

DHAKA WEDNESDAY JUNE 10, 2020, JAISHTHA 27, 1427 BS starbusiness@thedailystar.net

TAMING CORONAVIRUS RAMPAGE

SHANGHAI

0.62%

A V-shaped economic recovery is still within reach. But the general public must play its part.

Says ADB's country director in an interview

ZINA TASREEN

Optimism is a disease, the polemical British-Indian novelist Salman Rushdie once said, and talking with Manmohan Parkash, the country director of the Asian Development Bank, one can't help but catch that disease.

He is sanguine about Bangladesh's longterm growth; he feels the country is now where South Korea was about 30 years ago. And he is holding out for a V-shaped economic recovery from the coronavirusinduced slowdown.

"The Bangladesh growth story is very interesting. In 1971, when Bangladesh was born, not many predicted a very bright future," he told The Daily Star in an

interview recently. But those naysayers were proven wrong with what Bangladesh has achieved in the last 10 years, whether it is in terms of human development indicators or in terms of economic growth.

"We can always debate about percentages here and there. And I am not a person who goes too much into percentages, but I look at the progress made on the ground when I go to rural areas, when I talk to people, when I go to some of these far-flung areas."

There is enough for people to eat, they have electricity, people have access to mobile telephones and people are generally happy, he said.

So I think that's what I take as an index of development. I think it's a good story. And we must contribute to the story," said the Indian national while sat in his home in Chandigarh.

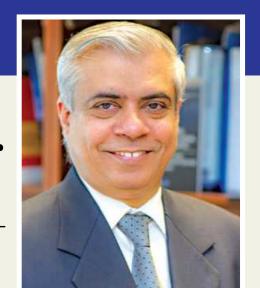
Which is why, ADB has rallied around Bangladesh as soon as the country announced its first confirmed cases of COVID-19 in the first week of March, hoping to save both lives and livelihoods.

The Manila-based multilateral lender

THE LENDER PROVIDED...

\$100m for the healthcare sector

\$500m as budget support



has provided \$601.3 million in loans and \$1.58 million in grants since the pandemic began, all to quickly send Bangladesh back to its high growth path.

"It is a work in progress. This is just our immediate response. But, I think, as time progresses, and there is a need for more, we will certainly work with the government to make sure we can help them in this difficult time.'

On the economic recovery front, two scenarios are possible: a V-shaped recovery and a U-shaped recovery.

In a V-shaped recession, the economy suffers a sharp but brief period of economic decline with a clearly defined trough, followed by a strong recovery.

A U-shaped recession is longer than a V-shaped recession and has a less-clearly defined trough. GDP may shrink for several

quarters, and only slowly return to trend growth.

oeen in Bangladesh for former.

"If you look at it Bangladesh happens to

be a country with moderate fiscal deficit, moderate government debt, moderate current account deficit, inflation in control. Before the pandemic, things were going quite well.

But the pandemic has brought an end to this purple patch.

Parkash is hopeful that the disruptions from the export market and remittances and others can be offset through an increase in domestic consumption. And that can be done through more proactive actions on the fiscal and monetary sides.

"So what we are hoping is that the V-shaped recovery could take place," he said, adding that the difference between a U-shape and V-shape recovery is how quickly the health crisis can be brought under control.

And the onus of flattening the curve on coronavirus does not lie squarely on the government's shoulders; cooperation from But Parkash, who has the people is going to be very critical.

whether you will wear a mask, whether the past two-and-a-half you will do social distancing, whether you and-a-half-month-long pause of economic years and in Manila in will follow the lockdown rules, this is all the previous 15 years, is about behaviour change. It is less on the leaning more towards the government and more on the people to maintain those things."

And getting people to modify their before the pandemic, behaviour to suit the pestilential time we are in has not been easy. But behaviour

change is fundamental to managing the health crisis and staging a quick economic

"I think one of the big challenges for us in this part of the world also is how do we get people to really obey what is good for them?" But it is not that the government does not have a part to play.

Health should take centre stage in the budget for fiscal 2020-21 that Finance Minister AHM Mustafa Kamal is set to

unveil tomorrow. "Countries that invested more in health, they have been able to manage this pandemic much more easily, they have lost fewer lives," he said, citing Germany, Japan

and South Korea as cases in point. The health budget should not just go towards increasing the number of hospital beds but also towards prevention, health management and the surveillance side of it. After health, social protection should get

"Bangladesh has achieved good progress in poverty reduction in the last few years

but this pandemic has put that progress in peril. So suddenly more attention will be needed for social protection support." The budget could look at making the social

safety net more sustainable and it could also look at how to get the benefits directly into the hands of the beneficiaries more quickly, more transparently, with no leakages, said Parkash, who holds a postgraduate degree in Management of Public Enterprises from the University of Punjab and a bachelor's degree in Mechanical Engineering from the Indian Railway Institute of Mechanical and Electrical Engineering.

Agriculture and food security should get the third priority in the upcoming fiscal year's budget.

Modernisation agriculture, mechanisation in harvesting, and storage and warehousing should get emphasis.

The budget should also have an oversize employment generation programme given the hordes of returning migrants and the numbers that have lost jobs for the two-

This brings us to the topic of lives versus livelihood debate. Was the government right in lifting the movement control order from June 1, at a time when the caseload and death toll was escalating?

READ MORE ON B3

Form taskforce to monitor delivery of stimulus packages

CPD, expert say

STAR BUSINESS REPORT

A multi-stakeholder taskforce should be formed to monitor the delivery of the Tk 101,117 crore stimulus packages in order to avoid misuse and leakage, a think-tank and an expert said yesterday.

The taskforce should have representatives from the ministries, the central bank, commercial banks, trade bodies, civil society, non-government organisations and academia, the Centre for Policy Dialogue (CPD) said.

The idea of the think-tank was backed by Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

CPD's ASSESSMENT OF STIMULUS PACKAGES

BY THE NUMBERS

- **30** lakh workers opened MFS accounts as of May 2
- Most loans were disbursed by May 15
- **37** banks claimed Tk **2,566.2**cr under stimulus packages as of May 2
- **2,132** garment factories applied for Tk **3,343** cr as
- **95**pc workers interviewed received wages digitally

"A monitoring committee has to be set up to look at who is getting how much. It has to be ensured that excessive loans are not given to anybody or any group that will undermine the recovery effort," Mansur said.

Bangladesh Bank has separate teams to monitor the implementation of the stimulus packages, said Lila Rashid, a general manager of the central bank. They spoke at a virtual dialogue on "Responding to

COVID-19: A Rapid Assessment of Stimulus Packages and Relief Measures organised by the CPD. The CPD carried out a rapid assessment of various

government initiatives that have been announced to stimulate the economic activities and provide relief for the marginalised sections of the society.

In a paper, it said lack of fiscal space has compelled the government to offer mostly liquidity support instead of fiscal stimulus to mitigate the adverse impacts of Covid-19. In general, the nature and design of the liquidity support

packages have three main characteristics.

Firstly the greatest amount of liquidity support is offered to the least vulnerable and secondly the most stringent requirements and regulations are applicable to the most

READ MORE ON B3

Fresh orders for apparel plunge 45pc

Technical Porcelain Tiles

Sugar Effect Tiles

Glazed Wall Tiles

Nano Crystal Polish Tiles

Glazed Porcelain Tiles

Hotline: 01713 656565

REFAYET ULLAH MIRDHA

The inflow of new work orders to Bangladesh's garment sector from international retailers and brands for June is 45 per cent lower than that a year ago as demand is yet to pick up in the western markets because of the coronavirus pandemic.

"New orders are being issued but they are at least 40 per cent to 45 per cent lower compared to last year's," said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

So far, after intense negotiation with the buyers, a portion of the \$3.15 billion worth work orders that were cancelled due to the Covid-19 pandemic have been reinstated.

"Finally, the local garment industry will have to face damages amounting to \$5 billion," said Huq. "So, we will continue to try and push the buyers for payments.

At the factory level, suppliers are getting muted assurance from buyers on the payment even though retailers are reopening stores in the EU and the US, the two biggest destinations for Bangladeshi garments.

Suppliers are facing two main challenges from the buyers on payment: unusual deferred payment and discount.

The buyers are demanding even 180 to 220 days deferred payment although they primarily agreed to pay the money within 90 days. So, the reinstatement of the payment of the remaining work orders would be delayed.

"My buyers demanded 5 per cent to 10 per cent discount and a long-deferred payment. I am hopeful that I can settle the payment with my buyers," said Vidiya Amrit Khan, deputy managing director of Desh Garments.

READ MORE ON B3



Garment workers make protective suits at a factory in Dhaka amid concerns over the spread of the coronavirus.

Seven new sectors may get tax holiday

STAR BUSINESS REPORT

The government may extend tax holiday benefit to seven new sectors from the next fiscal year to encourage expansion of manufacturing activities, said an official of the finance ministry.

Transformers and nanotechnology-based manufacturing are likely to be two of the new sectors.

"The tax benefit may be given for a period of 10 years and the rate of tax to be reduced gradually to be fully phased out on the 11th year," said the official on condition

Currently, the government offers tax exemptions for periods of five to 10 years, depending on the location of the factories to be set up by entrepreneurs.

Some 26 industrial sectors such as manufacturing of active pharmaceutical ingredients, agriculture machinery, automobile, computer hardware, tyre and textile machinery get the privilege.

Investors will be able to reap the advantage of establishing such industries between July 1, 2019 and June From this fiscal year, the National Board of Revenue

(NBR) extended tax break to six sectors to encourage manufacturing of goods namely mobile phone, home appliances, LED television, toys and recycling of plastics. Other sectors that will become eligible for tax

exemptions are likely to be announced by Finance Minister

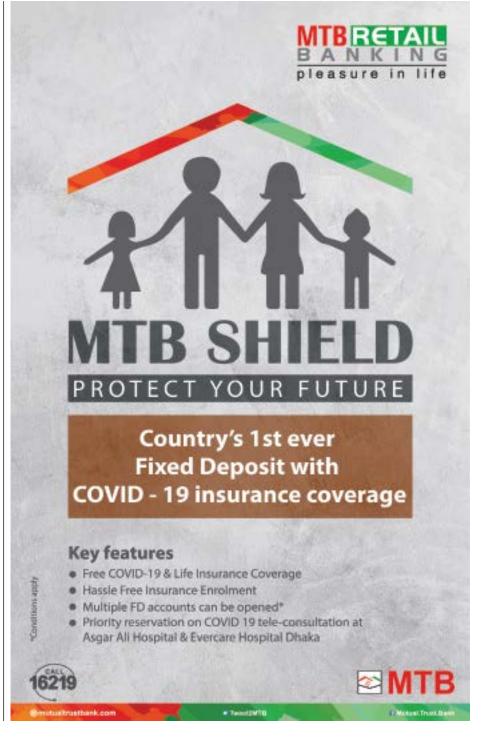
AHM Mustafa Kamal during the placement of the fiscal plans for the year 2020-21 tomorrow. He may also seek to extend reduced corporate tax benefits for garments and knitwear sectors for two years to 2022 as the existing benefit will expire on June 30 this year,

according to the NBR. Apparel makers, who account for more than 80 per cent of the country's export earnings, currently enjoy 12 per cent corporate tax on incomes, nearly three times less than the current corporate tax of 35 per cent for non-listed

The rate of corporate tax is 10 per cent for holders of green building certificates.

Exporters may also face 0.5pc tax at source of their export earnings from the next fiscal year as the existing 0.25pc tax benefit is set to end this fiscal year, said the official.

Income tax law stipulates that exporters pay 1 per cent source tax on proceeds of their exports. But the NBR cut the rate through notifications on several occasions during the past two years in the face of demands from exporters. **READ MORE ON B3**



Japan wants manufacturing back from China, but breaking up supply chains is hard to do

REUTERS, Tokyo

When Japanese firm Iris Ohyama agreed in April to begin producing much-needed face masks in Japan, it marked a win for Prime Minister Shinzo Abe who wants to bring manufacturing back from China.

Spooked by coronavirus-induced factory shutdowns in China, Abe's government has earmarked \$2 billion to help companies shift production home. The policy, part of a massive stimulus package to cope with the pandemic, has even been termed by some bureaucrats as a matter of national security.

"We have become dependent on China," Economy Minister Yasutoshi Nishimura told reporters last week. "We need to make supply chains more robust and diverse, broadening our supply sources and increasing domestic production.

Japanese production of masks, for which domestic demand has skyrocketed, makes sense. But Iris Ohyama, which until this month had only made face masks in China, is so far the only large firm known to be taking advantage of the subsidies.

Many other Japanese firms say shifting output back home is simply impractical and uneconomical.



Preparations for making protective face masks are underway at household equipment maker Iris Ohyama Inc's factory in Kakuda, Japan.

in China because much of what they are making is ultimately for the Chinese consumer, and to meet the demands of 'just-intime' production which prioritises short delivery times for efficient manufacturing.

The parts we make are so big that we need to be near our customers to control our costs," said Chikara Haruta, a spokesman at Yorozu They need to be physically present Corp, which makes suspension and

other auto components.

Its plant in Wuhan, China is located just seven kilometres from a Honda Motor Co Ltd assembly factory. For Japan's car makers, reliance on Chinese suppliers in the world's biggest auto market is also just good business.

"Even if we wanted to, it would be difficult to lower our exposure to China-made parts," an executive at a Japanese automaker told Reuters.

declining to be identified as he was not authorised to speak to media. He added that over the past decade, Chinese suppliers had

upped their game and now provide a vast range of quality, low-cost parts. Toyota Motor Corp, Nissan Motor Co Ltd and Honda also have

at least three R&D centres each in China, and their suppliers are following suit. software the "Where dictates where the hardware is developed and made,"

said an official at a Japanese parts supplier, speaking on condition of "The new government incentive is misguided if it only focuses on bringing manufacturing back,

while overlooking R&D functions.' Japanese politicians increasingly fretted over Japan's dependence on China as a production hub.

Since the early 2000s as Chinese labour costs rose, there has been talk of a "China Plus One" strategy - a policy of managing risk by locating plants and facilities in China and one other Asian nation. It gained more traction in 2012 when bilateral tensions flared and many Japanese firms have sought to diversify with operations in

Hong Kong govt to lead \$5b rescue package for Cathay Pacific

Cathay Pacific Airways Ltd revealed on Tuesday the Hong Kong government will lead a recapitalisation plan worth HK\$39 billion (\$5 billion) to help it through the coronavirus pandemic, the latest public rescue for a troubled airline.

Governments around the world have been bailing out airlines amid a plunge in travel demand, and in some cases such as Germany's Lufthansa, they are taking direct equity stakes.

For Cathay, government intervention followed the double blows of political unrest in Hong Kong last year and the coronavirus which was costing it about HK\$3 billion a month in lost passenger revenue.

It has grounded most of its planes, flying only cargo and a skeleton passenger network to major destinations such as Beijing, Los Angeles, Sydney and Tokyo.

Just like Singapore Airlines Ltd, which received an up to \$10.1 billion rescue package led by state-investor Temasek Holdings, Cathay has no domestic market to rely on to cushion against the plunge in international travel.

"Hong Kong needs to protect its position as a hub given all the investment in expanding Hong Kong International Airport and the competitive landscape following Singapore's big move over two months ago," independent aviation analyst Brendan Sobie said.

Under the rescue plan announced by Cathay on Tuesday, the Hong Kong government would be issued HK\$19.5 billion of preference shares giving it a 6 per cent stake, and HK\$1.95 billion of warrants. It would also provide a HK\$7.8 billion bridging loan and would have the right to two observers at board meetings, Cathay said in a statement.

The deal includes a HK\$11.7 billion rights issue to existing shareholders, led by Swire Pacific Ltd and Air China Ltd, which had halted trading on Tuesday morning alongside Cathay, pending the announcement. Swire, which holds 45 per cent, Air China which owns 30 per cent and Qatar Airways with 10 per cent plan to participate in the rights issue, Cathay said. Their holdings will fall to 42 per cent, 28 per cent and 9.4 per cent afterward.

BOCOM International analyst Luya You said the combined package would provide more than enough funding for Cathay to survive the rest of 2020.

"A recapitalisation plan of this size bodes well for Cathay's long-term future," she said. "Big airlines with sufficient liquidity can actually gain significant market share immediately post-COVID."

Cathay said on Tuesday a fall in passenger revenue to only 1 per cent of the previous year's levels meant the airline had been losing cash at a rate of HK\$2.5 billion to HK\$3 billion per month since February.

Cathay has furloughed some pilots at overseas bases and cut cabin crew roles in the United States and Canada since the start of the coronavirus pandemic, but has not announced large-scale permanent job losses.

The airline said on Tuesday it would put in place a further round of executive pay cuts and a second voluntary leave scheme for employees as it considered the optimum size for the business in the future.

Asian markets mostly up as lockdown | US Fed again expands Main St loan easing trumps profit-taking

Asian equities mostly rose Tuesday as long-running optimism over the reopening of economies overcame early profit-taking to extend a rally across world markets.

Sydney and Hong Kong were the standout performers, with traders picking up the baton from Wall Street where the Nasdaq ended at a record high and the S&P 500 wiped out all its losses for the year.

There were warnings, however, that the gains -- which have seen markets soar from their March trough thanks to the lockdown easing and massive stimulus -- may have gone too far, and could be derailed by any number of issues.

Still, for now, the mood is upbeat, with governments slowly removing restrictions that were put in place to stop the spread of COVID-19 but strangled economies and are widely expected to have caused a world

and Sydney jumped more than two percent as investors there returned recession is behind us, which we agree boom. But ultimately, without the from an extended weekend break to play catch-up with Monday's regional full recovery is long and will require three largest regions -- the US, the EU,

more than one percent.

Seoul rose 0.2 per cent despite geopolitical concerns re-emerging after North Korea said it was severing all official communication links with the South, and Mumbai was up 0.4

But profit-taking dragged Tokyo 0.4 per cent lower and Wellington slipped two percent after racking up gains of more than three percent on Monday.

In early trade London, Paris and Frankfurt dipped. While traders continue to buy into world markets on hopes the economy will bounce back, analysts urged some caution.

"The good news is that this shows central banks' effort to stabilise the market have worked," Tai Hui, at JP Morgan Asset Management, said in a

"The more worrying news is that global economic activity is far from where we were before the pandemic. Hong Kong rallied 1.1 per cent The current risk rally is driven by investors' belief that the worst of this Shanghai gained 0.6 per cent and distributed vaccine or efficient and pick up.

Taipei added 0.2 per cent, while accurate testing. The threat of a second Singapore and Manila each rallied wave of infections has not been eliminated." He added that there were also risks of renewal of the China-US trade war, as well as the impact of mass unemployment and bankruptcies.

> Oil markets remain supported by expectations for a pick-up in demand as lockdowns are eased, as well as huge output cuts by leading producers led by Saudi Arabia and Russia.

> However, prices took a knock Monday after Riyadh said it would not continue beyond this month with additional, voluntary output reductions it had been implementing alongside the main production deal.

> AxiCorp's Stephen Innes suggested the recent run-up in crude over the past few weeks could begin to plateau.

> "While equity markets are looking ahead to a recovery in corporate profits in 2021, energy markets do not have the luxury to be as forwardlooking," he said in a commentary.

"Oil demand remains weak in the US, and big states that drive the US with." But he warned: "The road to return of travel between the world's medical solutions including a widely and China -- demand will be slow to

Date: 09.06.2020

programme to reach more firms

The US Federal Reserve on Monday once again announced changes to its Main Street Lending Program to reach more companies struggling to deal with the damage done by the coronavirus shutdowns

The facility, which has not yet launched, once again slashed in half the minimum loan amount, taking it down to \$250,000 from \$500,000 previously, the Fed said.

originally The central bank conceived the program with a \$1 million minimum, as it rushed to find ways to support businesses that are too big to benefit from the Paycheck

Protection Program run by the Treasury Department.

Since the pandemic hit in mid-March, the Fed has rushed out a series of emergency programs to pump liquidity into the US economy amid the severe downturn caused by the effort to contain the spread of COVID-19, including buying unlimited amounts of US Treasury debt, corporate bonds and mortgageback securities.

But thousands of firms have weighed in on the criteria for what the Fed considers a small or medium

"Supporting small and mid-sized businesses so they are ready to reopen and rehire workers will help foster a broad-based economic recovery," Federal Reserve Chair Jerome Powell said in a statement.

The Fed said the program should be ready to start lending "soon," and Powell said "I am confident the changes we are making will improve the ability of the Main Street Lending Program to support employment during this difficult period." The changes also extend the life of the loans to five years from four previously, and offer a two-year grace period on principal repayment.

Government of the People's Republic of Bangladesh

Bangladesh Bureau of Statistics National Household Database (NHD) Project Parishankhyan Bhaban (9th Floor, Block-1) E-27/A, Agargaon, Dhaka-1207

Memo No. 52.031.07.131.04.450.2020-

Date: 09/06/2020

Request for Expression of Interest (REOI) for Individual Consultant

4	Ministry/Division	Statistics and Information Obvision			
0		Statistics and Informatics Division.			
2	Agency	Bangladesh Bureau of Statistics.			
3	Name of procuring entity	Project Director, National Household Database (NHD) Project.			
4	Title of service	Selection of Financial Management Specialist (FMS) (National).			
5	Procuring entity district	Dhaka.			
6	Expression of Interest for Selection of	Individual Consultant (Time Based).			
7	EOI Ref. No.	52.031.07.131.04.450.2020-813			
8	Date	09-06-2020			
KEY	INFORMATION	ACCOUNTY OF THE PARTY			
9	Procurement sub-method	Selection of Individual Consultants (SIC).			
FUN	IDING INFORMATION				
10	Budget and source of funds	Development, Aid Grant/Credit.			
11	Development partners (if applicable)	IDA.			
PAR	RTICULAR INFORMATION				
12	Project/programme code (if applicable)	1631-5013 (Credit No. 5281-BD & 6137-BD).			
13	Project/programme name (if applicable)	National Household Database (NHD) Project.			
14	EOI dosing date & time	Date: 01 July 2020. EOI shall be submitted in sealed envelope marked with "Expression of Interest for Financial Management Specialist".	Time: 03:00pm		
INFO	ORMATION FOR APPPLICANT				
15	fiel description of the assignment. The FMS will work under the supervision of the Project Director and will be responsible for the overall project financial management. Key responsibilities include, but are not limited to: • Managing the Accounting System: to ensure coverage of all project activities, i.e. all sources of funds and utilization of funds in all activities.				

Qualification and experience

Other details

18 Name of the official inviting EOI

Address of the official inviting EOI

22 The client reserves the right to accept or reject any/all Expression of Interests.

CLIENT DETAILS

Managing the Budgeting System: to integrate with the accounting system to enable comparison of actual performance with budgetary targets periodically and to ensure that financial forecasts are based on projected work programs and actual performance.

Ensuring the Flow of Funds: to process withdrawal application of IDA funds to the Government Consolidated Fund and/or Designated Account; and to ensure adequate internal control for proper utilization, management and accounting of funds. Designing Formats/Maintaining Books: e.g. voucher formats, cash and bank books, journals, trial

Financial Reporting: to prepare Interim Financial Reports (IFRs); and to provide quality and timely

information to BBS and IDA on the project's Financial performance Supporting Bank Account Operation and Reconciliation: by providing advice on efficient operation

and preparing monthly reconciliation statements. Lisising with External Auditors: attending meetings; facilitating timely completion of audits; supplying information and documents in response to queries; and coordinating with various

stakeholders in meeting audit objections. Detailed description of assignment will be available in BBS & SID website.

The Financial Management Specialist should have the following academic qualification, skills and Professional accounting Qualification from any IFAC body with 5 years' experience in a position no less than Deputy Director in OCAG;

Trained on operating Financial/Accounting Software: At least 05 (five) years of work experience in financial management in government/semigovernment institutions, or with international donors implementing development projects;

Knowledge of government budgeting, fund release and reporting requirements; Knowledge of IDA's financial management and disbursement procedures; Excellent skills in using spreadsheet applications;

Excellent communication skills (speaking and writing) in English and Bangla. Duration of the consultancy is initially for one year or the date of project closing which one comes earlier. Interested applicants may obtain the Terms of Reference (ToR) downloading from the website:

> Dr. Sheikh Harunur Rashid Ahmed Project Director (Additional Secretary)

www.sid.gov.bd or www.bbs.gov.bd Dr. Sheikh Harunur Rashid Ahmed 19 Designation of the official inviting EOI Project Director (Additional Secretary National Household Database (NHD) Project, Bangladesh Bureau of Statistics, Parishankshyan Bhaban (9th Floor, Block-1), E-27/A, Agargaon, Dhaka-1207. Contact details of the official inviting EOI Phone: 02-55007001 E-mail: pd_bpd@yahoo.com

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified (An Enterprise of Bangladesh Power Development Board)

North-West Power Generation Company Ltd.

Office of the Chief Engineer

Bheramara 410 MW Combined Cycle Power Plant, Bheramara, Kushtia. Tel: 0702271790, Fax: N/A, E-mail: ce.bheramarapp@nwpgcl.gov.bd

Ref: 27.28.5015.203.07.001.19.341

e-Tender Notice

e-Tenders are invited in the national e-GP System Portal (http://www.eprocure.gov.bd) for the following procurements:

SI. No.	Tender ID	Invitation Reference No.	Tender Description	Publication Date & Time	Closing Date & Time
1	457821	27.28.5015.203.07.001.20.020	Supply of Milling machine for Workshop.	11-May-2020 13:00:00	24-Jun-2020 15:00:00
2	457797	27.28.5015.203.07.001.20.019	Procurement of Lighting spares for plant illumination in Bheramara 410 MW CCPP.	11-May-2020 13:00:00	17-Jun-2020 15:00:00
3	451797	27.28.5015.203.07.001.20.018	Procurement of motors and bearings for Bheramara 410 MW CCPP.	11-May-2020 13:00:00	15-Jun-2020 15:00:00
4	459684	27.28.5015.203.07.001.20.023	Spares for On-off Valves.	19-May-2020 13:00:00	30-Jun-2020 15:00:00
5	458048	27.28.5015.203.07.001.20.022	Supply of Bars, Gland Packings, Gaskets, Belts.	19-May-2020 13:00:00	28-Jun-2020 15:00:00
6	456921	27.28.5015.203.07.001.20.021	Installation of Fire-Fighting System for Warehouse	08-Jun-2020 16:00:00	19-Jul-2020 15:00:00
7	466731	27.28.5015.203.07.001.20.025	Spare Parts of Control Valves	08-Jun-2020 16:30:00	19-Jul-2020 15:00:00

For detailed information please visit the following link

https://www.eprocure.gov.bd/resources/common/ViewTender.jsp?id=457821&h=f https://www.eprocure.gov.bd/resources/common/ViewTender.jsp?id=457797&h=f https://www.eprocure.gov.bd/resources/common/ViewTender.jsp?id=451797&h=f https://www.eprocure.gov.bd/resources/common/ViewTender.jsp?id=459684&h=f https://www.eprocure.gov.bd/resources/common/ViewTender.jsp?id=458048&h=f https://www.eprocure.gov.bd/resources/common/ViewTender.jsp?id=456921&h=f & https://www.eprocure.gov.bd/resources/common/ViewTender.jsp?id=466731&h=f

These are online tender, where only e-Tender will be accepted in the National e-GP portal and no offline/hard copy will be accepted. To submit e-Tender, registration in the national e-GP System Portal (http://www.eprocure.gov.bd)

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk

(helpdesk@eprocure.gov.bd).

GD-972

Md. Rabiul Awal Superintending Engineer (Operation) Bheramara 410 MW Combined Cycle Power Plant, NWPGCL, Bheramara, Kushtia. +8801777736400

CAB seeks cut in power, petroleum prices

STAR BUSINESS REPORT

The Consumers Association of Bangladesh (CAB) has urged the government to reduce electricity and petroleum prices to facilitate a smooth recovery for the country's economy, which has been ravaged by the ongoing coronavirus pandemic, according to a press release issued yesterday.

"It is urgent to cut prices by rationalising the expenditure in distribution cost of fuel and power," said CAB Adviser for Energy Prof M Shamsul Alam in an application to the Bangladesh Energy Regulatory Commission (BERC).

The application comes at a time when a large section of people are suffering from a loss of income amid the pandemic.

The consumers' purchasing capacity has

also declined in an unusual fashion, he said. "Consumer spending is very low now.

As a result, the government is not getting revenue. Consumer spending will not increase unless prices of goods and services decline," said Alam.

Due to these circumstances, the prices of

51pc households' earnings plunge to zero due to COVID-19

STAR BUSINESS REPORT

Earnings of 51 per cent households in the country plunged to zero while a massive 95 per cent people suffered losses in income due to the coronavirus outbreak, a recent study of Brac found.

The study, published yesterday, suggests although daily wage earners have slowly started to regain their livelihood, many of these people and their families will still need support for at least three more months to recover from the setback posed by the pandemic.

The world's largest non-governmental organisation has recently conducted a survey to get an insight into the overall sense of public awareness about the Covid-19 pandemic and its economic impact in Bangladesh.

A total of 2,317 respondents, of which 68 per cent from rural areas and 32 per cent from urban, from different socio-economic backgrounds in 64 districts joined the survey conducted from May 9 to 13.

Around 62 per cent of low-income wage earners lost their work opportunities after the public holiday was declared in late March.

The findings of the perception survey titled 'COVID-19 awareness and economic impact' were revealed at a digitally organised press conference.

Brac Senior Director Shameran Abed accredited the role of MFIs in reaching

fuel and power have to be slashed in order to bring down production cost so that the prices of goods and services remain low, said the CAB.

In a 13-point proposal to the BERC, the CAB, among others, made an appeal to fix the production cost of electricity and its tariff by excluding capacity charge of rental power plants and suspending power generation by more than 20-yearold-power plants in the both public and

Brac survey finds

cash assistance to vulnerable people and

"Getting money to people through banks is challenging since banks lack capacity. A new mechanism is needed and the mobile banking system is already delivering," Shameran said.

The study also suggests that the next plan of actions should focus on getting the economy back on its feet.

Suggestions to tackle the crisis also include strict introduction of a 'pro-poor' lens to review and implement the recovery and rehabilitation plans.

Average monthly household income of the respondents was Tk 24,565 before the public holidays, but that declined to Tk 7,096 in May.

Average income of women-headed households declined 80 per cent whereas men-headed households' 75 per cent.

On an average, 16 per cent of overall households reported that they had food only to survive for 1-3 days, while 3 per cent of the households did not have any food during the survey time.

The survey also found 58 per cent of respondents think that there was an increase in violence against women as poverty was intensified by the pandemic.

Sudipto Mukherjee, resident representative of UNDP Bangladesh, and Abul Kalam Azad, former principal coordinator for SDGs at the Prime Minister's Office, also took part in the event.

Form taskforce to monitor delivery of stimulus packages

The third is that several loopholes have been left wide open to provide ample room for unscrupulous individuals and businesses to exploit humanitarian aid for private gain.

The banking sector has been tasked with the tremendous responsibility of supporting businesses and individuals during the pandemic as they would channel more than Tk 82,000 crore of the stimulus packages, said Fahmida Khatun, executive director of the CPD, during a

The reality is that the banking sector of Bangladesh is unprepared to deliver the Covid-19 related liquidity support packages. Most of the major problems in the banking sector continue to persist during the pandemic and are apprehended to get more acute, the CPD said.

Urgent steps are needed to rescue the banking sector from the quicksand of poor governance, because if it sinks underground it will most likely take the entire economy along with it," the thinktank said

The CPD said the core objectives of the stimulus packages would hardly be achieved through the Tk 5,000 crore emergency support for the export-oriented industries.

The impact in terms of stimulating economic revitalisation of the RMG sector is rather limited. Raising private consumption through workers' wages could not be ensured due to irregularities in wage payment while despite the credit support, workers' employment could not be ensured.

Rather, there are incidences of unemployment in the RMG sector, the think-tank said.

"In this backdrop, the government needs to rethink about the stimulus package in order to ensure its effectiveness.

The CPD said the stimulus package for SMEs s an important monetary policy instrument. However, the instruments in its current form will hardly achieve the objectives.

The government needs to think of additional measures to ensure that SMEs are actually able to

Given the current allocation, coordination, monitoring and infrastructural management of the existing social safety net programmes, this would be arduous to reach the maximum number of beneficiaries amid this crisis.

Besides, the social protection system of the country suffers from the problem of targeting, leakages and beneficiary selection which came at the fore at this critical moment

Due to these ongoing flaws in the current system such as the distribution mechanisms and corruption in the listing process and its delivery system, more attention in the coming days will be required from the authorities and policymakers, the think-tank said.

In this context, attention will be required to focus on preparing a central database of the beneficiaries for all safety net programmes and enhancing and enforcing the coordination and collaboration both at the local and central level. Huge demand for loans within a time could

make it difficult to exercise due diligence and undertake the inspection of borrowers to examine repayment capacity. This could end up with disbursement of a good

amount of loans to possible future defaulters, said Khondaker Golam Moazzem, research director of the CPD, during a presentation. About 3.3 per cent of the workers surveyed reported that they had been laid off from their

factories, the CPD findings showed. Unless the business situation improves, incidences of both laying off and retrenchment

of workers will increase further in the coming months, the CPD said. "In other words, fiscal stimulus did not help stop laying off of factory workers. Without any

improvement in the business situation, workers vould be retrenched in the coming months." The government needs to rethink about the stimulus package in order to ensure its effectiveness

in achieving the stated objectives, it said. More than 80 per cent of the stimulus packages

would be channeled through the banking system, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank

Banks have been in a vulnerable situation for the last few years and are lagging behind in terms of international standards. Except for a few banks,

all lenders are in a difficult situation, he said. The implementation of the stimulus packages exposed the banking sector to vulnerability in a

There are 14 to 15 per cent NPL in SMEs, so banks are apprehensive to some extent to lend to the entrepreneurs in the segment, Rahman said.

"The stimulus packages have helped the garment sector keep open the factories in the last two months," said Md Fazlul Hoque, managing director of Plummy Fashions.

He is hopeful that the sector would return to the pre-coronavirus level within the next five to six months. Even there is the possibility that Bangladesh's garment sector can do better than in the past as orders might be shifted away from The major challenge facing the garment sector

would be to survive in the next six months, said the entrepreneur. "If the factories are up and running, no shuttered factories would receive orders even if there is any opportunity. We are still getting 30 to 40 per cent of the orders because the actories are open.

BB's Lila Rashid said the industries ministry has a monitoring team comprising government and private representatives that has been working for the last two months on the stimulus packages earmarked for the SMEs.

A decision has been taken to set up district level committees under the national committee and the district-level committees would be linked with the central bank, she said.

"We have also started working to come up with a credit guarantee scheme. The process began last year and it was thought that it would run on a limited scale. We are considering to give fullfledged support to the SME sector.

Fresh orders for apparel plunge 45pc

An owner of a large garment factory in Ashulia was compelled to offer 15 per cent discount when his buyers threatened that they would take the goods next year if a big discount is not given.

"Finally, I agreed. I could not make any profit here," he said, seeking anonymity.

Ismail Hossain, managing director of Sharmin Group, also settled for deferred payment with his buyers. "My buyers agreed to take back nearly \$16 million worth of clothing items. The payment would be delayed."

However, the quantity of new work orders went down to nearly 50 per cent because of the coronavirus, he said

Khan argued that the local suppliers would default on their bank loans soon if buyers delay too much in clearing the payments because

manufacturers need to pay the fabric suppliers. In garment business, manufacturers purchase fabric from millers with back-to-back letters of credit and most of the payment to fabrics

from the international buyers. This time, the fabrics suppliers are also getting delayed payments.

suppliers are made upon receiving the money

Back-to-back LCs are made up of two distinct LoCs, one issued by the buyer's bank to the intermediary and the other by the intermediary's bank to the seller.

With the original LC from the buyer's bank in place, the broker goes to his own bank and has a second LC issued, with the seller as the beneficiary. The seller is thus ensured of payment upon fulfilling the terms of the contract.

Rubana saw continued slowdown in exports

"The exports may plummet by 30 per cent to 40 per cent in the upcoming months since the retail market is yet to rebound.

"The impact of the Covid-19 on consumers behaviour is still unknown and our factories are still struggling with cash flow and credits to make a turnaround. We are still in the midst of many uncertainties and changes to foresee future

Factories in Bangladesh have started reopening after Eid holidays with satisfactory presence of workers following proper guidelines to check the spread of the coronavirus, the BGMEA said.

"The BGMEA board is encouraged to see how factories are adopting new innovations at workplaces to better ensure the prevention of the spread of the virus," she said.

A V-shaped economic recovery is still within reach. But the general public must play its part.

FROM PAGE B1

Parkash appeared to be sympathetic to the government's compulsion. But a staggered opening would have been judicious. "One needs to really understand

that both lives and livelihoods are very important.' Risks from coronavirus are high, but the demand to protect the livelihoods

of particularly the day labourers, the informal workers and the daily wagers are important, too. "You know, when you have a situation where, yes, less people are dying, but imagine if we have more people dying of hunger. It's a difficult choice to make,"

delicate balance between normalising socioeconomic activities and containing the spread of the virus. So how can the government find the

he said, while advocating striking a

He suggests ramping up of the health care procedures, such as testing, tracing

and supplies. And the non-health-related actions would be to ease up the supply chains, logistics, and the speed of the movement

and identification, as well as the systems

of the essential goods and services. "We have to be pragmatic while letting the economic activities start but maintain the basic health instructions so that whatever gains have been made over the years, we should not let this coronavirus outbreak lose it. The goal should be to sustain the progress that you have achieved so far.'

Which brings us to the topic of what can be done to build on the progress before the pandemic hit in the mediumand long-term.

Parkash feels the pandemic has given

policies and many other development Diversification of the export basket now seems a real possibility, given the shipment of medicines, PPE kits and

the government to reset it industrial

talks of export of medical equipment like ventilators, too. And then there is the matter of companies looking to relocate from China and into new places, and the government should give an honest shot at attracting some of those companies by

face masks of late. And there have been

rolling out the red carpet. "What I am trying to say is that this pandemic has given us a lot of challenges. But at the same time, I also see that it is opening up several opportunities."

For starters, the government must bring down the cost of doing business. After that, the government should go for some targeted industries and provide the

incentives, support and skilled labour. It is the latter that is most fundamental in making the most of the country's

coveted demographic dividend. "Bangladesh has done well in primary and secondary, but where you really need to invest now is in tertiary education, skills development, skills education, internships. I also feel another area the country can invest in is new technology."

Parkash is a great believer in new

technologies.

"So you look at the average Bangladeshi student, they are so tech-savvy. We could really use them in some of these new areas like robotics, artificial intelligence, IT, data analytics, the Internet of Things, biotechnology."

Globally, these are the trades that are hugely in demand and there is a short

"Right now, Bangladesh has a huge demographic dividend and it does have a population that is very eager to do well. You know, if you look at Korea 20-30 years ago, this is exactly how it was then. They had a desire to do well in life and make their country big and look where they have gone."

So similarly, in Bangladesh, the youth should be at the centre of its development and they are exceedingly innovative. "And if we can give them a proper ecosystem, if we can give them a proper kind of environment, I am sure they can do wonders.'

Other than investing in people, in the medium- to long-term Bangladesh needs to invest more in infrastructure, invest much more in climate change, disaster resilience, sustainable urbanisation and also create an equitable society.

medium-term; to get there one needs to overcome the short-term challenges, which are centred on the pandemic.

The role of multilateral lenders has been important in fighting off the And after that, we will be back on the high impact of COVID-19, so one can wonder if Bangladesh would run into a debt

servicing problem.

But Parkash remains upbeat.

"If you look around, Bangladesh has been one of the more responsible borrowing countries. If you look at the debt to GDP ratio, Bangladesh probably today has one of the lowest ratios in the region. And I must say with my own personal experience, Bangladesh looks at the cost of borrowing every time we actually have a loan negotiation. They look at the cost of borrowing, they look at the tenor, they look at the terms. The track record has been quite remarkable."

His only suggestion is the country should continue in the same vein: be very prudent, be very pragmatic and use the money in a judicious way.

Another thing that is working in Bangladesh's favour is the cost of borrowing, which is very low.

"In a low interest rate environment, borrowing makes a lot of sense, particularly when your own financing, when your own revenue side is having some issues.

Going forward, ADB would be providing more financial support and with favourable terms and conditions as Bangladesh is one of its choice borrowers

"From my perspective, this development But that is in the long-term and story should continue. There is not another country where I see a 6-7-8 per cent growth rate for such a long time. You know, ten years is a long time. I am hopeful that very soon we will all come out of this crisis. growth path that the country had witnessed

Seven new sectors may get tax holiday

The NBR reduced source tax on export earnings of garment twice in fiscal 2018-19 -- from 1 per cent to 0.60 per cent in September 2018 and further to 0.25 per cent in January the next year -- following pleas from garment makers. As 1 per cent rate of source tax on exports became

the NBR slashed the rate to 0.25 per cent later in October and said the privilege would expire on June 30, 2020. The official said changes are likely to be brought in the income tax to fix the source tax rate for exporters at

effective at the beginning of this fiscal year in July 2019,

0.5pc from the next fiscal year with the objective to enable entrepreneurs to do long-term planning. The move is likely to come at a time when the worst ever recession since World War II for the COVID-19 pandemic

shattered global demands, leading to dip in earnings from shipments from Bangladesh. Export receipts plunged 18 per cent year-on-year to \$31 billion in July-May of the current fiscal year from that a year ago. However, shipments trebled to nearly \$1.5 billion in May from just over half a billion in April this

Neither operators nor customers are happy

year, according to Export Promotion Bureau data.

licences, said Ahmed

"Our shareholders haven't come to Bangladesh to incur losses and it's not possible for investors to carry these losses for long."

Ahmed also said the spectrum pricing formula was a ery big hurdle for offering telecom services 'Spectrum price is much higher than gold and platinum

in Bangladesh and highest in the world in different parameters," he quoted a study of GSMA, an industry organisation that represents the interests of mobile network operators worldwide. Spectrum price per megahertz (MHz) increased from

\$12 million to \$20 million in 2011 when the operators renewed their 2G licences, he said. It was again fixed at \$21 million per MHz in 2013 when 3G licences were awarded and increased to \$27 million and \$31 million in two bands in 2018 for awarding of 4G

Spectrum is our lifeline and there is no shortage of it in Bangladesh but its price has increased over the period, he added. "And moreover the regulator has created different

licensing regimes and in doing that they have cut our hands and legs and now we have to take services from other parties which is also very costly. But on the other hand, because of the competitiveness

of the market prices, quality of different services also came down to a world low, he said. Currently per minute voice call charge is Tk 0.58 and per MB data charge is Tk 0.03, both one of the lowest in the world, Ahmed added.

All the operators have also cut data prices amidst the COVID-19 pandemic, he said. "Data use has increased about 25 per cent in the industry but it also led to losses for us for price adjustments."

Ahmed also compared data of the telecom industry with that of others between 2011 and 2020. He said per unit price of electricity had increased 28.3

per cent, gas 106 per cent, water 117 per cent and bus fare 10 per cent whereas voice call charges had declined 35 per cent while data cost 97 per cent.

Revisiting supply chain success through multi-sourcing

Taking into account three macroeconomic indicators -- GDP, purchasing power parity (PPP) and export growth rate -- we see that along with the BRIC nations, Mexico, Indonesia and South Korea are also considered favourably by the world markets for sourcing goods and services.

Moreover, countries such as the US have changed their trade agreements to make it more hospitable to multinational companies.

Companies also need to ensure that they have multiple sources of raw materials. The technological advancement of the world as a whole may also enable multinational companies to shift their sources from one country to another.

Dependency or over-reliance on a

also extremely risky. This is due to a variety of reasons key among them being the occurrence of unexpected diseases, epidemic, natural calamities, disasters, and political instability.

For instance, the outbreak of the COVID-19 in China has already cost many companies millions of dollars. This is because many of the Chinese

workers have been quarantined that led to sudden reduction in production. Over-reliance on one country also leads

to rising costs of labour due to increased demand. This is one of the reasons why China is slowly becoming an expensive source of labour for some categories of goods and services.

Dependency on one country may

single country for business sources is eventually lower a company's profit. This is of suitable partners and infrastructure. because the government's trade policy may change and become highly unfavourable.

China and the US has made the trade policy between the two countries less accommodating for global trade.

Raw materials are also finite. Hence, it is important for companies to diversify business sources.

Acquiring new sources is not easy either. There are many challenges such as language and cultural barriers that make it harder for companies in developing countries to work with certain countries. The primary factors that companies need

to explore before getting multiple sources include availability of skilled labour, cost of doing business in the country, availability saif@paperhymebd.com.

A company should also ensure that it has more than one source at all times.

For instance, the trade war between For instance, if a company is involved in agricultural production, it should get raw materials from two or more countries. This will ensure that there is continuous supply even when one source is not fully reliable. The key focus of our sourcing strategies

so far was to reduce cost in our quest to build a robust supply chain model. COVID-19 has brought uncertainty to every market we could possibly imagine. We should now introduce new business procedures to combat the post-pandemic challenges.

The writer is managing director of Paper Rhyme Advertising Ltd and can be reached at





TAMING CORONAVIRUS RAMPAGE

Neither operators nor customers are happy

Says Robi CEO in Facebook session on taxes

STAR BUSINESS REPORT

Whenever any Robi user tops up Tk 100 for service, the National Board of Revenue is said to get Tk 27.50 from it as surcharge, value added tax and supplementary duty and Tk 11.4 as minimum turnover tax and SIM tax.

Another Tk 14.4 goes to Bangladesh Telecommunication Regulatory Commission in the form of revenue sharing and spectrum and licence fees while Tk 18.2 to the ecosystem licensees, leaving Tk 28.5 for the carrier.

These numbers were shared by Mahtab Uddin Ahmed, chief executive officer and managing director of Robi, in a Facebook live session on Monday evening.

There were about 1,000 concurrent viewers who also engaged in a question-answer session. Using what was left, Robi has to manage

and expand its network, bear staff salaries and run promotions and other expenses, he said, adding that it was quite impossible to run all these efficiently with this sum.

Ahmed also referred to media reports on the government's intent to increase additional supplementary duty on all kinds of mobile services by 5 percentage points in the upcoming national budget of 2020-21.

"If the government incorporates additional taxes with it then it will be unbearable for us to run the service," said Ahmed.

Currently the services carry 15 per cent VAT, 10 per cent supplementary duty and 1 per cent

The government has increased taxes on mobile services consistently for the past few years and it had an impact on users, said

COST OF EVERYTHING INCREASED FOR MASS PEOPLE EXCEPT MOBILE SERVICES

	SERVICE	2011	2020	CHANGES
•	ELECTRICITY (Per unit Price)	Tk 7.11	Tk 9.12	Increased 28.3%
A	GAS (two burner)	Tk 450	Tk 925	Increased 106%
•	WATER (Thousand Litre)	Tk 6.66	Tk 14.46	Increased 117%
	BUS FARE (Per KM)	Tk 1.55	Tk 1.70	Increased 10%
	VOICE TARIFF (per minute)	Tk 0.86	Tk 0.56	Decreased 35%
	DATA TARIFF (per-MB)	Tk 1.10	Tk 0.03	Decreased 35%
				SOURCE: ROBI

Ahmed, also the president of the Association of Mobile Telecommunication Operators of Bangladesh (AMTOB).

"Definitely usage and user numbers will not increase if the tax on usage increases further. We also acknowledge that the government needs money to run the country but how long

can a single industry be taxed?" said Ahmed. "With this tax structure we are not happy

and we can't make the customers happy. He also asked customers to request the government to bring down taxes on telecom services which would ultimately help them reduce service costs and improve service quality.

Ahmed gave a presentation stating that the country's mobile operators were currently paying 53 per cent of their total revenue as taxes and fees. He said this was the highest in the world. Next in line was Argentina and Pakistan at 38 per cent.

According to his presentation, the average

tax on telecom services in the Asia Pacific region is 24 per cent, Latin America 18 per cent and Europe 21 per cent.

Ahmed said the viewers could go ahead to get the facts and numbers about investment, revenue and taxes checked to see if they were telling the truth.

"Thanks to the government that they have declared a vision to make Bangladesh a digital country but the tax policy on digital services is contradicting that vision, which needs to be revised," he added.

Bangladesh is a land of opportunities and if policymakers can present the right tax policies, more operators will come over with huge amounts in investments, he added.

"The telecom regulator has tried to bring new operators in Bangladesh in 2013 and 2018

but failed because of the tax policies," he said. Once there were six players but unfortunately it came down to four and a good number of international investors left this country's

telecom industry already, he said. Ahmed showed a government letter acknowledging Robi as the single foreign investor to bring in the highest amount of foreign direct investment five times in a row. But he also expressed his frustration on their profitability.

Robi's shareholders have so far invested more than Tk 26,500 crore and made a profit of Tk 1,240 crore in its journey of more than two decades in Bangladesh.

The management was able to provide Tk 292 crore to investors as dividend and contributed more than Tk 27,690 crore to the national exchequer as of 2019.

READ MORE ON B3

Shrimp farmers seek soft loans to survive shocks

STAR BUSINESS REPORT

Stakeholders of the country's shrimp industry yesterday demanded soft loans from the government as the sector is in dire straits because of two natural disasters -- the Covid-19 pandemic and super cyclone Amphan.

The Shrimp Hatchery Association of Bangladesh (SHAB), Bangladesh Shrimp and Fish Foundation (BSFF) and Bangladesh Aqua Products Companies Association (BAPCA) made the call in a joint statement.

Shrimp is being cultivated on around 258,681 hectares of land in the south and south western part of Bangladesh, they said.

But in the last three months, production and sales of shrimp came to a halt due to a lack of workforce because of coronavirus, disrupting the whole supply chain.

In the meantime, Amphan appeared and caused 40,800 farmers of shrimp, finfish and crab losses worth Tk 217 crore, according to the preliminary estimate by the Department of

Shrimp farmers, who export their produce to the EU and US to earn the nation \$500 million annually, were the worst hit.

Nearly Tk 175 crore was lost by 18,450 shrimp farms in the southern coastal regions due to the

Vast expanses of water bodies were flooded and important infrastructures, farm establishments, hatcheries and ponds which were prepared for the next production cycle were badly damaged, according to the

Now farmers are preparing for the next production cycle of black tiger shrimp, which export, they said.

So, the associations demanded special financial assistance for shrimp farmers for their urgent rehabilitation and procurement of post

Around 90 per cent of shrimp farmers are small entrepreneurs, and they are dependent on imported feed and other inputs, which have also been disrupted in recent times. The shrimp sector plays a significant role in

building the economy as it creates numerous jobs and leaves a positive impact on the aquaculture value chain, poverty reduction and

Despite being huge contributors, shrimp farmers have limited access to institutional loans, the associations said.

Besides, loan disbursement from banks decreased significantly amid the prolonged

Asheq Ullah Rafiq, president of SHAB; Syed Mahmudul Huq, chairman of BSFF, and Mohammed Tarique Sarker, president of BAPCA, signed the statement.

Revisiting supply chain success through multi-sourcing



AZM SAIF

COVID-19 cracked open the vulnerabilities of global supply chains as it shook the long-established business models to its foundations that took corporations and governments across the globe decades to

As nations are grappling to contain a tiny virus, everything from lithium mines in Chile to semi-conductor makers of China's industrial capital came to a standstill.

A supply chain shock that was born in China became a global phenomenon with the blink of an eye.

The domino effects are contributing to the growing conviction that the world has slipped into its first major recession since

It has become harder for companies around the world to go for other countries for alternative sourcing destinations as China has robust infrastructure that is run by a skilled labour force and equipped with

But it is needless to mention that in China, while the infrastructure is good, compliance with law - including child labour, environmental and intellectual property laws - is a challenge.

After this COVID-19 crisis, it is going to be logical to expect companies to ask suppliers for improvements in social support and healthcare attention to its people as mandatory compliance.

The dependency on one country needs to be reduced. The outbreak has taught the world a lesson on how much they depend on China. Ford and Toyota stopped some of their vast Chinese assembly plans for an extra week, Apple is preparing a plan to re-route their supply chains and Starbucks closed thousands of their stores.

China has become so crucial to the American companies that some members of the Trump administration are citing this dependence as a justification for the trade

Cement manufacturers want cuts in import duty on clinker

JAGARAN CHAKMA

The cement manufacturers have sought a 60 per cent cut in import duty on clinker and waiver on existing loan interest, to recover from the losses they suffered since the COVID-19 outbreak. "We had zero sales during the countrywide

Md Alamgir Kabir, president of Bangladesh Cement Manufacturers' Association (BCMA). "So for our survival we need the import duty on clinker, the sector's major raw material, to be brought down to Tk 200 a tonne from the

closure in the last two and a half months," said

existing Tk 500.' The sector is heavily dependent on clinker, said Mohammed Amirul Haque, managing director of Premier Cement.

"Clinker accounted for \$900 million of the \$1.35 billion worth of raw materials that the manufacturers imported last fiscal year. Due to a lack of mineral resources, local cement manufacturers bring in around 18 million tonnes of clinker every year."

The sector counted a loss of around Tk 600 crore from March 26 to May 30. Factories opened on a limited scale on June 1 as the demand was close to zero," said Md Shahidullah, first vicepresident of BCMA.

production capacity to supply cement to some their products at the manufacturing cost, he of the ongoing mega projects, said Shahidullah, also the managing director of Metrocem Cement.

"The rest 90 per cent capacity has remained unutilised, but still the cement makers had to pay staff salaries, including Eid bonus, and set aside money for the loans they have. The cement makers pay 3 per cent advance

income tax for importing raw materials and 3 per cent tax during sales, said Kabir, also the chairman of Crown Cement. "To ease our burden, we urgently need waiver on our existing loan interest, as revenues have

dried up to a great extent." The association made the demand in its budget proposals, which have already been forwarded to the finance minister and the National Board of Revenue.

Annually \$3 billion or Tk 25,500 crore worth of cement is sold, of which 45 per cent goes to government projects, 30 per cent to real estate companies and the rest to individual consumers, Shahidullah said.

"Cement supply has begun, but the sales are nominal," he added.

The rainy season, when demand remains poor, is knocking at the door, Kabir said.

Considering the poor economic climate, Most factories are now using only 10 per cent cement manufacturers would be willing to sell

added. "Despite that, we can barely offload the stocks

due to a thin presence of buyers.

The industry grew at over 15 per cent on an average a year in the past decade. This tremendous growth rate is enough to draw foreign raw material suppliers, market players said.

The demand for raw materials is increasing in line with the expansion of the manufacturing capacity, Haque said.

"About 80 per cent of the clinkers used for cement production in Bangladesh are imported." The industry would not need to import fly ash after five years as the component, a byproduct of coal-based power plants, would be produced in

the country. The local production of fly ash would save \$130 million annually, he said.

Cement manufacturers import clinker, gypsum, fly ash, and iron slag from China, Hong Kong, India, Indonesia, Thailand, Japan, Korea, Malaysia, Oman, and the UAE.

There are around 125 cement manufacturing companies in Bangladesh, out of which 37 are in operation and they have an investment of around Tk 30,000 crore. The total production capacity of the cement mills was 58 million tonnes in 2018.



A supply chain shock that was born in China became a global phenomenon in the blink of an eye.

the global financial crisis more than a

Coronavirus spread has been leaving businesses around the globe counting the

As a matter of fact, the US-China trade war had been affecting negatively the companies around the world as they completely rely on China for sourcing

business. A recent study shows the world's largest 1,000 companies or their suppliers own more than 12,000 facilities in the initial COVID-19 quarantine areas of China, Italy

China has been the biggest sourcing hub for companies in Asia, Africa, Europe and South America.

and South Korea.

Even prior to the trade war, companies began to look for alternative sources to ensure their business continuity.

war that forced American businesses to consider shifting their factories in China to countries with better relations with

Dominance of one country like China over the global market has grown astronomically in recent years partly due to the availability of large skilled human resources and its large consumer base.

Nevertheless, there are other emerging markets with better and even less expensive workers. Some of them are Brazil, Mexico, Indonesia, South-Korea, Turkey, Colombia, Indonesia, Vietnam, Egypt, Bangladesh and

This is the case for developing countries in South Asia, Africa and South America. Global companies need to change their strategies to include new emerging markets that can be

alternative sources for their businesses.

READ MORE ON B3