

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
1.13%	0.10%	\$1,690.22	\$41.78	34,370.58	23,178.10	2,796.97	2,937.77	83.95	93.82	105.78	11.72	
3,956.10	6,816.08	(per ounce)	(per barrel)					BUY TK	84.95	97.62	109.58	12.32
								SELL TK				



# Star BUSINESS

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## TAMING CORONAVIRUS RAMPAGE

# BSNL yet to clear payment for bandwidth import

MUHAMMAD ZAHIDUL ISLAM

Bharat Sanchar Nigam Ltd (BSNL), a state-run mobile network provider of India, has deferred payments on internet bandwidth imported from Bangladesh despite scrapping its deal four months ago.

"BSNL is seeking some additional time to clear the dues and will hopefully do so by September," said Mashiur Rahman, managing director of Bangladesh Submarine Cable Company Ltd (BSCCL).

Due to a serious lack of revenue, BSNL can no longer afford to import internet bandwidth from Bangladesh and suspended its deal with BSCCL on February 7, ending a four-year partnership.

BSCCL is owed Tk 6.39 crore by the Indian telecommunications carrier, who has not made any payments since September 2018. The Indian company cited the Covid-19 pandemic as the reason behind the deferral, Rahman told The Daily Star yesterday.

"While it is true that the coronavirus pandemic has unavoidably pushed everyone into hard times, we will take strong measures if they [BSNL] fail to keep their new promise."

For nearly a year, BSNL has struggled to make payments to its staff and vendors, many of whom have sought Indian Prime Minister Narendra Modi's intervention to recover the dues, according to Indian media reports.

BSCCL apparently has no qualms against using a similar approach to collect what is owed.

"We decided to wait until September but if we do not get the money by then, we will have to use diplomatic methods," Rahman said.

In June 2015, BSNL signed an agreement to import 10 gigabits per second (Gbps) of bandwidth for the Northeastern state of Tripura through the Akhaura-Agartala point.

BSCCL began exporting bandwidth to BSNL on February 8, 2016 and continued until February 7 this year.

Last November, the country's lone submarine cable company was informed that BSNL would no longer continue to import bandwidth because of a dearth of revenue despite huge demand for internet services in the Northeastern Indian states, such as Tripura, Meghalaya and Assam.

Most Indian mobile network providers in remote areas source bandwidth from the country's heartland. However, due to the vast distances covered in hills that the bandwidth must travel, services levels tend to be unsatisfactory.

This prompted companies like BSNL to import bandwidth from Bangladesh to cater to the areas closer to the border. BSCCL earned Tk 9.6

crore in the first year of the agreement with prices set at \$10 per Mbps. Later, the price was revised twice to bring it down to \$6.

When the deal was initially inked, BSNL had hoped to increase its internet bandwidth imports up to 100 Gbps within a

year, according to BSCCL officials. However, the Indian company could never consume even 10 Gbps bandwidth despite the huge demand in Tripura. Its consumption rate never exceeded 8 Gbps.

"India's private sector has outplayed BSNL," Rahman said.

Under the arrangement, BSCCL received Tk 5.46 crore annually but this value seems smaller considering that local companies contribute around Tk 50 crore in revenue to the submarine cable company.

"From the business point of view, the deal did not involve a huge amount of money but it was a matter of pride for the country," he added.

BSCCL has long been holding talks with private companies from the neighbouring country. However, the discussions are yet to translate into formal agreements due to bottlenecks.

Currently, BSCCL supplies about 1,100 Gbps of bandwidth to the local market, while another 500 Gbps is imported from India through Benapole.

The state-owned firm has two existing undersea cable connections - SEA-ME-WE 4 and SEA-ME-WE 5 - with a combined capacity of 2,600 Gbps and plans to install a third cable to meet the country's growing demand.

It raked in Tk 58.58 crore in net profits for fiscal 2018-19.

BSNL has reported losses since 2010 and is estimated to lose a further 14,202 crore rupees in FY19, according to a report of the Business Standard of India.

The public sector firm's provisional loss was 4,859 crore rupees in 2015-16, 4,793 crore rupees in 2016-17 and 7,993 crore rupees in 2017-18.



### BANDWIDTH EXPORT: KEY POINTS

Indo-Bangla sides signed deal on June 7, 2015

BSNL had bought 10 Gbps, but never used more than 8 Gbps

Transmission started to Tripura on Feb 8, 2016

Price was \$10 per Mbps; later revised down to \$7.5 and \$6

BSCCL so far earned Tk 24cr

Dues Tk 6.39cr

Export discontinued from Feb 7, 2020



# Stock brokers in dire need of incentives

AHSAN HABIB



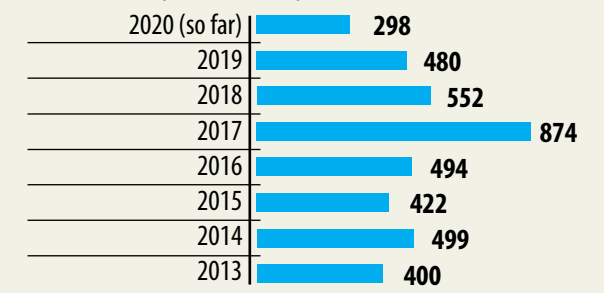
Stock market investors and intermediaries are now in real peril as the index of the country's bourses have sunk along with turnover in the past few months of the coronavirus pandemic.

The solution they say are sustenance incentives in the upcoming budget of FY 2020-21.

"Many stock brokers who get brokerage charge from trading will be compelled to shut their business if the current situation continues and they do not get incentives," said Sharif Anwar Hossain, president of the DSE Brokers' Association (DBA).

### AVERAGE DSE TURNOVER

(In crore Tk); SOURCE: DSE



"We need incentives desperately because stock brokers are suffering for the last five years due to low turnovers," he said, adding, "Now the situation has intensified."

Stock market trading was suspended for the past two months in line with a nationwide shutdown aimed at containing the coronavirus outbreak in Bangladesh.

Although the market opened on June 1, average turnover on the Dhaka Stock Exchange (DSE) slumped to Tk 120 crore as of yesterday.

Before the pandemic, average yearly turnover had kept below Tk 500 crore for the past seven years, with the exception of 2017 and 2018.

# Safety net outlay to hit 3pc of GDP for first time



REJAUUL KARIM BYRON and MD FAZLUR RAHMAN

The government may allocate Tk 95,155 crore for the safety net programmes in the next fiscal year as it looks to broaden the number of beneficiaries to support those who are struggling to make ends meet after the coronavirus outbreak.

The allocation would be 27.95 per cent higher than Tk 74,367 crore set aside in the current fiscal year and 3 per cent of the gross domestic product of Bangladesh, according to an official of the finance ministry.

The allocation was 2.58 per cent of the GDP in FY2019-20.

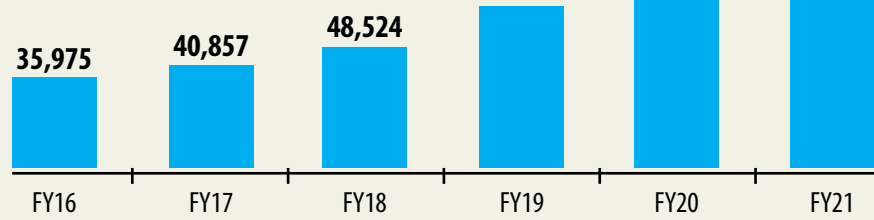
Millions of people have lost their jobs owing to the countrywide shutdown enforced from March 26 to flatten the curve on the deadly virus.

Due to the income shock caused by the pandemic, 77.2 per cent of the vulnerable non-poor fell below the poverty line, according to a joint survey of the Power

### SOCIAL SAFETY NET SPENDING

In crore taka

SOURCE: FINANCE MINISTRY



and Participation Research Centre (PPRC) and the Brac Institute for Governance and Development.

This would imply that beyond the 20.5 per cent of the population officially recognised as poor, there is a group of "new poor" representing an additional 22.9 per cent of the population that needed to be brought within the discussion on poverty.

About 74 per cent families have seen a reduction in income because of the coronavirus pandemic, a joint study of Brac, Data Sense and Unnayan Shamannay showed.

The situation prompted the government to beef up the spending for the social safety net programmes (SSNPs) by Tk 20,788 crore in FY2020-21, starting on July 1.

The allocation per beneficiary would not go up in terms of amount; rather, the number of beneficiaries would increase.

The government is boosting the allocation for eight core safety net programmes, especially those of food-based ones. There are 81 lakh beneficiaries under the schemes and that number will rise by 10 lakh.

The number of widows, destitute and deserted women entitled to Tk 500 per

month support from the government would increase by 8.5 lakh. Another 2.5 lakh would be added to the list of the financially insolvent disabled, who receive Tk 750 a month.

The number of beneficiaries receiving maternity allowance would go up by 10 per cent. Currently, 750,000 individuals get such a payment.

The government's strategy to expand the SSNPs as one of the four strategic priorities for FY21 needs to be proactively pursued, the Centre for Policy Dialogue said in a virtual briefing on Sunday.

The government should allocate at least 3 per cent of the GDP for the SSNPs as outlined in its National Social Security Strategy formulated in 2015, it said.

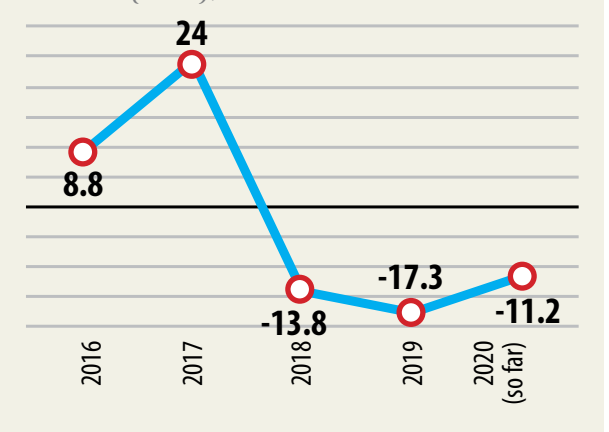
The government has prepared a list of 50 lakh households as beneficiaries to be covered under its support programme in response to the coronavirus pandemic.

"The government should take support of NGOs and local-level social organisations in identifying, selecting and distributing the support, and to address inclusion and exclusion bias in selection process and adopt a whole of society approach," the CPD said.

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### Return of the DSEX

(in %); SOURCE: IDLC SECURITIES



Even though turnover is low, the number of brokerage houses is not. There are already 238 members under the DSE and 136 under the Chittagong Stock Exchange.

Many brokerage houses are struggling to pay staff salaries, said Hossain who is also managing director of Shahidullah Securities.

Many brokerage houses borrowed money from relatives to pay staff and office rent with hopes that the market will turn around but now that hope is flickering, he added.

The DBA already sought an incentive package, including concessional loans, to bear office expenses and pay employee salaries. They expressed intent to pay back the loan within two years at 3 per cent interest.

READ MORE ON B3

# Shohoz's crowning glory

Corona Tracer BD app will play an effective role in containing the virus, says Maliha M Quadir, MD of Shohoz

MAHMUDUL HASAN

Corona Tracer BD, a contact tracing app that warns users if they are near someone who tested positive for the coronavirus, is off to a good start as individuals are increasingly downloading the solution to keep the contagion at bay.

"The app has been downloaded more than 3 lakh times as of yesterday," said Maliha M Quadir, founder and managing director of Shohoz, which developed the app for the government.

"In every second, one download is being made."

A team of Shohoz worked round-the-clock to develop the app within a short time in a testament to the growing prowess of the Bangladeshi technology start-up in developing a large-scale technology tool.

"The technology is a very complicated one. We, as a start-up, are very happy and feel proud to serve the country during this pandemic," she added.

Under an initiative of the ICT Division, the Directorate General of Health Services,

the Institute of Epidemiology, Disease Control and Research, the Access to Information (a2i) programme, the Skill Development for Mobile Game and Application project and Shohoz worked closely to develop the app.

Shohoz was in charge of providing the core technical solutions, while the contents were developed by other partners.

On June 4, the ICT Division released the beta version of the app to flatten the curve on the rogue pathogen.

To avail the service, smartphone users need to download the app from https://bit.ly/coronatracerbd. Users have to register by entering their mobile number. The device's Bluetooth and location options have to be switched on.

The app utilises Bluetooth and the latest technology to notify at-risk users by detecting the exposure to a Covid-19 positive user. The data collected is kept secure in-transit via encryption.

"If any user comes into the vicinity of a Covid-19 positive user, within a certain time and distance threshold, the user is

automatically made aware of the potential risk and what they should do if exposed," Maliha told The Daily Star in an interview on Sunday.

"The app has the potential to become one

of the most effective tools to test, trace and contain the virus."

It all began after Shohoz board members residing in various countries informed Maliha about the technology the nations have

employed to fight the Covid-19.

"As we have a very skillful engineering team, I was thinking whether we can develop such a thing."

At that time, the government was looking for a platform to come up with a solution as the contagion is spreading very fast.

"A few companies were vying for the job. We gave a full presentation with many aspects and got selected for this," Maliha said.

For the product, everything, from meetings to software development, was done digitally. Meetings were carried out through the cloud-based video communications app of Zoom Video Communications.

Her engineers used Microsoft Teams software to enable them to develop it while working from home because of the social-distancing measures put in place to stop the spread of the virus.

Some Zoom calls would start at 11 pm and last until 2 am to 3 am. Government officials, who have been working round the clock to help the country fight the pandemic, also attended the late-night calls.

READ MORE ON B3



# Japan braces for worst post-war economic slump

REUTERS, Tokyo

Japan's economy braced for its worst postwar slump even as first-quarter GDP contracted less than initially thought, as the coronavirus crisis slams the brakes on global growth and raises pressure on Tokyo to cushion the blow to business and consumers.

Banks are doing their bit to help as lending rose at the fastest annual pace on record in May, a sign companies were tapping loans to meet immediate funding needs to survive slumping sales from the pandemic.

While U.S. and European policymakers have shifted from crisis-response to efforts to prop up growth, Japan is struggling to do so as it continues to focus on preventing a second wave of infection.

In an interview with Reuters, economy minister Yasutoshi Nishimura said Japan should primarily focus on back-stopping faltering businesses, suggesting the central bank should avoid pushing interest rates deeper into negative territory.

"We're not at a stage yet where we want to stimulate consumption and encourage people to travel a lot. Efforts to stimulate consumption should wait a bit more," he said, when asked whether the Bank of Japan should take steps to boost demand, such as deepening negative interest rates.

The world's third-largest



A woman, wearing protective mask following an outbreak of the coronavirus disease (COVID-19), walks on an almost empty street in the Dotonbori entertainment district of Osaka, Japan.

economy shrank an annualised 2.2 per cent in January-March, revised data showed on Monday, less than the 3.4 per cent contraction indicated in a preliminary reading, as capital expenditure fared better than expected. Analysts had tipped a 2.1 per cent contraction.

But few analysts were hopeful about the outlook for the year since capital spending data used to calculate the revised figures lacked enough responses - most struggling firms appear not to have participated in the survey - and will be updated in July.

On the whole, Monday's revised

gross domestic product (GDP) estimate confirmed Japan had slipped into recession - defined as two straight quarters of contraction - for the first time in 4-1/2 years, even before lockdown steps to contain the virus was put in place in April.

"The upward revision to Q1 GDP displayed in the revised estimate is cold comfort given that output is plummeting this quarter," said Tom Learmouth, economist at Capital Economics.

Senior economist at Oxford Economics, Stefan Angrick, concurred: "With the bulk of the impact from the coronavirus

pandemic to be felt in Q2, the outlook for 2020 thus remains extremely challenging."

A series of recent data including exports, factory output and jobs figures suggested Japan is facing its worst postwar slump in the current quarter, a period when Prime Minister Shinzo Abe announced a state of emergency requesting citizens to stay home and businesses to close.

Although the emergency was lifted in late May, the economy is expected to recover only moderately in coming months, underlining the pandemic's sweeping impact.

The surge in bank lending, shown in BOJ data also released on Monday, suggests companies are being forced to hoard cash just to stay afloat - and that the worst is yet to come.

The head of Japan's ANA Holdings Inc said the airline will cut unprofitable international routes to cope with the hit from the pandemic, according to the Asahi newspaper.

Tokyo policymakers are moving fast to stop the bleeding.

Japan's parliament will begin deliberating on Monday a second supplementary budget to fund part of a fresh \$1.1 trillion stimulus package that includes loan schemes and a framework to inject capital into struggling firms.

The BOJ eased monetary policy for two straight months in April, focusing on steps to ease corporate funding strains.

# Nokia's broadband business boosted as COVID-19 pressures networks

REUTERS

Finnish telecom equipment maker Nokia is seeing a pick up in orders as its broadband clients race to upgrade networks to meet higher user demand during the COVID-19 pandemic, a company executive said.

Many customers had planned to grow their network by 30 per cent to 40 per cent over the next few years assuming a similar growth in traffic, but COVID-19 brought in that traffic growth overnight, Sandy Motley, Nokia's President of Fixed Networks, told Reuters.

"Customers will need to accelerate the growth that they had planned in the future, and we've seen customers already talking to us about that," she said, adding orders for fixed networks were up 22 per cent in the first quarter.

Nokia boosted its fixed-line networks business with the 2016 purchase of Alcatel-Lucent in a 15.6 billion-euro (\$17 billion) deal. The unit's revenue fell 18 per cent year-on-year in the first quarter and 5 per cent between 2018 and 2019 but Motley said the decline was due to business cycles.

"We have seen some upgrades from our customers... but we think a lot of this drive will be more medium term and long term," Motley said.

The European Commission has proposed that by 2025 all European households, rural or urban, should have



REUTERS/FILE

Visitors gather outside the Nokia booth at the Mobile World Congress in Barcelona, Spain.

access to networks offering download speeds of at least 100 MBps.

It takes time to build a new fixed network as the installation of fiber cabling can't be done overnight, Stefaan Vanhastel, CTO of Nokia's fixed networks business, told Reuters.

"Certainly we see that operators are starting to consider accelerating fiber rollouts," he said.

Fixed broadband carries about 90 per cent of all internet traffic in Europe, according to a report by research firm Analysys Mason.

In 2019, Nokia's Fixed Access business amounted to around 10 per cent of the company's main networks business sales, with Mobile Access accounting for 64 per cent.

# Asian companies at higher risk of default this year: analysis

REUTERS

Asian companies are at a higher risk of default in the coming quarters than last year, a Reuters analysis of their credit ratios showed, as the coronavirus pandemic has squeezed revenue and made it harder to refinance debt.

One measure of how easily a company can pay interest on outstanding debt - operating profit to interest ratio - fell to the lowest in 11 years at the end of March. The sample took into account companies worth at least \$500 million with available data on Refinitiv.

Net debt to EBITDA (earnings before interest, taxes, depreciation, and amortisation), which shows how many years it would take a company to pay back debt, was at its highest since June 2014.

"We expected the pick-up in default rates to be mostly amongst smaller companies who already had a stretched liquidity profile and less access to alternative funding channels," said Alaa Bushehri, head of emerging market debt at BNP Paribas Asset Management.

"This is being exacerbated now by COVID-19 lockdowns, slow-down in activity and a lower commodity environment."

Energy, real estate and utilities firms topped default risk charts, Reuters found.

Airlines were the worst affected with flights grounded and people unwilling to travel. Virgin Australia, for example, entered into voluntary administration in April.

Late last month, Moody's forecast



REUTERS

The coronavirus pandemic has squeezed revenue of most of the Asian companies.

the default rate on high-yield debt issued by non-financial Asia-Pacific firms would climb to 6.4 per cent by the end of this year, from 2.3 per cent in March.

Some companies will try to restructure their debt to avoid default, especially offshore debt.

That could be an uphill task as a sharp depreciation in Asian currencies this year has increased repayment costs of companies that have borrowed in dollars and have no natural or financial hedges in place, said Buddhika Piyasena, head of Asia-Pacific Corporate Ratings at Fitch Ratings.

The yield on a bond issued by China's Tianqi Lithium Corp, for instance, climbed to about 60 per cent

last month on perceived higher risk of the company missing its interest payments this year. It is currently trading at 40 per cent.

About \$100 billion worth of dollar bonds are maturing between June 2020 and December 2021, according to Refinitiv data.

"High-yield companies with weak credit quality will likely have increasing difficulty refinancing offshore bonds, given coronavirus induced market volatility and investors' heightened risk aversion," a Moody's analyst Sean Hwang said in a note.

"We expect investors to be increasingly selective in managing their high-yield exposure, which will weaken low-rated companies' access to funding."

# German industrial output posts record plunge

REUTERS, Berlin

German industrial output posted a record plunge in April as the coronavirus pandemic forced manufacturers in Europe's largest economy to halt production, with firms expecting a bumpy road ahead despite a massive stimulus package.

Industrial output dropped by 17.9 per cent on the month, figures released by the Statistics Office showed. A Reuters poll had pointed to a slightly smaller fall of 16.0 per cent.

Manufacturers of capital goods recorded the steepest decline of -35.3 per cent. Output in the energy sector dropped by 7.2 per cent and construction was down 4.1 per cent.

As measures to contain the spread of the coronavirus were implemented from mid-March, the restrictions took their toll on a full scale in April, the Economy Ministry said.

"The low point has been reached. With the gradual easing of protective measures and the resumption of production in the automotive industry, the economic recovery is beginning now." The data strengthens expectations that



REUTERS/FILE

A worker wears a protective mask at the Volkswagen assembly line after VW re-starts Europe's largest car factory following coronavirus shutdown in Wolfsburg, Germany.

the German economy will post its steepest decline since the end of World War Two in the second quarter.

"German gross domestic product is likely to shrink by more than 10 per cent in the second quarter, a reading never measured before in peacetime," VP Bank Group economist Thomas Gitzel said.

For 2020 as a whole, the government forecasts GDP will shrink by 6.3 per cent, based on the assumption that a 130 billion euro (\$146.69 billion) fiscal stimulus package will help economic activity pick up again in the second half of the year. German Chancellor Angela Merkel's cabinet plans a special meeting on Friday to start implementing large parts of the stimulus measures, three sources told Reuters on Monday.

The cabinet is expected to clear the way for the agreed temporary cut in value-added tax, cash handouts for parents and bigger incentives to buy electric cars, the sources said.

Despite the package, manufacturers expect production levels to decline further in the coming three months, but at a slower pace than previously, the Ifo economic institute said on Monday.

# Italy's economy to shrink over 8pc

AFP, Milan

Italy's economy is set to shrink 8.3 percent this year as the coronavirus crisis takes its toll, according to a forecast Monday by the National Institute of Statistics.

The eurozone's third largest economy is expecting its worst recession since World War II after a nationwide lockdown was imposed for more than two months to try to bring the pandemic under control.

The institute (ISTAT) said it forecast a rebound of 4.6 percent next year.

It was very difficult to quantify the impact of the "unprecedented shock" to the economy, ISTAT said, and its forecasts were subject to "a large degree of uncertainty compared to the past".

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Memo No. EE/EED/Ma/7016/2019-20/21

**e-Tender Notice No. 21/2019-20**  
(Limited Tendering Method)

This is to notify all concerned that e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of following works. Details are given below:

Sl. No.	Tender ID No.	Package No.	Name of work	Document last selling (date & time)	Tender closing (date & time)
01	ID: 453164	REV/DSHE/NEW/2018-19/WD-39	Construction of Single Storied Academic Building With 4-Storied Foundation in/c Sanitary Water Supply Electrification & Deep Tube well works at Bejhari Upsi Taraprasanna High School under Naria Upazila Shariatpur District.	21-Jun-2020 17:00	22-Jun-2020 13:00
02	ID: 453165	REV/DSHE/NEW/2018-19/WD-40	Construction of Single Storied Academic Building With 4-Storied Foundation in/c Sanitary Water Supply Electrification & Deep Tube well works at Mithapur Laxmipur Narayan Multilateral High School under Sadar Upazila Madaripur District.	21-Jun-2020 17:00	22-Jun-2020 13:00
03	ID: 453166	REV/DSHE/NEW/2018-19/WD-41	Construction of Single Storied Academic Building With 4-Storied Foundation in/c Sanitary Water Supply Electrification & Deep Tube well works at Dhurali Khalasi Kandi High School under Sadar Upazila Madaripur District.	21-Jun-2020 17:00	22-Jun-2020 13:00

The interested persons/firms may visit website (<http://www.eprocure.gov.bd>) to get the details of the tender. 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 Portal (<http://www.eprocure.gov.bd>) is required. Further information & guidelines are available in the National e-GP System Portal and from e-GP helpdesk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

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GD-964

**Bangladesh Academy for Rural Development**  
Kotbari, Cumilla  
Development of Physical Facilities of BARD (1st Revision)  
[www.bard.gov.bd](http://www.bard.gov.bd)

No. 47.63.0000.033.14.41.19/794 Date: 08.06.2020

**Re-Tender (e-Tender) Notice**

e-Tender is invited in the National e-GP Portal (<http://www.eprocure.gov.bd>) for the procurement of works as stated below:

Sl. No.	Description	Tender ID No.	Closing date and time	Method of tender
01.	Supply, Installation, Testing and Training of Server, Core Router, POE Switch, Rack Firewall Backup, WIFI Online, UPS, NMS, POS, Printer, Kiosk, NVR, Barcode Reader Time Attendance and Others.	465176	23 Jun 2020 15:00	OTM

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 Portal (<http://www.eprocure.gov.bd>) is required. The fees for downloading the e-Tender documents from the National e-GP Portal have to be deposited through online at any branches of registered bank within closing date and time. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

Ranjan Kumar Guha  
Project Director  
Development of Physical Facilities of BARD (1st Revision)

GD-965

**ESSENTIAL DRUGS COMPANY LIMITED**  
395-397, TEJGAON I/AREA, DHAKA-1208.

**CAREER OPPORTUNITY**

Essential Drugs Company Limited (EDCL) is a 100% state owned Pharmaceutical Industry will recruit the following position for EDCL, Dhaka Office.

Sl. No.	Post	Qualification	Experience & Job Responsibility
01.	Manager (Cost & Budget) Post-01	Post Graduate or Graduation degree in 04 (four) years in Accounting / Finance / MBA with major in Accounting or Finance. Candidate having CA / CMA degree shall be preferred. Computer literacy of the candidate is essential.	01 Minimum 10 (ten) years experience in the relevant field. * Experience may be relaxed on the basis of academic result / professional qualification 02 Conversant with computerized Accounting System. 03 Minimum age limit 38 years.

Candidates are requested to send the applications to the following address along-with complete CV, copies of attested relevant certificates, photocopy of national ID Card and 03 copies of recent passport size coloured photograph on or before 22 June, 2020.

Only short listed candidates will be invited for selection process.

GM, Administration & HRM  
Essential Drugs Company Limited  
395-397, Tejgaon I/A, Dhaka-1208.

# Fed says beating pandemic is key, but how will it know things are better?

REUTERS, Washington

With a full three months of responding to a global pandemic under their belt, U.S. Federal Reserve officials have united around one point: lasting progress on the economic front will be dictated by success in containing the spread of the coronavirus. But agreement beyond that may be elusive as Fed policymakers meet this week to balance fresh signs the United States may be over the worst of the economic fallout from the pandemic against evidence the virus is not yet under control.

A surprise gain of more than 2.5 million U.S. jobs last month will factor into their debate, as will any hint the surge in employment and other activity more broadly is accompanied by more transmission of the novel coronavirus. Where they end up could shape decisions about whether to expand or create new emergency programs in anticipation of a more extended economic crisis, or about how to best support companies and households if in fact the pandemic is easing.

The U.S. central bank has ongoing debates on each front, both about the long-run commitments it might make to anchor interest rates at a low level for the recovery, and the continued hunt, as Fed Chair Jerome Powell put it last week, for companies with substantial numbers of employees that have not been covered in any of the crisis programs launched so far.

The stunning May payrolls data released by the Labor Department on Friday could temper some of the urgency that has accompanied Fed meetings since March.

After having cut interest rates to near zero and launched a bevy of credit programs in

a frenzy of emergency meetings in March, no major policy decisions are expected on Wednesday when the Federal Open Market Committee ends its latest two-day meeting. It is scheduled to release its policy statement at 2 p.m. EDT (1800 GMT) on Wednesday and Powell is due to hold a news conference shortly after.

Policymakers, however, will issue economic projections for the first time since December, before a decade-long economic expansion was snuffed out by a massive wave of unemployment that followed widespread lockdowns to stop the spread of COVID-19, the respiratory illness caused by the coronavirus.

Projections due in March were shelved because there was so much fog around the collapsing economy that policymakers felt it pointless to guess where unemployment, inflation and economic growth were headed.

Three months of data since have verified the scope of the crisis - unemployment may have fallen in May but remains at a Great Depression-like 13.3%. And while it does appear the worst in terms of joblessness may have been reached, Oxford Economics economist Bob Schwartz cautioned on Friday that "the remarkable turnaround last month reflected the easy-lifting part of the healing process."

Furthermore, what remains unknown is perhaps what matters most - the extent to which durable progress has been made in containing a health crisis in which more than 110,000 Americans have died.

Deaths and the rise in new cases, which had been declining on a moving average basis, have recently risen. The easing of restrictions on business and social gatherings, meanwhile, has led to concerns about a possible wave of new infections. Such fears were heightened late last month as Americans flocked to beaches and lakes to celebrate the Memorial Day long weekend.

Two weeks of protests across the nation over the death of George Floyd, an African-American man who died in police custody in Minneapolis, have added even more uncertainty in major cities, including some that seemingly had the virus under control.

For the Fed, how to make sense of it all has become an impressionistic test, with policymakers looking at the same set of information and seeing different trajectories. Asked about the scenes of Memorial Day revelers at one Missouri lake resort, St. Louis Fed President James Bullard said he thought the risk of a second large wave of infections was low because of an expected quick response by health authorities.

"This is not occurring in a vacuum," he told journalists on the Wednesday after the holiday weekend.

That same day, Atlanta Fed President Raphael Bostic said he was paying particular heed "to congregations happening in ways that ... will potentially lead to a second wave that induces another shutdown. If that happens I think there are significant concerns" about the economic recovery.



The US Federal Reserve building is set against a blue sky amid the coronavirus pandemic in Washington, US.

REUTERS/FILE

## Morgan Stanley flags risk oil price rally will lead to a fall

REUTERS

Oil prices have quickly climbed to levels that raise the risk of price falls as demand is fragile, Morgan Stanley said on Monday, as benchmark crude hit its highest in three months.

Oil climbed on Monday after major producers agreed to extend a deal on record output cuts to the end of July and as China's crude imports hit an all-time high in May.

The bank said its base case expectation remained that oil markets will be progressively under-supplied in the second half of this year and inventories will shrink in the fourth quarter and first quarter next year.

But it said in a note the rally "appears mostly supply-rather than demand-driven, and it is questionable how strong refinery runs can increase against this backdrop".

Refining margins are historically low and inventories of oil products remain elevated relative to crude oil inventories, suggesting the demand recovery is relatively fragile.

Consumption is unlikely to return fully to pre-coronavirus levels until the end of 2021, Morgan Stanley said, adding that inventories are unusually high after the increases in April.

Growth from U.S. shale could return to levels that are too high, if the U.S. benchmark WTI trades too far above the low-\$40s, it added. The bank also sees a risk to OPEC's compliance with supply cuts that have led to unusually high levels of spare capacity.

"When the cuts are eventually unwound, production could rise sharply," it said.

## Vietnam ratifies free trade deal with EU

REUTERS, Hanoi

Vietnam ratified a free trade agreement with the European Union on Monday that will cut or eliminate 99 per cent of tariffs on goods traded between the Southeast Asian country and the bloc, and provide Vietnam with a much-needed post pandemic boost.

Deputies in the National Assembly, which nearly always ratifies government proposals, voted by over 94 per cent in favour of the European Union Vietnam Free Trade Agreement (EVFTA).

The EVFTA, expected to take effect in July, is the European Union's second deal with a member of the Association of Southeast Asian nations (ASEAN) after Singapore, and one of few with a developing country.

Vietnam will have a transition period of up to 10 years for some imports, such as cars.

It will open up Vietnam's services, including post, banking and shipping and public procurement markets, align some standards and protect EU food and drinks, such as French champagne or Greek feta cheese, from imitations in Vietnam.

Critics in Europe have taken issue with Vietnam's record on human and labour rights, although the deal does include commitments in those areas.

## Luxury automakers outpace China's May passenger car sales recovery

REUTERS, Shanghai

China's premium and luxury passenger car retail sales jumped 28 per cent from a year earlier, the best performing sector as the industry, the China Passenger Car Association said, as the country gradually recovers from the coronavirus.

Overall passenger car sales in May rose 1.9 per cent from a year earlier to 1.61 million, the China Passenger Car Association (CPCA) said on Monday.

The association said during an online briefing that the retail sales growth beat expectations and signalled a recovery in the passenger car market. However, it forecasts sales in June will fall, citing last year's strong figure.

Tesla Inc sold 11,065 Shanghai-made Model 3 electric sedans in May, up 205 per cent compared to April.

An executive at Jaguar Land Rover (JLR), owned by India's Tata Motors, said the firm expects sales of China's luxury car segment this year to be level with last year or see slight growth.

## Safety net outlay to hit 3pc of GDP for first time

FROM PAGE B1

The food and cash support has become crucial as a major portion of the population is facing food insecurity because of the pandemic, Hossain Zillur Rahman, executive chairman of the PPRC, told The Daily Star recently.

There are a lot of questions whether the listing of the beneficiaries is being done properly and the support is being distributed appropriately, he said.

The SSNPs also include the pension going to the civil servants. If the allocation for the retired government employees and their families is excluded, the SSNP budget for the poor would reduce significantly, according to Rahman, also the chairperson of Brac.

So, the real allocation for the poor should be clear, he said.

The allocation for the pension has been kept unchanged at Tk 23,010 crore for the FY21, which is 31 per cent of the total SSNP budget in the FY20 and it would be 24.18 per cent in FY21.

Excluding the allocation for the pensioners and their families, the total SSNP budget stands at Tk 72,145 crore, which would be 2.50 per cent of the Tk

2,885,872-crore GDP of Bangladesh.

The government should step up to introduce schemes for the urban poor as most of the programmes target beneficiaries in the rural areas, Rahman said.

"We don't have any programme for the urban poor in that sense. From the coronavirus pandemic, we came to realise in a big way that the urban poor is the new unaddressed poor. It would be better if there is an explanation how much of the safety net programmes is going to the urban poor."

Safety net programmes in Bangladesh have been contributing to the reduction of poverty and vulnerability by addressing a range of population groups through different forms of assistance, the World Bank said.

These include the provision of income security for the elderly, widows, and persons-with-disabilities, generating temporary employment for working age men and women, and supporting the healthy development of young mothers and children.

The government aims to double the budget allocation in the SSNP sector in the next five years.

## Sterling holds near \$1.27 as UK plans re-opening

REUTERS, London

Sterling rose against the dollar on Monday, as plans to ease coronavirus lockdowns in the UK and signs the economy may bounce back due to pent-up demand kept the currency just below the \$1.27 touched late last week.

Analysts warned, however, that Brexit remains a risk for the pound - which has rallied for seven consecutive days against the dollar - as talks with the European Union fail to make progress.

The pound has risen 2.8% against the dollar this month as several economies re-open from lockdowns, weakening demand for the U.S. currency.

British Prime Minister Boris Johnson is planning to relax rules on outdoor dining and weddings, as well as speeding up government investment plans to limit the economic damage from the coronavirus, newspapers reported on Saturday.

The Sunday Times said Johnson wanted to relax planning restrictions that stop many pubs, cafes and restaurants from using outside areas, and also to make it legal to hold weddings outside.

The number of British shoppers in early June indicate pent-up demand for shopping in physical stores as the coronavirus lockdown is eased, industry data showed on Monday.

Britain went into lockdown on March 23 to slow the spread of the pandemic, with all retail stores deemed non-essential forced to close.

By 0828 GMT, sterling was up 0.15% against the dollar at \$1.2686, just below Friday's \$1.27. It was weaker against the euro by 0.12% at 89.10 pence.

"Sterling-dollar remains anchored around the 200-day moving average of \$1.2660/65. But it seems that bar the broader weak dollar and positive risk environment, investors currently lack any major catalyst for the pound to move materially above this key level," said Viraj Patel, FX and global macro strategist at Arker.

"We could see the pound tread water around these levels in absence of any further positive catalysts and investors take stock of what will happen next in broader markets - especially ahead of the Fed meeting later this week. However, with Brexit headwinds also coming to the forefront of investors - the risks are mildly tilted to the downside for the pound this week." Johnson is willing to accept European Union tariffs on some UK goods in an attempt to win a trade deal and break the deadlock in talks with the EU, the Daily Mail reported.

Britain's chief negotiator, David Frost, had made a new offer, the newspaper said, citing sources.

## Shohoz's crowning glory

FROM PAGE B1

"What Zunaid Ahmed Palak, state minister for ICT, has done amazed me. Every week, he would conduct a number of video-conferencing with officials of several organisations," Maliha said.

Working from home saved time and increased efficiency as physical meetings often get delayed, the entrepreneur said.

The app would be able to include all smartphone users in Bangladesh simultaneously and people should use it from their own sense of responsibility to flatten the curve, she said.

"It will inform people how much they are at risk and when they should go for isolation," she said, referring to World Health Organisation's frequent advice and importance on testing, tracing and isolation.

The app would be particularly helpful in big cities, where most of the people use smartphones but contract-tracing is very difficult because they do not know each other very much.

The technology, which was used to develop

the app, used Bluetooth low-energy signal between phones and fine-tuned signal strength and contact duration to identify legitimate contacts as per WHO's guideline.

The app's backend has been built using asynchronous queue-backed scalable microservices and a highly performant NoSQL storage solution.

These highly-decoupled microservices are containerised and thus can be deployed and scaled up individually based on request/data throughput that guarantees availability at a high-scale and minimises infrastructure cost.

The app does not need internet connectivity to be available on phones all the time and uses low bandwidth for communication with backend servers. It is highly energy-efficient.

Harvard Business School-graduate Maliha worked at top institutions such Morgan Stanley, Standard Chartered and Nokia before founding Shohoz, a platform where one can

buy tickets for bus and launch trips, events and movies, in 2014.

In 2018, Shohoz made foray into the ride-hailing market. In the same year, the company announced it raised \$15 million from Golden Gate Ventures of Singapore and others to expand.

The company added truck to its ride-hailing service and food delivery last year.

"I had a dream that one day we would reach every person in the country with our service, and with this app, I hope we would achieve a lot of our dream."

The seed for the company was sowed many years ago when her mother, who was a top official at state-run Jibon Bima Corporation, handed her a magazine named Real Simple.

The magazine shows how people can make their everyday life simple.

"So, when I wanted to form a new venture in Bangladesh, I gave the name Shohoz, which means simple."

## Stock brokers in dire need of incentives

FROM PAGE B1

The DBA called for lowering advance income tax on share trading to 0.015 per cent from the existing 0.05 per cent.

The government imposed higher taxes based on a higher turnover in 2010 but after that year's boom turnover fell, the taxes remained the same, said another stock broker.

The association urged for incentives for investors as well because they have also been struggling with ailing stocks for a while.

It requested the government to scrap the provision for paying annual BO account fees and to provide refinancing facilities to investors who are margin loan account holders to help prevent themselves from going for forced sales.

The refinancing facilities need to come at 3 per cent interest rate for three years.

Sorkar Joyal Abedin, a stock investor, said he has been observing the horrible bleeding in his portfolio since last February.

During this time, the benchmark index of the

DSE dropped 17 per cent to 3,956 points.

After the historic market crash of 2010, the index has reached a new low while remaining bearish almost all the time, for which investment slowly eroded in the last one decade, said Abedin, an MBA-degree holder who works at a private company.

"Now the situation has deteriorated to the lowest point, for which the government can consider providing some incentives to investors and listed companies," he added.

The DBA also urged the Bangladesh Securities and Exchange Commission to refrain from charging yearly broker and dealer fees of the current year.

From the DSE, it sought scrapping yearly subscription fees and the authorisation of representative fees so that brokers can give various facilities and services to the investors to bring them back to the market.

Merchant banks are also in trouble due to the bearish market.

"The number of merchant banks is huge compared to the market size so many merchant banks fail to process any issues in a year," said a top official of a leading merchant bank, preferring anonymity.

Merchant banks manage initial public offerings and give the service of under writing and advocacy in investment.

In 2019, 10 IPOs were approved whereas there are 62 merchant banks now in the country, according to the BSEC data.

The asset management companies are also not in a favourable position amid the bearish market. "Most of the asset management companies which manage mutual funds are struggling to find funds and they will face a big challenge now," said Shahidul Islam, chief executive officer of VIPB Asset Management.

The government can provide refinance schemes for them so that they can survive, Islam said, adding that the mutual funds were very crucial for a sustainable market.

### PRICE SENSITIVE INFORMATION

A

This is for information of all concerned that the Board of Directors of Bank Asia Limited in its 430<sup>th</sup> meeting held on June 08, 2020 at 3:00 pm at Rangs Bhaban (1<sup>st</sup> Floor), 117/A, Old Airport Road, Tejgaon, Dhaka-1215, has approved the following items:

A) The un-audited financial statements of the Bank for the first quarter ended on March 31, 2020 and disclosure of the following financial indicators of the Bank:

Particulars	March 31, 2020		March 31, 2019	
	Taka (Solo)	Taka (Consolidated)	Taka (Solo)	Taka (Consolidated)
Profit before Tax & Provision	2,267,830,129	2,256,626,103	2,169,975,451	2,237,953,201
Profit after Tax	1,370,484,333	1,354,203,686	693,095,170	689,119,728
Net Asset Value (NAV)	26,198,816,288	26,026,492,003	24,010,241,198	23,854,836,907
Net Asset Value (NAV) per Share	22.47	22.32	20.59	20.46
Earnings per Share (EPS)	1.18	1.16	0.59	0.59
Net Operating Cash Flow per Share (NOCFPS)	0.85	0.74	0.63	0.71

The details of un-audited financial statements of the Bank for the first quarter ended on March 31, 2020 will also be available on the website of the Bank at [www.bankasia-bd.com](http://www.bankasia-bd.com)

B) That the 21<sup>st</sup> Annual General Meeting (AGM) of the members of the Company will be held virtually by using digital platform (in pursuant with BSEC order SEC/SR-MIC/04-231/932 dated March 24, 2020) on July 12, 2020 Sunday at 11.00 am.

Dated: June 08, 2020  
Dhaka

Bank Asia

**Corporate Office**  
Rangs Tower  
66, Purana Paltan, Dhaka-1000

**TAMING CORONAVIRUS RAMPAGE**

# Trade deficit widens amid economic fallout

AKM ZAMIR UDDIN

The economic fallout brought on by the ongoing coronavirus pandemic has had an adverse impact on the country's balance of payments as both trade gap and deficit in the current account widened remarkably in April.

Trade deficit stood at \$14.22 billion in the first 10 months of the current fiscal year in contrast to \$12.07 billion in the nine-month lead up to March, according to data from the central bank.

Between the months of July and April, the trade gap also increased by 1.73 per cent from that of one year ago, when the figure was \$13.97 billion.

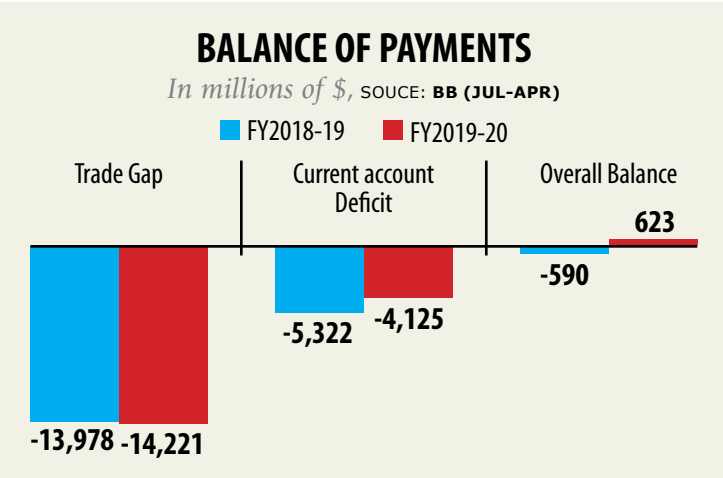
The existing global recession is mainly responsible for the upward trend of the trade deficit and the

financial indicator will get worse in the days ahead, economists said.

The significant decrease in both exports and remittance has also had a negative impact on the country's current account, which can be viewed as a wake-up call to take the required policy measures, they said.

Current account deficit in the July-April period stood at \$4.12 billion, up 71.16 per cent from the first three quarters of this fiscal year.

The current account records a nation's transactions with the rest of the world—specifically its net trade in goods and services, its net earnings on cross-border investments, and its net transfer payments—over a defined period of time.



The deficit in the first 10 months of 2019-20, however, was still lower than the same period of the last fiscal year, when it was \$5.32 billion.

Both the trade and current account deficit will increase significantly in the months to come, said Ahsan H Mansur, executive director of the Policy Research Institute.

"The trade deficit is still in a stable condition. But, the ongoing trend indicates that it will be unstable in the future as the global economy will take more time to get an expected turnaround," he said.

He feared that the current account would face a major challenge in the coming days as the global oil market will take

at least two years to return to normalcy.

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.

This means Middle Eastern countries will not recover until the global petroleum market gets a boost, said Mansur, also a former official of the International Monetary Fund.

Remittance will rebound if the economy of the Gulf countries does pickup, he said.

Nearly 80 per cent of the 1.20 crore Bangladeshi migrant workers are based in the Middle East.

Against this backdrop, the country's foreign exchange reserve will face trouble due to the probable large deficit in the current account, Mansur said.

Foreign exchange reserves stood at \$32.92 billion as of April 30, which is good enough to settle for export earnings of 5.9 months.

The central bank should stop its intervention on the exchange rate, which will help decline the reserve.

Zahid Hussain, former lead economist of the World Bank's Dhaka office, echoed the same, saying the central bank should stop selling US dollar to banks in the interest of the reserve.

A good volume of a foreign exchange reserve is highly important to tackle the upcoming rainy days, he said.

"Flexibility in the exchange rate will depreciate the local currency [taka] against the US dollar. The policy will have to be taken by the central bank to keep the macro economy stable," he said.

However, this is not good enough to strengthen the foreign exchange reserve, he said while adding that the government will take more initiatives to this end.

The authority should explore more avenues to mobilise foreign currencies in the form of foreign loans, grants and aids from the donor agencies and multilateral lenders.

## Money laundering checkpoints set to be erected

SOHEL PARVEZ

The government is expected to tighten tax rules to curb the scope for money laundering through under and over invoicing of exported goods and through fictitious or inflated investment, said a finance ministry official.

From next fiscal year, taxpayers will face a hefty fine if they inflate values of goods when declaring investments in their tax returns.

Under the measure, 50 per cent of the difference between the actual value and fake value will be slapped as penalty, said the official.

"We expected that introduction of such penalty will discourage money laundering and unlawful transfer of funds abroad, especially through opening of letters of credit in the name of imports of machinery and others," said the official.

Illegal capital flight continues to strain Bangladesh's ability to finance its development schemes by increasing revenue collection.

The country lost a staggering \$7.53 billion on an average per year between 2008 and 2017 to trade misinvoicing during foreign commerce with its 135 trading partners, said Global Financial Integrity Report (GFI) earlier this year.

The loss accounted for 17.95 per cent of Bangladesh's international trade with all trading partners during the period, according to the GFI's annual update "Trade-Related Illicit Financial Flows in 135 Developing Countries: 2008-2017".

There are allegations that many people transfer funds illegally abroad by showing inflated values of imported goods or just in the disguise of making imports.

Many also show fake or higher values of investments in goods to evade tax, said the finance ministry official.

Such practices are expected to drop once the measure, which is likely to be proposed by Finance Minister AHM Mustafa Kamal as part of his overall tax measures for the next fiscal 2020-21, comes into place, said the official.

"This will ensure checks and balances as penalty amount would be high," he said.



*"Trade deficit is still in a stable condition. But the ongoing trend indicates that it will be unstable in the future as the global economy will take more time to get an expected turnaround," says Ahsan H Mansur, executive director of the Policy Research Institute*

# BEA places alternative budget with development spending in focus



STAR BUSINESS REPORT

Bangladesh Economic Association (BEA) yesterday came up with an alternative budget of Tk 1,319,600 crore for the next fiscal year and stressed the need for allocating 77 per cent of the resources for development expenditure to help the country recover from the COVID-19 fallout.

To finance the plan, which is expected to be around 2.5 times higher than that of the finance minister's upcoming national budget, the BEA set a revenue collection target of Tk 1,261,600 crore, with 79 percent coming from direct tax and rest from indirect taxes.

The finance minister is likely to

propose a budget of Tk 569,000 crore for 2020-21 fiscal year in parliament on Thursday.

The new budget should focus on steps to fight against the pandemic of Covid-19, said Abul Barakat, president of the BEA, at a virtual press conference.

"It should be Covid-19 infected patient-friendly."

Direct tax has been emphasised in the proposal of the BEA, as indirect tax increases disparity among people, he said.

The budget proposal, themed "Building Bangladesh with the spirit of liberation war and recover from the pandemic of Covid-19: alternative budget proposal of Bangladesh Economic Association (BEA) for FY 2020-21", will soon be sent to the government.

There is no alternative way to implement the proposed budget to

recover from the economic losses of the epidemic, Barakat said.

"The upcoming budget must be expansionary to address the crisis instead of slimming the expenditure."

He proposed for printing taka on logical grounds to maintain continuous flow of money and keep domestic demand alive.

However, he cautioned that inflation should be held back at any cost.

For the Tk 135,000 crore budget deficit, the association proposed managing Tk 70,000 crore from bond markets, Tk 40,000 from savings instruments and rest from public private partnership arrangement.

Although there is no option in Bangladesh to collect funds from bond markets, any country can do it to meet emergency needs, he said.

This year's budget will be the most complex budget in the history of

### ALTERNATIVE BUDGET AT A GLANCE

Total budget: Tk 1,319,600cr
Revenue target: Tk 1,261,600cr
Budget deficit: Tk 135,000cr
Health sector allocation: Tk 40,000cr
Social safety net: Tk 172,548cr

Bangladesh, as the country had never faced a pandemic and economic crisis of this type, according to him.

So the impact of novel coronavirus should be kept in mind while

preparing the next budget to protect public health, which is the most valuable aspect from an economic perspective, he said.

Barakat ruled out covering budget deficits from the banking system and foreign loans as he does not want to create any debt burden on the next generation.

He wanted Tk 40,000 crore to be allocated for the health sector to properly address the impact of the deadly virus.

A division focusing public health security should be introduced to address the existing weaknesses of the health sector, the economist said.

In this circumstance, the government will have to take all the responsibility to face the ongoing challenges, he said.

The country's poverty rate has doubled to hit 40 per cent, as the lower middle class became the new

poor due to the prolonged shutdowns, he finds.

So he recommended setting aside Tk 172,548 crore for social safety net programmes.

The poverty rate can only be reduced if the social security programmes are properly implemented, he said.

The association said the rich do not pay taxes properly. It recommended collecting more revenue from them through direct taxes instead of the indirect ones.

It suggested increasing wealth tax to reduce social disparity.

The association's stance is always against jobless economic growth and it does not express solidarity with the logic of measuring development in terms of higher per capita income, Barakat said.

Jamaluddin Ahmed, secretary general of the BEA, and AZM Saleh, vice president, also spoke.

## Don't terminate workers

Department of Inspection for Factories and Establishment tells garment factory owners

STAR BUSINESS REPORT

The Department of Inspection for Factories and Establishment (DIFE) issued a circular on Sunday, urging garment factory owners to not terminate any of their workers in order to avoid labour unrest in the country.

During a tripartite meeting between the government, factory owners and trade union leaders on April 25, it was decided that workers would not be laid off despite the current situation, the DIFE circular read.

Due to the ongoing coronavirus pandemic sweeping the nation, the government had ordered the closure of all business operations since March 26 in an effort to curb the spread of the deadly pathogen.

The nationwide lockdown came to an end on May 30 and many factories were allowed to resume operations.

However, in those two months, about 17,579 workers from 67 garment factories across Bangladesh lost their jobs because of the economic fallout brought on by the COVID-19 outbreak, according to reports from 23 DIFE deputy inspector generals.

Following these terminations, workers took to the streets in protest, going so far as to form blockades on several roads and highways.

The trade union leaders also alleged that many factory owners only paid 60 per cent of their workers' full salaries and bonuses with the promise that at least they would not lose their jobs.

Nonetheless, there were many terminations still taking place, they said.

Various union leaders, organisations and workers have been lodging complaints with the DIFE as workers are being terminated while factories are closing down due to a lack of work orders, said Amirul Haque Amin, president of the National Garment Workers Federation (NGWF).

However, workers should not have been

terminated as the government gave a stimulus package worth Tk 5,000 crore and owners also paid 60 percent salary, Amin said.

A list of garment factory workers who lost their jobs because of the pandemic should be prepared so that those people can receive some financial aid, Amin said.

The government should also form a

central coordination committee featuring buyers, factory owners, union leaders, the Bangladesh Garment Manufacturers and Exporters Association and Bangladesh Knitwear Manufacturers and Exporters Association, to monitor worker termination and misappropriation of funds meant for the industry, the NGWF president said.



Garment workers are living in constant fear of losing jobs as the pandemic took a toll on export orders. The photo was taken recently from Ashulia on the outskirts of the capital.

## Cabinet okays draft law scrapping age limit for BB governor

BSS, DHAKA

The cabinet yesterday in principle approved the draft of "the Bangladesh Bank (Amendment) Act, 2020" by abolishing the 'proviso' of the 65-year age limit for the governor of central bank.

The approval came at the regular cabinet meeting with Prime Minister Sheikh Hasina in the chair, Cabinet Secretary Khandaker Anwarul Islam told a press briefing after the meeting at Bangladesh Secretariat.

According to the provision of clause (5) of the Article 10 of The Bangladesh Bank Order, 1972 (President's Order No. 127 of 1972), the tenure of the central bank governor is four years and he or she could be given reappointment, Islam said.

"But the 'proviso' of that clause mentioned that no person can hold the post of the governor after completion of 65 years of his/her age."

The cabinet secretary said an experienced person is appointed in the financial sector as the governor.

"But it's not possible to appoint an efficient and experienced person in the financial sector after his/her 65 years of age as the current law has fixed the highest age limit at 65 years," he said.

Even it is not possible to reappoint an experienced person who performed the responsibility of the governor at the Bangladesh Bank, Islam said.

In this connection, he referred that the highest age limit of the governor of central bank of neighbouring countries of India and Sri Lanka has not been mentioned.

"In this circumstances, an initiative has been taken to scrap the proviso of clause (5) of the Article 10 of The Bangladesh Bank Order, 1972 (President's Order No. 127 of 1972) related to the highest age limit of the central bank governor in the public interest," the cabinet secretary said.

STAR