



TAMING CORONAVIRUS RAMPAGE

Soft loans, wages to come from stimulus package

Most garment factories keep their shutters down

REJAUUL KARIM BYRON and REFAVET ULLAH MIRDHA

The government will disburse interest-free soft loans for two years among the export-oriented sectors from the Tk 5,000 crore stimulus package the prime minister unveiled to cope with the fallout from COVID-19.

Companies and exporters seeking to avail a loan from the fund will, however, have to pay 2 per cent service charge to banks -- a condition that was opposed yesterday by a number of garment entrepreneurs.

Most garment factories were closed yesterday although there is an option of keeping them open if there are work orders from international retailers, said an official of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"The units that have work orders were open. But the number is very negligible," he added.

Earlier, the government's Department of Inspection for Factories and Establishments and the BGMEA said garment factories with work orders can run their units after ensuring adequate health safety measures to protect workers from the deadly bug.

However, there is little compliance by factory managements and workers and whatever did exist is waning every day, said the BGMEA official asking not to be named.

During her March 25 address to the nation, Prime Minister Sheikh Hasina had stated that the stimulus package would be used to pay workers of the export-oriented sectors.

Immediately, the finance ministry swung into action to devise a method to distribute the funds.

Managements of export-oriented companies or factories would have to provide salary sheets and workers' list and their mobile banking accounts to banks so that salaries for April can be directly disbursed, said a senior finance ministry official yesterday.

The banks, afterwards, will forward the same documents to the Bangladesh Bank for reimbursements, said the official.

The borrowers will get a six-month grace period, meaning that they will start paying back the borrowed money in instalments to the government from the seventh month of receiving the money.

The finance ministry will send a guideline in this connection to the BB within a couple of days so that disbursement can start as soon as possible.

The government has come up with the rescue package as Bangladesh's export sectors had been reeling from the impact of the coronavirus pandemic even before the presence of the virus was established in the country.

This is because economic activities in major export destinations such as the European Union, the United States and the United Kingdom have almost ground to a



halt in recent weeks.

Garment comprised 84.21 per cent of Bangladesh's total exports worth \$40.5 billion in fiscal 2018-19 and the sector employs more than 4.1 million workers.

As of yesterday, \$2.87 billion worth garment export orders were cancelled by international retailers, according to data compiled by the BGMEA.

Some 1,041 factories having 2.08 million workers reported losing work orders for 906.68 million units of garments.

Domestic market-based industries and services sectors are also slowly feeling the effects of a 10-day government shutdown aimed at preventing the spread of the pneumonia-like virus.

Many workers in the informal sector have completely lost their incomes and they do not have any coping capacity.

If the government considers giving out the Tk 5,000 crore as loan, it will not serve the real purpose, said Shahidul Haque Mukul, managing director of Adams Apparels.

"So, we are worried. It will be very difficult to obtain the money from this fiscal package as the government will impose a lot of conditions," he told The Daily Star over the phone.

Many factory owners will not feel encouraged to take the loan for the conditions and for it being an added burden following the coronavirus-induced work losses, he said.

Garment exporters are in trouble because the international retailers have been cancelling work orders every day, said Anwar ul Alam Chowdhury (Parvez), a former BGMEA president.

So, it will be difficult for them to survive through this critical time by borrowing money from banks, Parvez said. Moreover, it will take a long time for normalcy to return in the major export destinations in the west like Europe and the US, he said.

"The government should consider these issues before taking the decision on stimulus package for the export-oriented sectors so that we can survive," Parvez said.

If it is not a grant, the government should allow at least seven years in repayment period so that exporters can adjust the loan with their balance sheets once normalcy is restored at home and abroad, the entrepreneur added.

Apart from garments, sectors such as leather, jute and ceramics are also being affected due to the global outbreak, Commerce Minister Tipu Munshi told American media outlet CNBC on Friday.

The export-oriented industries would be supported under the immediate plan while the non-export-oriented sectors would be supported from the funds to be freed up through the restructuring of the budgetary allocations and from the funds promised by the development partners.



Infrastructure project works grind to a halt

JAGARAN CHAKMA

The coronavirus pandemic has thrown a spanner in the works of all major infrastructure projects, a turn of events that is poised to delay implementation and scale up cost, according to project officials and experts.

The government is currently implementing more than \$30 billion worth of infrastructure projects such as the Padma bridge, Rooppur nuclear power plant, Matarbari power plant, Karnaphuli river tunnel and Dhaka metro rail.

"Progress is slowing down every day due to the pandemic and I am not sure what will happen if the outbreak prolongs," said Md Shafiqul Islam, project director of Padma bridge, the country's largest infrastructure project.

The construction work is about 86 per cent complete, he said, adding that more than 3.9 kilometres of the 6.15km bridge is visible now after 26 of the 41 spans were installed.

According to the revised deadline, the country's longest bridge will open to traffic in June next year.

"Project implementation has taken a back seat as our priority is to ensure the safety of the employees and workers," Islam said, adding that they would be able to assess the impact once the pandemic is over.

Coronavirus is a global issue and Bangladesh's infrastructure projects cannot remain unscathed, said

THE BIG FIVE MEGA PROJECTS

Padma multipurpose bridge	Tk 30,193cr
Padma bridge rail link	Tk 34,988cr
Rooppur nuclear power plant	Tk 106,760cr
Karnaphuli river tunnel	Tk 8,447cr
Matarbari power project	Tk 39,100cr

MAN Siddique, managing director of Dhaka Mass Transit Company, a government-owned entity that is implementing the metro rail project.

"Our outdoor work is on hold as per the government's instruction."

About 1,000 foreign nationals, from mid-level to experts, are involved with the project.

At present, more than nine kilometres of the 20.10km long viaduct are visible, Siddique added.

Construction work of the Mass Rapid Transit (MRT Line)-6, which began in 2016, has made 38.35 per cent progress as of November last year and was expected to

open to public on December 16 next year. The deadline might be pushed back now.

The coronavirus pandemic is a fresh blow to the infrastructure projects that customarily have to navigate through several barriers, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue.

"It's an unavoidable situation, but there should be the scope to restructure plans for rapid implementation of the projects."

Neither foreign nor local employees are able to work under the prevailing situation, which will definitely slow down the progress of the projects and in the long run affect the economy, he added.

"Project officials should continue working from home to offset the impact," Moazzem said.

The impact of the coronavirus pandemic on the infrastructure projects is inevitable as people's safety should be the first priority, said Ahsan H Mansur, executive director of the Policy Research Institute.

The slow progress in the infrastructure projects due to the pandemic will leave a negative impact on economic growth, he said, adding that losses could be minimised if the implementing entities and contractors can reach a consensus for putting in extra effort.

"But everything will depend on the charisma of the government and the project directors."

Grooming industry in an anxious wait

MAHMUDUL HASAN and SHADMA MALIK

The existential question confronting many right now: how do you look put together when even simple grooming could spread the virus?

With the novel coronavirus threatening to wreck havoc on the country's healthcare system, the government on March 23 ordered nonessential businesses -- salons, barbershops, nail parlours and gyms among them -- to close their doors to slow the outbreak's spread.

This has left many -- like Mofizur Rahman Palash, an assistant commissioner of Dhaka Metropolitan Police -- to

do the job themselves, often to disastrous results.

As a member of the disciplined force, he needs a tidy appearance at all times, but his overgrown hair amid all shuttered barbershops is making it difficult. So now, he is planning to do it himself.

But Md Muktadir Rashid, a resident of capital's Mirpur 1 area, close to handing over a pair of scissors and trimmer to his wife.

"The mercury is rising, so I badly need a haircut," he said, adding that even if his wife messes up his hair the ongoing movement control order means not many would get to witness it.

But for the myriads of personal-care workers and establishment the pandemic is turning out to be a source of grave concern.

Even though Bangladesh did not announce its maiden cases until March 8, the damage to their business began from the beginning of this month.

"Given the looming threat of coronavirus and the nature of our service, which needs working in proximity, panicked clients stopped coming," Taslima, manager at Farzana Shakil in Gulshan 1, told The Daily Star last week.

Clients were avoiding doing facials and body massages as those involved close human contact, said Juthi, manager of Women's Care in Banasree.

But now, many are wondering how long they can afford to keep their business running without customers.

"From next month, it would be a challenge to make a living," said Ruksana Aktar Nipa, an employee at Red Beauty parlour in the capital's Banasree, said business in all three branches in the capital are closed from March 22.

Md Hossain, manager of Adonis in capital's Dhanmondi, a salon for men, echoed the same.

"We just shut our business for the safety of our staff and customers. We paid the salary of our all 11 staff for this month. I don't know what will happen next month," he added.

But for those who are willing to make house calls, this is boom time. Many say their phones are buzzing with texts and calls from clients.

One such person who is taking grooming services is Afsana Ali, a resident of Gulshan. Yesterday she phoned an employee at the beauty salon she frequents to come to her house to do her nails.

"With nails, of course it's not the end of the world if you don't have it. But if they don't look good and they're not kept up, it's kind of like mental health status, you know? You look down and it's like, 'Everything's falling apart, and my nails are falling apart'," Ali said.

But the employee she called had no free time for the next two days: her days were choc-a-bloc with requests.

Tipra Chakma, who works in a beauty parlour in Gulshan, is going over to her salon's regular clients' houses for haircuts, facials, manicures and pedicures, and massages.

When Chakma was informed of the possibility of contracting the deadly virus from doing such house calls, she shrugged it off. "People are serious about getting their hair done. The money is good -- how can you say no?"

