

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



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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 24 cr

Dues Tk 6.39 cr

Export discontinued from Feb 7, 2020

Stock brokers in dire need of incentives

AHSAN HABIB



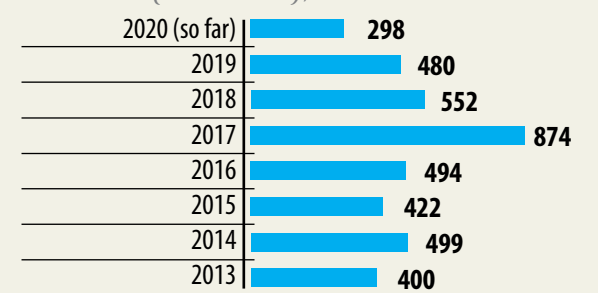
Stock market investors and intermediaries are now in real peril as the index of the country's bourses have sunk along with turnover in the past few months of the coronavirus pandemic.

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



REJAU 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.

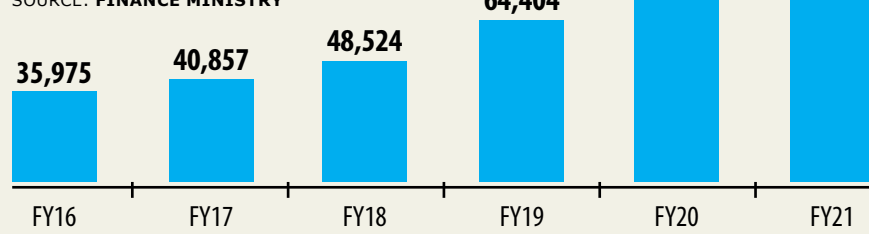
The allocation was 2.58 per cent of the GDP in FY2019-20.

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.

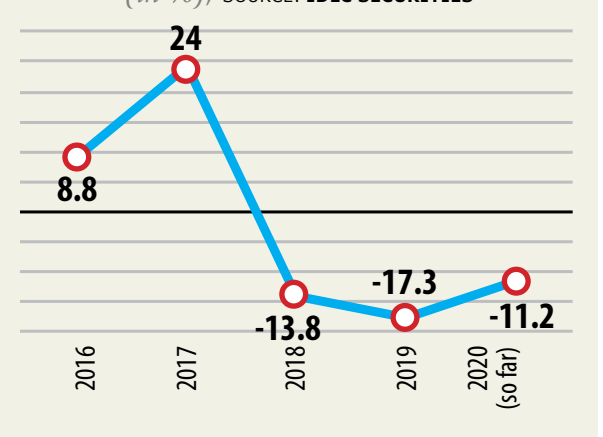
The government has prepared a list of 50 lakh households as beneficiaries to be covered under its support programme in response to the coronavirus pandemic.

"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.

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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.

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