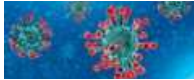


STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.15%	▼ 0.04%	\$1,704.25 (per ounce)	\$40.64 (per barrel)	▼ 1.20%	▼ 0.38%	▼ 0.1%	▲ 0.62%	BUY TK 83.95	83.94	105.85	11.73
3,962.37	6,812.95			33,956.69	23,091.03	2,794.17	2,956.11	SELL TK 84.95	97.54	109.65	12.33



# BUSINESS

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



## TAMING CORONAVIRUS RAMPAGE

# 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 long-term 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 coronavirus-induced 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

## ADB

## 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.

But Parkash, who has been in Bangladesh for the past two-and-a-half years and in Manila in the previous 15 years, is leaning more towards the former.

"If you look at it before the pandemic, 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 the people is going to be very critical.

"Whether you will wear a mask, whether you will do social distancing, whether you will follow the lockdown rules, this is all about behaviour change. It is less on the government and more on the people to maintain those things."

And getting people to modify their 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 recovery.

"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 the focus.

"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 of 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-and-a-half-month-long pause of economic activities.

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 2,566.2cr under stimulus packages as of May 2
- 2,132 garment factories applied for Tk 3,343cr as of May 11
- 95pc 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 vulnerable.

READ MORE ON B3

## Fresh orders for apparel plunge 45pc

REFAJET 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."

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 of anonymity.

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 30, 2024.

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 companies.

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

Country's 1st ever  
Fixed Deposit with  
COVID - 19 insurance coverage

**Key features**

- Free COVID-19 & Life Insurance Coverage
- Hassle Free Insurance Enrolment
- Multiple FD accounts can be opened\*
- Priority reservation on COVID 19 tele-consultation at Asgar Ali Hospital & Evercare Hospital Dhaka

16219

MTB

# 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. They need to be physically present



REUTERS/FILE

**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-in-time' 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 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.

"Where the software is developed dictates where the hardware is developed and made," said an official at a Japanese parts supplier, speaking on condition of anonymity.

"The new government incentive is misguided if it only focuses on bringing manufacturing back, while overlooking R&D functions," Japanese politicians have 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 Southeast Asia.

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

REUTERS, Sydney

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 easing trumps profit-taking

AFP, Hong Kong

Asian equities mostly rose Tuesday as long-running optimism over the re-opening 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 recession.

Hong Kong rallied 1.1 per cent and Sydney jumped more than two percent as investors there returned from an extended weekend break to play catch-up with Monday's regional advance.

Shanghai gained 0.6 per cent and

Taipei added 0.2 per cent, while Singapore and Manila each rallied 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 per cent.

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 note.

"The more worrying news is that global economic activity is far from where we were before the pandemic. The current risk rally is driven by investors' belief that the worst of this recession is behind us, which we agree with." But he warned: "The road to full recovery is long and will require medical solutions including a widely distributed vaccine or efficient and

accurate testing. The threat of a second 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 forward-looking," he said in a commentary.

"Oil demand remains weak in the US, and big states that drive the US economy need to open with a driving boom. But ultimately, without the return of travel between the world's three largest regions — the US, the EU, and China — demand will be slow to pick up."

# US Fed again expands Main St loan programme to reach more firms

AFP, Washington

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.

The central bank originally 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 mortgage-backed securities.

But thousands of firms have weighed in on the criteria for what the Fed considers a small or medium business, prompting repeated changes.

"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.



**North-West Power Generation Company Ltd.**  
ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Certified  
(An Enterprise of Bangladesh Power Development Board)

**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: 27.28.5015.203.07.001.19.341Date: 09.06.2020

**e-Tender Notice**

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

Sl. 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	15-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>) is required.

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)).



Md. Rabiul Awal  
Superintending Engineer (Operation)  
Bheramara 410 MW Combined Cycle Power Plant,  
NWPGCL, Bheramara, Kushtia.  
+880177736400

GD-972

**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**

1	Ministry/Division	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
<b>KEY INFORMATION</b>		
9	Procurement sub-method	Selection of Individual Consultants (SiC).
<b>FUNDING INFORMATION</b>		
10	Budget and source of funds	Development, Aid Grant/Credit.
11	Development partners (if applicable)	IDA.
<b>PARTICULAR INFORMATION</b>		
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 closing date & time	Date: <b>01 July 2020</b> . EOI shall be submitted in sealed envelope marked with "Expression of Interest for Financial Management Specialist". Time: <b>03:00pm</b>
<b>INFORMATION FOR APPLICANT</b>		
15	Brief 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: <ul style="list-style-type: none"><li>Managing the Accounting System: to ensure coverage of all project activities, i.e. all sources of funds and utilization of funds in all activities.</li><li>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.</li><li>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.</li><li>Designing Formats/Maintaining Books: e.g. voucher formats, cash and bank books, journals, trial balances, etc.</li><li>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.</li><li>Supporting Bank Account Operation and Reconciliation: by providing advice on efficient operation and preparing monthly reconciliation statements.</li><li>Liaising 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.</li></ul> Detailed description of assignment will be available in BBS & SID website.
16	Qualification and experience	The Financial Management Specialist should have the following academic qualification, skills and experiences: <ul style="list-style-type: none"><li>Professional accounting Qualification from any IFAC body with 5 years' experience in a position no less than Deputy Director in OCAQ;</li><li>Trained on operating Financial/Accounting Software;</li><li>At least 05 (five) years of work experience in financial management in government/semi-government institutions, or with international donors implementing development projects;</li><li>Knowledge of government budgeting, fund release and reporting requirements;</li><li>Knowledge of IDA's financial management and disbursement procedures;</li><li>Excellent skills in using spreadsheet applications;</li><li>Excellent communication skills (speaking and writing) in English and Bangla.</li></ul>
17	Other details	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: <a href="http://www.sid.gov.bd">www.sid.gov.bd</a> or <a href="http://www.bbs.gov.bd">www.bbs.gov.bd</a>
<b>CLIENT DETAILS</b>		
18	Name of the official inviting EOI	Dr. Sheikh Harunur Rashid Ahmed.
19	Designation of the official inviting EOI	Project Director (Additional Secretary).
20	Address of the official inviting EOI	National Household Database (NHD) Project, Bangladesh Bureau of Statistics, Parishankhyan Bhaban (9th Floor, Block-1), E-27/A, Agargaon, Dhaka-1207.
21	Contact details of the official inviting EOI	Phone: 02-55007001E-mail: <a href="mailto:pd_bcd@yahoo.com">pd_bcd@yahoo.com</a>
22	The client reserves the right to accept or reject any/all Expression of Interests.	
Dr. Sheikh Harunur Rashid Ahmed Project Director (Additional Secretary)		

GD-971



## 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 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-year-old-power plants in the both public and private sectors.

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

*Brac survey finds*

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

cash assistance to vulnerable people and enterprises.

"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

FROM PAGE B1

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 presentation.

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 think-tank 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 is 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

draw benefits from the stimulus package, it said.

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 would 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 channelled 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 way, he said.

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 China.

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 factories 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 full-fledged support to the SME sector."

## Fresh orders for apparel plunge 45pc

FROM PAGE B1

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 suppliers are made upon receiving the money from the international buyers.

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

Back-to-back LCs are made up of two distinct LCs, 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

till the end of 2020.

"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 trends."

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," he said, while advocating striking a delicate balance between normalising socioeconomic activities and containing the spread of the virus.

So how can the government find the balance?

He suggests ramping up of the health care procedures, such as testing, tracing and identification, as well as the systems and supplies.

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

Parkash feels the pandemic has given the government to reset its industrial policies and many other development goals.

Diversification of the export basket now seems a real possibility, given the shipment of medicines, PPE kits and face masks of late. And there have been 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 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 supply.

"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.

But that is in the long-term and 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 impact of COVID-19, so one can wonder if Bangladesh would run into a debt

## Revisiting supply chain success through multi-sourcing

FROM PAGE B4

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

single country for business sources is 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

eventually lower a company's profit. This is because the government's trade policy may change and become highly unfavourable.

For instance, the trade war between 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

of suitable partners and infrastructure.

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

## Seven new sectors may get tax holiday

FROM PAGE B1

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 effective at the beginning of this fiscal year in July 2019, 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 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 year, according to Export Promotion Bureau data.

## Neither operators nor customers are happy

FROM PAGE B4

"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 very 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 2017 when 3G licences were awarded and increased to \$27 million and \$31 million in two bands in 2018 for awarding of 4G licences, said Ahmed.

"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 usage 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.

