

There is enough stock of essentials

FROM PAGE B1
Save for this, the other varieties of the grain are available to meet the country's demand until the next harvest that will begin next month.

Several factors contributed to the price spiral of the cereal: the recent buying spree, stockpiling by many consumers, and the government's purchase of paddy and rice in the second biggest rice season of aman.

"There is no deficit of rice. Only it needs to be ensured that people should buy as much as they need," said KM Layek Ali, general secretary of the Bangladesh Auto, Major and Husking Mills Association.

Anup Kumar Saha, deputy executive director of consumer brands at ACI, which has four automatic rice mills, echoed Ali.

"There will be no crisis of rice in the country. The main thing is to ensure the flow of supply without any interruption. Failure to do so will fuel prices," he said.

ACI also markets flour, pulse, edible oil and salt, and Saha said there is no shortage of supply of the commodities.

Bangladesh requires 1.35 lakh tonnes of sugar and 1.50 lakh tonnes of edible oil a month, according to a commerce ministry report. Businesses imported 2.88 lakh tonnes of sugar, mainly raw, during the December-February period and another 5.60 lakh tonnes are on the way.

Some 1.47 lakh tonnes of mainly crude soybean oil have been imported and 1.94 lakh tonnes are in the pipeline.

"We are continuously supplying goods and our production has been on to meet the increased demand. We are running in three shifts in order to keep the supply chain intact," said Asif Iqbal, deputy managing director for FMCG at the Meghna Group of Industries, one of the leading importers and processors of commodities.

Meghna always maintains a stock for two-three months to meet the demand,

he said, adding that his company has no dearth of stock for essential commodities.

"We had a preparation for upcoming Ramadan but it appears that the pressure of demand has come in advance," Iqbal said.

Traders also shared the same view that the market has enough supply and they will keep their stores open to serve customers.

"We have seen worldwide that even after lockdown by countries to slow the coronavirus contamination, supermarkets remain open. We are here to serve and help," said Kazi Inam Ahmed, president of the Bangladesh Supermarket Owners' Association, which represents chain retail stores such as Shwapno, Meena Bazar and Agora.

Sabbir Hasan Nasir, executive director of ACI Logistics that owns the largest supermarket chain Shwapno, said their normal business operations will remain open during the shutdown.

"We will stand beside people so that the market remains normal," he said, while stressing the need for smooth movement of vehicles to ensure supply of essential commodities.

However, the availability of trucks would be a problem as many truck drivers are unwilling to go to Dhaka amid fear and a lack of availability of return trips, said Nirod Boron Saha, president of the Naogon Dhan O Chal Arathdar Babshayee Samity, an association of rice wholesalers and commission agents in the northwest district.

"There would be no problem of rice supply if transport is available," he added.

However, Rustom Ali Khan, general secretary of the Bangladesh Truck and Covered Van Owners Association, said there is no shortage of trucks.

"But many drivers don't want to go on trips for fear of coronavirus infection. We will not close our service. We will remain open during shutdown to transport goods."

HSBC extends support to beleaguered garment sector

FROM PAGE B1
"We are going through challenging times in Bangladesh and are committed to continue our support to the local community to the best of our capabilities," said Francois de Maricourt, chief executive officer of HSBC Bangladesh.

HSBC empathise with its customers who have to deal with the turbulence caused by this unforeseeable outbreak and it is taking actions to help alleviate their financial burden, he said.

The lender recognises that many customers may have to run their banking in a digital norm to continue their business where conventional paper flow is not possible due to the unprecedented situation arising from the virus outbreak.

Against the backdrop, the bank will

provide support to customers to onboard onto HSBC's digital platforms 00 HSBCnet -- to enable the flow of trade to continue.

Although some clients are still using the paper-based banking, the platform is completely paperless. Relationship managers of HSBC Bangladesh will help its clients operate the digital platform.

Along with the textile and garments sector, the lender will actively evaluate and try to introduce specific initiatives to support its customers in other sectors as required.

"We are increasing our support to the business community to navigate this difficult journey together. The announcement is another testament of our commitment to the customers in the country," said Md Mahubub ur Rahman, the CEO designate of HSBC Bangladesh.

Business as usual in garment factories but with heightened hygiene measures

FROM PAGE B1

A sewing operator of KSL, one of the units of Youngone Group, said the factory authority started hand washing for workers only on Monday and they are yet to get hand sanitisers.

Shahena Akhter, worker of another garment factory, has to travel to and from her residence on Akmal Ali Road area, which is about 4 kilometres away from the EPZ, by crowded public bus.

"It really scares me whether I would be touched by any infected person or not during my daily commute," said Shahena, adding that the factories should be closed like all the public and private offices as per a government order.

As the European buyers asked some factories to stop shipment or suspend fabric and cutting section or cancel orders, the CEPZ has asked the factories to remain closed if they have no other alternative, Alam said.

But some factories still want to continue production as they have not got such message from buyers and they would wait for further instruction from the government.

About 350 garment factories, including the ones in the CEPZ, are operating in different parts of the port city.

Many workers also expressed uncertainty about their jobs if the factories are closed.

"We want closure of the factories in the current situation. But at the same time, we are afraid that we may lose our jobs in case of factory shutdown since most factories have been going through hardship for the last few months," said Salma Begum, a sewing operator of a garment factory on Bayezid area.

All of these 350 factories are compliant and have enough washing and bathroom facilities, said BGMEA First Vice President MA Salam.

"We started mandatory hand washing of the workers three weeks ago. Each factory has at least one doctor of its own and there is regular check-up of the physical condition of the workers, while a three-member medical team of the BGMEA Hospital is monitoring it," he said.

However, work order cancellations by international retailers due to the ongoing coronavirus pandemic have cost Bangladesh's garment sector \$2.25 billion in revenues as of yesterday, exporters said.

"The situation is worsening. Letters requesting the termination of previously placed orders are coming to us every day," Huq said.

Although buyers are either cancelling or delaying their work orders on a daily basis, workers' wages must be paid on time, she said.

When asked whether factories should be shut down amid the pandemic, Huq said the BGMEA has advised member factories to make the decision at their own discretion.

"We don't have the authority to order any closures. That right is reserved for the government," she added.

KI Hossain, president of the Bangladesh Garment Buying House Association, in a statement, urged Huq to keep open production units with adequate protective measures for workers.

Hossain yesterday sent two letters to Chinese Ambassador Li Juming and Indian High Commissioner in Bangladesh Riva Ganguly Das, urging them for deferring import letters of credit (LC) payments by their respective country's textile and apparel suppliers to their Bangladeshi partners until coronavirus subsides.

Bangladeshi fabrics and yarn importers will not be able to remain competitive if they are put under pressure for LC payments during this

critical time, he said.

The country imports \$8 billion worth of textile and garment raw materials from China and \$4.6 billion from India. "So, we need their help now," Hossain added.

Amirul Haque Amin, president of the National Garment Workers Federation, urged the owners to shut down factories after giving wages and other allowances to workers.

Amin suggested owners take more safety measures for the workers even while they stay at home. The Bangladesh Textile Mills Association (BTMA) has sought government's bailout package to save the industries from the fallout of coronavirus.

It submitted letters to the principal secretary to the prime minister, the finance minister and the energy adviser to the prime minister three days ago seeking the bailout package, according to Monsoor Ahmed, secretary of the BTMA.

The association sought policy support, subsidy in energy price and banking support from the government.

With the work order cancellation by the international retailers and brands, the local garment manufacturers are also cancelling purchasing fabrics and yarn from local spinners and weavers. "It is like a chain effect."

The textile millers and spinners have lost more than Tk 9,000 crore so far due to the coronavirus pandemic, he said. The management of the factory where Jafar works said that it might shut down production up to April 4 from Wednesday due to the coronavirus.

"But it is not confirmed yet. It would be better if the management pays a partial amount of the wages so that we can spend during this time," said Jafar, who has been working as a garment worker for the last seven years.

India eases rules to support taxpayers, businesses

FROM PAGE B4

The neighbouring country also banned the export of all hand sanitisers and ventilators, including any artificial respiratory apparatus or oxygen therapy apparatus or any other breathing appliance or device, in its effort to fight the COVID-19 pandemic.

The ventilators were put in the prohibited category on March 19. However, the notification issued by the Directorate General of Foreign Trade under the ministry of commerce and industry yesterday further amended the export policy.

The amended policy "widens the ambit of products under the prohibited category and will prevent any scope of export of these items by any other classification", said the ministry in a statement.

The government also prohibited the export of all hand sanitisers.

Internet traffic surges as people stay home

FROM PAGE B1

The market's leading mobile carrier has 4.07 crore active internet connections as of December. Its users consume 1.91 gigabytes (GB) of bandwidth on an average and this would definitely increase, market insiders estimate.

The other mobile operators also witnessed the same increase. In some cases, people are making more calls as there are tensions among them about the spreading virus.

Robi is using 10 gigabits per second (Gbps) connection and is very optimistic that it can meet any spike in demand from customers. The service will be up and running round the clock, said the country's second-largest carrier.

It has about 3.15 crore active internet users at the end of the year and on an average every user was consuming 2.19 GB of bandwidth then, according to a report of its parent company.

Bandwidth is a measure of how much data a network can transfer. Internet providers denote bandwidth speeds in millions of bits per second (Mbps) and billions of bits per second (Gbps). The higher the bandwidth, the faster the speed and when it comes in volume it is referred to as megabytes (MB) and gigabytes (GB).

Bangladesh Submarine Cable Company (BSCCL), the country's lone submarine cable company, experienced higher hit on its IIG part.

Both ISPs and mobile operators are taking more bandwidth as their retail demand has increased, said Mashiur Rahman, managing director of the state-owned company.

"On our part, we are observing about 10 per cent bandwidth consumption increase and we have taken all preparation to ensure services even in case of emergency situation," he said.

Bangladesh currently consumes about 1,600 Gbps bandwidth and up from 970 Gbps a year ago and 300 Gbps in 2016.

Of the total, BSCCL alone is supplying about 970 Gbps through its two undersea connections, while six international terrestrial cable operators are importing the rest from India.

ISPs have also started working from home. They, however, have kept about 30 per cent of the field workforce on standby and they will move in case of any emergency, said Hakim, also the chief executive officer of AmberIT, one of the country's leading ISPs.

The telecoms industry in other countries has reported a spike in data traffic on networks as millions of people were forced to stay home in an attempt to flatten the curve on the highly contagious coronavirus, which has globally infected more than 392,780 and claimed 17,158 lives.

Work from home – a reality today

FROM PAGE B4

Then comes the step of developing a standard operating procedure, known as SOP, which fundamentally refers how to accomplish the tasks.

Thereafter, organisations need to identify the required tools like internet connectivity, laptops or computers, scanners, printers and other audio-visual devices that would enable employees to deliver their tasks effectively.

One common concern about home office is lack of coordination, which ultimately hampers teamwork.

People who are sceptical often refers to the saying, "out of sight, out of mind".

This shortcoming can also be overcome by having a proper review and monitoring process in place.

With the availability of audio-video conferencing facility, physical distance is no more a challenge.

This facility is as effective as face-to-face meeting or interactions.

Once in a while the employee should be called to the office for any team event. This will help to strengthen engagement with the colleagues.

Last but not the least, a well-defined Key Performance Indicators is extremely critical to drive results.

There are certain challenges and risks associated that could hamper operations. These include: internet connectivity, malfunctions of systems both hardware and software, and more importantly cyber threat.

To face these challenges, organisations should be extremely vigilant to ensure system is up and running.

As an alternative, a Plan-B has to be ready so that business continuity is ensured.

To tackle cyber threat there should be adequate security measures to be built into the overall IT infrastructure of the company.

The employees, on the other hand, have certain responsibilities to make "work from home" effective.

An employee must recognise that this should

be as good as working from office.

And a few things would help:

- Everyone should have a work schedule and has to be stick to that.

- A proper workstation with comfortable furniture helps in concentrating on the job.

- Avoid any kind of distractions like entertaining guest or watching TV or playing with the kids while working. If someone has a child to look after, make a schedule so that you are aware when to do what.

- Keep the logistics like electricity connections and other tools functioning.

- Plan your breaks.

- Keep constantly in touch with your supervisor, peers and other stakeholders.

Work from home is a reality now even in our country.

Therefore, first and foremost, the employers as well as the employees should have the proper mind set to embrace this concept.

The writer is the chairman and managing director of BASF Bangladesh

Another subsidiary of Unilever to purchase GSK Bangladesh's stake

FROM PAGE B4

GlaxoSmithKline is a science-led global healthcare company with a broad range of innovative medicines, vaccines and consumer healthcare products.

The heritage of GSK Bangladesh goes back to almost seven decades and following a number of mergers and acquisitions, GSK Bangladesh Limited, a subsidiary of GSK plc, started its journey in 2002.

GSK Bangladesh's products include nutrition and oral healthcare products, led by brands like Horlicks and Sensodyne. The consumer healthcare business has delivered a compound annual growth rate of 6.8 per cent in the last two years.

However, the British multinational shuttered its 60-year-old pharmaceuticals business in Bangladesh in 2018. The pharmaceuticals unit, based in Chattogram, was incurring losses in the previous five years, much to the concern of the GSK Bangladesh board.

With the view to preventing any more losses, the board decided to bring down the curtains on the business.

But GSK continued to outperform competition in both its key categories of health food drinks and toothpaste, with GSK share increasing to 95.8 per cent in the health food drink category, a gain of 0.3 per cent over 2017.

Despite the business growth, GSK's decision to sell comes to support its parent company's \$13 billion acquisition of Novartis's consumer healthcare joint venture.

The buyout gave GSK full control of products, including Sensodyne toothpaste, Panadol headache tablets, muscle gel Voltaren and Nicotinell patches.

GSK Bangladesh management assures that the deal to transfer its ownership from Setfirst to Unilever Overseas Holdings Bv will not impact on the "Going Concern" status of the company.

HSBC Bangladesh names first local CEO

FROM PAGE B1

Later, Abrar A Anwar held the position and Naser Ezzaz Bijoy replaced him in November 2017.

In his new role, Rahman will be leading HSBC's next phase of growth ambitions as it solidifies its position as one of the leading international banks in Bangladesh, with strong leadership in trade finance, the bank said.

Rahman joined HSBC in 2002 and was previously deputy chief executive officer as well as head of wholesale banking in Bangladesh. Prior to this, he led HSBC's commercial banking business in Malaysia.

He started his career with Standard Chartered Bangladesh.

"I am delighted that Mahubub will be leading our growing Bangladesh business," said Matthew Lobner, head of international and strategy and planning of HSBC for Asia-Pacific, in the statement.

His depth of local and international experience, collaborative approach and strong leadership credentials will be key assets in strengthening our strategic positioning and pursuing our growth strategy in the country.

"I would also like to thank Francois de Maricourt for his leadership and significant contribution to the strong growth of our Bangladesh business during his five-years at the helm," Lobner added.

An MBA from the Kellogg-HKUST, a joint programme of the Kellogg School of Management and Hong Kong University of Science and Technology, Rahman has bachelor and master's degrees in finance

from the University of Dhaka.

He joined HSBC in 2002 and during his 18 years with the bank, he led the business playing to its strength and positioned HSBC as one of the leading international bank in Bangladesh with strong leadership in trade.

With over two decades of experience in commercial banking, he has diverse experience in various leadership roles both in international financial institutions and local private sector of Bangladesh.

HSBC Bangladesh's profits soared 16 per cent last year on the back of higher interest income, although its parent company's tumbled. The local operations of the London-based Asia-focused international bank's profit-after-tax stood at Tk 491 crore, up from Tk 445 crore a year earlier.

The British lender opened its first branch in Bangladesh in 1996. It offers a range of financial services, including commercial banking, consumer banking, global liquidity and cash management, trade services, treasury, and custody and clearing.

Currently, HSBC Bangladesh operates in both the major commercial hubs of Dhaka and Chattogram and has presence in all eight export processing zones.

HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and the Middle East and North Africa.

With assets of \$2,715 billion as of 2019, HSBC is one of the world's largest banking and financial services organisations.

NBR against VAT waiver on edible oil, sugar

FROM PAGE B4

Bangladesh annually requires 20 lakh tonnes of edible oil and it meets almost 90 per cent of its demand through imports.

The commission's observation came after major processors, now less than half a dozen, hiked the prices of the key cooking ingredient on higher international prices and increased VAT.

The NBR in its report to the finance ministry said it slapped 15 per cent VAT on the import of crude soybean and palm oil at the manufacturing stage in fiscal 2018-19. As a result, net VAT on edible oil was 15 per cent last fiscal year.

From this fiscal year, it imposed a 15 per cent VAT on production and 5 per cent advance tax, a kind of VAT, on imports.

Although the total tax incidence (TTI) rose to 20 per cent at the import stage, there is scope for processors to claim rebate on VAT paid during import and adjust the AT with payable VAT.

And because of millers' scope to claim rebates of VAT paid at the import stage and adjustment of VAT, only net VAT is payable at the distribution stage. The NBR said it also examined value addition related information provided by the processors to its field offices and found a large variation, from as low as 4 per cent to as much as 24 per cent for soybean oil among the three manufacturers.

And in case of palm oil, the rate of value addition among the three millers varies between 5 per cent and 31 per cent, according to the report.

"Low value addition means that they are paying less VAT than what they actually should be paying," said a senior official of the NBR, seeking to remain unnamed. It also raises the question of how firms sustain with so low value addition.

The NBR said it considered 10 per cent value addition at the manufacturing stage and \$795 as the international prices of each tonne of crude soybean oil, as mentioned by the BITC, in its calculation of VAT burden on consumers for introduction of the new tax measures.

By taking the prices, the revenue collector, which collects more than 85 per cent of total tax for the state, concluded that consumers will have to pay an additional Tk 1 for each litre of soybean oil for levying VAT on the entire value chain under the new law. And the impact of VAT has reduced as the international prices of soybean oil have fallen recently, it added.

So, the NBR said, there is no logical ground to blame the imposition of VAT at the manufacturing sector for the price hike of cooking oil.

Officials said the NBR levied the indirect tax on production of edible oil in order to monitor import, production and sales by millers so that the state gets its due VAT and taxes from the firms operating in the value chain.

As VAT was applicable only at the import stage until last fiscal year, it was not possible for customs and VAT officials to detect the actual volume of import of crude soybean and crude palm oil.

One could inflate or deflate the volume of imports to avoid VAT and taxes, said officials.

By imposing VAT particularly at the milling stage, revenue officials want to monitor imports and processing by manufacturers.

"When the VAT is levied on both the stages, we will be able to determine the volume of imports and processing and get proper amount of VAT," the official said.

The absence of VAT on the manufacturing stage gave a route to processors to circumvent monitoring, said another official.

Officials said there was no VAT between 2015 and June 2019 at the manufacturing.

In a rough measure, the NBR estimated that Tk 1,250 crore of VAT was lost for keeping the indirect tax exempted from the milling stage of edible oil.

So, in order to ensure intensive monitoring, it will not be wise to waive VAT at the manufacturing stage of edible oil, which is potentially a big revenue source, said the NBR in its report to the finance minister.

The NBR in its report also cited the commerce ministry's recommendation to reduce sugar import tariff and VAT on sugar and said the import duty and VAT was increased this fiscal year to protect the state-run Bangladesh Sugar & Food Industries Corporation (BSFIC). After the hike in tariff by 50 per cent and regulatory duty by 10 percentage points on raw sugar, sales of BSFIC increased.

The prices of sugar remained steady between June last year and January this year and added that there had been no negative impact even after the increase in import duty in June 2019, it said.

Rather, the sales of BSFIC's sugar have increased although imports declined. The NBR said continuation of the current duty structure is necessary to protect the interests of the state sugar mills. "Again, it will not be wise to reduce import tariff on sugar imports," it said, while suggesting proper market monitoring by the commerce ministry.

Trade thru land ports comes to a halt

FROM PAGE B4

Some 200 trucks go from Bangladesh to India a day whereas around 500 Indian ones enter Benapole port on an average on any regular day, they said. Around 6,000 trucks stranded at Petrapole port in India have been waiting for a go-ahead to enter Bangladesh, said Abdul Jalil, deputy director of Benapole land port.

Sonamasjid land port stopped foreigners' entry to Bangladesh on March 15, said Jafar Iqbal, immigration officer of the port.

On March 22, Bangladesh suspended entry of all foreign nationals through 11 land ports of the country. The land ports are situated in Bhowra, Banglabandha, Hili, Burimari, Roumari, Darshana, Nakugaon, Tamabil, Shaola and Akhaura.