

**TAMING CORONAVIRUS RAMPAGE**

# AC sellers in hot water

JAGARAN CHAKMA

This was supposed to be a busy summer for the air conditioner manufacturers, what Bangladesh's tremendous growth momentum that is raising the purchasing capacity of the middle-class and getting better access to electricity and the mercury inching up every year.

Nearly 70 per cent of the ACs are sold during the April-June period as people start getting punched in the face with 30-degree weather. And this time last year, most of the manufacturers and sellers failed to keep pace with the demand.

Total sales stood at around 4.5 lakh units last year, a jump from three lakh units in the previous year. Based on last year's experiences, market players had predicted that sales would cross six lakh units this year and set the sales target likewise.

But then came coronavirus, with its all-encompassing ferocity, leaving the AC sellers down in the dumps.

Thanks to the countrywide shutdown since March 26 to flatten the curve on coronavirus,

the AC sellers had to keep the shutters of their stores down.

Some are selling the units online to salvage some of their peak selling season.

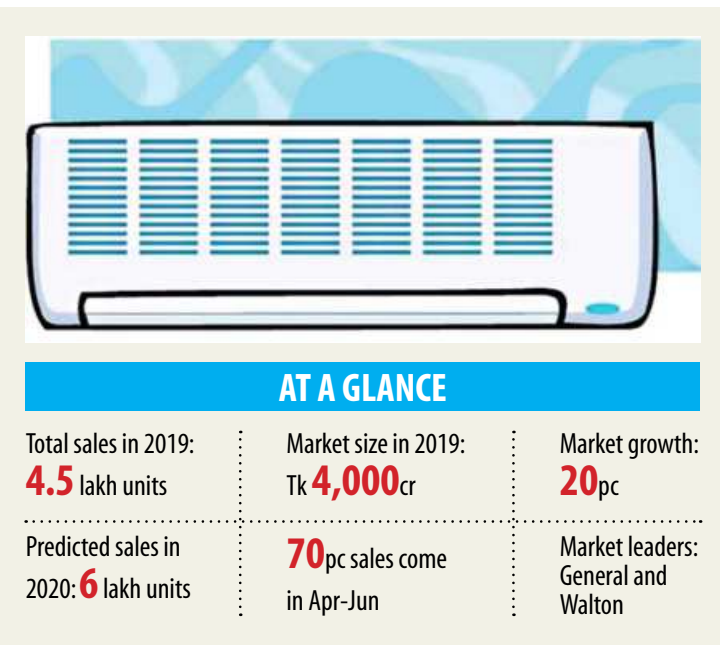
"But the number is very depressing," said Tanvir Rahman, chief executive officer of Walton, one of the top players in the industry.

Walton along with Transtec has managed to bring down the prices of ACs in Bangladesh, tempting the sizeable middle-class population to purchase the apparatus that blows out artificially chilled air.

The middle-class, who are the main target consumers, are in an uncertain state as the shutdown is taking a heavy toll on the economy and subsequently posing a threat to their incomes.

"Even if the pandemic subsides in the next one and a half months, the peak season for AC sales will be over. Besides, consumers don't purchase home appliance during in moments of crisis like this," Rahman said.

Walton has set a target to sell at least four lakh ACs this year as they sold more than 2.5 lakh units



last year.

"But we barely stand a chance of hitting the target," he added.

Saikat Azad, deputy general manager (marketing) at Transcom Digital, which owns Transtec brand and sells appliances of leading brands like Samsung,

Panasonic, Philips, Hitachi, Sebec and Media, maintains an equally grim outlook.

Transcom Digital's e-store is open and the company is delivering products directly from their warehouses.

He fears negative growth in

# DBH's profit streak held back for lower flat sales

AHSAN HABIB

Delta Brac Housing Finance Corporation, or DBH, one of the leading listed non-bank financial institutions, logged in higher profits last year though its interest income dropped.

In 2019, the housing financier's profits rose 2.77 per cent year-on-year to Tk 107.69 crore. However, profit-before-tax dropped 3.59 per cent to Tk 155.59 crore.

The company's home loan book expanded at a meagre pace of 1.54 per cent to Tk 4,452 crore during the year.

The price of raw materials, particularly the price of rod and cement, went up during the year, as a result of which the price level of apartments increased further, DBH said in its annual report.

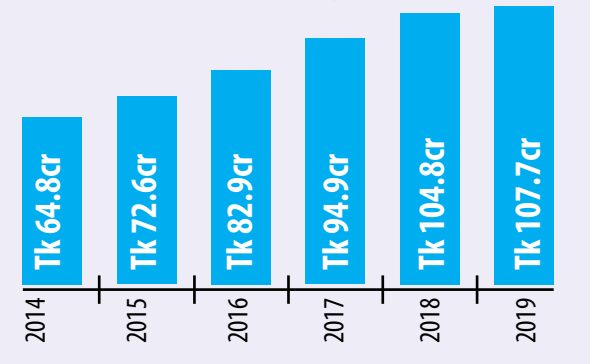
This hurt flat sales, so the home financier's fortunes were also squeezed, it added.

"Thanks to the liquidity crisis in the financial market we had to offer a higher interest rate on deposits. So, our net interest income fell," said QM Shariful Ala, managing director and chief executive officer of DBH.



Delta Brac Housing Finance Corporation Limited

## DBH's profit over the years



At the close of 2019, DBH's deposit portfolio stood at Tk 4,341 crore, against which Tk 148 crore of interest is payable.

DBH's net interest income, which is its main income source, fell 4.57 per cent to Tk 171.07 crore, according to the annual report of 2019.

The NBF's income from the capital market also dropped 41.6 per cent to Tk 2.68 crore.

"We keep more provisions than what is stipulated by the central bank's guidelines, so our financial strength is very good."

The NBF's total classified loans reached Tk 20 crore, with its default loan ratio being 0.45 per cent at the end of 2019.

DBH is the only institution among all the banks and NBFs that has been getting AAA credit rating at a stretch, he said.

But Ala is not as sanguine about 2020. "This is an abnormal year due to coronavirus, so there would be some negative impact on all companies' fortunes. But we will have to manage it," he added.

DBH, which got listed on 2008, traded at Tk 92.60 on March 25, the last trading day before the bourses shut for the countrywide general shutdown enforced to flatten the curve on coronavirus.

The company is providing 20 per cent cash and 15 per cent stock dividend to its shareholders for the year ended on December 31, 2019. It provided 25 per cent cash and 10 per cent stock dividends previously.

Sponsors and directors hold 51.32 per cent of DBH's shares, with rest in the hands of the public.

# Wanted: Tk 2,600cr

The promising motorcycle industry now seeking bailout

JAGARAN CHAKMA

The global coronavirus pandemic has left no sector unscathed and stopped hardly any businesses from turning to the government for a pie of the stimulus package announced to mitigate the economic fallout.

Now, it is the motorcycle manufacturers and assemblers who are seeking Tk 2,060 crore in financial support from the government.

Of the support, Tk 2,000 crore is being sought from a Tk 30,000 crore stimulus package the government is offering to affected industries and service sector companies as working capital at 4.5 per cent interest.

The remaining Tk 60 crore is being sought at 2 per cent service charge for staff salaries to be paid over the shutdown period, which is expected to last for around three months.

Motorcycle sales had leapt to about 5 lakh units in 2019 from 1.5 lakh in 2017 with the aid of duty reductions facilitated by the government at the import stage.

This is said to have prompted market players to invest about Tk 8,000 crore, creating direct and indirect employment for around two lakh people.

The sector helped generate about Tk 2,000 crore in duties, taxes and VAT and about Tk 1,000 crore as registration fees in fiscal 2018-19.

There are 10 brands of motorcycles, namely Runner,



- Market investment: Tk 8,000cr
- Employment (direct and indirect): 2 lakh
- Import duty cuts prompted sales rise from 1.5 lakh in 2017 to 5 lakh units in 2019
- Registration fee generation: Tk 1,000cr
- Industry duties, taxes, VAT in FY19: Tk 2,000cr

Hero, Bajaj, Honda, TVS, Yamaha, Suzuki, Benelli, Zongshen and Lifan, being either manufactured or assembled in Bangladesh.

The sector could not make any of the Tk 600 crore in expected sales in April, Hafizur Rahman Khan, president of the Motorcycle Manufacturers & Exporters Association of Bangladesh, told The Daily Star.

To sail at full mast, like during last year, the motorcycle industry will have to absorb a loss of

expected sales of about Tk 2,000 crore, he said.

All the manufacturers and assemblers are paying salaries and other benefits to employees from their capital as there is neither sales nor production, according to Khan.

It will take at least two years for the sector to balance out its fixed expenditure for the shutdown period.

"We already submitted a proposal to the government for

providing support to us to tackle the crisis," he added.

Despite the revenue loss, the sector will announce no layoff, said Matiur Rahman, president of the Bangladesh Motorcycle Assemblers and Manufacturers Association.

He demanded that the government waive value-added tax and reduce registration fees for customers and refrain from imposing advance income tax on the industry for at least six months.

Government of the People's Republic of Bangladesh  
Local Government Engineering Department  
Office of the Executive Engineer  
District: Mymensingh  
www.lged.gov.bd

Memo No. 46.02.6100.000.07.001.20-1580 Date: 28-04-2020

### e-Tender Notice: 56/2019-20

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the Procurement of:

Sl. No.	Package No. & name of scheme	Tender ID	Last selling date & time	Closing/opening date & time	Tendering method
1	Package No. CHSMMP/MYM/TAR/SL-257/20/C-266 Construction of Muktiuddho Smriti Soudho at Dadra Village of Kakna Union under Tarakanda Upazila District Mymensingh	437298	Date: 17-May-2020 Time: 17:00	Date: 18-May-2020 Time: 13:45	LTM
2	Package No. Mym/Resi-Nov Resi/Maint/2019-2020/W-01 1. Maintenance of Executive Engineer House Building Works. 2. Maintenance of Executive Engineer Office Building-01 Works & 3. Maintenance of Executive Engineer Office Building-02 & Training Hall Room Works at Mymensingh XEN Office LGED, Mymensingh	456312	Date: 17-May-2020 Time: 17:00	Date: 18-May-2020 Time: 13:45	LTM
3	e-Tender/LGED/MYM/GOBM/19-20/W-82 Rehabilitation of 14m Long RCC Girder Bridge on Balispara-Mohespur Tallola Bazar Road at Ch. 7200m. under Muktagacha Upazila District Mymensingh. Road ID No. 361654133	456313	Date: 17-May-2020 Time: 17:00	Date: 18-May-2020 Time: 13:45	LTM
4	e-Tender/LGED/MYM/GOBM/19-20/W-83 Emergency Maintenance of Shrambugonj bazar R&H-Ambikagonj GC Rd from Ch. 4300m-15600m. under Mymensingh-S Upazila District Mymensingh. Road ID No. 361522002	456314	Date: 17-May-2020 Time: 17:00	Date: 18-May-2020 Time: 13:45	LTM
5	e-Tender/LGED/MYM/GOBM/19-20/W-84 Emergency Maintenance of Porangonj UP-Ramvadrapur Bazar via Kachari Bazar Road from Ch. 00m-2000m. under Mymensingh-S Upazila District Mymensingh. Road ID No. 361523001	456315	Date: 17-May-2020 Time: 17:00	Date: 18-May-2020 Time: 13:45	LTM

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. The e-Tender security submitted last date & time from the National e-GP System Portal have to be deposited online through any registered banks branches **17-May-2020** respectively. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocurement.gov.bd](mailto:helpdesk@eprocurement.gov.bd)) also from e-mail: [xen.mymensingh@lged.gov.bd](mailto:xen.mymensingh@lged.gov.bd) or Call to 091-66376, 091-66110, 091-64365. Interested persons can communicate with the undersigned during office hours.

Md. Nur Hossain Bhuiyan  
Executive Engineer  
LGED, Mymensingh  
[xen.mymensingh@lged.gov.bd](mailto:xen.mymensingh@lged.gov.bd)

GD-771

**Standard Bank Limited**  
Head Office: Metropolitan Chamber Building (3rd Floor)  
122-124, Motijheel C/A, Dhaka-1000

## INVITATION FOR TENDER

Standard Bank Limited shall procure following WAN Connectivity:

Sl.No	Name of the Items	Capacity	No of Node	Qty. (Unit)
1	Data Connectivity	1 Mbps	Branch	137
2	Data Connectivity	1 Mbps	ATM	24

Sealed tenders are hereby invited from the reputed WAN data provider company for supply and installation of WAN data connectivity at the branches. Tender schedule in detail will be available at the Head office, System & Operation Division (Islam Chamber, Level-6, 125/A, Motijheel C/A, Dhaka-1000) of the bank from 03/05/2020 to 17/05/2020 during office hour upon payment of Tk.2000.00 (Two Thousand) in cash (non-refundable) for all sets. Tender should be submitted in a tender box kept at the System and Operation Division of the bank on or before 18.05.2020 within 12:00 PM and the same will be opened at 12:30 PM on the same day in presence of the representatives (if any) of the bidders. Only bonafide firms having long business track record and adequate support service will be qualified for this bidding. The Bank reserves the right to accept or reject any bid partially or fully without assigning any reason whatsoever.

VP & Head  
System & Operation Division