distortions or monopoly rents, it constitutes a technical flaw in the quality of economic governance. The failures of the agency dimension are manifest in the existence of loan defaults, tax evasion, embezzlement of public funds, socialisation of private losses, and predatory business and political behaviour. The flight of this money to safe havens abroad adds insult to injury.

Access to public institutions is heavily biased towards the wealthy. The evidence from Bangladesh glares at one's face when gleaned from various Transparency International Bangladesh reports, the Global Financial Integrity findings, the financial sector and public procurement assessments, the government's anti-corruption drive, and myriad of anecdotal stories on elite capture of trade, fiscal and financial policies.

Inequalities arising from the technical and agency failures of governance are pernicious. High-income inequality allows the rich to wield stronger political influence, thereby subverting institutions.

Weak institutions are conducive to income inequality and inequality weakens institutions.

LOW INTERGENERATIONAL MOBILITY There is evidence that inequality in human development among children belonging to different socio-economic groups is attributable to the difficulties of overcoming circumstances inherited at birth. Such path-dependent inequalities tend not to self-correct.

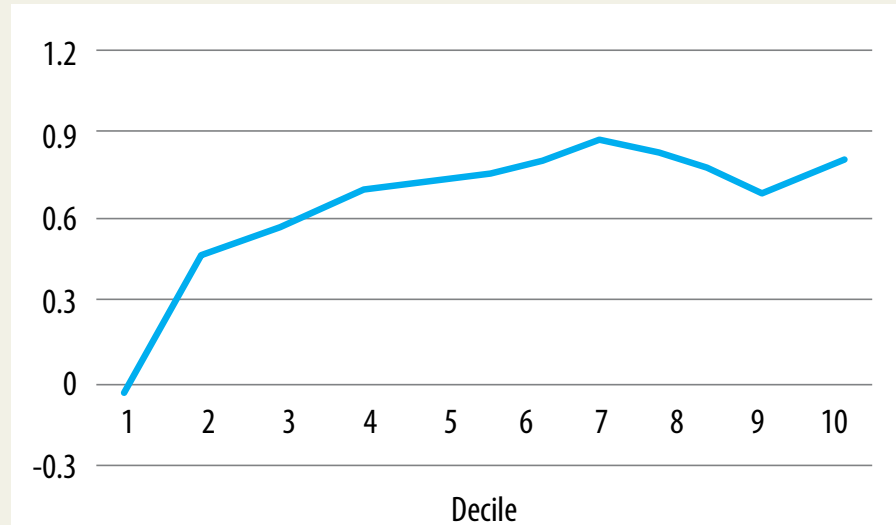
Nobel laureate Amartya Sen pointed out that individuals can differ greatly in their abilities to convert the same resources into a state of 'being and doing' such as being well-nourished or having shelter. Individuals also differ in their capability to choose between different kinds of life. People can internalise the harshness of their circumstances so that they do not desire what they can never expect to achieve.

The disadvantages inherited when born into poverty is self-reinforcing. Abhijit Banerjee and Esther Duflo explain in Poor Economics how your income today could influence what your income will be in the future. The amount of money you have today determines what you eat, how much money spent on health, education, and ways to improve your work. This in turn influences your incomes in the future. The poverty trap is an "S-shaped" curve where future income continues to be lower than present income.

This explains why social mobility is lower for impoverished people than their counterparts with a higher income. The presence of such a phenomenon at the bottom of the income distribution in Bangladesh was noted earlier.

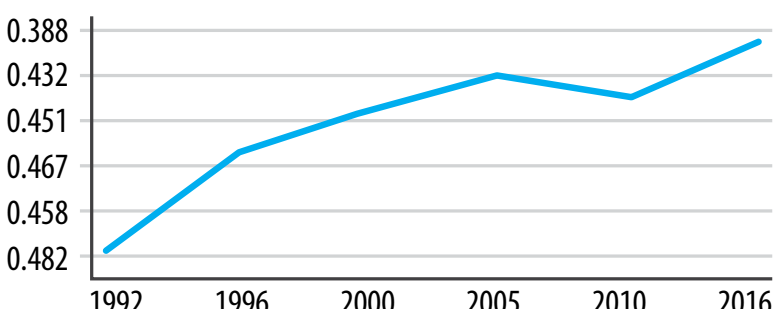
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REAL GROWTH OF PER CAPITA EXPENDITURE by decile (%)



*GDP deflator has been used for deflate
SOURCE: HOUSEHOLD INCOME AND EXPENDITURE SURVEY

BANGLADESH'S INEQUALITY TREND



NEXT STEP

Making a DIFFERENCE

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

4 ways to maximize productivity at work

To be productive at work, you can either spend more hours on it or schedule all the projects properly and work smartly. As time is a limited resource, you need to use effective strategies to maximize your output or productivity.



- STOP MULTITASKING**
We think that the ability to multitask is an important skill for increasing productivity. However, it is not humanly possible. Juggling with several tasks may result in lost efficiency and time. A habit of dealing with one work before moving on to another is the best way to cope up with all the projects and complete them faster.
- USE 80/20 RULE**
You can use the 80/20 principle to prioritize the tasks according to the need. It implies that you need to identify the most important 20

- percent of your work to maximize efficiency and cut down the less significant 80 percent of your work schedule. It allows you to save time for the other important things. It's like getting 80% of the outcome from 20% of the efforts.
- TAKE BREAKS**
Taking breaks while working may sound counterintuitive. But scheduled breaks can improve the power of concentration. Breaks should be structured and deliberate so that they can help you get recharged and come up with new ideas with enthusiasm.

- ELIMINATE INEFFICIENT COMMUNICATION**
Responding to all the emails and messages all the time can cost a huge part of work time. These time-consuming jobs can be settled by writing precise and clearer emails and messages. And notifications should be turned off to avoid distractions. Checking all these things after specific intervals can save time to handle the additional workload.

JINAT JAHAN KHAN

Khatunganj in troubled waters

Traders demand action against monsoon waterlogging

STAR BUSINESS REPORT

The Khatunganj-Chaktai market, one of Bangladesh's largest wholesale hubs for household essentials, is losing its position as the country's top trade centre owing to seasonal waterlogging, lack of proper infrastructure management, corruption and poor road connectivity, among other barriers, experts say.

waterlogging for the past 15 years," said Mahubul Alam, president of the Chittagong Chamber of Commerce and Industry (CCCI).

"Khatunganj is gripped by major challenges such as poor infrastructure, drainage and the encroachment of Chaktai canal," said Khandakar Shabbir Ahmed a professor of the Department of Architecture at the Bangladesh University of Engineering

attended by several business leaders and senior officials from various government organisations.

During the workshop, the Planning Commission announced that it would conduct two separate studies on the economic impact of waterlogging on local trade -- A Study on Khatunganj, Chattogram and an Industrial Sector Risk Profile for Chattogram -- with assistance from the NRP and technical partner United Nations Development Programme (UNDP).

Planning Division Secretary Md Nurul Amin stressed the need to formulate risk management plans ahead of the launch of any project to ensure sustainable development.

"Government organisations such as the Chattogram City Corporation (CCC), the Chattogram Development Authority (CDA), the Chattogram Wasa and the Chattogram Port Authority (CPA) need to coordinate in order to mitigate waterlogging in an effective way," he said.

He cited numerous unsuccessful attempts by government bodies to solve the problem in the past.

The NRP will help conduct the studies as a part of the organisation's duty to promote risk-informed development and resilience practices in private sector investment, said Nurun Nahar, deputy chief of the NRP and the project director.

The first study will identify the economic impact of waterlogging on the local trade in the port city and make recommendations on how to minimise risk.

It will also try to outline how waterlogging in the area may be associated with climate change as a hydro-meteorological and planning problem by identifying natural, man-made and planetary threats.

This includes tidal flooding, encroachment, erosion, solid waste drainage, soil permeability, excessive rainfall and a rise in sea level.

READ MORE ON B3



KHATUNGANJ AT A GLANCE

Bangladesh's top commodity hub until last decade

3,000 businesses, 5,000 warehouses

Tk 500cr losses in 2018 for waterlogging

Tk 920.5cr spent on solving waterlogging in past 16 years but to no avail

102 encroachers in Chaktai canal identified in 2015 but yet to be evicted

Businesses have underscored the need to conduct a thorough study on the economic impact of waterlogging and other difficulties faced in the area.

The study will help formulate effective solutions for a comprehensive project in the future that will aim to return the trade centre to its former glory, they said.

About 3,000 firms, including 250 wholesale shops and 5,000 warehouses, are located in Khatunganj and the adjoining Chaktai and Asadganj areas, where waterlogging alone inflicts losses of several hundred crores of taka each year.

"Traders in Khatunganj have endured huge losses due to

and Technology, while delivering a presentation on the primary findings of a study.

Narrow entrance road causes gridlock for hours and there is a lack of truck terminals. Trust is an issue which hampers trading as fraudsters enjoy impunity, said Ahmed.

They spoke at an inception workshop styled "Private Sector Resilience Study" at the Bangabandhu Conference Hall of the World Trade Centre in Chattogram yesterday.

The event was organised by the National Resilience Programme (NRP) and the Programme Division of the Planning Commission in association with the CCCI and