STOCKS

DSEX	CSCX
▼ 4.95%	▼ 4.76%
3,772.55	7,017.02

COMMODITIES

Gold ▲	Oil ▼
$1,494.10	$29.35
(per ounce)	(per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 2.58%	▲ 0.06%	▼ 1.65%	▼ 0.34%
30,579.09	17,011.53	2,454.53	2,779.64

CURRENCIES As on Monday STANDARD CHARTERED BANK

	$ USD	€ EUR	£ GBP	¥ CNY
BUY TK	83.95	92.28	102.62	11.80
SELL TK	84.95	96.08	106.42	12.41

Star BUSINESS

DHAKA WEDNESDAY MARCH 18, 2020, *CHAITRA 4, 1426 BS* starbusiness@thedailystar.net

Coronavirus scarfs down restaurant business

MAHMUDUL HASAN

It started from the second week of this month. At first, Md Mahbub Zaman, the owner of Genial Buffet in the capital's Dhanmondi, thought the cancellations for party bookings were coincidental.

But soon it dawned on him that there was a common thread: the looming fear of coronavirus.

"At first, people would cite personal reasons when cancelling the booking. But now, they are upfront: it is because of coronavirus," Zaman told The Daily Star while sat in his sparsely-populated sprawling restaurant on Monday night.

In Bangladesh, the first reported case of coronavirus was on March 8. And since then, more than 15 reservations for parties, ranging from 20 to 120 people, have been cancelled.

Not only that, customer footfall in the restaurant that has an all-you-can-eat offer of 55 items for Tk 600 dried up to less than half of what it was in February.

"Fridays are always a good day for us. But last Friday was a gloomy day for us. If this goes on like this for a few more weeks, I don't know how I will pay the rent and staff salary," he added.

Zaman's predicament is not unique. Globally, with the view to flattening the curve of coronavirus, social distancing and avoiding public places have been advised, leaving the service industry staring at an increasingly complicated business reality.

Shumie Ali, a student in a public university, and her coterie of friends took the advice of staying in to heart.

She catches up over lunch in different restaurants in capital's Gulshan with her school friends every Saturday. But since the news broke of coronavirus in Bangladesh, their weekly ritual has been scrapped.

Empty restaurant seats depict the scare coronavirus currently has on Dhaka. The photo was taken on Monday evening.
MAHMUDUL HASAN

"I was not too keen on hitting the restaurants. Instead, I suggested we order in and watch a film on Netflix. We should all do our part to flatten the curve," Ali said.

And many are doing the same as her.

HungryNaki, the country's first food delivery platform in Dhaka, Chattogram, Narayanganj, Sylhet and Cox's Bazar, said its orders rose 30 to 40 per cent since coronavirus fears started to emanate.

"Our orders just picked up," said AD Ahmad, chief executive and co-founder of the food delivery platform.

However, as the people are increasingly staying home to be safe, they are also relying on home-made food as well, he said, adding that HungryNaki also beefed up personal hygiene practices and put in places masks and hand sanitisers for its workforce.

"People will not leave homes," said Maliha M Quadir, founder and managing director of Shohoz.com, whose arm Shohoz Food delivers food from 5,000 restaurants in Dhaka and 1,000 in Chattogram.

At the same time, they may feel fearful about the hygiene of the delivery system whether the restaurants or deliverymen are maintaining enough hygiene, she said, adding that since the maiden cases of coronavirus were announced, Shohoz has put in place in stricter measures for its office, depots as well as delivery personnel.

READ MORE ON B3

Govt again miskicks on the stock market

AHSAN HABIB

There is a Spanish proverb that goes along the lines of pouring water on a drowned mouse, which means putting in more resources into a losing battle.

At a time when stocks around the world are tumbling on coronavirus fears, the finance minister's move to summon all bank chiefs on Monday to his office to instruct them to take up on the Bangladesh Bank package for lenders with the view to propping up the ailing stock market -- felt something along the lines of the Spanish proverb.

Was it a wise move? Will it create more burden on the banking system that is already drowning under heaving default loans?

On February 10, the central bank announced a package for banks, allowing them each to set up funds worth Tk 200 crore by taking the funds from the central bank through repurchase agreements against treasury bills and bonds owned by them.

The banks will have to pay 5 per cent interest for the fund and the credit tenure will be until February 2025.

So far, only nine banks have formed the special fund, in what can be construed as reluctance amongst banks in taking up this voluntary scheme.

This raises the question: why are banks reluctant?

Had they deemed investment in the market profitable, they would have done it out of their own volition, which we saw in 2009 -- when they invested even by violating the rules of their maximum scope of investment.

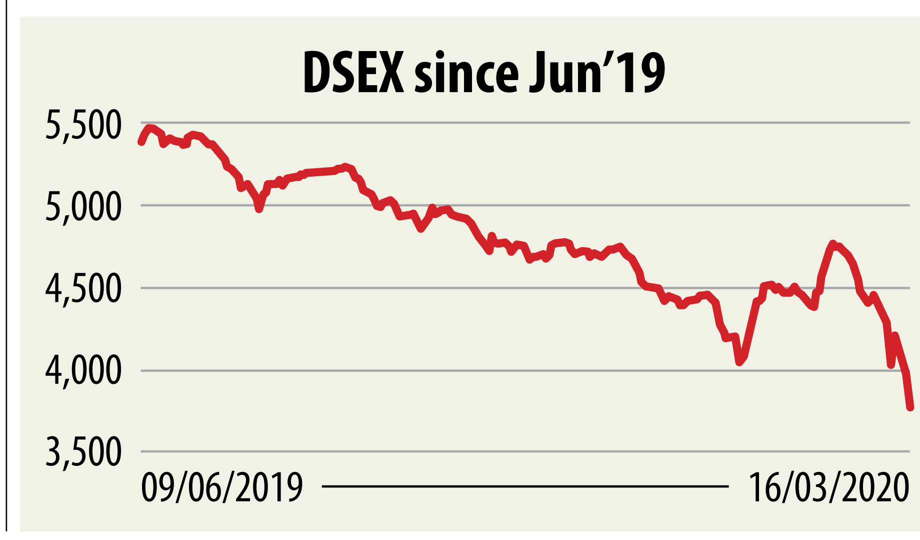
A number of bankers told the correspondent yesterday that a shortage of liquidity is not the only reason for the indisposition.

Moreover, most of the banks realise that gambling is rampant in Bangladesh's bourse, so junk stocks become hot cakes out of the blue while well-performing companies are on the slide.

Some companies soar abnormally without any reason. Only a few are punished for the manipulation.

There is a huge lack of good governance among listed companies -- and giving their shareholders heathy returns is lower down their list of priorities.

READ MORE ON B3



No need to hoard tissue

Manufacturers say they can supply as much as people need as they have spare production capacity

SOHEL PARVEZ

The coronavirus pandemic has fuelled the demand for tissues globally and Bangladesh, where new cases of contagion are being identified, is not an exception.

Shoppers here are thronging stores for tissues and some are even buying more than they need amid a panic that is spreading like wildfire.

However, local tissue makers say they still have 20-30 per cent of spare production capacity and can meet increased demand.

"We can supply as much as you want. We have kept half of our machines shut," said Md Mustafizur Rahman, deputy managing director of Bashundhara Group that has the country's biggest paper mill.

Bashundhara can produce 6,000 tonnes of tissues a month, out of the local industry's total capacity of around 9,000 tonnes.

Bangladesh consumes nearly 4,000 tonnes of tissues a month. Bashundhara meets most of the demand followed by Meghna and Bangla Tissue, according to industry operators.

More than a dozen tissue makers are now in operations out of the 22 in the country, where Tk 480 crore worth of tissues were sold in 2018, up from only Tk 230 crore in 2008.

Bashundhara now utilises 90 per cent of its production capacity, Rahman said. "We sell 50 per cent of our products locally and export the rest."

"But we will not export tissues now. Rather we will focus on meeting the local demand first so that there is no scarcity here," he said.

Rahman cited incidents of toilet paper thefts and shelves becoming empty at stores in developed countries and said, "We can assure you that this will not happen in Bangladesh. We can deliver the entire requirement of the country."

"Bangladesh has sufficient capacity. So, there is nothing to worry about," said Sukanta Kumar Saha, assistant general manager for export and international market of the Meghna Pulp & Paper Mills Ltd, which markets Fresh tissue.

READ MORE ON B3

Bangladesh to gain more trade benefits from China as an LDC

Not interested to sign FTA now

REFAYET ULLAH MIRDHA

Bangladesh wants to secure more trade benefits from China as a least developed country (LDC) instead of signing a free trade agreement with the Asian economic giant, according to commerce ministry officials.

"We don't want to sign an FTA with China because the country is the largest trading partner of Bangladesh. If we sign the FTA, we will lose a lot of revenue each year," said Sharifa Khan, additional secretary (FTA) of the commerce ministry.

The commerce ministry has already accepted China's offer for the duty-free import of 97 per cent of all Bangladeshi products under the LDC category, effectively rejecting the benefits the country would have received under the Asia-Pacific Trade Agreement (APTA).

Bangladesh and China are both APTA member nations.

In 2015, China, Bangladesh's largest bilateral trade partner, offered various LDCs extensions on the trade benefits for up to 97 per cent of their goods. However, nations that took up the offer are no longer allowed to enjoy the benefits under the APTA.

Since Bangladesh was late in its response, China will now send a fresh offer for 95 per cent of the country's goods.

China was supposed to issue a letter to Bangladesh in this regard in January. "But unfortunately, the letter is yet to be received by the commerce ministry due to the coronavirus outbreak," Khan told The Daily Star over phone.

Incoming goods from China amount to more than $14 billion and earn Bangladesh Tk 23,000 crore as import duty each year.

The import duty levied on the Chinese products accounts for 30 per cent of the total revenue collected from import duties annually.

"So, we are not interested to sign the FTA with China even though the Chinese government does want to," the additional secretary said.

However, Bangladesh is close to signing an FTA with Indonesia and the deal could be finalised this year if normalcy is restored after quelling the coronavirus outbreak.

"Once we graduate to a developing country in 2024 and come out of the LDC bracket, we will again enter the APTA to enjoy trade benefits from China," Khan added.

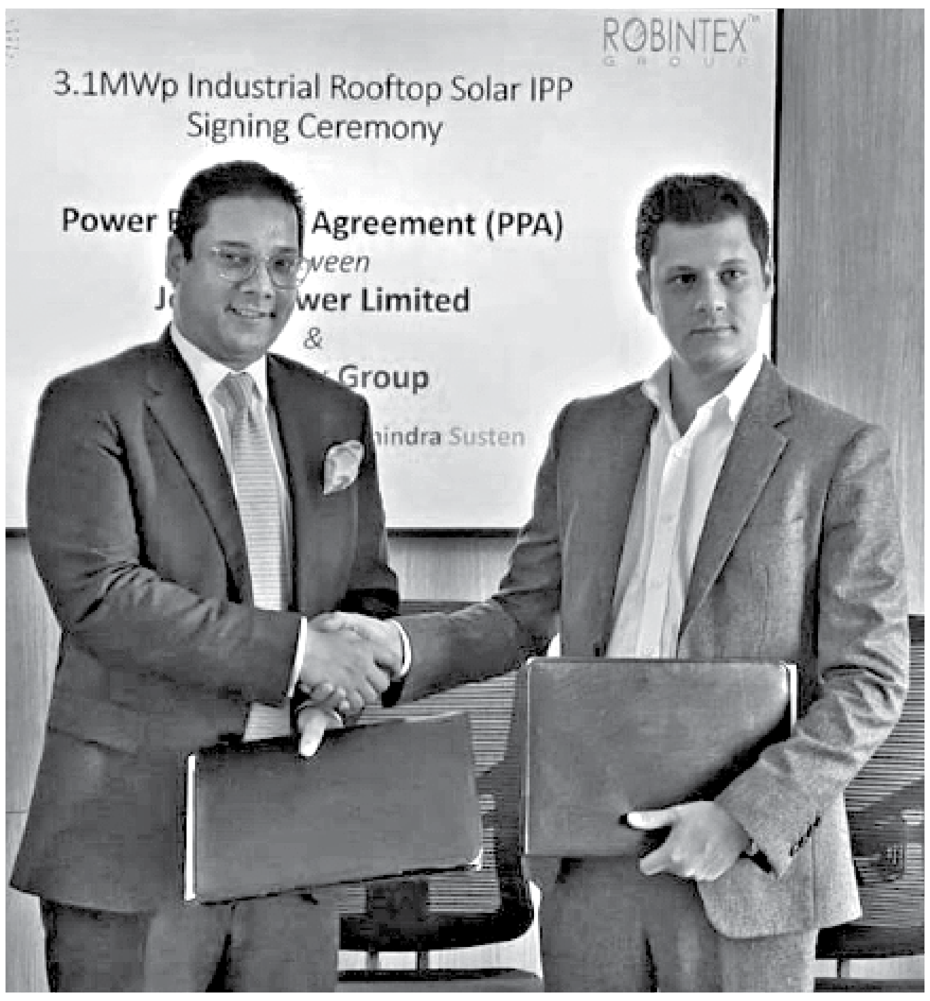
China is a vital trade partner of Bangladesh for various reasons. For instance, the country's garment industry is heavily reliant on Chinese fabrics although local manufacturers can supply nearly 80 per cent of the yarn required by the knitwear sector.

Bangladesh's woven garment makers import nearly 60 per cent of all the fabrics they require directly from China as local weavers cannot supply adequate raw materials.

In total, apparel makers in the country source 46 per cent of their raw materials from China.

Bangladesh is also dependant on Chinese dyes, chemicals and capital machinery.

READ MORE ON B3



JOULES POWER

Nuher L Khan, managing director of Joules Power Ltd, and Robin Razon Sakhawat, managing director of Robintex Group, exchange the signed documents of a 20-year power purchase agreement at the former's office in Dhaka on Sunday. A 3.1 megawatt peak rooftop solar power plant will be established at Robintex's factory in Narayanganj.

Coronavirus creating solar industry 'crisis': US trade group

REUTERS

The spreading coronavirus is threatening project schedules in the booming U.S. solar industry following a year in which the sector topped natural gas as the nation's top new power source, according to a report published on Tuesday.

Fallout from the pandemic has impacted both supply chains and demand in the fast-growing industry, and the president of the top U.S. solar trade group said its annual market report's projection of 47 per cent growth in 2020 will be ratcheted down in the coming weeks and months. It was still too soon to incorporate the pandemic's impact into the sector's outlook with certainty, the Solar Energy Industries Association said.

"It's really across the board a pretty significant crisis in the solar industry in addition to a significant crisis in the overall economy," Abigail Ross Hopper, president of the Solar Energy Industries Association, said in an interview.

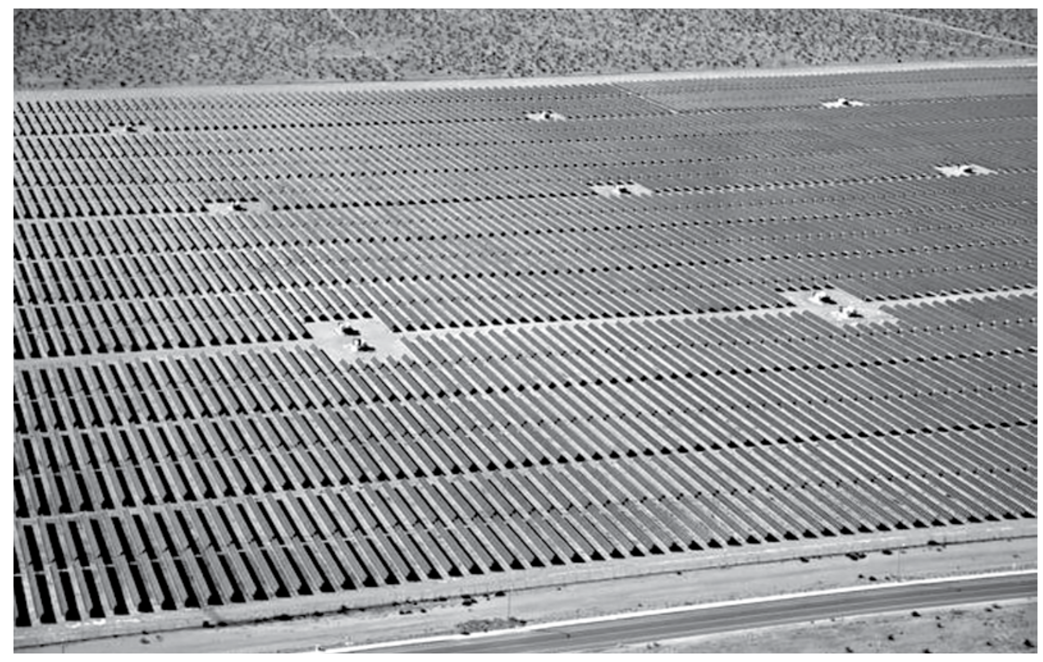
Solar companies are facing not only disruptions to supplies of components such as panels and inverters, but labor shortages as Americans are asked to limit social contacts to reduce the spread of the Covid-19 disease or are forced to stay home due to school closures, Hopper said. In the rooftop solar market, homeowners may be putting large investments on hold for the time being, she added.

The slowdown marks a major about-face for the industry, which has been growing rapidly as states and businesses seek to move away from fossil fuels amid growing concerns about their role in climate change.

The industry has 10 gigawatts (GW) of utility-scale projects currently under construction, the report said. Once online, they would generate enough power for about 1.9 million homes.

Last year, the U.S. solar industry installed 13.3 GW of capacity, a 23 per cent increase from the prior year. Utility-scale projects accounted for nearly two-thirds of the market.

Solar accounted for 40 per cent of the nation's new electric generating capacity, compared with 32 per cent for natural gas and 27 per cent for wind. The residential solar market had its biggest year every for installations at 2.8 GW. The sector benefited from increased demand in California after planned power outages during wildfire season left hundreds of thousands of utility customers in the dark, the report said.



REUTERS/FILE

An array of solar panels is seen in the desert near Victorville, California, US.

Global airlines slash flights as US carriers seek $50b bailout

AFP, *New York*

Major world airlines on Monday announced further deep cuts to service as the worsening coronavirus crisis ravages demand, accentuating talk of government support with US carriers formally releasing a plea for a bailout of some $50 billion.

Citing an "unprecedented" drop in demand that is "getting worse by the day" and "much worse than 9/11," the trade group Airlines for America (A4A) unveiled a wish list including grants, loans and tax relief. "This is a today problem, not a tomorrow problem. It requires urgent action," said A4A President and Chief Executive Nicholas Calio.

The group said the industry was on track to suffer a drop of $23 billion in liquidity at the end of 2020 under an "optimistic" scenario and a drop of $53 billion under a "pessimistic" scenario.

"As of the morning of March 16, the pessimistic scenario is looking most likely," the group said.

White House officials have highlighted airlines as a major concern and signaled broad support for a federal plan to fortify the industry.

"We have to back the airlines," US President Donald Trump said at a briefing. "It's not their fault. In fact, they were having a record season." Earlier, European carriers announced additional cutbacks in service due to the crisis.

IAG, owner of British Airways and Spanish carrier Iberia, announced it would slash flight capacity by 75 percent during April and May owing to the COVID-19 outbreak, while Germany's Lufthansa said it would trim seating capacity on long-haul flights by up to 90 percent, affecting mainly routes to Africa, the Middle East and South America.

AFP

Major world airlines on Monday announced further cutbacks on their services as the worsening coronavirus crisis ravages demand, accentuating talk of government support with US carriers formally releasing a plea for a bailout of some $50 billion.

Britain's Virgin Atlantic added that it has decided to park 75 percent of its total fleet, and in April this will rise as high as 85 percent. Virgin has reportedly called upon the UK government to inject emergency support totaling 7.5 billion pounds ($9.2 billion, 8.3 billion euros) to help keep Britain's aviation industry flying.

Shares of European carriers and most US airlines experienced another bruising session as the economic toll of the coronavirus becomes clearer.

"Last week saw a rapid acceleration of the impact of COVID-19 on global aviation and tourism," Virgin Atlantic warned in a statement.

"The situation is deteriorating at pace and the airline has seen several days of negative bookings, driven by a huge volume of cancelations as customers choose to stay at home." British no-frills carrier EasyJet warned it may have to ground "the majority" of its fleet, urging governments across Europe to help their airlines maintain access to liquidity.

The airline's CEO Johan Lundgren said "European aviation faces a precarious future," and called for government backing if the industry is to survive.

Irish budget carrier Ryanair meanwhile did not rule out a full grounding as it unveiled stinging flight cutbacks.

IAG said it was taking measures including cuts to non-essential spending, a freeze on recruitment and reducing work hours.

A management shake-up had also been put on hold, noting that Willie Walsh, who was due to step down on March 26, would remain as IAG's chief executive.

Air France will meanwhile slash flight capacity by 70-90 percent over the next two months, while Austrian Airlines will suspend all flights from Thursday, and Finnair is cutting 90 percent of capacity until the situation improves.

The German government on Monday said it is planning to shield companies from going under because of the pandemic, by suspending legal obligations for firms facing acute liquidity problems to file for bankruptcy. German tourism and hotel group TUI said it was applying for state aid to keep it afloat, as it suspended the "majority" of its operations.

Back in London, a spokesman for British Prime Minister Boris Johnson signaled that the government would examine help for affected businesses, not just airlines, via tax authority Her Majesty's Revenue and Customs (HMRC).

"HMRC is ready to help all businesses including airlines experiencing temporary financial difficulties due to coronavirus," Johnson's spokesman told AFP.

France could nationalise big companies if necessary: finance minister

REUTERS, *Paris*

The French government is prepared to use all means to support big companies suffering in financial market turmoil, including nationalization if necessary, the finance minister said on Tuesday.

Bruno Le Maire's remarks are the strongest indication yet that Paris is ready to pull out all the stops to steady the country's biggest companies amid the turbulence unleashed by the coronavirus pandemic.

"I won't hesitate to use all means available to protect big French companies," he said on a conference call with journalists.

Bruno Le Maire

"That can be done by recapitalization, that can be done by taking a stake, I can even use the term nationalization if necessary," Le Maire added, without saying which companies could be treated as a priority.

Le Maire also welcomed a decision by France's financial markets authority to ban short-selling during trading on Tuesday on 92 French stocks and said the measure could be extended up to a month if necessary.

The ban includes some of France's best known companies such as bank BNP Paribas, carmaker Renault, and airline Air France KLM, which have all suffered steep losses on equity markets in recent days.

Earlier, Le Maire told RTL radio that the government was mobilizing 45 billion euros ($46 billion) in crisis measures to help companies stay afloat through the virus outbreak, consisting in large part of tax and payroll charge deferrals.

Meanwhile, the government has also pledged to guarantee up to 300 billion euros in total of new loans to companies, which could reduce banks' potential exposure to loan losses. Le Maire said the government would shortly present a budget bill to reflect the new economic reality created by the outbreak, and which would be based on a provisional forecast for a 1 per cent contraction in gross domestic product this year.

German investor morale crashes on coronavirus fears

REUTERS, *Berlin*

The mood among German investors slumped in March to levels last seen in the 2008 financial crisis due to alarm at the impact of the coronavirus outbreak, a survey showed on Tuesday.

The ZEW research institute said its monthly survey showed economic sentiment among investors collapsed to -49.5 from 8.7 in February. Economists had expected a drop to -26.4.

"The economy is on red alert," said ZEW President Achim Wambach in a statement, adding that financial experts expect the economy to shrink in the first quarter and think a contraction is also very likely in the second quarter.

A separate gauge measuring investors' assessment of the economy's current conditions decreased to -43.1 from -15.7. Analysts had forecast a reading of -30.0. For 2020 as a whole, most investors are currently expecting a decline in real GDP growth of approximately 1 per cent as a result of the corona pandemic, Wambach said.

The spread of the coronavirus has ended hopes of a first-quarter upswing which had been driven by a solid increase in retail sales and a jump in industrial production in January.

But with the coronavirus infecting a growing number of people and leading to unprecedented safety measures to slow its spread, officials said the government now expects gross domestic product to shrink this year, in what would be the first contraction since the world financial crisis in 2009.

Volkswagen, the world's largest carmaker, said on Monday it was preparing to shut down its factories as a way to curb the spread of the coronavirus and warned that 2020 will be a very difficult year.

The slump is expected to push down tax revenues while at the same time requiring a massive increase in state spending to help companies bridge liquidity problems and shield workers from unemployment.

Jack Allen-Reynolds from Capital Economics said the ZEW survey pointed to a large decline in GDP.

"Things are likely to get much worse in Q2, when we expect much bigger quarterly falls in GDP than during the depths of the global financial crisis," he added.

The ZEW figures suggested that the German economy could shrink by as much as 4 per cent on the year in 2020, he said.

"So a considerable amount of additional policy support from the ECB and governments will be necessary."

Chancellor Angela Merkel has vowed to do everything necessary to slow the spread of the coronavirus and counter its impact on the economy, saying that the pledge of not taking on new debt was now secondary.

Etihad adds cargo flights as coronavirus batters demand

REUTERS, *Dubai*

Abu Dhabi's Etihad Airways said on Tuesday it was expanding its cargo network to markets where passenger operations have decreased due to the coronavirus epidemic.

About half of all air cargo carried worldwide normally flies in passenger jets but the grounding of those planes due to the coronavirus outbreak has increased demand for freighters.

"With widespread commercial flight restrictions in numerous international markets, the air cargo environment is evolving daily ... Our optimized summer freighter schedule is designed to significantly boost capacity", Etihad Managing Director, Cargo, Abdulla Mohamed Shadid said in a statement.

Cargo services are being added to Hong Kong, Hanoi, Singapore, Amsterdam, Milan, Paris, Johannesburg and Nairobi. The state-owned airline said the additional services also included summer increases to traditional cargo destinations.

Rival Emirates said on its website it was temporarily suspending more routes, including to Algiers from March 18 until the end of the month and Mexico City from March 20 to April 30. Smaller United Arab Emirates carrier flydubai said its flights to India were cancelled until the end of the month.

GREAT WALL CERAMIC

Shamsul Huda, managing director of Great Wall Ceramic Industries and Charu Ceramic Industries, attends the dealers' conference of the companies at Bangabandhu International Conference Centre in Dhaka recently.

Italy plans to re-nationalise Alitalia airlines: govt

AFP, *Rome*

The Italian government said it intends to re-nationalise the bankrupt former national carrier Alitalia under an emergency economic rescue plan for the coronavirus pandemic.

The plan's details were outlined in a government decree published late Monday. Italian media reported that it could cost taxpayers up to 600 million euros ($670 million).

Prime Minister Giuseppe Conte's government on Monday agreed a 25-billion-euro rescue designed to shield families and businesses from the economic fallout of an outbreak that has killed more than 2,100 people in Italy.

One of the measures provides for the creation of "a new company wholly controlled by the ministry of economy and finance, or controlled by a company with a majority public stake, including an indirect one" to take over the airline.

Italy's AGI news agency said the government was setting up an 600-million-euro fund to deal with the damage the pandemic has caused to the aviation sector.

Some of the final details of the Italian economic rescue programme are do to be finalised next month.

Alitalia has floundered in the face of fierce competition from low-cost carriers such as EasyJet and Ryanair.

But analyst warn that it is also too small -- and has too many staff for the number of flights it operates -- to compete with its rivals.

It flew only 22 million passengers and saw its market share in Italy slip to 14 percent in 2018.

Germany's Lufthansa and the Atlanta-based Delta Airlines each carried around 180 million passengers that year.

Alitalia's attempts to secure rescues from either the Italian state railway Ferrovie dello Stato or Lufthansa floundered in January.

The company filed for bankruptcy in 2017.

Firms with Tk 5cr annual revenue to come under FRC's radar

STAR BUSINESS REPORT

Firms that rake in annual revenue of at least Tk 5 crore or hold assets of Tk 3 crore or liabilities over shareholders' equity of Tk 1 crore will come under the purview of the Financial Reporting Council (FRC) from now on.

In 2016, the government set up the FRC, the regulatory body on accounting, reporting, auditing and actuarial professions in Bangladesh, to ensure transparency in the accounting of listed and non-listed companies.

Previously, the FRC had jurisdiction over any "public interest entity" alongside financial service and microcredit providers, non-bank financial institutions, insurers, state-owned enterprises and public limited companies.

The criteria have been set to clarify which firms fall under the "public interest entity" category in the Financial Reporting Act, 2015.

The FRC made the criteria clarification through a circular last week.

"We have widened our jurisdiction so that small companies become aware of maintaining fair and accountable financial reports," said Mohammad Mohiuddin Ahmed, executive director of the Financial Reports Monitoring Division at the FRC.

He said the clarification would enable the council to investigate even small companies.

However, investigations will not begin right away into every small company; rather a stringent risk management approach will be followed to conduct probes every few years on some companies and annually on others, Ahmed said.

"We want to establish a self-monitoring system so that they publish the true picture in their financial reports willingly and we will carry out random checks to see whether they are doing it correctly."

"We can also review financial reports by outsourcing and forming a review committee from the private sector."

With the criteria classification, more firms will have to prepare and submit financial reports. The FRC will not make it mandatory for small companies to follow international financial reporting standards, he said.

India halts key policy plans as revenues shrink

REUTERS, *New Delhi*

India has dropped at least three crucial policy initiatives, including lowering import taxes on vegetable oils, as the outbreak of the coronavirus hits government revenue collection, two sources said on Tuesday.

India's income tax revenues contracted 3.5 per cent in the first 11 months of the current fiscal year, which began in April 2019, and income from other taxes grew by a meagre 3.8 per cent, the finance ministry told parliament on Monday. The food ministry had proposed lowering import taxes on crude and refined vegetable oils, including palm oil, by 3-7 per cent to keep a lid on domestic prices that leapt more than 11 per cent after India restricted palm oil imports from Malaysia in January.

REUTERS/FILE

A man with his face covered speaks on his mobile phone as he rides his cycle in an empty park along the banks of the river Ganges after the government tightened up measures for coronavirus prevention, in Kolkata.

But the finance ministry rejected that proposal due to revenue concerns, the sources with direct knowledge of the matter told Reuters.

India had been the biggest buyer of Malaysian palm oil for five years, but purchases ground to a halt after the January curbs, a retaliation for then prime minister Mahathir Mohamad's criticism of New Delhi's policy regarding its Muslim minority.

The finance ministry also shelved other proposal by the food ministry that would have raised the supply of highly subsidised rice and wheat to millions of people under the world's biggest food welfare programme, said the sources, who did not wish to be identified as they are not authorised to talk to media.

The food ministry had favoured raising the supply of subsidised rice and wheat to 7 kg a month from the current 5 kg for most beneficiaries — a proposal that would have cost the government an extra 3 billion rupees ($40.4 million), they said.

In the next financial year, beginning in April, India plans to spend $15.5 billion to run its mammoth food welfare programme, which gives rice and wheat to 67 per cent of India's 1.3 billion people at about 10 per cent of the market price.

The finance ministry has also put off a plan by the food ministry to give vitamin-fortified rice to millions of poverty-stricken people. The rice fortification plan involved an expenditure of 5 trillion rupees, the sources said.

Faced with the prospect of lower revenues this year and in 2020-21, the finance ministry has asked other departments to avoid any new proposals and also curb non-essential expenditures, the sources said.

Amazon to hire 100,000 workers as online orders surge on coronavirus worries

REUTERS

Amazon.com Inc on Monday said it would hire 100,000 warehouse and delivery workers in the United States to deal with a surge in online orders, as many consumers have turned to the web to meet their needs during the coronavirus outbreak.

With shoppers clearing out shelves in fear of quarantines or product shortages, retailers are racing to keep food and hygienic items in stock and have employees on hand for in-store work or delivery.

Like Amazon, U.S. supermarket chains Albertsons, Kroger and Raley's have sought new hires to staff busy sections and fulfil online orders. They are turning to people in the restaurant, travel and entertainment businesses who are suddenly looking for work because of the coronavirus.

"We want those people to know we welcome them on our teams until things return to normal and their past employer is able to bring them back," Amazon said in a blog post here

Major shipper United Parcel Service Inc said its trucking and air deliveries were still on despite growing government restrictions on commercial activities. It said Monday it was meeting demand with its existing workforce.

The coronavirus, which has led to more than 7,100 deaths globally and prompted mass lockdowns of people, has also led to items being out of stock on Amazon and some deliveries taking longer than usual.

Amazon's headcount fluctuates seasonally, recently peaking for the holiday quarter at 798,000 full and part-time workers. It was not immediately clear how many people Amazon would employ after it hires 100,000 more.

To draw new employees, Amazon said it would add $2 to its minimum $15 per hour to U.S. workers' wages through April. The extra pay for hourly employees in North America and Europe is expected to cost more than $350 million, Amazon said.

Meanwhile, other retailers facing long queues are making pitches for talent, too. It was not clear if there would be any impact on delivery operations from new government restrictions. In the San Francisco Bay Area on Monday, officials said people must stay at home except for some essential purposes, such as work for "businesses that ship or deliver groceries, food, goods or services directly to residences."

An Amazon spokeswoman did not immediately return a request for comment on the San Francisco order.

REUTERS

Men work at a distribution station in the 855,000-square-foot Amazon fulfillment center in Staten Island.

Coronavirus scarfs down restaurant business

FROM PAGE B1

In a bid to flatten the curve, New York's Mayor Bill de Blasio's office announced that from yesterday the city's thousands of bars and restaurants will be closed, with any service limited to food delivery and takeout only.

If a similar measure is enforced in Dhaka, it might be a boon for the food delivery platforms.

But for the wait staff it is bad news.

The employees of Flavours, a restaurant that serves Thai and Chinese cuisines in the capital's Dhanmondi, told the correspondent they are on the brink of losing their jobs.

"See, there is no customer," said Rana, a waiter pointing at the empty space on Rangs KB Square.

The 13-storied building on the capital's Satmasjid Road houses about 20 restaurants, making it a hotspot for Dhanmondi food lovers. But the entire building wore a deserted look.

"We have been facing a tough time since the first week of March," said Alamgir Islam of Tao Town, an Asian fusion bistro in Rangs KB Square.

Since Friday, Tao Town's sales plunged 80 per cent.

And Islam envisions dire days ahead, once all universities, schools and colleges shut for two weeks from today.

"In January and February, when coronavirus was spreading around the world, our sales held up well," said Md Nahim Reza, managing director of Coffelicious, which has two outposts on Baily Road and in Uttara.

But from March, customer footfall started petering out, with its sales as tumbling 30 per cent from the previous month.

The Monarchy Coffee on Banani 11 saw a huge decline in its sales too, said Naziur Rahman, an employee of the café.

"For the last three weeks, we have been facing a dire situation. We are maintaining proper hygiene and took protective measures for coronavirus. But people are still staying away," he added.

All the restaurants The Daily Star contacted said they have taken precautionary measures to contain the virus.

The restaurants at upmarket hotels too have been deserted by customers, despite their heightened measures against the contagion of the novel virus.

"We have taken some serious measures to ensure hygiene since the outbreak of virus," said Mashfa Alam, marketing coordinator at Four Points by Sheraton.

At the entry of the hotel, each customer is examined by infrared thermometer guns. "The food is also being served directly by our chefs for avoiding extra touches of spoons," she added.

And yet, customers are staying away.

So, most have discontinued their buffet offerings and have pared down their menu to the bare essentials.

No need to hoard tissue

FROM PAGE B1

The domestic market is not big enough for the tissue makers to use their full capacity, he said. "If you take export into account, up to 70 per cent capacity of the whole industry is currently being utilised."

Meghna Pulp & Paper, a concern of Meghna Group of Industries, can make 1,500 tonnes of tissues a month using 80 percent of its capacity.

The domestic demand for tissue soared 20 percent now, compared to the same time last year, because of a buying spree amid the coronavirus outbreak, said Mamun Hossain, head of sales of Nissho Koeki Tissue Papers Co Ltd (NKTP) that markets Bangla Tissue. He also echoed the views of Saha. "The industry's production capacity is still higher than the demand."

Only 20 per cent of Bangladesh's population use tissue, Hossain said, adding that the use of tissue may increase in the days to come as people are looking for ways to fight coronavirus.

However, a large portion of the population, particularly low-income group, is unlikely to use tissue, he said.

"So, it will be very much possible to meet the additional demand by utilising the industry's spare capacity. There is no need to stockpile." Even there is no possibility of a price hike in near future, said Rahman of Bashundhara. "We have no plan to increase prices amid crisis."

On price hike at the retail levels, he said the customers should follow the maximum retail price (MRP) printed on the packages.

"If anybody anywhere charges more than the MRP, we have the customer helpline. The customers should inform us. They can also file compliant to the consumer rights protection authority."

Forex brokers fall victim to coronavirus scare

FROM PAGE B4

Customers are not coming over for the fear of contracting the coronavirus through movement outside, said Md Rafiqul Islam, director of Rainbow International Linkage in Dhanmondi.

While people are refraining from going abroad, the government yesterday put a bar on entry to the country as a preventive measure against the outbreak.

State-run Biman has so far suspended flights to 11 out of 18 international destinations it serves and more routes could be cut as the coronavirus pandemic continues to ravage countries across the globe.

It suspended flights to Muscat, Dammam, Madina, Jeddah, Riyadh, Kolkata and New Delhi, Kuwait, Qatar and Kathmandu. Bangladesh is now allowing flights from only four countries, namely the UK, Singapore, Thailand and the UAE.

At least 28 foreign airlines served Dhaka with 65 flights a day but now the number has come down to about 30.

According to Rafiqul, they had been trading at least $5,000 every day before the coronavirus hit Bangladesh. It has now come down to $800 to $1,000.

A fluctuation of Tk 0.20 to Tk 0.30 is a regular phenomenon for the exchange rate of the US dollar but now it is experiencing a downward trend, he said.

"We are worried about the downward trend of the business. If the present situation continues for another couple of weeks, the money exchangers will face big challenges."

There are 238 licensed money exchangers in Dhaka city dealing with hundreds of thousands of dollar daily and providing good sums in tax and value-added tax to the government, according to Rafiqul.

The exchange rate of the US dollar has started dropping since the end of February due to the flight postponement, said Imamul Hasan, managing director of JBECO Money Changer in Uttara.

Normally, his firm exchanges on an average $90,000 to $100,000 per month. Now it will be at best $10,000 by the end of this month, he said.

"It will be tough for me to pay the salaries to employees and the rent of the shop if the existing situation lingers for the next two weeks."

The rise and fall in the exchange rate is part of the business but if customers stayed put, the exchangers would find it tough to balance everything out, Hasan said.

Abdur Razzak, manager of Jamie Money Exchange in Gulshan, did not trade any dollar yesterday. His prime customers are officials of corporate houses who deal handsome amount regularly for their official trips abroad.

"Now they are not coming. We are worried and in uncertainty," he said.

Govt again miskicks on the stock market

FROM PAGE B1

Many companies came to the stock market in the last one decade through initial public offering. But within a few years, they turned into junk stocks. Not just that, most of them showed lower earnings soon after listing.

These, along with a few other reasons, dented investors' confidence in the market -- badly. Which is why, the Dhaka bourse has been on the slide for a good six months now.

Amid this fraught situation came the blow of coronavirus, which has left most stock market investors, not just in Bangladesh but all around the world, in a state of panic.

Since March 8, when the Institute of Epidemiology Disease Control And Research, the sole testing agency for coronavirus, announced three people have been tested positive for COVID-19, in the country's maiden cases, the index shed 612 points, or 13.95 per cent.

During the time, about Tk 37,853 crore, or 11.24 per cent, have been wiped off the Dhaka Stock Exchange.

In the last one month, American Dow Jones plunged 31.3 per cent, S&P 500 index 29.4 per cent, European Euro Stoxx 50 36.7 per cent, Germany's DAX index 37.3 per cent, Spain's IBEX 35 37.8 per cent and Japan's Nikkei 225 index 27.8 per cent.

So, if the coronavirus epidemic tears through Bangladesh like in many countries around the world, the country's bourse cannot up against the tide.

Then, who will take the responsibility for the banks' losses if they invest in stocks by heeding the orders if the BB and finance ministry?

With the impact of the recent bear run, many well-performing companies' stocks crashed to a 4- or 5-year-low.

So, some of the institutional investors might be tempted to snap up those companies' stocks.

But that's not a surety as the overriding problem of the stock market, which is a crying lack of good governance is still missing.

So, the government can take this opportunity to truly fix the stock market instead of some stopgap measures, which come across as putting a Band-Aid on a bullet wound.

For a start, the government can bring in companies with robust corporate governance to the market. Already the government has taken some initiatives to bring some state-run companies.

This is a good move. But they should bring the well performing state-run companies, so that the investors' confidence gets a boost.

On the other hand, the government should create an environment such that well-performing big companies are tempted to get listed.

Such initiatives will boost stock investors' confidence and then they will channel funds to the stock market.

Nothing else will work.

The BB package came after a host of frills the government had provided for the bourse failed.

The Dhaka stocks has been on the downtrend for a while now. To halt the free fall, the central bank also provided a revolving fund to the Investment Corporation of Bangladesh to invest in the stock market.

It redefined banks' exposure definition to increase their investment capacity. When those failed did the BB bring in the big guns. But that move is also primed to be a non-success.

So, the government should focus on the right space and it should realise liquidity is not the only reason for the slide.

Otherwise, it will continue to keep on giving incentives and the market will keep on bleeding.

Bangladesh to gain more trade benefits from China as an LDC

FROM PAGE B1

The bilateral relations between the two nations go deeper though as China is now a major export destination in the Asian region for Bangladesh.

China is one of the biggest consumers of apparel products in the world. The domestic market for garments in China is worth $350 billion as the middle income bracket is expanding, according to estimates from the International Textile Manufacturers Association.

Apparel exports from Bangladesh to China are increasing with time as a section of consumers in the middle income bracket cannot afford the high-end garment items made in China.

This is why they depend on cheaper Bangladeshi products, industry insiders said.

The cost of apparel production in China has gone through the roof due to a shortage of skilled workforce. This is because the workers prefer jobs in more sophisticated technological industries rather than the garment sector.

The export of various merchandise, especially apparel products, from Bangladesh to China has grown rapidly in recent years following increased demand while preferential trade benefits are given to local exporters.

In fiscal 2018-19, Bangladesh's total exports to China amounted to $831.20 million while it was $694.97 million just the previous year, according to the Export Promotion Bureau.

In the February-July period of the current fiscal year, Bangladesh earned $470.20 million through exports to China. Of that total, garment exports accounted for 80 per cent.

"Bangladesh should enjoy the duty-free benefits for 97 per cent of its goods and reject the APTA for the greater interest of the country," said Abdur Razzaque, research director of the Policy Research Institute.

Currently, there are about 65 Bangladeshi goods that are allowed duty-free access to the Chinese market under the APTA while more than 5,000 goods enjoy the same benefit under the LDC coverage.

"That's why Bangladesh needs to accept the 97 per cent package," Razzaque told The Daily Star.

It is believed that China would be Bangladesh's third Asian export destination after Japan and India, where the country would be able to send more than $1 billion worth of goods.

Currently, Vietnam and Cambodia are enjoying increased exports to China since they have preferential trade agreements with the world's most populous nation.

"If Bangladesh is granted the 97 per cent package, exports to China will increase manifold," Razzaque said.

Forex brokers fall victim to coronavirus scare

JAGARAN CHAKMA

Dark clouds are brewing on the horizon for money exchangers in Dhaka as coronavirus-induced international flight postponement has led to a drastic decrease in their customer numbers, causing exchange rates to fall.

Travel deferrals, notably those involving China, Italy and the US, led to lesser demand for various currencies, especially the US dollar. Lower demand naturally causes exchange rates to fall.

All these spell trouble for foreign currency brokers as they profit adjusting the exchange rates.

The rate of the US dollar fell by Tk 0.60 to Tk 0.70 in the past week. Yesterday, one US dollar sold for Tk 87.20 and was bought at Tk 86.20 in the open market, down respectively from Tk 87.80 and Tk 86.80 just a couple of weeks ago, market players say.

However, the fluctuations are yet to reach banks. The Bangladesh Bank website showed that the buying and selling rates were the same at Tk 84.95 yesterday.

The sales and purchases of the US dollar declined drastically for the flight suspensions, said Safat Al Islam, manager of Talukder Money Exchange House in the Bashundhara City Shopping Complex.

Its daily customer numbers dropped by around 60 per cent in the last one week although it is one of the top service providers and the teller station is situated at a prime location in the city, he said.

Just 10 days ago, hundreds of people had been seeking services daily but that reduced significantly, he said.

However, he held back from disclosing the amount of US dollar traded at the exchange house on an average every day, citing business policies.

READ MORE ON B3

PALASH KHAN

A deserted exit point for arrivals at Hazrat Shahjalal International Airport in Dhaka yesterday. Bangladesh's flight connectivity is currently limited to London, Manchester, Dubai, Abu Dhabi, Singapore and Bangkok.

School banking getting traction

Deposits up 8pc last year

AKM ZAMIR UDDIN

School banking is increasingly getting popular among students as the deposits in their accounts crossed Tk 1,600 crore in 2019.

As of December last year, students deposited Tk 1,626 crore in the accounts, up 8 per cent from a year ago, according to data from the central bank.

The number of accounts under school banking rose 10 per cent to 19.92 lakh last year.

A number of banks earlier took a set of measures to widen the banking operation among students as per instruction of the central bank, giving a boost to financial inclusion, bankers say.

The number of accounts and the outstanding balance under school banking would rise many folds if lenders initiate measures in keeping with the time, a central banker said.

The central bank introduced the school banking in 2010 as part of its efforts to widen financial inclusion and make students financially literate. The scheme aims to instill the habit of savings into students and make them more efficient in money management.

So far, 55 banks have rolled out school banking operations, allowing students aged 11 to 17 to open accounts.

The accounts come with a number of advantages, such as waiver on fees and charges, free internet banking, lower minimum balance requirement and debit card availability at lower costs.

Accounts can be opened with a minimum deposit of Tk 100.

Dhaka Bank, one of the top five banks in terms of mobilising deposits under school banking, arranges programmes at schools on a regular basis in order to raise awareness on building savings habit, said its Managing Director Emranul Huq.

The lender rolled out two savings products – Students' Ledger and Edu Savings Plan – to attract students. Guardians initially operate the accounts and the students are allowed to run them once they turn 18.

Edu Savings Plan is a long-term deposit scheme where students park a certain amount every month and the deposit is insured by MetLife Bangladesh.

Students with such accounts will receive insurance coverage for health treatments along with benefits that come with an insurance product.

Dhaka Bank mobilised deposits to the amount of Tk 89 crore from students in 2019.

Islamic Bank Bangladesh Ltd also achieved success in popularising school banking products.

The bank ranked third in terms of opening accounts and pooling deposits, said IBBL Deputy Managing Director Abu Reza Mohd Yeahia.

"Islami Bank arranges workshops for its staff on how to encourage students for savings. This has helped us pull off success in school banking," he said.

The bank runs awareness campaigns among the proprietors of its agent banking outlets so that they can open accounts for students in an efficient manner.

The number of accounts and deposits at IBBL stood at 1.93 lakh and Tk 92 crore respectively at the end of last year.

State-run Agrani Bank, which came second among all banks in terms of opening accounts, plans to mobilise deposits from students, said its Managing Director Mohammad Shams-Ul Islam.

The bank has opened 2.30 lakh student accounts but is yet to mobilise deposits as expected due to a lack of digitalisation, he said.

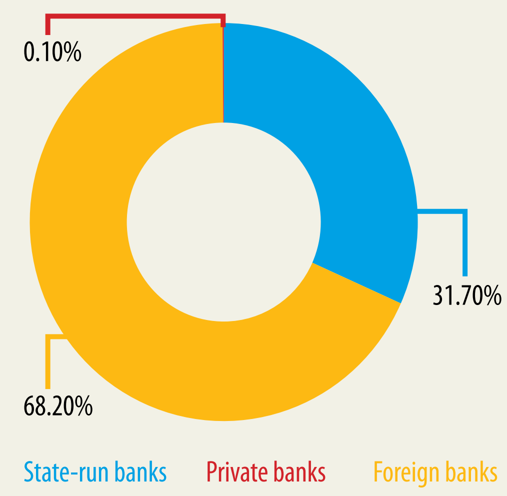
"We are not sitting idle. We have taken a number of measures to digitalise the banking operation," he said.

He went on to hope that deposit collection would accelerate once the lender completes digitalisation.

The central bank organises annual school banking conference in every district to draw students to school banking as it ultimately helps build savings habit, said Md Anwarul Islam, general manager of the financial inclusion department at the central bank.

The central bank has submitted a proposal to the National Curriculum and Textbook Board to include a chapter in textbooks so that primary and secondary-level students can gather knowledge on financial literacy, he said.

LENDERS' SHARE OF SCHOOL BANKING ACCOUNTS



SOURCE: BB

Info on govt's savings scheme just a few clicks away

STAR BUSINESS REPORT

The government yesterday rolled out a mobile app for savers to know about government's savings schemes and other procedures without going through the hassle of paying a visit to banks for the information, in yet another manifestation of the current ruling party's Digital Bangladesh agenda.

Called the Sanchoy app, the tool offers information regarding all 11 savings schemes, interest rates, tenure, investment ceiling and investment eligibility to a saver.

It also provides information about the offices from where one can buy the desired savings certificates and the application procedure for purchasing the instruments, according to Shamsunnahar Begum, director general of Directorate of National Savings (DNS).

DNS, an office under the Internal Resources Division of the finance ministry, introduced the app, which was inaugurated by IRD Senior Secretary Abu Hena Md Rahmatul Muneem at an event organised to celebrate Bangabandhu Sheikh Mujibur Rahman's birth centenary at the National Board of Revenue headquarters yesterday.

The app has a calculator to enable a saver to compute profits from various savings instruments based on investment duration.

It will also allow investors to know about the net profit and the amount of withholding tax to be deducted when cashing out the scheme.

"It is a very good side of the app," Begum said, while presenting the features at the event.

The app will also inform on the results of the government's prize bond draws.

The government introduced automation of the savings instrument machinery in July last year with the objective to ensuring transparency in investment and curb the scope to breach the investment ceiling.

"Because of automation, we can monitor the investment amount of a person. By using his/her national identification number, we can know the total amount of investment in savings schemes even if the person keeps certain amount in Dhaka and a portion outside of Dhaka," Begum said.

At present, there are nearly 2 crore registered investors in the state-sponsored savings instruments.

The interest rates on the three-month profit-bearing savings certificate offering is the lowest at 11.04 per cent interest, while pensioner savings certificate offer the highest rate of 11.76 per cent.

Grameen Bank gets new chairman

STAR BUSINESS REPORT

The government has appointed AKM Saiful Majid, a professor of the Institute of Business Administration of Dhaka University, chairman of Grameen Bank for two years.

Prof Majid will be a director and the chairman of the board of the Nobel Peace Prize-winning organisation, the financial institutions division under the finance ministry said in a circular on Sunday.

AKM Saiful Majid

The post of the chairman of the microlender fell vacant after government-appointed chairman Khandaker Mozammel Haque died in August last year. He had been serving the board since 2011.

Grameen Bank has a 12-member board, with the government appointing three directors, including the chairman, and the borrower-shareholders elect nine directors.

The government owns 25 per cent stakes in the bank and the borrower-shareholders hold 75 per cent.

Prof Majid served IBA as professor, associate professor and assistant professor along with several administrative positions in the last 25 years. He also served the institute as the director.

He served Eastern University as the vice-chancellor and chairman of the trustee board and worked as a visiting teacher of the University of Kassel in Germany.

He is a recipient of the Senior Fulbright Fellowship awarded by the US Department of State in 2010.

ICT sector should get ready for the fourth industrial revolution

RASHAD KABIR

There is no doubt that we have completed a long journey towards the implementation of the Digital Bangladesh vision and our industry has also become much more stable while some IT companies are doing really good in the local and foreign markets.

The country has already hit the landmark of earning an export revenue of $1 billion from the ICT sector and is getting big projects from the international market, which highlight the industry's spiralling growth.

Now the industry is on the verge of facing the impacts of the fourth industrial revolution or 4IR and it will be a major challenge for the industry.

During the 4IR, there will be dominance of technologies like artificial intelligence (AI), machine learning, internet of things (IOT), robotics, big data, augmented reality and others.

These developments beg the question: how much is our industry prepared to adopt these technologies?

A developed country like South Korea is now fighting the novel coronavirus by relying on its technological forte in AI and machine learning.

If we want to be a real digitalised country, we also need to take the challenge to solve local problems with the help of ICT following the footprint of Korea. And the opportunity is huge here.

But we still lag behind others in terms of taking preparation for adopting those technologies and creating skilled manpower to grab the opportunities.

Every year thousands of graduates come out from universities with engineering degrees. But they are not well qualified to grab a pie of this huge outsourcing/offshore development market.

In a country like Bangladesh, we always depend on the government to do everything for us. Yes, the government should definitely play a vital role in terms of policy support and providing other strategical facilities. But the government can never run fast like the private sector.

In fact, no government in the world can run at the same pace as the private sector. So, the industry should take steps themselves to prepare the resources and to grab the billion-dollar market that will emerge in the next decade.

The first step is to minimise the gap and strengthen collaboration between the industry and academia. University curriculums are still unable to meet the industry's demand that is going to be created in the coming days.

Special focus should be given on the emerging technologies and there should be a provision of six-month internships for each student so that they can gain some practical knowledge from the industry and prepare themselves before coming to the job market.

To achieve the target of $5 billion export earnings by 2025, we should focus more on the market and industry. We also need to find out which technologies we are really good at.

To achieve the target of $5 billion export earnings by 2025, we should focus more on the industry and find out which technologies we are really good at

Japan will be one of the pioneers in the 4IR and a huge offshore development market is going to be created for the emerging technologies.

It is said that Japan will be in a shortage of more than four lakh skilled engineers by 2025, for which they are desperately looking towards the offshore development partners.

Over 50 per cent population of Bangladesh are aged below 25 and the country can definitely utilise the power of the youths to achieve more growth.

The positive thing is that Bangladesh has been seriously considering the Japanese market since 2014 and some of the companies are doing really good in this market.

But we are falling behind others due to the language barrier, while Vietnam has done very good.

It has been reported that most of the Japanese companies prefer Vietnam over Bangladesh, as Vietnamese engineers can speak Japanese fluently because of learning the language from the school level.

That's why Bangladesh is lagging behind Vietnam despite providing more quality work. Time has come for the industry and the government to address this issue.

The government has introduced a project called BJET (Bangladesh-Japan ICT Engineers' Training Programme), where we teach them Japanese language and etiquettes. But the number of students we are producing per batch is not even close to the demand we have in our market.

Another point is that we also need to produce adequate number of graduates skilled in emerging technologies.

Like Japan, countries like the Netherlands, Denmark, Sweden and Switzerland are also going to witness negative population growth, which is why they are also looking for skilled engineers and outsource partners.

But the European market has been very difficult for Bangladesh in the recent years because of the rise of Ukraine and Poland in the tech sector. Most European countries are now preferring to go to Ukraine and Poland rather than coming to Southeast Asia.

We have another big market we have always ignored: Africa. In the next 10 to 15 years, it will be a great market for the ICT companies.

Some African countries like Ethiopia, Rwanda, Kenya and Ghana are now thinking to digitalise their countries, a journey that Bangladesh began 10 years ago.

So, the time is ripe for Bangladeshi ICT companies to focus on that market. As more than 100 Bangladeshi companies have the experience of completing large-scale ICT projects, they will have an edge over others if they become the first movers.

In a nutshell, it's today that will decide where we will go tomorrow. If we can't take the right step today, our industry will lose a great opportunity.

All the parties, including the government, private sector and academia, should sit together and make a masterplan to be the leader in the ICT sector in the next decade and become the next ICT destination.

The author is the managing director of Dream71 Bangladesh Ltd and a director of Bangladesh Association of Software and Information Services.