

# Even Eid failed to haul up remittance in May

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The Gulf Crisis in the 1990s also forced the return of 56,000 workers to Bangladesh from Kuwait and Iraq and the Asian Financial Crisis of 1997-98 resulted in a decrease in the demand for labour migrants.

"But the existing situation is more critical than the previous ones as we do not know how long it will take to normalise the global economy," Hussain said.

Oil price is one of the major components for the rebound of the global economy and the price will return to its previous position if countries like China, India and the US can restart full-fledged economic activities, he said.

Benchmark Brent crude was down 46 cents, or 1.2 per cent, at \$37.38 a barrel on Monday. US crude fell \$1.04, or 2.9 per cent, to \$34.45 a barrel, according to Reuters.

Hussain feared that the global oil market might take nearly two years to return to its previous situation.

Federal Reserve Chair Jay Powell warned on May 17 that a full US economic recovery may take until the end of next year and require the development of a COVID-19 vaccine.

"Remittance has a strong correlation with the global market and vaccine is highly important to get rid of the falling trend," Hussain said.

At the same time, the government must control the virus at home.

"If Bangladesh fails to do so, it will have to face a dire strait. No country would import manpower from Bangladesh if the country can't bring the situation under control. This will create a catastrophic situation for remittance," he said.

And this will impact the country's GDP

growth and the rural economy as well.

The impact of 1 percentage point increase in the remittance share of GDP on per capita GDP growth can range between 0.12 and 0.74 percentage points, according to a WB study.

The lower remittances, however, did not create an adverse impact for the country's current account given the fall in import.

Imports slid 62 per cent year-on-year to \$1.95 billion in April and exports fell 82.9 per cent to \$520.01 million.

Between July and February, the current account deficit, which records a nation's transactions with the rest of the world, stood at \$2.64 billion, down 37.13 per cent year-on-year.

The lower import has also contributed to keeping stable the foreign exchange reserves, which stood at \$32.84 billion as of May 17.

"But the country's banking sector will have to face problem in the days to come if remittance continues this declining trend," said Syed Mahabubur Rahman, managing director of Mutual Trust Bank.

Imports declined in April, but it could go up within the next few months as the government has started to reopen the economy, he said.

Lenders have two major sources for foreign currencies: remittance and export. But both are now in a critical situation.

So, banks will face problems in settling letters of credit as exports are facing a negative trend as well, Rahman added.

"The government should take immediate measures to boost remittance flow," said Tasneem Siddiqui, chair of the Refugee and Migrating Movements Research Unit at the Dhaka University.

The authorities should take immediate

steps to stop the forced repatriation of migrant workers and this will help stop the collapse in remittance, she said.

"This is an unprecedented situation. The migrant workers have never faced such a consequence," she said.

More than 1 lakh migrant workers have so far been deported and thousands of them are waiting to return home, she said last month.

The host countries are deporting migrant workers violating international rules, said Siddiqui, also a professor of political science at the university.

As per the United Nations rules, no nation is allowed to deport foreign workers during a crisis.

"The government should raise the issue with the global community," she said.

If the government takes proper measures, remittance will make a turnaround in three to four months, said Abdul Alim, president of the Female Worker Recruiting Agencies Association of Bangladesh.

The demand for female workers as housekeepers, caregivers, beauticians, cleaners, medical technicians, paramedics, physiotherapists and nurses will not decline, he said.

"It is interesting that most of the Middle East countries are now asking to send back male workers, but not the female ones."

The government should improve the capacity of the workers immediately by giving training.

The government has about 70 training centres and they will produce a better result if the centres are handed over to the private sector under the supervision of the government, Alim added.

# 10.22cr people staring at high economic, health risks

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"This should be increased to 2 per cent this year and 3 per cent next year, excluding pension expenses."

The micro, small and medium enterprises (MSMEs) should be given support because if they remain inactive for a long time because of the lockdown, 60 per cent would be out of business, according to Rahman.

The government has announced a Tk 20,000 crore stimulus packages for the MSMEs.

Of the fund, Tk 10,000 crore would come in the form of refinance scheme from the central bank. "I think the whole Tk 20,000 crore should come in the form of refinance scheme."

A robust credit guarantee scheme should be launched in the next budget to encourage banks to lend to small and micro-entrepreneurs. Either the central bank or the Palli Karma-Sahayak Foundation can roll this out.

"If the budget is formulated taking into account the bottom of the pyramid and boosts local consumption and demand, we will be able to counter the increasing poverty and ensure social development," Rahman added.

Hossain Zillur Rahman, a former adviser to the caretaker government and chairperson of Brac, backed the calls to make the upcoming budget health- and poor-friendly.

The budget has to be implemented efficiently within the limited resources, he said.

"People also expect that the budget would give some relief from the uncertainty caused by the pandemic."

There has been a collapse in effectiveness in

the health sector and the health ministry and institutional reform have to be a top agenda there.

"Otherwise, you will put the country in danger by increasing the allocation because the allocation would be wasted ultimately. We are already seeing the examples of waste," Hossain Zillur said. The government agencies, the private sector, the social organisations, civil society organisations and all other stakeholders should be on board in the country's fight against the coronavirus.

But there has been a tendency to walk backwards, he said. Steps are being taken but there is no scope to check the reality. "Those who are formulating the budget should go for the reality check."

"The allocation should be proper. At the same time, the strategies should be proper," he added.

The government would have to think about the migrant workers who returned home because of the pandemic and those who were due to go abroad for jobs but have not been able to so, said Nazneen Ahmed, a senior research fellow of the Bangladesh Institute of Development Studies.

Similarly, some migrant workers are still residing in other countries but their income has been lost. They have families in Bangladesh who need support, she said.

The stimulus package for the agriculture sector at 4 per cent interest rate is still a burden for farmers. This rate may be reduced. The support should be disbursed fast.

The use of internet has gone up, so the budget should come up with a measure to cut the cost of

using telecommunication technology for the people.

The budget should help expand access to smartphones, laptops, computers through incentives and tax measures. A fund can be set up to provide consumer loans to the people to this regard.

"The stimulus packages for the private sector should be designed by taking into account the people of the bottom of the pyramid, both entrepreneurs and employees," Ahmed added.

Health should get the most priority to give immediate relief to the people and ensure economic recovery, said Imran Matin, executive director of the BIGD.

Morbidity, or the amount of disease within a population, would affect the economic recovery more compared to the mortality rate.

"Even if the mortality rate is low in Bangladesh, the overall economic effect of the infection would be much higher the way infections are going up because morbidity would affect productivity."

If the infection rate does not come under control, it will lessen external trade and investor confidence, according to Matin.

"Even if we consider the economic recovery as a policy priority, the health dimension would have to be given huge importance," he added.

To mitigate the new economic divide, the country should introduce universal unemployment benefit scheme starting with extreme poor by fiscal 2020-21 and for other unemployed groups from fiscal 2021-22, said Ananya Raihan, chief executive officer of iSocial, during a presentation.

# Tk 2,492cr projects to fight COVID-19 to get nod today

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Moreover, it will help strengthen the country's response by ensuring that effective surveillance and diagnostic systems are in place and that medical supplies, personal protective equipment, ventilators and isolation units are available in designated hospitals.

The project will equip designated laboratories with COVID-19 trained staff as well as diagnostic equipment, test kits and reagents.

To deliver critical medical support and cope with the increased demand for services, the project will rehabilitate district-level health facilities, selected medical college hospitals, the Infectious Diseases Hospital, and the Bangladesh Institute of Tropical and Infectious Diseases, among others.

It will help set up new isolation wards and ramp up intensive care units, provide personal protective equipment, medical equipment including ventilators and medicines in designated hospitals.

The project will also help improve medical waste management and disposal and water and sanitation systems in the designated health facilities.

To minimise risks for patients and health personnel, the project will help develop guidelines for treatment and hospital infection control, train medical professionals and health workers.

Further, it will help the government design and implement behavioural change communication campaigns for social distancing and improved hygiene practices.

The ADB will provide Tk 850 crore for the other project worth Tk 1,365 crore, which targets to fight Covid-19 and improve preparedness. The government will mobilise Tk 514 crore to implement the plan.

The project will help meet the government's immediate and medium-term needs to prevent the spread of coronavirus, by supporting emergency procurement and the provision of the most crucial medical equipment and supplies, an official of the

planning ministry said.

In today's Ecnec meeting, another proposal will be placed seeking a 12 per cent rise in the construction cost and a two-and-a-half-year time extension of the Dasherbandi Sewage Treatment Plant project.

Dhaka WASA undertook the Tk 3,318 crore project in 2015 to build a sewage treatment plant with funds from the Export-Import Bank of China.

Construction works were scheduled to be completed by December 2019 but the DWASA could not implement the project in time as it failed to acquire necessary land.

Now the implementing entity wants the project cost to be increased to Tk 3,713 crore and the duration to be extended until June 2022. In the project document, the depreciation of the taka against the US dollar and the increase in salary of government officials and staff have been shown as the reason behind the cost overrun.

The exchange rate of the US dollar was estimated at Tk 78 in 2015, which has now hit Tk 85, and the salary of government officials and staff have almost doubled during this time, according to the proposal.

On November 23, 2014, the DWASA entered into an engineering, procurement and construction contract with HydroChina International Engineering Co Ltd (HydroChina), a subsidiary of HydroChina Corporation, for the construction of the plant.

Under the terms, HydroChina will operate and maintain the plant for one year following the completion of the project.

According to the project summary of August 2015, approvals were secured from the government. The cabinet committee on economic affairs approved the project to appoint HydroChina.

The Export-Import Bank of China was scheduled to provide a financial assistance of \$273.4 million for the project while \$140.6 million would have been accommodated from the national exchequer and \$1.25 million from the DWASA's own fund.

# What will happen when overseas employment and remittance dip?

**FROM PAGE B4**  
Given the precarious situation of the economy, it may be more practical to think in terms of helping them start their own enterprises.

Probashi Kalyan (Expatriate Welfare) Bank has to come forward and play its due role, especially by providing credit support to those interested in starting enterprises.

However, speed and ease with which credit is made available would be key to the success of such a programme.

Such an effort is likely to be a win-win proposition for the economy and the individuals concerned.

If properly integrated, the returning workers should be able to contribute to the

economy by creating their own enterprises and by generating some employment for others as well.

To minimise the possible adverse effect of a fall in remittance on the balance of payment, the measures that are needed include: (i) all-out effort to put exports back on track; (ii) frugality in imports while maintaining a smooth and speedy supply of intermediate and capital goods needed for reinvigorating production; and (iii) keeping a close eye on payments so that leakage and capital flight do not take place in the guise of imports.

*The author is an economist and a former special adviser to the employment sector of the International Labour Office, Geneva*

# Balance of payment shrinks with pandemic

**FROM PAGE B1**  
Although the import payment will increase due to the central bank intervention, the higher export earnings and remittance will play a role in trading off the situation, he said.

The country's overall balance stood at a surplus of \$345 million in the first nine months of fiscal 2019-20, in contrast to a deficit of \$326 million a year earlier.

But the overall balance will also enter a negative zone if the trade gap and current account deficit widen.

The ongoing image of the BoP indicates that the country's economy has been downsized due to the financial recession, said Ahsan H Mansur, executive director of the Policy Research Institute.

The oil price in the global market has also declined massively, which has given a breathing space to the government.

"But this is not good enough to tackle the situation as the indicators of the BoP will get worse in the last quarter of the fiscal year," said Mansur, also a former official of the International Monetary Fund.

Both the central bank and the government will tackle the situation cautiously as the economy will not bounce back until the global economy will make a turnaround.

# Now non-bank entities can set up ATMs

**FROM PAGE B4**  
"Most private banks do not have an adequate number of branches in rural areas, let alone ATMs and POS terminals."

Besides, banks have to spend Tk 5-7 lakh to install an ATM and count a minimum of Tk 60,000 per month to maintain it, he said.

"So, the growth of ATMs and POS terminals has been very sluggish. The situation will change once non-bank entities start providing the services."

As per the guidelines, private companies will have to submit a three-year business plan while obtaining licences from the central bank and set up three ATM booths in rural areas against one in the cities.

They must deploy at least 100 ATMs and 1,000 POS machines per year.

Besides cash withdrawal, clients will be allowed to transfer funds from one bank to another and pay their credit card bills through the ATMs.

The entities should have Tk 45 crore in paid-up capital if they intend to offer ATM services

only, while an additional bank guarantee of Tk 10 crore would be required for providing both ATM and POS services.

Each company must select a bank as a settlement lender through which the clients' transactions will be executed.

The companies will establish their own switches or use the ones of their settlement banks to connect to the local or international payment and settlement platforms.

They must run a call centre round-the-clock and an online portal to receive complaints and put in place standard dispute resolution procedures.

The non-bank entities will be allowed to display their own logos and advertisements and offer value-added services as per regulations, while banks will be able to issue co-branded cards in partnership with these entities.

The companies cannot charge a customer directly for any transaction. In case of an ATM transaction, the settlement bank's account will be credited as per the

existing policies and procedures of the central bank.

Pay Union Bangladesh, a local fintech company, applied to the central bank in August last year seeking permission to set up ATMs, the BB official said.

Jasoda Jibon Debnath, managing director of the company, told The Daily Star that they would install at least 5,000 ATMs across the country.

As of January, banks have installed 10,961 ATMs and 60,474 POS terminals while they issued 15.56 lakh credit cards and 1.86 crore debit cards, according to data from the central bank.

The number of ATMs and POS terminals will increase manifold as the central bank is allowing non-bank entities to set up the infrastructure, Debnath added.

"We have started making preparations to install ATMs as the Bangladesh Bank has issued guidelines in this regard," said Osman Haidar, director (business) of IT Consultants, another fintech company that had applied the BB two years ago.

# Mobile phone use to be even costlier

**FROM PAGE B1**  
It is also worth noting that digital communication has become the only means of connectivity for a large portion of the population during the pandemic; if additional SD is levied it further add to the woes of the people under the current circumstances, Alam added.

Officials of other mobile operators said the additional taxes will slow down the government's digitalisation efforts and compel subscribers to

cut down on their mobile phone use.

"This industry is already burdened with huge taxes," said an official of a mobile phone operator preferring anonymity.

More than half of their earnings go to the state coffers in different forms, while another 30 per cent is paid to other telecom service providers.

"And at the end, we don't have enough money to run our operations," he said, adding that any new taxes will deal them a blow.

The number of mobile internet users rose 9 per cent year-on-year to 9.5 crore in March this year, according to the Bangladesh Telecommunication Regulatory Commission (BTRC).

The number of active mobile phone subscribers went up to 16.53 crore in March from 15.97 crore in the same month a year earlier. But the number of subscribers dropped in March compared to that in the previous month, BTRC data shows.

**ER**  
Eastern Refinery Limited  
(A Subsidiary of Bangladesh Petroleum Corporation)  
North Patenga, Chattogram-4204  
Bangladesh

**Invitation for International Tender**

ERL hereby invites offers from reputed suppliers/manufacturers for the supply of the following goods in accordance with the terms & conditions set out hereafter:

1.	Ministry/Division	Ministry of Power, Energy and Mineral Resources/Energy and Mineral Resources Division.
2.	Agency	Bangladesh Petroleum Corporation.
3.	Purchaser name	Eastern Refinery Limited.
4.	Purchaser district	Chattogram.
5.	Invitation for	Goods.
6.	Reference number	a) ERIPURIT-05/2020 (RT) b) ERIPURIT-06/2020 (RT) c) ERIPURIT-07/2020 d) ERIPURIT-08/2020 e) ERIPURIT-09/2020 f) ERIPURIT-10/2020 g) ERIPURIT-11/2020
7.	Date	31 May, 2020
<b>KEY INFORMATION</b>		
8.	Procurement method	International Open Tendering Method.
<b>FUNDING INFORMATION</b>		
9.	Budget and source of funds	Eastern Refinery Limited (Own Fund).
<b>PARTICULAR INFORMATION</b>		
10.	Tender document last selling date	(a), (b) 05 July 2020, 16:00 Hrs (c), (d) & (e) 19 July 2020, 16:00 Hrs (f), (g) 26 July 2020, 16:00 Hrs
11.	Tender closing date and time	(a), (b) 06 July 2020, 14:15 Hrs (c), (d) & (e) 20 July 2020, 14:15 Hrs (f), (g) 27 July 2020, 14:15 Hrs
12.	Tender opening date and time	(a), (b) 06 July 2020, 14:30 Hrs (c), (d) & (e) 20 July 2020, 14:30 Hrs (f), (g) 27 July 2020, 14:30 Hrs
13.	Offer validity	120 days (from the date of tender opening).
<b>NAME &amp; ADDRESS OF THE OFFICE(S)</b>		
14.	Tender document selling address	i) Softcopy of the document will be uploaded in ERL website. Also softcopy can be found via Email if required. For the softcopy please send email to <a href="mailto:officeerlp@erl.com.bd">officeerlp@erl.com.bd</a> ; Tender document price payment by Bank Draft or Pay Order with tender submission considering COVID-19 Pandemic.
15.	Tender receiving address	Purchase Department, Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh.
16.	Tender opening address	Purchase Department, Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh.
<b>INFORMATION FOR TENDERER</b>		
17.	Eligibility of tenderer	As per Tender Data Sheet.
18.	Brief description of goods	
a)	Bloode in liquid form	Price of tender document (non-refundable) USD 12.00/-set Or, USD 12.00/-set Tender security Tk. 25,000.00 Or, USD 300.00 Shipment validity 90 days
b)	Complete Centrifugal Pump Motor (Horizontal) Coupled with Electric	Tk. 1000.00/-set Or, USD 12.00/-set Tender security Tk. 90,000.00 Or, USD 1080.00 Shipment validity 120 days
c)	ERW Carbon Steel Pipe	Tk. 1000.00/-set Or, USD 12.00/-set Tender security Tk. 65,000.00 Or, USD 785.00 Shipment validity 90 days
d)	Variable Area Flow Meter for ABP Unit	Tk. 1000.00/-set Or, USD 12.00/-set Tender security Tk. 12,000.00 Or, USD 140.00 Shipment validity 90 days
e)	Thermometer and Thermometer Gauge	Tk. 1000.00/-set Or, USD 12.00/-set Tender security Tk. 40,000.00 Or, USD 475.00 Shipment validity 90 days
f)	Heat Exchanger Tube	Tk. 1000.00/-set Or, USD 12.00/-set Tender security Tk. 120,000.00 Or, USD 1430.00 Shipment validity 90 days
g)	Aero Condenser Fin Tube for storage tank and SCP Unit	Tk. 1000.00/-set Or, USD 12.00/-set Tender security Tk. 50,000.00 Or, USD 590.00 Shipment validity 90 days
<b>PURCHASER DETAILS</b>		
19.	Name of official inviting tender	Kazi Mahabubur Rahman.
20.	Designation of official inviting tender	Manager (Purchase).
21.	Address of official inviting tender	Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh.
22.	Contact details of official inviting tender	Telephone: 880-31-2501261-67, Ext. 382 Fax: 880-31-250269 Email: <a href="mailto:manacerp@erl.com.bd">manacerp@erl.com.bd</a> , <a href="mailto:officeerlp@erl.com.bd">officeerlp@erl.com.bd</a> , <a href="mailto:officeerlp@erl.com.bd">officeerlp@erl.com.bd</a> Website: <a href="http://www.erl.gov.bd">www.erl.gov.bd</a>
23.	a) The purchaser reserves the right to reject all tenders or annul the tender proceedings. b) If it is not possible to receive/open the tender on the scheduled date for any unavoidable circumstances the same will be received/opened on the next working day at the same time and same venue.	

**Kazi Mahabubur Rahman**  
Manager (Purchase)  
Eastern Refinery Limited  
North Patenga, Chattogram

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