

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | |
|--------|--------|---------------------------|-------------------------|---------------|-----------|-----------|----------|---------------|-------|--------|-------|
| DSEX | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | CNY |
| Closed | Closed | \$1,676.20 (per ounce) | \$20.32 (per barrel) | 3.09% | 1.97% | 1.77% | 0.90% | BUY TK 83.95 | 90.08 | 103.20 | 11.69 |
| | | | | 30,669.86 | 19,280.78 | 2,551.92 | 2,827.01 | SELL TK 84.95 | 93.88 | 107.00 | 12.29 |



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TAMING CORONAVIRUS RAMPAGE

Companies move shareholder meetings online amid shutdown

MUHAMMAD ZAHIDUL ISLAM and AHSAN HABIB
In a first for Bangladesh, listed companies are using virtual platforms to hold annual general meetings as part of their business continuity plans while avoiding mass gatherings and maintain social distancing in the face of coronavirus outbreak in the country.

The move to virtual platforms comes after the Bangladesh Securities and Exchange Commission (BSEC) on March 24 temporarily relaxed rules on holding AGM or extraordinary general meeting (EGM) and board meetings on digital platforms to contain the spread of the

deadly bug. The companies whose record dates were after March 25 will be able to hold their AGM online, said a top official of the commission. The record date is the cut-off date established by a company to determine which shareholders are eligible for a dividend.

GlaxoSmithKline Bangladesh was the first to conduct the virtual AGM on April 16, and five days later, Grameenphone, the top-listed company, followed suit. British American Tobacco Bangladesh (BATBC) will do the same today and Singer Bangladesh on May 15.

The commission issued the guideline following a proposal from BATBC, said Md Azizur Rahman, company secretary of the firm. This will ultimately be helpful to the shareholders as they will get 400 per cent cash dividend after the meeting, he said.

"To us, the most important thing is that if the AGM can be held, shareholders will get some money. This will be helpful for them amid the lockdown and will also be helpful to the economy," Rahman told The Daily Star.

BATBC has about 19,000 shareholders and the company has shared the password with them to allow them to log on the AGM platform the company's own IT team has developed.

"This is the real digitalisation as people don't need to move to participate in any programme like AGM." The process is also easy to communicate with the shareholders, who will get an annual report through a link as part of a move that will cut paper use.

At the same time, unwanted incidents can be avoided, Rahman added. BATBC has incorporated the voting system and the shareholders will get the opportunity to share opinions and make recommendations. Some of the directors of the company are now out of the country and they will take part in the AGM virtually.

The same happened at the AGM of Grameenphone. Some of the board members attended the meeting from Thailand and Norway. Among them were

Grameenphone Chairman Petter B Furberg and Chief Executive Officer Yasir Azman. Grameenphone moved this year's AGM to the digital platform in compliance with the directives of the BSEC and considering the health and safety of all the shareholders, staff and others, the operator said.

Grameenphone has designed and developed the digital platform to run the 23rd AGM of the company online to provide continuous and meaningful shareholder engagement and participation, it said in a press release.

At the AGM, shareholders approved a 40 per cent cash dividend. Grameenphone has 32,000 shareholders and all of them got the password to attend the meeting and a good number of them attended.

GlaxoSmithKline Bangladesh organised the event at Radisson Blu Chattogram Bay View hotel where shareholders approved a 530 per cent cash dividend for the year that ended on December 31, 2019.

Singer's AGM will be held online from Spectra Convention Centre and the board has recommended a 77 per cent cash dividend for last year.

At least 10 industry bodies have applied to both the finance ministry and the Bangladesh Bank to get financial support from the Tk 5,000 crore stimulus package for the export-oriented industries.

The industries are not allowed support under the guidelines of the package, said a BB official. Some local investors with no direct link with exports have also sought support from the package as they are in deep trouble now.

If all the industries' demands are to be accommodated, the size of the fund will have to be increased to Tk 10,000 crore to Tk 12,000 crore from existing Tk 5,000 crore, said two BB officials who are working on the stimulus package.

As per the regulations of the fund, only export-oriented industries can apply for loans to pay wages of their employees for April, May and June. The local investors should be allowed to enjoy the fund as they have a strong role in keeping the wheels of the economy moving, the officials said.

The organisations that applied for the fund include the Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA), the Bangladesh Local Carton Manufacturers Association (BLCMA) and the Bangladesh Association of Software and Information Services (BASIS).

Besides, type A and type B industries of export processing and economic zones and high-tech parks have also applied for the fund. Type A units are 100 per cent foreign-owned, including those owned by Bangladeshi nationals who reside abroad. Type B units are joint-venture projects between foreign and local entrepreneurs.

The government, however, on April 15 allowed Type C units, which are fully owned by Bangladeshi entrepreneurs and reside in the country permanently, to get financial support from the package.

The finance ministry asked the BB on April 19 to also bring the backward linkage industries of exporters under the stimulus package for the small and medium enterprise sector instead of the one for export-oriented industries.

As per the government instruction, the central bank formed a stimulus package of Tk 20,000 crore for the SME sector. The BGAPMEA member factories will be allowed to get loans from the SME package as working capital, after which they will use the fund to pay their workers' wages, the finance ministry said.

"We export essential products to the industries that supply finished goods abroad. So, we have a direct link to the country's export programme," said BGAPMEA President Md Abdul Kader Khan.

In many cases, the member industries export a portion of the goods to foreign nations, but the factories were not considered for support from the stimulus, he added.

BASIS members are completely export-oriented enterprises, but some banks have initially refrained from entertaining their applications, said Syed Almas Kabir, the president of the organisation.

"So, we requested the central bank and the finance ministry hurriedly to resolve the problem. The higher-ups of the central bank informed BASIS that we are entitled to support from the package," he added.

Member factories of BLCMA, which manufactures carton for both the local and export-oriented industries, have also applied for the support as they are going through a difficult time due to the ongoing shutdown, said MA Bashir Patwary, president of the association.

The association has about 200 members employing more than 20,000 workers. "Our production has now completely stopped," he said, adding that banks hardly provide finance to them.

Now 10 more industries are seeking help

REJAUL KARIM BYRON and AKM ZAMIR UDDIN

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GP seeks extra spectrum at discounted price

MUHAMMAD ZAHIDUL ISLAM
Grameenphone has sought additional spectrum for an interim period to offer better internet services as their network has become busier for a surge in data usage amid the coronavirus-induced lockdown.

Three other operators have also sought additional spectrum from the regulator, albeit free of cost, but Grameenphone wants to either pay a discounted price or share revenue with the government.

Yasir Azman, chief executive officer of the country's leading mobile operator, expressed the intention at a recent meeting with Md Jahurul Haque, chairman of the Bangladesh Telecommunication Regulatory Commission, Hossain Sadat, head of regulatory affairs of the operator, told The Daily Star.

"We will soon send a letter to the regulator seeking the additional spectrum," he added. If users get better service, the operators' plea can be considered as the government has a huge amount of unused spectrum, Haque said.

The BTRC has shared the operators' proposals with Telecom Minister Mustafa Jabbar and a decision needs to come from the government.

"The operators are helping the government combat the coronavirus pandemic, and in return, they also deserve something from us," Haque added. Sadat said they were against the idea of free allocation of spectrum.

"We believe, this is the time we all need to come forward and join hands with the government in its fight against the COVID-19." Spectrum should be allocated in such a manner that all the parties are benefitted equally, he added.

"Due to the countrywide lockdown, data traffic has increased by more than 25 per cent in our network," said Shahed Alam, chief corporate and regulatory officer of Robi, the country's second largest operator. Because of the emerging situation,

service quality will be hard to ensure if the additional spectrum is not allocated. "That's why we have requested the government to consider allocating us additional spectrum for three months without any charge."

Alam claimed that the quality of their service will improve significantly within seven days of getting the additional spectrum. Currently, Grameenphone has 37

Megahertz (MHz) of spectrum, Robi 36.4MHz, Banglalink 30.6MHz and Teletalk 25MHz in different bands.

Earlier, Grameenphone on several occasions had sought spectrum at a reduced rate but the regulator did not pay heed to its request.

The BTRC always maintained a stance that the operators would have to pay a price per the last auction in February 2018 when Grameenphone and Banglalink had bought each MHz of the spectrum at \$31 million.

Early this month, the operators also requested the BTRC to exempt them from sharing revenue with the government at least for a couple of months so that they can tackle the crisis during the challenging business climate brought on by the coronavirus outbreak.

Mobile carriers now share 6.5 per cent of their gross revenue with the government. The telecom sector is going through some challenges like other areas of the economy due to the pandemic, the Association of Mobile Telecom Operators of Bangladesh had said in a statement.

Mobile carriers are already observing trends in usage patterns that may leave a dent on their overall revenue, it said. The operators already slashed data pack tariffs following a request from the telecom regulator, which has resulted in a surge in data usage.

Although data consumption is growing rapidly, data monetisation is still low, said SM Farhad, secretary-general of the association.



Ice cream industry melting on a rumour

AHSAN HABIB
Hardly anyone turns up at the National Parliament House these days to get some fresh in the evenings.

And for Md Moslem Uddin, an ice cream seller who parks his cart in front of the yards of the heritage building every day, this development, brought on by the outbreak of coronavirus in Bangladesh in March, has been particularly brutal.

On an average, he sells ice creams worth Tk 3,000 to 3,500 daily and his monthly commission ranges from Tk 12,000 to Tk 15,000. "My van's paddle has stopped and so has my income," said Uddin, a father of two daughters.

but the ice cream, it appears, has been a victim of a cruel joke on top. A rumour was spread on social media quoting the United Nations Children's Fund that ice cream consumption would lead to catching coronavirus.

Though the United Nations agency denied it, the damage was already done, with people avoiding ice cream like plague. "Our sales just abruptly nosedived when the propaganda was spread through social media," said GM Kamrul Hassan, chief executive officer of Igloo Ice Cream, which has a 42 per cent share of the market.

Then the second blow came when the government announced the shutdown because about 60 per cent of the ice cream sales take place in the streets, he said. "These sells just stopped," he said, adding that the distribution channel is also disrupted by law and

enforcement departments. Even when the shutdown is lifted, most likely after April 25, people may not jump back to gorging ice cream. "The psychological damage has already been. The ice cream industry will struggle a lot," Hassan added.

Tanvir Haider Chaudhury, chief executive officer of Kazi Food Industries, whose two brands Za'n Zee and Bellissimo have cornered 12 per cent of the market, echoed the same. "We missed the top-selling day of the year, which is Pahela Baishakh," he said, adding that his company's sales now are in the fractions.

Ice cream producers sell about 75 per cent of their products in just four months of the year, said Ahmed Rajeeb Samdani, chairman of Golden Harvest Group, which has a 15 per cent share of the ice cream market with its two brands Kwaliti and Bloop. But this year there was hardly any sales.

"The rumour spread among schools and guardians -- and our sales were pounded." The unsold ice cream is now being housed at the storage facility, which is

reaching full capacity. "We are incurring electricity bills. And we don't know when the stock will be sold," he said, adding that the company lost sales of about Tk 30 crore since March 26.

Since people will not start to consuming ice cream very soon due to the fear that came through the rumours, the raw materials will now have to be discarded as those have an expiry date.

"The ice cream industry is the highest affected among all sectors and the growing market is simply going to be destroyed by this pandemic," Samdani added.

According to research by LankaBangla Investments, the ice cream industry is growing at 15 per cent rate riding on rural consumers and surge in per capita income across the country.

It's the same scenario over the upscale ice cream parlours. Kawser Zaman, operation manager of Gelatissimo, an Australian ice cream chain with five outlets in Dhaka, said their sales have hit rock-bottom.

"There are simply no people out and about. And people are not in the mood for ice cream now," he added. Abdul Mannan, manager of Movenpick, a Swiss ice cream chain, said the rumour just killed their sales.

"No country in Europe, where coronavirus is wreaking havoc, has seen such a crash in ice cream sales. But we were felled by a rumour," he added. Rakibul Haque, assistant manager of Marble Slab Creamery, an American chain, said their in-store sales are non-existent but they are still getting some orders through Foodpanda and Uber Eats.

"But it is not significant," he added.

