

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.11%	▲ 0.11%	\$1,723.40	\$40.63	▲ 0.86%	▲ 0.15%	▲ 0.23%	▼ 0.42%	BUY TK 83.95	94.24	106.09	11.74
3,966.75	6,821.07	(per ounce)	(per barrel)	34,247.05	23,124.95	2,800.57	2,943.75	SELL TK 84.95	98.04	109.89	12.34

































































































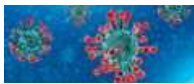





# BUSINESS

DHAKA THURSDAY JUNE 11, 2020, JAISHTHA 28, 1427 BS

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## TAMING CORONAVIRUS RAMPAGE

# Finance minister draws a bead on economic recovery



REJAUUL KARIM BYRON and SOHEL PARVEZ

The national and global lockdown measures aimed at battling the Covid-19 pandemic have taken their toll on Bangladesh's industrial production, obliterating tens of thousands of jobs, incomes and demand.

And for the first time in 30 years, the poverty curve, which has been on the downward since fiscal year 1992, is set to reverse the trend.

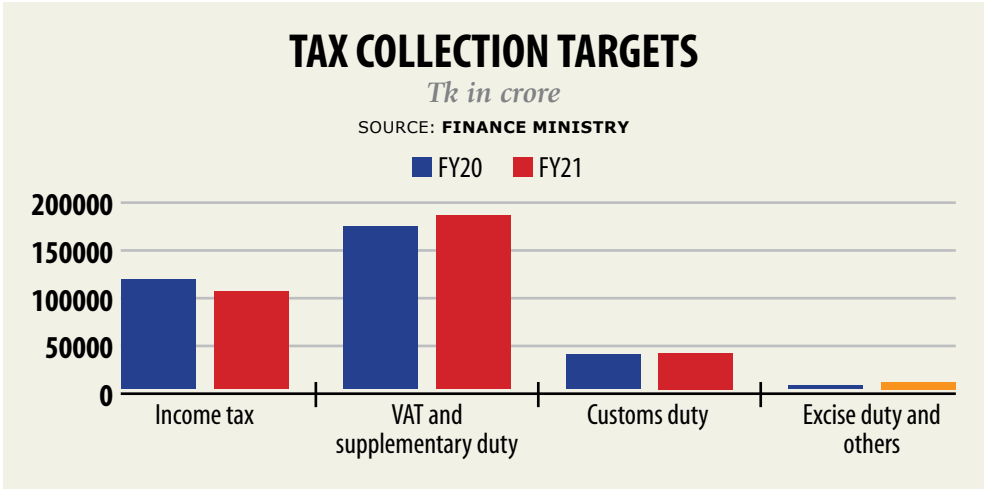
The peril does not end here.

Exports and remittance, two major sources of external financing, plunged as the rogue virus pushed the global economy to the worst-ever recession since World War II. Uncertainty about the course of the pandemic held back much-needed private investment.

About 97.3 per cent of firms faced work order cancellation or low market demand, said Economic Research Group (ERG), a local think-tank, in a survey of 102 firms. Compared to May 2019, firms reported they operated at only 58.8 per cent capacity in May.

"The sight beyond June was incomprehensible and most responses reveal the uncertainty the firms face," said the ERG in its summary findings released on June 6.

Under such a bleak economic prospect and health emergency Finance Minister AHM



Mustafa Kamal unveils the budget for the fiscal year 2020-21 today.

This will be the second budget to be placed by the septuagenarian and the nation will eagerly look at what fiscal steps he comes up with for entrepreneurs and citizens to take the economy to the path of recovery, protect and create jobs and lift millions of people out of the trap of hunger and poverty.

For the first time since 1980, Bangladesh is forecasted to post its lowest-ever GDP growth. The World Bank earlier this week said the economy would grow by 1.6 per cent in FY20, in a stunning decline from the 8.15 per cent logged last fiscal year.

The finance ministry appears to be preparing accordingly. "This is not going to be any traditional budget," it said in a press release yesterday.

This year's budget, with a theme of economic revival and way forward, has been framed in line with the government's past achievements and current circumstances, it said.

The highest importance has been given to the health sector and the agriculture sector has also received increased attention as the government looks to ramp up food production and create jobs.

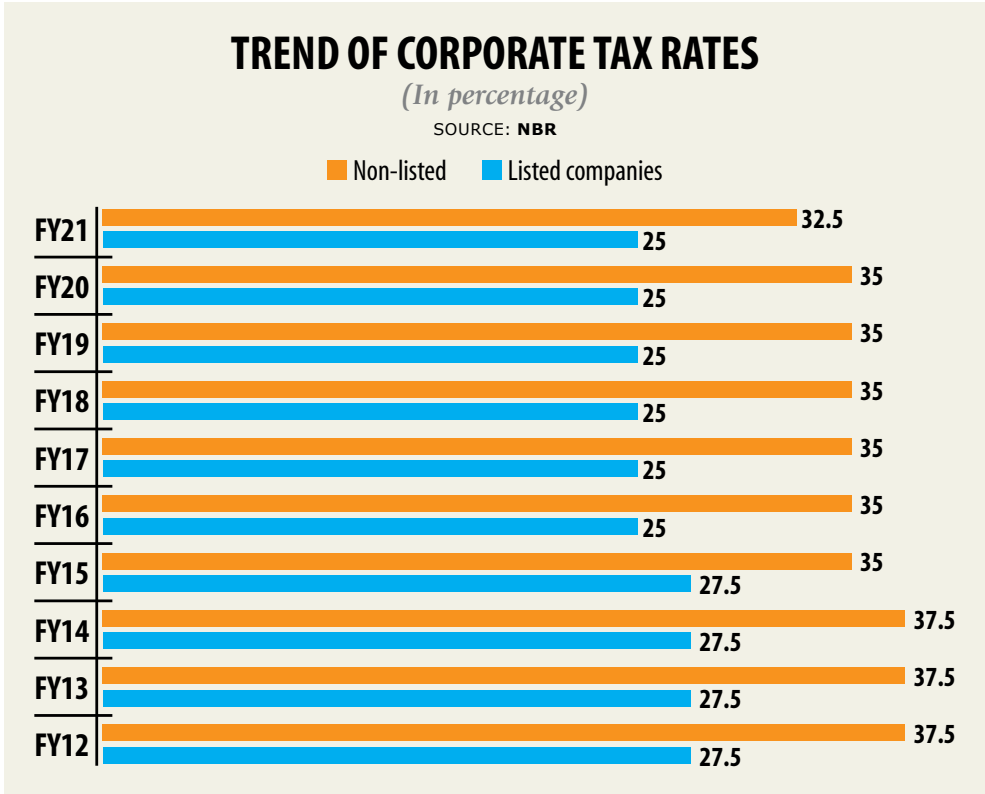
Various measures -- from expanding social safety net schemes to salvage affected industries and create jobs—are going to be proposed for the next fiscal year, the finance ministry said.

Taxmen and the finance ministry said they considered different fiscal measures to support income, jobs and industries in the next fiscal year.

One of the expected steps is reduction in corporate tax rate for non-listed companies, as the government looks to help them withstand business losses for the demand plunge in domestic and global markets.

Non-listed companies are expected to see a 2.5 percentage points cut in tax to 32.5 per cent from 35 per cent now. The current rate of corporate tax has been unchanged for the last six years, showed data from the National Board of Revenue.

The measures came at a time when a



majority of the firms had to shut operations and lose business for the shutdown since March 26.

The ERG study finds that 57.6 per cent of the firms remained closed even after 45 days of the announcement of the lockdown. More than a quarter of the firms reported about their inability to pay salaries beyond May and 80 per cent would not be able to pay beyond September.

In another rapid survey among 42 firms recently, the Centre for Policy Dialogue said all the firms claimed that there has been an adverse impact on export owing to Covid-19. And 73 per cent reported an effect on

production and import.

In order to stimulate investment and give relief to businesses, the government is likely to bring down the turnover tax rate for small and medium enterprises recording turnovers of Tk 50 lakh to Tk 3 crore annually.

To inject funds into the formal economy, the government may offer black money-holders an opportunity to legalise their untaxed assets upon payment of 10 per cent tax for disclosed incomes and investment.

The government plans to offer amnesty so that no agencies can raise question about the sources of funds.

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## Borrowers get interest rebate for Apr-May

STAR BUSINESS REPORT

The Bangladesh Bank yesterday drew up a policy to rebate interest for borrowers for the April-May period as part of its move to give a breathing space to them from the ongoing economic fallout.

The borrowers, who have taken out a maximum of Tk 1 lakh in loans from banks, will not have to give any interest, according to a notice issued by the central bank.

Banks will have to waive 2 percentage points interest for the borrowers, whose credit amount is between Tk 1 lakh and Tk 10 lakh.

The large borrowers with loans of more than Tk 10 lakh will be allowed to get 1 percentage point rebate. Large borrowers will get a highest interest rebate of Tk 12 lakh as per the BB decision.

Banks will enjoy a subsidy of Tk 2,000 crore from the government to rebate the interest. This means banks

will not rebate any amount by giving money from their own source.

The banking regulator directed banks on May 3 to transfer all interest accrued or to be accrued between April 1 and May 31 this year from all of their loans to an interest-free blocked account.

The BB calculated that a total of more than Tk 16,000 crore in interest was blocked by banks in the two months, of which Tk 2,000 crore will be rebated.

## A ray of hope for the jobless

MAHMUDUL HASAN

April was undeniably the worst-ever month for Amena Akter, a second year honours student of a college in Dhaka.

Her father and brother were laid off from a furniture shop near their home in the capital's Mirpur 11 as a result of the government-enforced shutdown.

The bad news did not end for her there. She used to earn some money taking classes at a coaching center in Mirpur and that too had to close.

Her family was devastated, worried sick about how they would pay their house rent and manage other expenses. There seemed to be no hope at getting a job when everyone else

was being terminated.

One day when she was scrolling the newsfeed of her Facebook account she came to know about Kormo, an app-based job marketplace of Google that connects jobseekers to businesses seeking manpower.

She installed the app and found a job advertisement from Meena Bazar. She applied immediately and got an opportunity for a remote interview.

"On April 29, I installed the app and I got the job offer on that day," said Amena. "It was a big relief for my family as now I am helping them with house rent and other expenses," she said.

Like Amena, supermarket chain Meena Bazar employed a few hundred people through the Kormo app in the last two months.

"In March and April, many of our employees left their job fearing for the Covid-19," Kazi Inam Ahmed, a director of Gemcon Group, which owns Meena Bazar, one of the oldest supermarket chains in the country, told The Daily Star yesterday.

"With the Kormo app, we are able to meet our demand for employees," he said.

To address the Covid-19 situation, Kormo introduced two new features — Remote Jobs and Remote Interviews — in their app, allowing those looking for employment to discover critical work-from-home opportunities and safely conduct interviews online.

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## Exports to Canada grew 15pc in 2019



REFAYET ULLAH MIRDHA

Bangladesh's exports to Canada grew 14.53 per cent year-on-year to CAN\$1.97 billion last year, riding on the trade privilege extended by the North American nation.

In 2018, Bangladesh's shipments to Canada was CAN\$1.72 billion, more than 92 per cent of which were apparel items, according to data from the Canada Bangladesh Chamber of Commerce and Industry in Bangladesh (CanCham). It was CAN\$1.65 billion in 2017.

Canada is one of the traditional markets of Bangladesh. Bilateral trade crossed CAN\$3.2 billion, registering 36 per cent year-on-year growth.

The trade balance is heavily tilted towards Bangladesh with products worth CAN\$726 million going to Canada in 2019, said the CanCham in a press release yesterday.

Canada shipped products worth CAN\$1.24 billion to Bangladesh in 2019, CAN\$642 million in 2018 and CAN\$718 million in 2017.

"We had expected that the export from Bangladesh would grow further this year, but the growth has been affected because of the coronavirus pandemic," said CanCham President Masud Rahman.

Bangladesh has a lot of opportunities to grab more than \$25 billion worth of the Canadian retail apparel market, he said.

"I hope exports from Bangladesh to Canada will start growing soon as the world has started to reopen. Bilateral trade will definitely grow between the two countries," Rahman added.

The demand for Bangladeshi garment items is very high in Canada because of the competitive prices and the North American country can be a major export destination for local garment items even during the pandemic.

"Maintaining a warm relationship with Canada can yield better outcomes," Rahman said.

Mostafa Sobhan Rubel, managing director of Dragon Sweaters, said of his total export volume of \$36

million, 15 per cent is shipped to Canada, 45 per cent to the US and the rest to European markets.

"Canadian buyers did not cancel any work orders because of the pandemic and they paid me even during the crisis," said Rubel, who exports mainly sweaters to the country.

The entrepreneur had faced work orders cancellation amounting to \$24 lakh due to the Covid-19 outbreak. However, his buyers are now reinstating the orders but have deferred payment and shipment of the goods, he said.

For instance, the goods that were supposed to be shipped in March, April and May would be sent in September and October to US buyers.

"Canada can be a major export destination as both demand and prices are higher in the country than in other countries," Rubel said, adding that the demand for sweater items in the North American country is higher because of their extended winters.

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COLLECTED

An employee of Meena Bazar poses at its Dhanmondi outlet in the capital last week. He has recently been recruited through Google's Kormo, a job and career app.