

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
Closed	Closed	\$1,608.00 (per ounce)	\$27.30 (per barrel)	Closed	1.37%	0.52%	1.69%	BUY TK 83.95	89.67	98.12	11.69
					17,818.72	2,453.03	2,780.64	SELL TK 84.95	93.47	101.92	12.29



আপনার নিরাপত্তাই আমাদের অগ্রাধিকার

ব্যাংকিং হোক ঘরে বসেই

- দ্রুত ট্রান্সফার
- মোবাইল টপ-আপ
- ক্রেডিট কার্ডের বিল প্রদান
- ইন্সট্যান্ট বিল প্রদান
- ব্যাংক স্টেটমেন্ট

SIBL Social Islami Bank Limited

Star BUSINESS

DHAKA FRIDAY APRIL 3, 2020, CHAITRA 20, 1426 BS starbusiness@thedailystar.net

TAMING CORONAVIRUS RAMPAGE

BB asks exporters to apply for loans from stimulus package immediately

STAR BUSINESS REPORT

Export-oriented industries will have to apply for loans immediately if they want to get funds from the Tk 5,000 crore stimulus package to pay wages to workers, said the central bank yesterday as it published terms and conditions.

The industries will have to submit the loan application to their respective banks as the central bank has asked the lenders to place loan requirement by April 20.

The owners of the export-oriented industries, which will be allowed to enjoy the loans, will have to pay back the fund within two years, or else they will be considered as defaulters, said the BB in a notice.

The BB issued the notice as per instructions of the finance ministry for disbursement of the stimulus package aimed at helping exporters tide over the economic fallout of the global coronavirus pandemic.

The interest-free loan, which

will be used to pay wages to the employees of the industrial units, will carry 2 per cent service charge and has a repayment period of two years, including a grace period for six months from July to December this year.

Exporters will have to pay back the loans in 18 monthly instalments from January 2021 to June 2022. The central bank will realise the amount by deducting funds from the lenders' current account with the BB.

If the borrowers fail to pay back the loans on time, they will face 2 per cent penal interest.

Exporters are eligible to take the loans to pay wages for three months from April to June.

The BB will deposit the funds with the banks in three phases

over the next three months. The funds will be paid into the banks' accounts on the last working day of the month, according to the central bank notice.

Exporters will get loans equivalent to the average wage amounts of three months from December to February.

As per the guideline, factory owners would have to submit the salary sheets of workers from December to February of 2019, the list of workers and their banking or mobile banking accounts to banks.

Once the verification is complete, banks will disburse the salaries to the workers' mobile banking or bank accounts. This means no fund will be given to the account of the factory owners.

Factories that export at least

80 per cent of their products are eligible for the loans. Active factories that paid salaries and wages to workers from December to February would also be considered.

The exporters will have to obtain certification from their respective trade body to enjoy the loans. For instance, a readymade garment factory will have to take the letter from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the letter has to be signed by the president and the general secretary, the central bank explained.

The government has come up with the rescue package as the export sectors have been reeling from the impact of the global coronavirus pandemic.

As of yesterday, \$3 billion worth of garment orders were cancelled by international retailers and brands, according to data compiled by the BGMEA.



Tk 3,500cr yarn, fabrics pile up in mills

REWAFAT ULLAH MIRDHA

Yarn and fabrics worth Tk 3,500 crore have piled up in some 250 spinning and weaving mills because of the ongoing movement restriction to curb the spread of coronavirus.

These millers manufactured the yarn and fabrics targeting two upcoming festivals Pahela Baishakh and Eid-ul-Fitr, Mohammad Ali Khokon, president of Bangladesh Textile Mills Association (BTMA), said in a letter.

The affected millers mainly produce yarn and fabrics for the local market, Khokon said in the letter, which he prepared to submit to the finance ministry and other government offices next week.

This year, the government imposed a ban on large gatherings to celebrate the first day of the Bangla calendar, when clothing items worth around Tk 1,500 crore is sold, Khokon said.

The millers may miss both the two major sales events this year, as the government may curtail the celebrations of Eid-ul-Fitr also, he said.

Of the 450 BTMA-member spinning mills, 250 were in a fix, as they produce fabrics and yarn for products such as lungi, sari, salwar kameez and fatua.

The situation was the same for 500 of the 850 weaving mills which produce fabrics for the local markets.

This has trickled down on some 200 units of dyeing and finishing mills which mainly serve these spinning and weaving mills, Khokon said.

The spinning and weaving mills, which produce raw materials for the export-oriented garment sector, can benefit from the government's Tk 5,000 crore stimulus package.

Some 1.5 million people have been directly affected from the drop in sales in the primary textile sector, Khokon also said.

In the letter, he demanded withdrawal of VAT on all kinds of yarn and fabrics sold between March 20 and June 30 this year.

He also sought exemption of interest on term loans for six months and extension of term loan repayment period by two years for the affected millers.

He demanded enabling payment of utility bills like gas and electricity for the next six months starting from March in 12

monthly instalments while withdrawing associated VAT, interest and surcharge.

He also demanded that the government facilitate duty free import of textile dyes and chemicals until June 30 this year.

The BTMA chief also urged the government for withdrawing all demurrage fees for imports at the Chattogram port between March 20 and June 30 this year.

Meanwhile, local garment accessories makers have urged the government to include them in the list of beneficiaries of the stimulus package.

With the work order cancellations by the buyers, the accessories sub sector is also affected, said Abdul Kader Khan, president of the Bangladesh Garment Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA), in a statement yesterday.

More than 1,700 BGAPMEA members meet nearly 95 per cent of the demand for accessories of the garment industry and help reduce import dependency for accessories of the export-oriented sector, including the garment sector.

Khan said the accessories and packaging sector was one of the main export oriented sectors that was supporting other export-based sectors in producing their finished products.

AKM Salim Osman, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), in a statement yesterday said the association's member factories would be able to run their units after April 4 while ensuring adequate health safety measures for workers.

Earlier, Osman in a statement asked all the BKMEA members to shut factories down in line with the government announcing a 10-day general holiday from March 26.

The BKMEA also strongly suggested its members clear workers' wages for March in time to avert any labour unrest.

Meanwhile, the commerce ministry has withdrawn the ban on export of face masks and hand sanitisers from Bangladesh.

The ministry in a statement said the office of the chief controller of imports and exports passed the order in a circular yesterday.

Earlier, the ministry imposed a ban on export of face masks and hand sanitisers until March 12, according to the statement.

Stocks display worst-ever showing in first quarter

AHSAN HABIB

Stocks delivered their worst first quarter of a year as nervous investors went for massive selloffs, initially prompted by anti-market measures and then by the fast-spreading coronavirus, which dealt a heavy blow to the economy and businesses at home and abroad.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), plunged 849 points, or 19.07 per cent in the January-March quarter, to display the most dismal first quarter in its history.

The index began the year on a high note at 4,453 but because of the coronavirus-induced panic, it nosedived to 3,603 on March 18, the lowest since May 12, 2013.

This prompted the regulator to step in to prevent further slides. The Bangladesh Securities and Exchange Commission (BSEC) set the floor price of all stocks by calculating their last five days' average prices. This allowed the index to avoid further slides although analysts say the price was not market-driven.

The index ended at 4,008 on March 25, the last trading session before the closure of the trading owing to the ongoing countrywide lockdown.

The DSE30, the blue-chip index that comprises well-performing stocks, ended the quarter at 1,323.77, down 19.83 per cent from its January start.

The benchmark index of the Chittagong Stock Exchange (CSE) was down 18.96 per cent in the first quarter. The broad index of the port

city bourse stumbled 1,553 points to close at 6,859.9.

The stock market had been on a downward trend for the last few months, prompting the prime minister to order banks to buy stocks to boost investor confidence.

But most lenders did not oblige. As a result, investor confidence was hit and the key index was sent tumbling, said Mostaque Ahmed Sadeque, a former president of the DSE Brokers

Association of Bangladesh.

With this backdrop, the coronavirus made its entrance and has since ravaged economies the world over for the last three months with Bangladesh's economy being one of its latest victims.

Because of the COVID-19 fallout, stocks fell further, Sadeque said.

Globally, the virus has killed more than 48,320 people and infected more than 952,171. Some 180 countries are affected with the

virus, according to data compiled by Johns Hopkins University.

In Bangladesh, 56 people were infected when this report was written while six deaths were linked to the deadly pathogen.

With the latest hit, stocks of multinational companies did not see buyers amid the mounting fear of economic uncertainty, said Sadeque, also the managing director of Investment Promotion

of Services, a brokerage house.

The market was already sinking and the COVID-19 outbreak only intensified the plunge, a merchant banker said.

Most listed companies shut down their factories due to the ongoing countrywide lockdown. Many of these businesses will be adversely affected after reopening their operations due to the shrinking economy, he said.

Bangladesh's gross domestic

product may contract by as much as 1.1 per cent in the hypothetical worst-case scenario of a significant outbreak of coronavirus in the country, said the Asian Development Bank in an analysis in the first week of March.

Not only the stock market in Bangladesh fell: markets are suffering in other parts of the world such as the US as well.

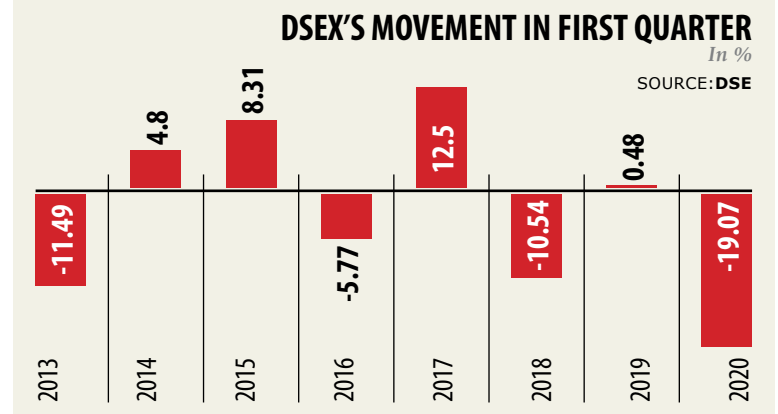
The Dow Jones Industrial Average, an index that measures the stock performance of 30 large companies listed on stock exchanges in the US, lost 7,925 points, or 27.45 per cent during the quarter, which is the gloomiest first quarter in its 135-year history.

The US market was overvalued after it was on the brink of collapse following the coronavirus pandemic. But in Bangladesh, the stock market was already at a very low stage before the virus began to spread due to panic among investors, said Shahidul Islam, CEO of VIPB Asset Management, a fund manager in Bangladesh.

"The country's stock market saw a depressed first quarter due to the panic among investors and COVID-19."

Bangladesh's economy has been growing at higher rates but its stock market is falling. This is because the country's many anti-market measures shocked foreign investors, Islam said.

Islam cited the measures related to Grameenphone and the telecom regulator tussles and the imposition of 6 per cent and 9 per cent as deposit and lending rates respectively.



37 private banks to donate Tk 140.8cr to PM's relief fund

STAR BUSINESS REPORT

Thirty-seven private banks will donate Tk 140.80 crore to the prime minister's Relief and Welfare Fund in an effort to help the government mitigate the health and financial risk which stems from the coronavirus pandemic.

Older banks will provide Tk 5 crore each while nine fourth generation lenders will contribute Tk 20 lakh apiece to the welfare fund.

On March 29, the Bangladesh Association of Banks (BAB), a forum of private bank sponsors, urged various financial institutions to provide the funds within March 31.

The forum will hand over the funds within the next week, said a bank's senior executive, who is well aware of the matter.

This will help the government accelerate its ongoing fight against the coronavirus outbreak, he said.

Besides, four state-run commercial banks -- Sonali, Janata, Agrani and Rupali -- have also taken the same measure.

The aforementioned commercial banks will each donate Tk 1.25 crore to the fund.

"State-run banks have already completed all measures to donate to the fund. We will hand over the money at a convenient time next week," said Mohammad Shams-Ull Islam, managing director of Agrani Bank.

Agrani will also provide 5,000 personal protective equipment to the welfare fund for distribution, he added.



Heavy chains and locks secure rickshaw vans to an electricity pole in the capital's Azimpur amidst demand for the movement of goods reducing to a trickle for a government shutdown aimed at curtailing the spread of the pandemic. The photo was taken recently.

ADB gives \$1.34m to avoid dropout of skills trainees for lockdown

STAR BUSINESS DESK

The Asian Development Bank (ADB) provided \$1.3 million financial assistance on Wednesday to avoid trainees from dropping out of the ongoing training under Skills for Employment Investment Programme (SEIP).

The SEIP is providing sector-focused and job-ready skills training through partnerships with public institutes, industry associations and other organisations, covering skills requirements in 10 industry sectors.

"Each of the 22,619 current trainees will get Tk 5,000 as one-time assistance," said ADB Country Director for Bangladesh Manmohan Parkash.

"The Covid-19 pandemic has caused adverse impacts on the trainees' livelihood and this assistance will help the trainees to continue their training as they are from poor households and chances of their dropping out are high due to the prolonged lockdown."

"We have requested the government to transfer the money timely to the trainees through their bank accounts," Parkash added.

The assistance is additional to the \$350,000 emergency grant approved on March 27, and other ADB support package being put together in the health and financial sectors for tackling Covid-19 challenges in Bangladesh.