



Azharul Islam, CEO of Ace Autos, exclusive distributor of Haval in Bangladesh, launches the company's new SUV—Haval H2 2020—at Haval's head office in Dhaka yesterday. The limited time special offer price of the Haval H2 City Luxury model will be Tk 27.50 lakh for early birds which will come with a 3 years/60,000 km warranty.

ACE AUTOS

Coronavirus situation more extraordinary than banking crisis: Merkel

REUTERS, Berlin

The coronavirus crisis is proving more of an extraordinary situation than the banking crisis, Chancellor Angela Merkel said on Thursday, adding that her government's focus now was not how its budget works out.

Speaking after meeting the leaders of Germany's 16 states, Merkel said her finance and economy ministers would present a "very comprehensive" package of additional measures to support German businesses on Friday.

Asked about Germany's self-imposed policy pledge of not taking on new debt, Merkel said the budget was not her government's main focus, underlining her message from a day earlier that the public finances were secondary.

"The debt brake ... provides for exceptions in extraordinary situations



Angela Merkel

- and that is, as I said yesterday, really not our topic as to how the budget balance will look in the end," Merkel told a news conference.

Under the German debt brake rule, the federal government can take on new debt of up to 0.35 per cent of economic output. France has been using the coronavirus crisis to push for more public spending by Germany and other countries with fiscal leeway. "We are in a situation that is

unusual in every respect and I would say more unusual than at the time of the banking crisis because we are dealing with a health problem, a health challenge for which scientists and medicine does not yet have an answer," Merkel said.

"So it is our task first of all to save people's lives, as best we can, and secondly to keep economic activity going," Merkel said that for regions suffering a dynamic outbreak of coronavirus "the temporary closure of nurseries and schools, for example by bringing forward the Easter holidays, is another option." Urging people to avoid social contact where possible, Merkel said the federal and state governments called for events with fewer than 1,000 participants not to go ahead. Previously, it had urged a halt to public gatherings with more than 1,000.

The economic remedies for the virus

REUTERS

..... Policymakers and government leaders have taken a range of approaches to deal with the economic fallout from the coronavirus. Here is a list of how some of the world's biggest economies and economic blocs have reacted.

UNITED STATES

The New York Federal Reserve said it will make \$1.5 trillion available for overnight lending markets and start purchasing a broader range of US Treasury securities as part of its monthly purchases, a shift that signals it could deploy crisis-era tools sooner than planned. The central bank offered \$500 billion in a three-month repo operation on Thursday and will offer an additional \$500 billion in one-month repo and \$500 billion in three-month repo loans on Friday.

It comes a day after President Trump said the US Treasury Department will defer tax payments without interest or penalties for certain individuals and businesses negatively impacted, aiming to provide more than \$200 billion of additional liquidity to the economy.

He also said the Small Business Administration will provide capital and liquidity to firms affected by the coronavirus by providing low-interest loans to small businesses in affected states and territories, effective immediately. And he suspended all travel from Europe, with a few exceptions, to the United States for 30 days starting on Friday.

Earlier, Trump signed a \$8.3 billion emergency spending bill to combat the spread of the virus and develop vaccines for the highly contagious disease.

The US Federal Reserve has cut interest rates by half a percentage point in its first emergency rate move since the height of the 2008 financial crisis. Investors expect more cuts in the weeks ahead.

EUROPEAN CENTRAL BANK

The ECB will provide banks with loans at a rate as low as minus 0.75 per cent, below the -0.5 per cent deposit rate, and increase bond purchases by 120 billion euros this year with a focus on corporate debt. The ECB's bank supervisory arm will let euro zone banks fall short of some key capital and cash requirements, to keep credit flowing to the economy.

But unlike its US and UK counterparts, the ECB held back on cutting rates and instead pointed the finger at euro zone governments, who have been slow in ramping up spending.

CHINA

China earmarked 110.5 billion yuan (\$15.9 billion) to fight the epidemic. Beijing has ramped up funding support for virus-hit regions and the country's central bank has cut several of its key rates, including the benchmark lending rate, and has urged banks to give cheap loans and payment relief to exposed companies.

China will modify the environmental supervision of



REUTERS

A quarantine worker in protective gear sprays disinfectants at a screening facility for checking coronavirus disease in Cheongdo county, South Korea.

companies to help the resumption of production disrupted by the coronavirus epidemic, giving firms more time to rectify environmental problems.

ITALY

Italy has doubled the amount it plans to spend on tackling its coronavirus outbreak to 7.5 billion euros (\$8.4 billion) and is raising this year's deficit goal to 2.5 per cent of national output from the current 2.2 per cent target.

Payments on mortgages will be suspended across the whole of Italy and Italy's banking lobby ABI said lenders would offer debt moratoriums

to small firms and households grappling with the economic fallout from the virus.

JAPAN

Japan unveiled a second package of measures worth about \$4 billion in spending to cope with the fallout of the coronavirus outbreak, focusing on support to small and mid-sized firms, as concerns mount about risks to the fragile economy.

Separately, Bank of Japan Governor Haruhiko Kuroda has pledged to pump more liquidity into markets and step up asset buying.

THE EUROPEAN UNION

European Union leaders have so

far failed to agree radical measures to tackle the crisis. European Commission chief Ursula von der Leyen said in a tweet on Thursday that Brussels was working on responses including a "package to prop up the EU economy".

BRITAIN

Britain launched a 30 billion-pound (\$39 billion) economic stimulus plan just hours after the Bank of England slashed interest rates, a double-barrelled package aimed at warding off the risk of a coronavirus recession.

FRANCE

The government is allowing companies to suspend payments of some social charges and taxes, and is activating state-subsidised short-time work schemes. It has ordered the Bpifrance state investment bank to guarantee loans needed to overcome short-term cashflow problems.

Paris has also allowed companies to declare force majeure due to the outbreak if they cannot honor a contract with the public sector, and is putting pressure on big companies to show similar leniency with subcontractors.

INDIA

The Reserve Bank of India (RBI) plans to infuse fresh cash liquidity into the system through a second round of long-term repo operations (LTRO), government officials told Reuters, amid fears that the coronavirus outbreak will derail any revival of economic growth.

The RBI has said it stands ready to act to maintain market confidence and preserve financial stability.

The government is, meanwhile, pushing state-run banks to approve new loans amounting to 500-600 billion rupees by the end of March, according to government sources.

CANADA

Finance Minister Bill Morneau said on March 9 that the government was "looking at taking some initiatives this week," as Canada reported its first coronavirus death, with a steep decline in oil prices expected to hit the world's fourth-largest crude producer hard.

The Bank of Canada lowered its benchmark overnight rate to 1.25 per cent from 1.75 per cent in response to the epidemic, prompting money markets to price in a better-than-even chance of another reduction next month. The last time it cut by 50 basis points was in 2009 during the financial crisis.

SOUTH KOREA

The government announced a stimulus package of 11.7 trillion won (\$9.8 billion) to cushion the impact of the largest outbreak of coronavirus outside China. An additional 10.3 trillion won in treasury bonds will be issued this year to fund the extra budget.

Seoul has also dramatically tightened rules on short-selling for three months. Starting March 11, stocks with a sudden and abnormal increase in short-selling transactions will be suspended from further short-selling for 10 days.



PRIME BANK

Prime Bank Chairman Azam J Chowdhury opens Mujib Corner to pay tribute to Bangabandhu Sheikh Mujibur Rahman to celebrate the Father of the Nation's birth centenary, at the bank's Gulshan branch in Dhaka on March 9. Managing Director and CEO Rahel Ahmed was also present. Two other Mujib Corners were also inaugurated on the day in the bank's head office at Adamjee Court in Motijheel and in its Gulshan office.



UCB

Land Minister Saifuzzaman Chowdhury opens a Mujib Corner of United Commercial Bank (UCB) to pay tribute to Bangabandhu Sheikh Mujibur Rahman to celebrate the Father of the Nation's birth centenary, at the bank's corporate office in Dhaka on March 10. Acting Managing Director of UCB Arif Quadri was also present.

Airline crisis worsens as US quarantines Europeans

REUTERS, Paris

..... Airlines bore the brunt of a dramatic expansion of the coronavirus crisis on Thursday, as US travel curbs on much of continental Europe deepened the sector's misery and piled more pressure on governments to offer emergency support.

The 30-day restrictions will badly disrupt transatlantic traffic key to the earnings of major European carriers and their US airline partners, analysts warned, as the move hit travel stocks already battered by the virus outbreak.

Those routes account for 20-30 per cent of large European operators' revenue and a majority of profit, Credit Suisse analyst Neil Glynn warned, "highlighting the damage to revenue lines for the coming weeks and potentially well into the summer." Glynn added: "A ban on travel to the US will likely mean heavier cuts" than the drastic capacity reductions already ordered as airlines scrapped flights - first to China and then to other destinations including Italy as the virus spread.

Shares in European and US airlines slumped in turn to new lows, with Delta and United Airlines down more than 13 per

cent and American Airlines 7.2 per cent lower.

Air France-KLM was down 9.1 per cent at 1506 GMT, with British Airways parent IAG down 10.7 per cent and Lufthansa 11.5 per cent lower. Troubled Norwegian Air and US-dependent Icelandair both plunged more than 20 per cent.

The US curbs on travel from the 26-country Schengen Area - which excludes Britain and Ireland - are similar to restrictions on China that took effect on Feb. 1 and do not apply to US residents or their immediate family.

"The ban effectively stops travel from the Schengen Area to the USA," said Bernstein analyst Daniel Roeska - predicting a "more substantial" earnings impact than European carriers had suffered from the earlier China flight suspensions.

US airlines had already cut flight schedules to Italy and will take another hit from lower demand for flights from major destinations such as France and Germany.

Among them, American Airlines could be relatively spared by its alliance with British Airways (BA) and higher share of UK traffic, while Air France-KLM partner Delta and Lufthansa ally

United Airlines are likely to suffer more, analysts say.

US Vice President Mike Pence defended the travel curbs on Thursday, after the European Union complained they had been imposed "unilaterally and without consultation".

The virus has taken root in the United States after spreading from China to Italy, South Korea, Iran and elsewhere.

Airlines have already been scrambling to respond to a global travel slump that looks increasingly likely to require government aid to avoid

widespread insolvencies. The EU will publish new state-aid guidelines on Friday.

Germany may extend loans and other support to airlines, a government official said on Thursday. The French government also stands ready to help Air France-KLM, Finance Minister Bruno Le Maire said.

"There is a need for measures from many governments," said Norwegian pilots' union president Yngve Carlsen. "This could lead to a total meltdown." Scandinavian carrier SAS is in talks with the Swedish and Danish governments



REUTERS

The US curbs on travel from the 26-country Schengen Area are similar to restrictions on China that took effect on February 1.

Italy tightens workplace rules in coronavirus crisis

REUTERS, Milan

..... Italy agreed a series of measures on Saturday to improve health controls in factories, offices and other workplaces that have been allowed to stay open during the country's coronavirus lockdown.

The measures agreed after all-night talks with companies and trade union leaders include tighter controls on workplace practices and cleaning protocols, as well as steps to encourage more home-working. Economy Ministry undersecretary Pier Paolo Baretta said.

In addition, help will be offered to workers who have lost income during the lockdown announced across the country last week to try to contain the crisis.

"For the good of the country, for the protection of workers. Italy will not come to a stop," Prime Minister Giuseppe Conte said on Twitter.

Italy is at the epicenter of a coronavirus outbreak that is spreading rapidly across Europe, threatening both public health and the economy.

As of Friday, authorities had recorded at least 17,660 cases and 1,266 deaths, the most for any country outside China, where the virus first emerged.

Deputy Health Minister Pierpaolo Sileri announced on Saturday that he had tested positive for the virus.

Underlining the international dimension of the crisis, a group of Chinese specialists arrived in Italy with medical equipment and advice.

Under the unprecedented lockdown, the government has forbidden all non-essential travel, telling people to stay at home. Airlines have slashed services to Italy and the Transport Ministry said on Saturday that night train services would be suspended.

Schools, restaurants and most shops have been closed but so far, factories, offices and other workplaces have been allowed to remain open.

Onion imports set to resume on Sunday

OUR CORRESPONDENT, Dinaipur

Onion import through the Hili Land Port in Dinaipur and other ports of the country are set to resume on Sunday, more than five months after India suspended exports of the kitchen staple due to soaring prices in domestic markets.

The prices of the essential cooking ingredient rose sharply in India following a shortage in supply, prompting the neighbouring nation to halt exports to meet domestic demand. The cascade effect left consumers in Bangladesh hard pressed to afford the product.

India finally lifted the restriction on onion exports on February 26, said numerous Hili Land Port traders.

Many traders then sent applications to the Plant Quarantine Centre in Hakimpur upazila of Dinaipur, seeking permission to import 25,000 tonnes of onion, according to officials of the Department of Agriculture extension.

However, the Plant Quarantine Centre has allowed the import of only 8,000 tonnes of onion.

"The first consignment of 8,000 tonnes should arrive through the Hili Land Port on Sunday if conditions remain favourable," said Mobarak Hossain, an importer.

Only five traders, who filed their applications at the end of February,

received Import Permission (IP) for onion, he added.

Many importers who filed IP applications in March are yet to receive permission from the ministry, said Harun Ur Rashid, president of the Importers and Exporters Group at Hili Land Port.

IPs are issued from Dhaka after importers file applications online. Once the go-ahead is given, the traders must inspect the onion before it is imported.

"After ensuring that the onion is suitable for import, the product is sent to the land port," he said.

Meanwhile, the market price of locally grown onion witnessed a drop when news began to spread that India would resume exports to Bangladesh in early March.

The price per kilogram of locally grown onions dropped to Tk 20 in the last seven days.

However, India's decision has left local farmers slightly concerned.

Local farmers are always deprived of fair prices as consumers opt for imported onions and this year was no exception, said Ramzan Ali, an onion farmer of Ghugudanga village under Dinaipur Sadar upazilla.

"Onion growers will benefit the most if imports resume halfway through the year," he said, adding that he hopes the government would consider the appeal.

Abdur Rahman Khan appointed chair of a CAPA committee

STAR BUSINESS REPORT

The Confederation of Asian and Pacific Accountants (CAPA), which represents 33 national accountancy organisations in the Asia-Pacific region, has appointed the chair for its Public Sector Financial Management Committee (PSFMC) from Bangladesh.

Md Abdur Rahman Khan, a cost and management accountant, has been appointed as chair of the 10-member committee for four years, according to a document.

The PSFMC will provide input and recommendations to the Board regarding strategies and activities for CAPA in respect to public sector financial management matters.

Khan is a council member of the Institute of Cost and Management Accountants of Bangladesh. He is currently working as a joint secretary of finance division under the finance ministry.

The other members of CAPA's PSFMC committee are from the UK, India, Mongolia, New Zealand, Nepal, Sri Lanka and Pakistan.



Md Abdur Rahman Khan

Booking frenzy sends tanker rates soaring

REUTERS, Singapore

The cost to transport oil on supertankers soared on Thursday as major producers scrambled to secure vessels to ship more crude in a bid to regain market share and buyers took advantage of plunging oil prices.

Freight charges to ship oil in very large crude carriers (VLCCs) from the Middle East, which is home to the largest OPEC producers, to China, the world's top crude oil importer, nearly doubled overnight.

VLCC tanker rates along the busy Middle East Gulf to China route jumped to about \$160,000-\$180,000 per day on Thursday, up from about \$70,000-\$100,000 per day on Wednesday, according to several ship broking sources.

Only a month ago, the same rate was about \$20,000-\$30,000 per day, the sources said.

"The sheer scale of the activity has taken many by surprise," said one ship broker, who declined to be named due to company policy.

The frenzy comes after a deal on supply cuts between the Organization of the Petroleum Exporting Countries and its allies, including Russia, collapsed. Saudi Arabia and the United Arab Emirates both said they would ramp up supplies, hammering oil prices already weakened by the coronavirus outbreak.

At least 13 VLCC tankers were provisionally booked to load crude oil from the Middle East to Asia on Wednesday, after 19 ships were provisionally booked on Tuesday, the sources said.

This compared with about 4 to 5 bookings a day made in the same period last month.

Such is the demand that Saudi Aramco on Thursday rejected at least three Asian refiners' requests for additional April-loading crude oil despite its pledge to ramp up supplies. Crude prices have fallen more than 50% from January highs, raising expectations that some oil could go into storage on tankers.

But soaring rates and tumbling demand for fuel due to coronavirus mean that it makes less economic sense to store the growing supply of oil on supertankers, shipping sources said.

"In this weak demand environment, we are very close to levels where the current freight rates become unsustainable, if they aren't already," the ship broker said.

Saudi Arabia's National Shipping firm, Bahri, this week tentatively chartered up to 19 supertankers to ship crude oil to customers worldwide. Six of the vessels are set to take about 12 million barrels of Saudi crude to the United States, according to data and sources.

The bookings by Bahri are in addition to its own fleet of 42 VLCCs, the sources said.



Singapore PM: virus hit to economy likely worse than 2008 crisis

REUTERS, Singapore

Singapore's prime minister warned on Saturday that the negative economic effects of the coronavirus outbreak will likely be deeper and more prolonged than the 2008 financial crisis.

"The economic hit will likely be more serious than the global financial crisis, and longer-lasting too, even beyond the end of the pandemic," Lee Hsien Loong said in a Facebook post. He said the pandemic will likely last at least this year, and possibly longer.

With 200 infections, the Asian travel hub has signalled that there is a chance of a recession this year and has cut its growth forecasts.

Lee's comments came a day after Singapore revised its electoral boundaries, in a move usually seen as a precursor to calling a vote.

Singapore must hold elections by early 2021. Before the virus hit the Asian city-state late in January, the government had been expected to call a vote within a few months.

Remittance was cruising. Then COVID-19 popped up and made it swerve.

FROM PAGE B1

"Remittance, which is the only one positive indicator in our economy, has now started to feel the pinch. This is highly frustrating."

The situation may get worse in the coming days, but there is no remedy right now to tackle the state of affairs, said Rahman, also the immediate past chairman of the Association of Bankers, Bangladesh, a forum of managing directors of banks.

The lower remittance will not hit the banking sector immediately given the declining trend of import, he said, adding that problem will be created once imports pick up.

The government should increase the 2 percent cash incentive on a short-term basis to help the remittance receivers, said Md Arfan Ali, managing director of Bank Asia.

According to Bangladesh's Wage Earners' Welfare Board, there are some 1.20 crore Bangladeshis working across the globe.



SAMSUNG

Seungwon Youn, managing director of Samsung Bangladesh, poses at a programme at its Dhaka office recently. Samsung signed Bengal Meat, Igloo, Shohoz, Gowala, Romoni and Secret Recipe as affiliated partners, which will give special discounts to the customers with the purchase of every Samsung product. The ongoing campaign will end on April 5.

Daimler, Conti postpone investor meet over virus

AFP, Frankfurt Am Main

German carmaker Daimler and auto parts supplier Continental said Friday they would delay their annual shareholder meetings, bowing to a ban on large gatherings to contain the spread of the coronavirus.

Mercedes-Benz maker Daimler said its April 1 event would be postponed "to a later date in 2020".

"This will inevitably lead to a corresponding postponement of the resolution on the allocation of profit and of the dividend payment," it warned.

Continental said its investor pow wow on April 30 was cancelled and a new date "will be communicated in due course".

"As much as we regret postponing our shareholders' meeting, we fully support the efforts of the authorities to contain the spread of the coronavirus," Continental's chief executive Elmar Degenhart said.

All of Germany's 16 federal states have banned large public gatherings, with further decisions following Friday to close schools and shut care homes to visitors in a

bid to slow the virus.

The infection control measures could squeeze sharply the timeframe available to many companies for their annual meetings.

Under German law, they must take place within eight months of the start of firms' financial year. Degenhart said in Continental's view "it makes sense to hold shareholders' meetings online" in the future.

But lawyer Sven Erwin Hemeling of the German Shares Institute told AFP "German company law requires a general assembly in person." The delay means critical business steps requiring investor approval -- like Continental's plan to float powertrain unit Vitesco -- will have to mark time until a vote can take place.

"Upon securing these approvals, Continental will strive for an implementation of the spin-off and the subsequent (stock market) listing as soon as possible," the company said.

Other companies listed on Germany's DAX index have told AFP shareholder meetings planned for the coming months would go ahead as planned.

Coronavirus fears leave hotels as ghost towns

FROM PAGE B1

The 200-room Radisson Blu Dhaka currently boasts a 45 per cent occupancy rate. Usually, the hotel witnesses an average occupancy rate of 80 per cent this time of the year, he added.

Meanwhile, the Radisson Blu Chattogram's occupancy rate is now just 30 per cent.

The somewhat dire situation for the hotel industry may continue as flight frequency of both domestic and international airlines have dropped significantly.

"Qatar and Turkish airlines' crew members regularly stay at our hotel in Dhaka. However, this almost never happens anymore because of all the flight cancellations," Bari said.

He also urged the government to provide cash incentives and slash the VAT and supplementary duties to help the country's hospitality sector stay afloat.

The global travel sector is expected to lose about \$820 billion in revenue, according to a Global Business Travel Association survey that was published

on Tuesday.

The Six Seasons Hotel, which has 85 rooms that are mainly reserved for foreign clients, already lost Tk 1.5 crore since the outbreak began.

"Most of our guests come from China, Japan and Italy and these countries are the worst hit by coronavirus," said Md Al Amin, general manager of the hotel, adding that the business will suffer the most between March and June.

The occupancy rate at Amari Dhaka sank to just 10 per cent, said its chairman Ashok Kejriwal.

Kejriwal believes that the business will not recover until August due to the upcoming Eid festivals as few foreign guests visit the country during that time.

"The impact of the virus will only add to the woes."

The hotel regularly provides lodgings for Air Arabia crew members. However, that too has been on hold at the 134-room hotel due to the epidemic.

Occupancy rates at Le Méridien Dhaka have dropped from 90-95 per

cent to about 60 per cent, according to officials of the hotel, which has 304 rooms.

Flight crews of Saudi Arabian Airlines, Kuwait Airways and Emirates regularly stayed at the hotel but after the coronavirus outbreak, almost all the airlines cancelled their bookings as there were fewer flights going in or out.

"Since the virus is spreading all over the globe, business at the Dhaka Regency Hotel & Resort is deteriorating," said Shahid Hamid, executive director of the hotel.

The occupancy rate at the 220-room hotel is now at 30 per cent, he added.

If the virus continues to spread, it will force the hotel industry to cut down on jobs, according to industry leaders.

"When hotel owners will have to pay staff wages for the month of March, they will face a harsh reality. I don't know how they will pay the wages without cutting down on workers," said HM Hakim Ali, president of the Bangladesh International Hotel Association.

All is well on the apparel export front

FROM PAGE B1

At the time of writing, Italy is in lockdown, and the Spain, the second most affected country, is considering following suit, too.

Meanwhile, China, where the virus originated from and the apparel sector's source for 46 per cent of the raw materials, has got the novel virus under control and is on course to restarting production.

"Things are improving in the supply chain with China," said Kabir Ahmed, president of Bangladesh Freight Forwarders Association (BAFFA).

For instance, normally some 550 tonnes of cargoes are unloaded in a day at the Hazrat Shahjalal International Airport.

However, the quantity declined to nearly 250 tonnes a day in February, when coronavirus was at its peak in China.

But, over the last two days, nearly 300 tonnes of cargoes have been unloaded a day.

"This means, normalcy is being restored in China," he added.

In fiscal 2018-19, \$5.02 billion worth of textiles were brought in from China. "Nobody complained of any disruption in the supply chain as of now," said Monsoor Ahmed, secretary to the Bangladesh Textile Mills Association.

The association's members import machinery, cotton, dyes chemicals and other industrial raw materials mainly from China. Besides, most of the international clothing retailers and brands have extended the period of execution of work orders for two weeks due to the virus, according to Kyaw Sein Thay Dolly, managing director of Cloths "R" US, a garment buying house in Dhaka.

Meanwhile, 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 and found that Bangladesh stands to benefit from the fallout of the coronavirus.

The reason being, most of the globally renowned companies are planning to shift their work orders from China to other Asian countries, including Bangladesh.

REUTERS, New Delhi

India on Saturday increased taxes on petrol and diesel in a desperate attempt to increase government revenue at a time when tax collections have fallen amid the weakest economic growth in over six years, with the coronavirus impact yet to come.

The excise duties on the fuels, which have been hiked by 3 rupees per litre, is expected to result in up to 400 billion Indian rupees (\$5.42 billion) increase in annual revenue, a senior government official told Reuters.

Taxes on petrol and diesel, which account for more than a third of retail fuel prices, are one of the biggest sources of income for Prime Minister Narendra Modi's government, which has more than tripled revenue from taxes on fuel since first coming to power in 2014.

The excise duties on petrol and diesel contributed nearly 1,420.3 billion rupees (\$19.24 billion), or nearly 11 per cent

of total tax revenue for the year ended March 2019.

The move comes at a time when India is staring at the highest ever tax collection shortfall, as corporate and income tax collection for this

fiscal year is set to fall for the first time in at least two decades and the goods and services tax revenue could see a gaping shortfall.

Indian opposition parties have criticised the Modi

government for their high fuel tax policy amid a decline in rural consumption, but economists have praised the move as fiscally prudent.

"This balance by the government is a good strategy.

This also helps the state shore up some revenue for other useful expenditures," said NR Bhanumurthy, economist at the government-backed National Institute of Public Finance and Policy in New Delhi.

India stopped controlling petrol prices in 2010 and diesel prices in 2014, linking them to global crude markets in a bid to ease pressure on government finances and improve the earnings of oil refiners.

Global oil prices posted their biggest week of losses since the 2008 global financial crisis, rocked by the coronavirus outbreak and efforts by top exporter Saudi Arabia and its allies to flood the market with record levels of supply.

The national hike translates to a 4.8 per cent increase in diesel prices, and a 4.3 per cent hike in petrol prices in India's capital New Delhi, compared with Friday's prices. Petrol was sold at 70 rupees a litre, while diesel was sold at 62.74 a litre on March 13.



REUTERS/FILE

A worker checks a 500 rupee note as a man fills diesel in containers at a fuel station in Kolkata.

Sheltech thrives on ethical business

Says its managing director

JAGARAN CHAKMA

Integrity, quality construction and timely delivery of projects can bring lasting success and reliability in the real estate business, said Tanvir Ahmed, managing director of Sheltech Group, one of the leading realtors in Bangladesh.

"Taking shortcut in business is not sustainable and ethical. Integrity is the best policy for achieving outstanding success in business," the young businessman said.

Sheltech is one of the pioneers in the real estate and housing industry in Bangladesh and has been delivering quality projects since its inception in 1988. It develops residential flats, shopping centres and commercial buildings.

Till date, Sheltech has completed 170 projects and handed over more than 4,200 flats to customers. It has 25 ongoing projects in different parts of the capital city.

Ahmed took the helm of the company eight months ago after its founder and then managing director Toufiq M Seraj passed away in June.


He is also a director of Envoy Group, which has interests in textile and garment business and boasts the first denim factory in the world that obtained LEED Platinum certification, the highest certification awarded by the US Green Building Council.

"Since the beginning, Sheltech has been committed to quality design and construction. All the buildings of Sheltech have been designed as per the national building codes," Ahmed told The Daily Star in an interview at their corporate office at the Envoy Building on Panthapath recently.

"We have emphasised building structures with quality raw materials and maintaining integrity. The company has been committed to providing quality housing solution from the



Tanvir Ahmed



AT A GLANCE

Founded in 1988

Develops residential flats, shopping centres and commercial buildings

Completed **170** projects so far

Handed over more than **4,200** flats

25 ongoing projects in Dhaka at present

Flat size ranges from **1,300** to **1,500** square feet

Prices range from Tk **5,500** to Tk **6,000** per sqft



beginning. This is the strength of the company."

Each building is capable of withstanding code-specified natural disasters such as earthquake. Not only that, each building is equipped with an emergency fire exit to protect residents from an unlikely event of fire.

In its 32-year business history, Sheltech hasn't received complaints from clients and has no history of lengthy process of delivering projects or flats, Ahmed said.

Sheltech's flat size ranges between 1,300 and 1,500 square feet with prices from Tk 5,500 to Tk 6,000 per square feet, or Tk 80 lakh to Tk 1.5 crore in total.

The company, which caters to the middle income and higher middle-income people, also constructs high-end flats priced Tk 10 crore to Tk 12 crore, although their number is low.

Sheltech is also the pioneer in flat-sharing concept with land-owners in Bangladesh, said Ahmed, who holds a master's degree from Cardiff University, a Bachelor of Arts degree with honours from Kingston University and a diploma from the London School of Economics, all based in the UK.

His area of expertise is business management, administration and finance, while his entrepreneurship involves not only real estate, textiles and garments but also hospitality service, financial trading, aviation and ceramics.

Sheltech began its journey when the real estate business was at a nascent stage in the country, but the sector has flourished a lot in the last three decades.

Before undertaking a project, its experts conduct a market survey to find out whether

the project will be feasible.

The realtor does not go for small projects such as those on a land of five katha – rather it prefers at least 10-katha plot to ensure quality and make the projects environment-friendly.

However, it depends on location. For example, in Gulshan and Banani, where land is very scarce and expensive, it builds projects on seven to eight kathas of land, he said.

He referred to his father, Kutubuddin Ahmed, also the chairman and co-founder of Sheltech as well as the founder of Envoy Group, when it comes to giving somebody a steer on entrepreneurship or how to start a business.

"My father had no business experience but he had a dream. He worked hard and finally he became successful. Success in business results from hard work, integrity, big dream and idea," he said.

According to Ahmed, if somebody has no capital to start a business but has good ideas or strong mentality to work hard, he will definitely come out successful. "Capital is not a major factor for doing business."

New entrepreneurs should find out new business ideas or the scope in the existing business, he noted.

As a young businessman, he too faced challenges as he could not perform like his predecessor or his father who built up the group.

"I had to work hard and learn a lot for further improvement," Ahmed said.

"If a businessman thinks that he knows everything, he will never succeed. A businessman always has to learn."

Success of a business also depends on team

work, as a single person can't run an enterprise, Ahmed said.

Businessmen have to mix with a wide variety of people and treat employees as family members so that a sense of ownership grows within the staff.

"Punctuality, connection with stakeholders and treating employees well help grow businesses from strength to strength."

Sheltech celebrated its founding anniversary on March 12. On the occasion, it has organised Sheltech Anniversary Housing Fair 2020.

The company is giving special offers to prospective buyers. Clients who will buy flats in Dhaka will get land for free in different sites of Sheltech located outside of the capital during the month-long fair.

Although Sheltech started as a developer, it has branched out to other related businesses such as construction and real estate consultancy.

It employs more than 300 professionals, including architects and engineers, who have been picked on the basis of excellent technical and management skills. Additionally, a well-trained pool of 3,000 workers is employed at various projects of Sheltech.

"Dedication, hard work and experience of the Sheltech team have made it one of the top real estate companies in Bangladesh," said Ahmed, currently an executive committee member of the Bangladesh Employers' Federation and a director of the India-Bangladesh Chamber of Commerce and Industry.

Sheltech is also one of the founding members of the Real Estate & Housing Association of Bangladesh.

Car manufacturing in Bangladesh: preparing for the next biggest industry after apparel



NAZBUL H KHAN

Bangladesh will soon start manufacturing cars, that too electric ones, according to a news report published in The Daily Star with the headline "Local firm to set up a \$200m plant to make electric vehicle" in July last year.

Presently the country has 12 million people of the medium-income generating affluent bracket and this segment of the population is growing very fast -- by 10 per cent a year.

Meanwhile importing automobiles requires paying import duties ranging from 130 per cent to 850 per cent. This inevitably results in some consumers not getting their desired vehicles within their affordability.

Automobile density, which is the number of vehicles per unit length of the roadway, in Bangladesh is as low as 0.5 per cent, when the global average is 12 per cent.

Moreover, heavy reliance of fossil fuels and the resulting carbon emissions are working against the country's fight to adapt and mitigate the impacts of climate change.

Bangladesh's initiative to manufacture electric vehicles (EVs) is what present times require and will broaden the economy. The large Chinese and Indian markets with duty-free access for Bangladeshi products will be an added advantage soon, once the sector thrives like that of apparel.

The manufacture and export of cars are about to unveil a new horizon for Bangladesh.

There is no substitute for industrialisation for accelerating sustainable development but not at the cost of losing farmland and food sufficiency.

The government has also declared that they would create all kinds of infrastructure at designated places for the establishment of industries that could be availed by local and foreign investors.

The Bangladesh Economic Zones Authority (Beza) has been selecting locations in different districts all over the country for special economic zones.

Bangabandhu Industrial Park is an industrial

town being built on 30,000 acres of land by the river Feni. This industrial city is being set up on the west side of Mirsarai. This industrial park is expected to generate 1.5 million jobs.

The BEZA executive chairman laid the foundation stone of Bangladesh Auto Industries (BAIL) in the zone a few months back.

The EVs are said to reduce fuel cost by up to 90 per cent and cut down maintenance cost to 10 per cent only.

With zero emissions its carbon footprint is even lower. While electric vehicles made in

\$30 trillion.

While the BAIL is preparing to manufacture two, three and four wheeler EVs, its sister concerns are gearing up to manufacture lithium-ion batteries, motors, controllers and chargers. These are crucial components of EVs. Thus, it is a 360-degree EV manufacturing ecosystem in development.

The question has arisen as to why the BAIL has taken up such an ambitious plan when this country lacks efficiency in many sectors. The answer lies in the initiators of the BAIL having transformed the internet sector earlier and now



People work in a factory of Bangladesh Auto Industries inside Bangabandhu Industrial Park.

Bangladesh are expected to cost half that of current market prices, BAIL will ensure after-sales service and spare parts. This guarantees resale of their vehicles, an important factor for the Bangladeshi market which gives a lot of emphasis on resale value.

Mir Masud Kabir, managing director of the BAIL, explained the opportunities of manufacturing environment-friendly automobiles in Bangladesh by leveraging on the fast-growing market and supportive government policies and incentives.

In the next 25 years, 1.5 billion new generation smart vehicles will be manufactured in the world. The smart vehicles' market size is

seeing the automobile sector as the next frontier with a lot of promise and a success story for Bangladesh after apparel.

So how will this industrial city will be getting a supply of 1.5 million skilled people when these industries will be technology-based? The formation of National Skills Development Authority (NSDA) is a possible answer.

However, the NSDA should prepare plans not only for the human resource just entering the job market but also those intending to make a switch over apprehensions their existing sector might come to be abandoned eventually.

The writer is CEO and founder of PART II

VIRUS GRIPS THE BOURSE

DSEX, the benchmark index of the Dhaka stock Exchange, lost 255 points last week, which is the second biggest single week plunge in the index's seven-year history. Investors, frightened by the blistering pace at which coronavirus is spreading around the globe, dumped shares to escape further losses, like their global counterparts. Besides, the macroeconomic indicators including the falling credit and deposit growth in the private sector and the declining export earnings also led the shaky investors to liquidate their holdings.

DSEX fell to **4,129.96** points (down **254.52** points, or **5.81%**)

Average turnover fell to Tk **417** cr (down Tk **65** cr, or **13.37%**)

TOP FIVE GAINERS		TOP FIVE LOSERS	
Company	Gain (in %)	Company	Loss (in %)
Kohinoor Industries	22.8	Central Pharma	21.6
BIFC	21.7	Saiham Textile	19.1
International Leasing	17.7	Progressive Life	18.9
Apex Spinning	16.3	Standard Ceramic	18.3
Sea Pearl Hotel	12	Mithun Knitting	17.7

TOP SECTORAL CONTRIBUTION		TOP TURNOVER	
Sector	Change in market cap (in %)	Company	Turnover (in crore Tk)
Textile	9.7	Square Pharma	12.7
Insurance	9.1	Orion Pharma	9.3
Engineering	9.1	Orion Infusion	8.7
NBFI	6.9	LafargeHolcim	8.7
Bank	5.8	GP	8.6

