



DHAKA THURSDAY JUNE 18, 2020, ASHAR 4, 1427 BS 😐 starbusiness@thedailystar.net 🛽

Why is Bangladesh's stock market bearish when global stocks are on bull run?

AHSAN HABIB

Global stock markets saw almost a V-shaped recovery during the coronavirus pandemic. But Bangladesh's stock market is an exception.

A V-shaped recovery refers to a sharp fall in economic activity, which is then matched by an abrupt rebound.

In fact, Bangladesh's stock market followed suit when the global stocks dropped. But it has refused to make a turnaround when the global stocks rose.

The local market did not rebound even after the government rolled out a massive stimulus package amounting to Tk 103, 117 crore, which is 3.7 per cent of the GDP, to pull the economy out of the wreckage.

At the heart of the problems are inadequate measures on monetary expansion, confidence crisis emanating from the shutdown of trading for the pandemic, the setting up of floor price and failure to manage the contagion.

"Though the government has announced several special packages, liquidity shortage remains in the money market and the interest rate of the banking sector is still high," said Shahidul Islam, chief executive officer of VIPB Asset Management, which manages more than Tk 160 crore.

Inadequate monetary expansion is the prime reason, Islam said.

The stock markets around the world started to plunge from late February when the virus began to spread globally. The fall lasted until late March.

India's BSE Sensex dropped 35 per cent to 25,981 points, the US's S&P 500 index slumped 32.96 per cent to 3,337 and Eurozone's Euro



DSEX's movement since it reopened

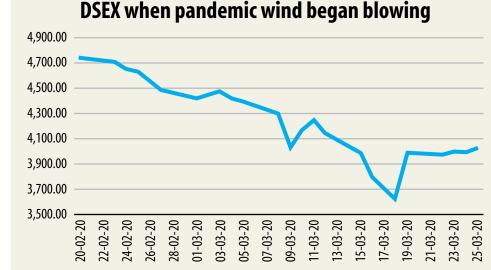


Stoxx 50 fell 37 per cent to 2,385 during the time. Similarly, DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), gave up 16 per cent to settle at 3,974.

In late March, countries started to announce special packages to revive their pandemic-hit economies.

The US Senate passed a \$2 trillion coronavirus aid bill, the largest economic stimulus in the US history, on March 26. Almost all the countries announced packages prompting stocks globally to bounce back.

Subsequently, the S&P 500 index rebounded 37 per cent to 3,066 on Tuesday from late March. During the same period, the Euro Stoxx 50 recovered 35 per cent to 3,229 and the Sensex regained 29 per cent to 33,605. DSEX, however, dropped about 1 per cent to 3,960.



"It is necessary to reduce the interest rate in the banking sector and the yield on government bonds. Otherwise, banks would prefer the bonds to lending money to the private sector and investing in stocks in this tough time," Islam said.

The Federal Reserve has already announced its intent to purchase corporate bonds along with Treasury bonds to ease the monetary supply.

In India, the yield on government bonds is about 3 per cent, whereas it is upwards of 7 per cent in Bangladesh though the rate of inflation is almost the same in the two countries, the asset manager said.

"Despite the Bangladesh Bank's step to ease monetary supply, the country needs more policy support to ensure monetary expansion because refinance schemes are not adequate to tackle such an unprecedented crisis," he said.

The central bank has reduced banks' cash reserve ratio, an expansionary tool, by 100 basis points to 4 per cent and repurchase agreement rate (known as the repo rate) by 50 basis points to 5.25 per cent to make funds cheaper for banks.

Another reason behind the bearish market in Bangladesh is most of the investors are momentum-driven, so the index suffers when

it needs to rise or fall, Islam added.

Momentum investors are those who try to gain when the market is rising and rush to sell when the market stays low.

would be in a bad shape though the government has projected an 8.2 per cent GDP growth for next fiscal year, said AB Mirza Azizul Islam, a former chairman of the Bangladesh Securities and Exchange Commission (BSEC).

"They fear the listed companies would perform badly. So, many of them are not buying shares.

The cases of coronavirus are declining in many other countries whereas it is rising in Bangladesh and this is another reason for the pessimism, said the former caretaker government adviser.

The suspension of trading for more than two months and the policy intervention to stop the fall of the index were a massive blow, said a merchant banker preferring anonymity. READ MORE ON B3

March was mean for MFS providers [NBR eyeing VAT

WHY BANGLADESH'S **BOURSES ARE SO DEPRESSED**?

- Inadequate monetary expansion
- > Still higher interest rate and bond yield
- Investors fear the economy may worsen
- > The majority investors have herd mentality
- Bangladesh's coronavirus caseload is rising
- Market closure for 2.5 months
- > The reworked floor prices of stocks

Investors think that Bangladesh economy

MUHAMMAD ZAHIDUL ISLAM

Given the need for social distancing and the push towards digital transactions to prevent the spread of the highly contagious coronavirus, one would have thought the mobile financial service sector would be having a bit of a purple patch.

But, March, which marked the first confirmed cases of COVID-19 in Bangladesh, appears to have been a sobering comedown depends on the country's overall for the high-flying MFS sector. The average daily transactions on mobile money accounts drastically fell that month.

The first confirmed cases of COVID-19 were announced on March 8 and from the second week of the month the industry got a massive hit, which is way before the government had announced a countrywide shutdown to flatten the curve on coronavirus.

transacted Account-holders about Tk 1,283.39 crore in March, down 11.06 per cent from February, according to a

this week.

middle-class

Though the use of mobile

during

the

money has increased among

the middle-class or the upper-

pandemic, people who are at

the bottom of the pyramid did

The people at the bottom of the

"Transaction volume always

pyramid account for the majority

economic situation. As we are

passing a tough time, it was

reflected on the MFS transaction

Haider Dalim, head of corporate

declared a general holiday from

March 26, the situation had

already started to become gloomy

Though the government had

communications of bKash.

said Shamsuddin

not transact money regularly,

industry insiders said.

of the transactions.

records,'

month, he said.

industry as well.

DAILY AVERAGE TRANSACTION THROUGH MFS

⁽in cr Tk); SOURCE: BB



April. Daily average transaction volume rose to Tk 1,200 crore in from the second week of that May

The government would have The outbreak impacted the to be given some credit for the overall economy and the MFS recovery in transaction volume in May as, thanks to its directive, a In March, the market's huge number of garment factory

transaction was Tk 985 crore and and salaries among employees it came down to Tk 800 crore in and workers through the MFS channel

> It also went for disbursements of its own through the digital channel. Remittance channelled through MFS also got a boost, Dalim said.

Withdrawals fell in March and it widened further in April, Bangladesh Bank report released leading operator's average daily owners started to disburse wages highlighting the distress the poor

had been going through, industry people said.

Initially, Nagad faced some challenges, but the situation had improved over time, said its Managing Director Tanvir Ahmed Mishuk

With the challenges, some new avenues also opened in the last three months.

"We are very much linked with the overall economy and it was obvious that the transaction volume would be impacted as people were not coming out for their regular activities."

However, people are using digital financial services more for recharging mobile phones and making payments and wallet to wallet transfers.

"We, the MFS providers, are ensuring citizens' physical distance in the coronavirus period. I think this is very important to prevent the pandemic," said the top executive of Nagad, which became the second-largest operator in the market within just one and a half years.

READ MORE ON B3



Netflix and Amazon Prime have become household names in Bangladesh as the ongoing coronavirus pandemic has forced people to take shelter at home with little to do other than watch movies. These online two

streaming platforms are paid services, meaning there should be a 15 per cent value-added tax on the subscription fee.



But the National Board

of Revenue (NBR) is being deprived of the subscription fee, said Syed Mushfequr Rahman, director general of the VAT Audit, Intelligence and Investigation Directorate, a department of the NBR.

The NBR department made these remarks after learning that customers in Bangladesh pay their subscription fees for these online entertainment platforms, including ZEE5, in foreign currency.

Both Netflix and Amazon Prime, two of the world's most popular streaming services, are based in America but charge the equivalent of \$10-15 in local currency for subscribers in other parts of the world.

In Bangladesh however, all online streaming platforms only accept payments in foreign currency, forcing many customers to endorse dollars against their credit cards to make digital payments.

READ MORE ON B3

Visa to finally set up shop in Bangladesh as cashless transactions gain momentum

MAHMUDUL HASAN

Coronavirus has transformed people's everyday life significantly. Transactions and spending have overwhelmingly been altered by the disease, which is lethal and highly contagious.

While shopping at brick-and-mortar stores is down, e-commerce platforms are experiencing a surge in demand.

People don't want to go outside unless it's an emergency and they avoid touching physical things, which include cash. And everything is happening in a way that seems staged for the boon of cashless transactions.

Under such circumstances, Visa, the global leader in payments technology, unveiled its plans to establish a country liaison office in Dhaka, although it has been providing cards in Bangladesh for 32

years now, starting out with the humble magstripe card and now state-of-the-art tap and pay contactless cards.

"We believe it is an opportune time to leverage the explosive growth of digital payments through a team of Visa executives dedicated to Bangladesh," said Chris Clark, regional president of the company for the Asia Pacific, in a press release yesterday.

The office, expected to be set up by 2020, will employ a team of executives through whom Visa would introduce new services, drive social impact programmes and participate in the economic growth of Bangladesh.

The country office culminates decades of investments in Bangladesh in pioneering and driving digital payments, which, in turn, have helped fuel economic growth and played a significant role in the Digital

Bangladesh mission, Visa said in a press release.

everywhere

you want to be

"Since commencing operations in Bangladesh in 1988, our business has played a distinct part in shaping the digital payment ecosystem in the country. We are truly excited about the potential the country holds and expect the local liaison office to further propel our market growth in years to come," Clark said.

Currently, Visa has partnerships with

close to 50 banks, leading financial technology companies and processors.

In recent years, Visa launched Bangladesh's first contactless card and introduced open-loop, interoperable quick response (QR) payments in line with BanglaQR specifications to the market.

Visa has worked with large fintechs and e-commerce players as well to introduce card on file, wallet load and other best-inclass payment innovations.

The payments technology company is working with the regulatory agencies in Bangladesh and concerned authorities to acquire requisite permissions and set up the liaison office.

Visa's perennial rival MasterCard though had a physical presence in the country since 2013.

READ MORE ON B3

BB orders banks to ensure full CSR spending on health

STAR BUSINESS REPORT

The central bank has instructed banks to ensure the full and proper spending for the health sector under their corporate social responsibility initiatives amid the raging coronavirus pandemic.



According to the existing rules, the health sector accounts for 60 per cent of the allocation of the CSR budget of banks, followed by the education sector at 30 per cent and climate change risk mitigation efforts at 10 per cent.

Under the present circumstances, the 60 per cent spending for the health sector has to be ensured, the BB said in a notice on Tuesday.

Fed chair warns of 'significant uncertainty' around US recovery

AFP, Washington

Despite some recent positive "significant uncertainty" signs, remains about the recovery of the US economy from the coronavirus pandemic, Federal Reserve Chair Jerome Powell said Tuesday.

And unless consumers feel confident COVID-19 has been defeated, "a full recovery is unlikely," Powell warned in his semi-annual testimony before the Senate Banking Committee.

The pandemic has inflicted its worst consequences on lowincome and minority groups, and the contraction of GDP in the April-June quarter "is likely to be the most severe on record," said the central bank chief, who was testifying via video link.

Recent economic data have offered some promising signs that a recovery is underway, cheering has downplayed risks of the virus Wall Street investors. US markets closed higher again Tuesday, and

major indices have recouped much of the losses suffered since the pandemic struck in March.

Earlier in the day, the Commerce Department said retail sales posted a surprise spike of 17.7 percent in May, coming in nearly double the gain economists had expected.

And the Fed reported that industrial production rebounded by 1.4 percent, after two months of steep declines.

That adds to the data released earlier this month showing the economy adding 2.5 million positions in May as the unemployment rate ticked down to a still-high 13.3 percent, as well as various surveys showing consumers and businesses becoming more optimistic about their prospects.

President Donald Trump, who and instead focused on reviving the economy as he faces a tough



Federal Reserve Chair Jerome Powell

said at a White House event.

But Powell cautioned that

despite the positive data, the

economy has shed 20 million

jobs and "the levels of output and

employment remain far below

this country has ever had," Trump re-election battle in November,

cheered the good news. "You'll see the third quarter numbers will be very good. You'll see fourth quarter will be really good and you'll see next year will be one of the best economic years

their pre-pandemic levels, and significant uncertainty remains about the timing and strength of the recovery.

He noted that the burden from the business shutdowns to contain the spread of the virus "has not fallen equally on all Americans."

"Instead, those least able to withstand the downturn have been affected most," with the heaviest job losses felt by Hispanics, African Americans and women, Powell said.

contained and "If not the downturn reversed, could further widen gaps in economic wellbeing that the long expansion had made some progress in closing," he said.

The Fed chief, who once again lamented racial injustice amid nationwide protests over the killings of African Americans, said racial gaps in employment are "not a healthy feature" of the US economy.

UK opens formal trade talks with

Australia, New Zealand

Qualcomm pushes 5G tech into chips for cheaper phones

REUTERS

Qualcomm Inc on Tuesday said it is putting 5G technology into chips for smartphones that will sell for as little as \$300 and that will come to market in the second half of this year.

San Diego-based Qualcomm is the biggest supplier of processors for smartphones and the modem chips that connect the phones to wireless data networks.

The company's chips featuring fifth-generation (5G) cellular telecommunications technology are currently in many premium-priced smartphones such as Samsung Electronics Co Ltd's Galaxy devices.

But Qualcomm has also been working to get the technology into cheaper devices. The new chip, called the Snapdragon 690, will go into devices that it expects to retail at \$300 to \$500, Qualcomm said. Phone makers such as HMD Global, the owner of the Nokia phone brand, LG Electronics Inc and Lenovo Group Ltd's Motorola plan to use the chips, Qualcomm said.

The push into lower price points means higher volumes for Qualcomm. According to data from Counterpoint Research, smartphones with wholesales prices of \$100 to \$400, which are somewhat lower than the prices consumers pay, made up about 50% of the overall smartphone market in the first quarter of 2020.

Saudi Aramco completes purchase of 70pc stake in chemical giant SABIC

AFP, Rivadh, Saudi Arabia

Saudi Aramco said on Wednesday it has completed the acquisition of a 70 percent stake in chemical giant SABIC for \$69.1 billion, boosting it as one of the world's largest producers.

The stake was held by the Public Investment Fund (PIF), the kingdom's sovereign wealth fund which has reportedly been on a spree to purchase stakes in international firms.

"The completion of the transaction enhances Aramco's presence in the global petrochemicals industry," Aramco said in a statement

"Combined, in 2019 Aramco and SABIC petrochemicals production recorded volume of nearly 90 million tonnes," one of the world's largest, the company said.

Completion of the purchase comes six months after Aramco sealed the world's biggest initial public offering, selling 1.7 percent of its shares for a record \$29.4 billion. Last year, the energy giant raised \$12 billion in a bond sale to help pay for

the SABIC acquisition.

Aramco chairman Yasir al-Rumayyan, who also chairs the Saudi wealth fund, said the SABIC deal served both parties.

"It provides capital for PIF's longterm investment strategy as it drives the economic transformation and growth of Saudi Arabia, further benefiting the people of our country," Rumayyan said.

"It supports Aramco's continued growth in downstream and enhances its international footprint."

The government last month transferred \$40 billion to PIF from the foreign reserves managed by the Saudi central bank to support its liquidity.

In the first quarter of this year, it bought \$7.7 billion holdings in a host of companies -- from Boeing, Walt Disney and Starbucks to Marriott and Citigroup.

SABIC's share price has fallen by more than 27 percent since the deal was announced early last year. The company posted losses in both the fourth quarter of last year and first quarter of this year over low prices.

AFP, Sydney, Australia

Britain formally launched talks with Australia and New Zealand on post-Brexit free-trade agreements Wednesday, with Canberra's top trade official voicing hopes a deal could be reached this year.

"Later today, Australia and the United Kingdom will formally commence freetrade negotiations," Trade Minister Simon Birmingham said, in a speech highlighting Australia's drive to diversify trade as it is locked in disputes with China.

Britain's conservative government has heralded its departure from the European Union as an opportunity to deepen trade relations with global partners.

While talks have already taken place, formal negotiations had been delayed until Britain left the bloc in January.

Birmingham warned that even with an Australia-Britain deal, volumes were unlikely to return to those seen in the 1970s -- before Britain joined the European Economic Community and when its trade was last focused on its former colonies



From left, British High Commissioner to New Zealand Laura Clarke, New Zealand's Trade Minister David Parker, and New Zealand's Prime Minister Jacinda Ardern talk to reporters in

"Australia will be looking to secure better market access for goods exports, especially in agriculture, and high-standard rules on digital trade and investment," he said

Talks on an Australia-EU trade deal are already

under way, and Birmingham said Canberra would also like to conclude them this year.

But he admitted that would be a tough task with negotiations on several trade agreements taking place simultaneously.

Separate negotiations commenced in Wellington, where British High Commissioner Laura Clarke said it made sense to deal with Australia and New Zealand at the same time, given their close economic ties.

While not mentioning China by name, Prime Minister Jacinda Ardern said New Zealand was also aiming to broaden its range of trading partners.

"Our policy in the here and now is to strengthen New Zealand's economy and resilience through diversification," she said.

Birmingham refused to say whether Australia would prioritise a deal with the European Union or Britain.

"The EU is a much bigger market, and notwithstanding Brexit it remains a much bigger market. But that does not mean the UK is not a significant market," he said.

"I don't have favoured children in that regard, and I want to love them both equally."

Sterling edges lower after UK inflation data, Brexit fears weigh

শ্বারক নাং-৪১,০১,৬৭০০,০০০,১৬,০০১,২০,২৮৯



গণপ্রজাতন্ত্রী বাংলাদেশ সরকার জেলা সমাজসেবা কাৰ্যালয় ১২৬/১১, উত্তর চাষাড়া



REUTERS, Londor

Sterling was slightly weaker on Wednesday after data showed inflation fell to its lowest level since June 2016 last month as the coronavirus pandemic sucked demand from the global economy and caused oil prices to tumble.

Low inflation would give the Bank of England space to ramp up its stimulus programme again when its policymakers meet on Thursday. The British central bank is expected to

announce a fresh increase of at least the anticipation that the Bank 100 billion pounds (\$125.71 billion) in its bond-buying firepower.

Sterling was last trading down 0.1% versus the U.S. dollar and the euro, at \$1.2567 and 89.66 pence respectively.

"Sterling is struggling to join the G10 rally today as stalling Brexit negotiations keep the macroeconomic outlook uncertain and the upside for the currency limited. This morning's inflation data hasn't helped the pound's prospects but instead adds to



of England will extend its Asset Purchase Facility tomorrow," said Simon Harvey, currency analyst at broker Monex Europe.

"The depth and duration of such extension are unknown at present, but given the recent run of data, the Bank could have a few tricks up its sleeve," Harvey said.

The pound has risen more than 4% against the greenback in the last three months, but is still far off levels seen before the new coronavirus sent global markets tumbling in March.

It is also much lower in tradeweighted terms than it was before the Brexit referendum in June 2016.

Brexit uncertainties are still weighing on the pound, but leaders from Britain and the European Union agreed on Monday that talks on their future relationship should be stepped British Prime Minister Boris Johnson suggested an agreement could be reached in July.

With a status-quo transition deal set to expire at the end of the year, Britain is seeking a free-trade agreement with the EU, which it left on Jan. 31, but negotiators have so far made little progress.

Talks on the future relationship will enter a hot phase from September, German government document а reviewed by Reuters showed.

Amazon to use AI tech in its warehouses to enforce social distancing

REUTERS

Amazon.com Inc on Tuesday launched an artificial intelligence-based tracking system to enforce social distancing at its offices and warehouses to help reduce any risk of contracting the new coronavirus among its workers.

The unveiling comes as the world's largest online retailer faces intensifying scrutiny from U.S. lawmakers and unions over whether it is doing enough to protect staff from the pandemic.

Monitors set up in the company's warehouses will highlight workers keeping a safe distance in green circles, while workers who are closer will be highlighted in red circles, Amazon said.

The system, called Distance Assistant, uses camera footage in

Amazon's buildings to also help the technology behind its Distance identify high-traffic areas.

Amazon is also testing a wearable device that lights up and makes an audio alert when workers are too close to each other, according to an internal memo seen by Reuters. The device is warehouse outside Seattle.

hiring for roles like social distancing guardians, ambassadors and according to internal job postings reviewed by Reuters. Responsibilities of such hires range from frequent audits at warehouses to verifying that headcount does not exceed seating limits in break rooms.

Amazon did not immediately comment on the memo and postings. Amazon, which will open source the next few weeks.

Assistant system, is not the first company to turn to AI to track compliance with social distancing.

Several firms have told Reuters that AI camera-based software will be crucial to staying open, as it will to be piloted from Wednesday at a allow them to show not only workers and customers, but also insurers and The company has also been regulators, that they are monitoring and enforcing safe practices.

However, privacy activists have raised concerns about increasingly detailed tracking of people and have urged businesses to limit use of AI to the pandemic.

Amazon said on Tuesday that its tracking system is live at a handful of buildings, adding that it has plans to deploy hundreds of such units over

						অর্থবছর	\$ 202	6505-0							
۵.	2 and 1	লয়/বিভাগ		:	সহাত কা	য়াগ সন্ত্রণালয়									
2.	acel					া অধিসফতর ।									
0.		ক সন্তার নাম		1			আগগণ হয়। ক, সমাজসেবা অধিসক্ষতর, ঢাকা এর পক্ষে জেলা প্রশাসক, নারায়ণগঞ্জ।								
8.						RETINET, FRIEDRICH HIGHERS, DIELES THE DETLEMENTE, FINISTRET									
e.	যে কাজের মরগর				 ২০২০-২০২১ অর্থ বছরে সমাজসেরা অধিনফতর পরিচালিত মুসলিমনগর বায়তুল আমান সরকারি 										
*.	24 4040 13 14				(বালক), ফব্রুরা, নারায়গগন্ধ ও সরকারি শিও পরিবার (বালিকা), রূপগন্ধ, নারায়গগন্ধের নিবাসীদের জন্য থান্য,										
					থান্দ্রানুযুদ্ধিক ও শিক্ষা, খাস্থ্য, প্রসাধনী এবং বিবিধ মালামাল সরবরাহ।										
6.	নৱপর	নম্বর ও তারি	ie i	1	নাং-৪১,০১,৬৭০০,০০০,১৬,০০১,২০,২৮৯ ডারিশ্য ১৬,০৬,২০২০খ্রিঃ										
9	1.4 1.4	গ্ৰচাৰেৰ জা			38.08.2			folden ein is seinelige folge	-						
br.	সংগ্রহ পদ্ধতি				উনুক্ত দরশর পছরি (৩.টি.এম.)।										
ъ.		নৰং তহৰিল	া উৎস	1	রাজখ বাজেট জি.ও.বি.।										
20.		প্রাকেক্স নহ			301										
55.	সরগরের গ্যাকেজের নাম			1	২০২০-২০২১ অর্থবছরে সমাজসেরা অবিদফতর পরিচালিত মুসলিমনগর বায়তুল আমান সরকারি শিত পরিব (বালক), ফতুর্যা, নারায়গগড়, সরকারি আমায়কেন্দ্র, গোদনাইল, নারায়গগড়, সরকারি শিত পরিবার (বালিক রূপগড়, নারায়গগড় ও সমষিত দৃষ্টি প্রতিবন্ধী শিক্ষা কার্যক্রম, মুসলিমনগর, ফতুর্য়া, নারায়গগড়ের নিবাসীসের জ থান্য, থান্যানুষ্টিক ও শিক্ষা, স্বাছ্য, প্রসাধনী এবং বিবিধ মালামাল (ক গ্রুপ্ণ- থান্য ও থান্যানুষ্ঠিক (পচনশীল অপচনশীল), ধ গ্রুপা-শিক্ষা, স্বাছ্য, প্রসাধনী ও অন্যান্য ছগ্রুপাণ-থান্য ও থান্যানুষ্ঠিক ও বিবিধ ব্যবহারিক, ৫ গ্রু বিবিধ মালামাল সরবরার।										
2		দরপত্রের			া বিক্রিনা শেষ সময়			ৱ দাখিলের শেষ তারিখ ও সময়	দরপত্র খোলার শেষ তারিখ ও সময়						
20	১ম বা	১ম বার ১৯,০৭,২০২			৯ন্ত্ৰিঃ সময় বিকাল ৫,০০ ঘটিকা			২০২০খ্রিঃ সময় মৃপুর ১২.০০	২০.০৭,২০২০ষ্ট্রিঃ সময় মৃথুর ০২,৩০ ঘটিকা						
\$8	ক্ষেত্র	(ক্ষরে)		২০স্তিঃ সময় বিকাল ৫.০০ মটিকা			ঘটিকা	২০২০খ্রিঃ সময় নুপুর ১২,০০	২৮.০৮.২০২০খ্রিঃ সময় দুপুর ০২.৩ ঘটিকা						
_	ক্ষেত্র	ক্ষেমে)			০ন্দ্ৰিঃ সময় বিকাল ৫.০০ ঘটিকা			২০২০খ্রিঃ সময় দুপুর ১২.০০	০২.০৯.২০২০খ্রিঃ সময় মুপুর ০২.৩০ খটিকা						
12	কার্যালয়ের নাম ও ঠিকানাঃ														
	ক, মূল দৱপত্র দলিল বিক্রন্থ			:	সংশ্লিষ্ট প্ৰতিষ্ঠান ও উপপৰিচালকের কার্যালয়, জেলা সমাজসেবা কার্যালয়, নারায়পথঞ্জ।										
	খ, সরপত্র সলিল গ্রহণ			:											
_	গ, দরপত্র দলিল থোলা			-	 উপপরিচালক, জেলা সমাজসেরা কার্যালয়, নারায়প৾গজ। 										
vlə,		চার যোগ্যন্ডা		1	 বৈধ সরবরাহকারী প্রতিষ্ঠান। সিঠিউল ক্রয়ের ট্রেজারী চালানের মূলকপি, পূর্বে অনুরূপ কাজ করার অভিজ্ঞতার সনদ, হালনাগাদ ট্র লাইসেল, ব্যংক সঞ্চলতার সনদ, আয়কর সনদ এবং তাটি প্রদান (২০১৯-২০২০) সনদের অধিকারী হর হবে। 										
99	দরপর সিঠিউলের মূল্য			ा	দরপর সি দিচে হবে		ট্রজারী চ	ালানের মাধ্যমে (কোড- ১-২৯৫১	-০০০০-২৯৬৬) ডে (অফেরডযোগ্য) ব						
		সংক্ষিগ্ৰ বিৰৱণ		শিনি	সিডিউল মূল্য টেন্ডার সি পরি				মন্তব্য						
	ক	থাদ্য ও থা (গায়নবীল অগচনশীল			600/-	সিহিউল মোতাবেক		মুসলিমনগর বায়তুল আমান সরকারি শিত পরিবার (বালক), ফতু মারায়গগঞ্জ, সরকারি আবারকেন্দ্র, গোলনাইল, মারায়গগঞ্জ, সরকারি পরিবার (বালিকা), রূপগঞ্জ, মারায়গগঞ্জ ও সমখিত লুটি এচিবন্ধী শি কার্বরন্ম, মুসলিমনগর, ফতুল্লা, নারায়গগঞ্জ							
	খ শিক্ষা, যাছ্য, প্রসাধনী		eoo/-		हे है			2							
	٩			200/-		٤ ٤			à						
- 1	ত বিবিধ মালামাল		. 4	200/- à				à.							
৮.			কর্মকর্তার নাম				(Alts	আসাদুজ্জামান সৱদার।							
э.		দরপত্র আহ্বানকারী কর্মকর্তার পদবী					: উপপরিচালক।								
٥.			কর্মকর্তার রিকা			-	COM	া সমাজসেবা কার্যালয়, নারায়পগঞ্জ	E						
۵.			কর্মকর্তার সাঙ্গে	লোগা	যোগ নম্বর	-	02-	1 19 60069							
	শঠাক							10 1 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1							
								নস্ত পদ্ধতি যথাযথতাবে অনুসরণ ক							
								ই মানি প্রান্তি সালেক্ষে কার্যালেশ প্রা	দান করা হবে।						
			দরে বরাম প্রান্তি												
								ার বারিলের ক্ষমকা সংরক্ষণ করেন	τ I						
			তারিখ হতে দ												
	5)	াবশেষ নিৰ্দেশ	ানাঃ বিস্তারিক ত	ম্ব্য দৰা	পর সিভিউটে	ল বণিত আছে	1								
									মোঃ আসাদুজ্জামান সৱদাৱ						
									উপপরিচালক						
									নারায়ণগঞ						
18-3									ফোনা ৭৬৩৩৯৭৮						



LAFARGEHOLCIM BANGLADESH

LafargeHolcim Bangladesh Ltd (LHBL) organised a seminar through digital platform Zoom on "Resilient and sustainable building design and construction" on June 14. Top 138 engineers of Bangladesh took part in the event, where Raquib Ahsan, a professor of the civil engineering department of Bangladesh University of Engineering and Technology, presented the keynote paper. Ali Ahammad, senior manager for technical services and CIAC Lab at LHBL, shared the product specifications, benefits, applications of construction materials and company overview with the participants.

Heavy bank borrowing to weigh on private investment, say experts

FROM PAGE B4

Ever since the two-month lockdown that began on March 26, both domestic and foreign investment has slowed down.

To remedy the situation, the government needs to propose a realistic and pragmatic budget, said Ahsan H Mansur, executive director of the Policy Research Institute (PRI)

Echoing Islam's sentiment that 8.2 per cent GDP growth in the upcoming fiscal year is an unrealistic dream, Mansur also said that the government's target to achieve a 55 per cent increase in revenue collection might not be met amid the coronavirus fallout.

The government must bring drastic reforms to the tax administration to improve tax collection and remove corruption and bureaucracy, he added.

There are not many provisions for poor people in the proposed budget but the government will have to take some measures soon in order to feed the nearly 50 lakh people who either lost their jobs or had their income slashed due to the pandemic, the PRI executive director said.

Most borrowers, especially micro, cottage, small and medium enterprises, are not receiving funds from the government's Tk 20,000 crore stimulus package since the banks' profit margin is around 1 per cent.

With such a low profit margin and high peration costs, banks have lost interest in

disbursing funds from the stimulus package, which was meant to help small-scale firms survive the COVID-19 outbreak.

"The profit margin should be around 3 per cent at least," Mansur said.

Unfortunately, the construction and maintenance of roads and highways are always prioritised even though waterways and railways have high potential. If corruption in the railway sector was curbed, it would benefit passengers the most.

"Similarly, if the government sells the sand collected from riverbeds to traders, the cost to dredge the river would be practically covered," said the PRI executive director.

In most cases, contractors leave the dredged sand on banks of the river from which it came. As a result, the material just seeps back into the waterbody, he added.

Md Mosharraf Hossain Bhuiyan, a former chairman of the National Board of Revenue, urged the government to reconsider its decision to increase taxes on mobile phone services.

The small and medium enterprises (SME) sector, which accounts for 25 per cent of the country's GDP, were affected the most by the COVID-19 pandemic, according to former AmCham president Aftab ul Islam.

"We need to boost SMEs in order to increase the sector's contribution to the national GDP to

40 per cent," he said.

The fact that banks consider SMEs to be a risky investment should be changed as the loan recovery rate from this sector is higher than that of others, added Islam.

Planning Minister MA Mannan said that the government has been working hard to protect the job market through numerous initiatives.

Apart from the stimulus packages, the government has already transferred Tk 2,500 to 50 lakh ultra-poor families and now plans to feed a further 40 lakh families across the country.

"The target is to bring the poverty rate, which currently stands at 35 per cent due to the COVID-19 outbreak, back down to 20 per cent," Mannan said.

In regards to bank borrowing, Mannan said that the government plans to borrow from the World Bank and International Monetary Fund to meet the budget deficit.

Besides, the inflow of remittance is still good, the agriculture sector is doing well and a decent amount of foreign direct investment can be expected to arrive as the government has taken steps to encourage investors, Mannan added.

Fazlul Hoque, former president of the Bangladesh Knitwear Manufacturers and Exporters Association, and Shams Mahmud, president of the Dhaka Chamber of Commerce and Industry, also spoke during the event.

Lufthansa warns its \$10b bailout deal is in jeopardy

REUTERS, Frankfurt

German airline Lufthansa warned on Wednesday that it might need to apply for protection from creditors if its state-backed bailout deal failed to win sufficient support at a shareholder vote on June 25.

Its statement came after German billionaire Heinz Hermann Thiele sharply criticised the 9 billion euro (\$10.1 billion) bailout, saying he had raised his stake in the company to more than 15 per cent and hoped alternative options could be explored.

In an interview with the Frankfurter Allgemeine Zeitung newspaper, Thiele said he was not satisfied with the deal that gives the German government a 20 per cent stake in Lufthansa, as well as two seats on its supervisory board.

Lufthansa shares were up 1 per cent at 0955 GMT.

Lufthansa said its executive board expected the attendance at its extraordinary general meeting to vote on the package on June 25 to be below 50 per cent, which would mean two-thirds of those present would need to vote in favour.

"In view of the latest public statements by the company's largest single shareholder, Heinz Hermann Thiele, the board considers it possible that the stabilisation package could fail to achieve the two-thirds majority of votes cast that would be required in this case," Lufthansa said.

"This would mean that Deutsche Lufthansa AG would possibly have to apply for protective shield proceedings under insolvency law a few days after the annual general meeting if no other solution is found

immediately," the German airline said. Under German protective shield proceedings, a company's management remains in charge and typically gets up to three months to come up with a plan to avoid insolvency.

"The German government has taken a high-risk bet. Its wish for the government to take a direct stake in Lufthansa is putting the jobs of hundreds of thousands of Lufthansa employees at risk. It's completely irresponsible," said Michael Theurer, a

senior member of the opposition Free Democrats (FDP).

Lufthansa shareholders must register to attend the shareholder meeting by June 20 and if more than 50 per cent attend, a simple majority would suffice, Lufthansa said.

As of June 4, 85 per cent of Lufthansa's shareholders were based in Germany. Lufthansa confirmed on Wednesday that Thiele now has a stake of 15.5 per cent in the airline.

Thiele, who declined to say whether he would vote against the deal, said an indirect state participation via German stateowned development bank KfW could be an alternative to an outright government stake.

Like the rest of the airline sector, Lufthansa has been hard hit by what is expected to be a protracted travel slump due to the coronavirus pandemic, forcing its management to seek help from the state.

the deal, the German Under government could raise its stake to 25 per cent plus one share in the event of a takeover attempt and the airline must also transfer up to 24 takeoff and landing slots at the Frankfurt and Munich airports to rivals.

With many of its planes grounded because of the pandemic, Lufthansa also said on Monday it was seeking to strike agreements with worker representatives by June 22 on how to make job cuts equivalent to 22,000 full-time positions.

German coronavirus tracing app downloaded 6.5m times

REUTERS, Berlin

Germany's smartphone app to help trace coronavirus infections has been downloaded 6.5 million times in the first 24 hours since its launch, the CEO of software company SAP said on Wednesday.

Christian Klein said the reception was testimony to the excellent work that teams from SAP and Deutsche Telekom had put into readying the Corona-Warn-App in just six weeks.

Visa to finally set up shop in Bangladesh as cashless transactions gain momentum

FROM PAGE B1

"Sensing the importance of the market in digital payments, we established an office in Dhaka. The office is run by locals," Syed Mohammad Kamal, country manager of MasterCard, told The Daily Star yesterday.

MasterCard made foray into the market 28 years ago and it now has partnerships with 20 banks, which cover lion-share of card transactions in the country. It worked with the government in

implementing many financial inclusion projects. In December last year, Mutual Trust

For the decrease in restaurant dine-in, the decline in lifestyle products purchase and the suspension of international travelling, the card market is experiencing a fall.

In April, card transactions dropped about 55 to 60 per cent, according to insiders. In May, the transaction declined to 45-50 per cent.

Syed Mahbubur Rahman, chief executive officer of Mutual Trust Bank, welcomed Visa's decision to open an office in Bangladesh.

"They should have opened it many years ago. However, their presence would help increase digital transactions," he said.

Bangladesh, Bhutan to sign preferential trade deal

FROM PAGE B4

The law ministries of both countries are vetting the documents now, she said.

The documents were supposed to be finalised in March this year, but it was delayed due to the novel coronavirus pandemic.

Bhutan agreed to provide duty benefit on export of 100 different goods, including garments, processed agricultural goods and electronics

On the other hand, Bangladesh agreed to provide duty benefit to 34 Bhutanese products including fruits, said Khan.

Being members of the South Asian Association for Regional Cooperation (Saarc), trade between Bangladesh and Bhutan is on the rise as both the countries have demand for products of each other. Trade between Bangladesh and Bhutan

that amounted to \$26.52 million in fiscal 2012-13 reached \$57.90 million in fiscal 2018-19, according to data from the commerce ministry

Khan said negotiations were underway to soon sign PTAs with Indonesia and Nepal.

Last month Bangladesh ratified a duty offer of China, which granted zero duty benefit to 97 per cent of items originating in Bangladesh.

"Chinese duty privilege is a bit generous for us compared to other countries as China allowed us both old and new duty options," Khan had said earlier.

China granted duty benefit both bilaterally and under Asia Pacific Trade Agreement. So in a sense the Chinese offers are more generous compared to those from other countries, she said.

Why is Bangladesh's stock market bearish when global stocks are on bull run? FROM PAGE 1

Due to the traditional method still used in carrying out trade, both the DSE and the Chittagong Stock Exchange had to stay shut from March 26 to May 30 during the countrywide shutdown put in place to contain the contagion.

On March 19, the BSEC ordered the bourses to set the floor prices of stocks based on the average prices of preceding five days, to prevent the securities from sinking further. Such interventions spooked the confidence of institutional and foreign investors and the BSEC has already realised it. But the regulator is still waiting to scrap the floor price.

The global stock markets saw some ups and downs in the last six months and they are bouncing back now. This is normal because if the market falls, it would rise fast, the merchant banker said.

"The BSEC had tried to stop the plunge. The regulator now fears the market may fall further if the floor price is lifted. Such policy interventions have impacted the confidence and the confidence would not come back all of a sudden.

Bank in collaboration with Mastercard introduced an interoperable QR code-based payment acceptance solution -- Bangla QR aiming to boost cashless transactions, the first of its kind in Bangladesh

The Bangla QR allows cardholders using credit, debit and prepaid cards to carry out payments using a QR code generated by the bank's mobile banking application.

In March, Mastercard and bKash launched a new service enabling customers to transfer funds instantly from debit, credit and prepaid cards to the wallets of the country's leading mobile financial service (MFS) provider round-the-clock, again for the first time in Bangladesh.

A few years ago, Mastercard introduced an online payments gateway in Bangladesh, in which it is a market leader.

"As we have a close relation with customers, we are providing all sorts of services to our clients during the pandemic."

During normal times many people come to Bangladesh from different countries and many locals also go abroad.

"Because of the pandemic, the card market has completely lost this business. It's a big business for us," Kamal said.

American Express, another global payment technology company, has presence in the country as a sole franchisee of City Bank.

In a latest development, the central bank has allowed authorised dealer (AD) banks to issue international debit cards (IDCs) against annual travel entitlements of \$12,000 per person.

The IDCs can be issued within annual travel entitlement with endorsement on passports.

ADs need to have suitable arrangements in the local currency accounts to which IDCs are linked to ensure that the amount in foreign exchange cannot be expensed in excess of endorsement within the annual travel entitlement, said the Bangladesh Bank in a notice on Tuesday.

The local currency accounts have to have sufficient funds to support the expenses to be met from the cards. Alternatively, ADs would have to retain endorsed amounts equivalent in the taka in the margin accounts and they have to be maintained in the names of customers for the smooth adjustment of the expenses.

NBR eyeing VAT from streaming platforms

FROM PAGE B1

According to the guidelines, VAT is applicable for online streaming services under the miscellaneous category.

Banks can collect the VAT when a client charges their credit card to pay a subscription fee before depositing the sum with the state exchequer.

"But banks cannot do so without instructions from the Bangladesh Bank," said Rahman in a letter to the central bank.

In his letter, the director general asked the central bank to direct banks to begin deducting VAT when subscription fees are paid through cards.

However, the NBR department could not ascertain the exact number of online streaming platform subscribers in Bangladesh or how much revenue has been lost until now.

With 183 million paid memberships in over 190 countries, Netflix is a popular entertainment service with a host of television series, documentaries and feature films to select from

Subscribers can enjoy any movie or series from Netflix's library anytime, anywhere so long as they have a suitable device, such as a smartphone, and connection to the internet.

Meanwhile, Amazon Prime is a concern of global e-commerce giant Amazon. Other than streaming services, Amazon Prime offers delivery services, books and more.

A senior official of the NBR's VAT Policy also said that in the past, they had asked the BB to direct banks to collect VAT for the purchase of online streaming services like Netflix.

Widen tax gap between listed, non-listed firms: CSE FROM PAGE B4 taxation.

It will help the market but the condition

"Because, most of the stock brokers are incurring losses now."

Mizanur Rahman, a commissioner of the Bangladesh Securities and Exchange Commission, said the floor price was set by the commission in a special situation.

"We also want a market force and a free trading system," he said.

Mamun-Ur-Rashid, managing director of the CSE, and directors Anita Ghazi Islam, Md Sayadur Rahman, Emdadul Islam, Sohail Mohammed Shakoor and Md unchanged," Ibrahim said, adding that Liaquat Hossain

Chowdhury were present at the event.

Urban poor left uncared for: analysts FROM PAGE B4

She stressed the need for digitalisation of the National Social Safety Net Programme as soon as possible to ensure proper utilisation of the fund.

Healthcare, food and nutrition are the most important issues at this moment, she said, adding: "The allocation of Tk 100 crore for the rural poor is very inadequate for creating employment.

Bidisha also suggested a cut in the unnecessary public expenditure and utilisation of the money for the welfare of the poor.

People who will be involved in irregularities during the distribution of funds under SSNP should be brought to book, said Mohsin Ali, general secretary of the Right to Food Bangladesh.

The government did not address the issues of the new poor although the poverty rate leapt to 40 per cent from 20.4 per cent due to the pandemic, he said while presenting the keynote. He also urged the government to ensure proper implementation of the budgetary allocation for healthcare and SSNP.

BB orders banks to ensure full CSR spending on health

FROM PAGE B1

Initiating various measures in the health sector has become inevitable to help it overcome the current crisis brought on by the novel coronavirus, it said.

The BB advised banks to carry on regular activities in the health sector and extend cooperation by donating important medical equipment such as polymerase chain reaction (PCR) machines, ventilators and oxygen cylinders as well as personal protective gears for health professionals.

Steps have to be taken to extend this cooperation to the district level, the central bank said.

March was mean for MFS providers

FROM PAGE B1

Nagad has designed some products and offers extra facilities to small and medium enterprises. These offers helped a huge number of business entities during the pandemic.

Postal Service's mobile financial service bank in April.

The BB report, however, did not show statistics on Nagad, the Bangladesh arm, as it got the licence from the central

According to the BB report, March was the worst month in recent times for the MFS industry in almost all the parameters.

The BB is yet to publish April's report. The indicators are surely going to be worse and might be the most awful in all of the last couple of years, according to industry people.

As of March, there was 8.26 crore registered users in Bangladesh. Of them, 2.68 crore were active.

Called "Bhoyer Porei Joy" campaign, the TVC showcases that in the face of challenges, only by moving beyond one's fears can one truly achieve what one is capable of, said the PepsiCo-owned brand in a press release yesterday.

stipulating that the investment needs to

be kept there for three years may have a

negative impact because these investors

will prefer places where there are no such

In the finance minister's proposal, there

"Despite our repeated request to reduce

is no such binding to invest the money in

the advance income tax to 0.015 per cent

from existing 0.05 per cent, it has been kept

The film opens with Roshan on the set of a shoot. Expected to perform a daredevil motorcycle stunt, fear is visible on the actor's face as he evaluates the choice in front of him. A resolute look crosses his face as he takes a sip of Mountain Dew and takes the challenge head-on.

'We are confident consumers across Bangladesh will relate with Hrithik Roshan in the film and that the belief of 'Bhoyer Porei Joy' will resonate strongly with them," said Deepinder Singh Tiwana, general manager of sales, distribution and marketing at Transcom Beverages, the franchise holder of Mountain Dew in

growing carbonated soft drink brands Bangladesh, said Khurshid Irfan Chowdhury, managing director and chief executive officer of Transcom Beverages.

such a stance goes against the principle of Mountain Dew's new TVC featuring

Hrithik Roshan now on air

FROM PAGE B4

conditions, said Ibrahim.

other sectors

Bangladesh. Mountain Dew is one of the fastest-



BUSINESS

What should be Bangladesh's tobacco tax policy response to the pandemic?





NASIRUDDIN AHMED

Tobacco kills more than 8 million people globally every year, according to the World Health Organisation (WHO).

More than 7 million of these deaths are from direct tobacco use and about 1.2 million are due to non-smokers being exposed to second-hand smoke.

In Bangladesh, about 0.126 million people died due to tobacco-attributable diseases, which constituted 13.5 per cent of all deaths in 2018.

The economic cost of tobacco use was

which was about 1.4 per cent of Bangladesh's GDP in fiscal 2017-18.

Tobacco use is a known risk factor for many respiratory infections and increases the severity of respiratory diseases.

A review of studies by public health experts convened by the WHO on 29 April has found that smokers are more likely to develop severe disease with COVID-19 compared to nonsmokers

Available research also suggests that smokers are at higher risk of developing severe disease and death.

Bangladesh is one of the largest tobacco consumers in the world with 37.8 million adults aged 15 years and above -- which is about 35.3 per cent of the country's population - consuming tobacco products, according to the Global Adult Tobacco Survey (GATS), 2017.

Although the overall prevalence of tobacco use declined by 18.5 per cent from 2009 to 2107, the consumption of cigarettes and smokeless tobacco (SLT) remains very high.

The recent response of the tobacco tax policy to the coronavirus pandemic is very disappointing. Although the Finance Bill for fiscal 2020-21

has proposed marginal increases in the prices of the low tier of cigarette, tiers of biri and

estimated at Tk 30,570 crore (\$3.6 billion), SLT, little has been proposed for increasing supplementary duty (SD).

This is reflected in the almost constant total tax incidence (TTI). This will have little impact on both tobacco consumption as well as taxes.

A tobacco tax structure matters because how tobacco taxes are structured has implication for protecting public health and enhancing government revenue.

Increases in tobacco taxes that result in significant increases in prices are highly effective in reducing tobacco use, particularly among the youth and the poor.

At the same time, increasing tobacco taxes can bring in new revenues to finance health and development efforts.

In Bangladesh, the government has developed a complex tax structure of tobacco products, which is characterised by multitiered ad valorem tax system, low tax base and large variations in prices and taxes within and across different tobacco products.

In Bangladesh, the differential tax treatment has led to product substitution from the medium tier to the low tier of cigarette.

The market share of the low tier is more than 67 per cent in fiscal 2019-20 while that of the medium tier is 14 per cent in the same period.

The effect of product substitution is evident



from the fact that the revenue share of the low tier of cigarette is about 44 per cent in fiscal 2019-20 while that of the medium tier is 17 per cent.

The overwhelming share (more than 67 per cent) of the low tier of cigarettes in the market leads to loss of government revenue as the low-priced tier yields lower revenue (about 44 per cent in fiscal 2019-20).

National and international experts, including WHO, have suggested implementing an increase in cigarette retail prices, particularly in the lower segment, reducing cigarette tax tiers to two, unifying SD tax rates in all tax segments and incorporating a specific tax component.

These recommendations are aimed to substantially increasing revenues from tobacco and gaining associated health impacts.

To avoid the undesired and likely substitution to other tobacco products, a correlated increase in biri and smokeless tobacco taxation should also be implemented along with cigarettes.

During the current pandemic, the government would need

to protect public health and raise additional revenue to cover health costs as a consequence of the novel virus.

It also needs to fund different schemes aimed at supporting poor-income households and the economy's recovery.

FIROZ AHMED

It is estimated by the experts that raising tobacco taxes would: (1) encourage nearly 2 million current smokers to quit; (2) save the lives of at least 6 lakh current smokers; and (3) generate about Tk 10,000 crore additional revenue.

Bangladesh has committed to achieving tobacco-related targets under the Global Action Plan for the Prevention and Control of NCDs and the Sustainable Development Goals (SDGs).

Raising taxes on tobacco is a cost-effective way to reach those targets.

It is also a major step towards achieving the vision of a tobacco-free Bangladesh by 2040.

At the same time, tobacco tax reform will generate significant additional revenue to finance health and development priorities.

This is a clear win-win situation for the government as well as the people of Bangladesh.

The writer is a professor at the Brac Institute of Governance and Development, Brac University and former chairman of the National Board of Revenue

Heavy bank borrowing to weigh on private investment, say experts





thanks to the pandemic, but measures to help the new poor are not visible in the budgetary allocation," he said. The government should allocate more funds for the poor and it should at least make the Covid-19 test free of cost for them, he said.

BANGLADESH'S TOBACCO TAX STRUCTURE IN FISCAL 2019-20 AND FISCAL 2020-21

PRODUCTS	CATEGORY	TAX BASE	PRICE (TK)		VAT (%)		SD (%)		HDS (%)		TTI (%)		
			FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21	
	Low	MRP	37+	39+	15	15	55	57	1	1	71	73	
Cigarette	Medium		63+	63+	15	15	65	65	1	1	81	81	
(10 sticks)	High		93+	97+	15	15	65	65	1	1	81	81	
	Premium		123+	128+	15	15	65	65	1	1	81	81	
	Without filter 25 st		14	18	15	15	30	30	1	1	46	46	
	Without filter 12 st		6.72	9	15	15	30	30	1	1	46	46	
Biri (sticks)	Without filter 8 st	MRP	4.48	6	15	15	30	30	1	1	46	46	
	With filter 20 st		17	19	15	15	40	40	1	1	56	56	
	With filter 10 st		8.50	10	15	15	40	40	1	1	56	56	
SIT(10 grams)	Zarda	MRP	30	40	15	15	50	55	1	1	66	71	
SLT (10 grams)	Gul		15	20	15	15	50	55	1	1	66	71	
		SOURC	E: NATIO	NAL BOAF	RD OF REV	ENUE (NE	BR)						

Note: MRP means maximum retail price. MRP is inclusive of all taxes.



STAR BUSINESS REPORT

If the government borrows heavily from the banking sector, it will affect credit flow and investment in the private sector, according to AB Mirza Azizul Islam, an economist and former adviser to the caretaker government.

The government plans to borrow Tk 85,000 crore from banks in order to meet the deficit in the proposed budget for fiscal 2020-21.

However, over-borrowing will hamper funding for private investors, who are going through a tough time due to the coronavirus pandemic, said Islam while addressing a digital meeting on the budget and economic development. During the discussion, arranged by the American Chamber of Commerce

in Bangladesh (AmCham), Islam said that achieving 8.2 per cent GDP growth is near impossible in the current situation.

"Both GDP growth and revenue collection will be lower this year because business has been slow amid the ongoing pandemic," he added

AmCham President Syed Ershad



Ahmed moderated the meeting. Considering the situation, the government should reduce unnecessary spending on sectors

like foreign travel and focus more on farm mechanisation, implementing social safety net programmes and rural development.

a drastic fall in Besides, corruption is needed while improvements to the country's ease of doing business ranking, bureaucratic efficiency, and rule of law are also crucial for attracting both domestic and foreign direct investment, Islam said.

Anti-Corruption "The Commission should carry out their duties without fear or favour while the organisation itself should be assessed to improve its efficiency,"

READ MORE ON B3

Widen tax gap between listed, non-listed firms: CSE



STAR BUSINESS REPORT

Chittagong Stock Exchange has called for widening the corporate tax gap between listed and non-listed companies in order to encourage well-performing companies to go public.

The call came yesterday in an online press briefing organised to express the port city bourse's

reaction to the proposed national budget.

"The government move to reduce the corporate tax gap between listed and non-listed companies will discourage fundamentally strong companies from coming to the stock market," said Asif Ibrahim, chairman of the bourse.

The finance minister proposed to reduce corporate tax for non-listed companies by 2.5 percentage points to 32.5 per cent. "We urge the government to reduce corporate tax to 20 per cent from existing 25 per cent for

listed companies," he said. It will give relief to stock investors also as then the listed companies' profits will rise, clarified Ibrahim, also a former president of the Dhaka Chamber of Commerce and Industries. Moreover, the government can give an incentive to newly listed companies through a tax waiver for three years to encourage non-listed companies into going public, he added. The CSE welcomed the decision of allowing investment of undisclosed money in the stock market for one year.

READ MORE ON B3

turn, both countries will also lose

FTA but PTA, also to protect our

domestic industries," said Khan.

'So we are not preferring to sign

import and export revenue.

CSE's budget proposal

he added.

- Slash in corporate tax for listed companies by **b** percentage points
- > Withdrawal of lock-in period for investing undisclosed money
- Tax waiver for **3** years for newly listed companies
- Tax exemption for CSE for 5 years
- Decrease in AIT for stockbrokers to **0.015%** from existing **0.05%**

Reduction of capital gain tax to 7.5% from **10**% for institutional investors



STAR BUSINESS REPORT

Though the government has proposed increasing allocation for social safety net, there is a lack of specific plans for the urban poor who have suffered severe income losses due to the Covid-19 outbreak, said Qazi Kholiquzzaman Ahmad, chairman of Palli Karma-Sahayak Foundation (PKSF).

The government will set aside Tk 95,574 crore for the social safety net programmes (SSNPs) in the upcoming fiscal year, the amount being 16.74 per cent higher than the outgoing fiscal year's revised allocation, and 3.01 per cent of the country's gross domestic product.

The proposed budget for the next fiscal year is different from any other years as the government emphasised life, livelihood, and healthcare instead of economic growth, he said.

But the allocation for healthcare and SSNP is not sufficient, Ahmad said while addressing a post-budget review on "Budget for FY2020-21 and social safety net programme"

Right to Food Bangladesh, a network that works on ensuring food and nutrition security, organised the virtual event yesterday.

"The economy was about to be paralysed due to the prolonged 66-day shutdown."

So the government should focus more on employment generation to help the economy recover from the stagnation, he said.

The government should spend every single penny with caution during the crisis period, said AK Enamul Haque, chairman of the economics department of United International University.

"The number of extreme poor doubled

The safety of the people will not be ensured only by providing allowance, he said. "Massive changes are needed to bring them back to economic activities.

However, he said the government has good intentions in this regard but the overall health management is quite weak.

Though an additional outlay of Tk 14,000 crore has been earmarked for SSNPs in the next fiscal year, the government included

খাদ্য অধিকার বাংলাদেশ **RIGHT TO FOOD BANGLADESH**

various other expenditures under these schemes such as pension for government employees, interest payment for savings certificates, incentive for remittance and so on, said Nazneen Ahmed, senior research fellow at Bangladesh Institute of **Development Studies.**

"For this reason, a question arises whether this allocation is really meant for social safety net programmes.

Sometimes people are not included in the SSNPs when their present locations do not match with the ones in their national identity cards, she said.

"This should not happen. Anybody with a valid NID should be eligible for safety net benefits.

Reasonable budgetary allocation is needed to mitigate the sufferings of the urban poor, said Sayema Haque Bidisha, a professor of economics at Dhaka University.

READ MORE ON B3

Bangladesh, Bhutan to sign preferential trade deal

REFAYET ULLAH MIRDHA

Bangladesh and Bhutan on Tuesday finalised the terms and conditions for signing a preferential trade agreement (PTA) to increase bilateral trade.

"We have reached a consensus to sign a PTA, not the free trade agreement (FTA)," said Sharifa Khan, additional secretary to the commerce ministry.

Under PTAs some select goods enjoy duty benefits from both countries whereas under FTAs



For instance, Bangladesh is not interested in signing an FTA with China because the government earns nearly Tk 25,000 crore as duty on import of goods from that

> country. So if the government signs an FTA with China, it will lose out on this big amount of revenue. Currently,

almost all do, meaning that, in China is the largest trading partner of Bangladesh.

Bangladesh imports goods worth \$14 billion from China every year while exporting goods worth nearly \$1 billion.

per our discussion "As through a video conference, the officials of both Bangladesh and Bhutan agreed to make the PTA functional from August 30 this year," said Khan who led the

Bangladesh delegation in the conference.

READ MORE ON B3

Mountain Dew's new TVC featuring Hrithik Roshan now on air

STAR BUSINESS DESK

American soft drink brand Mountain Dew has rolled out its latest TVC featuring its brand Bollywood ambassador actor Hrithik Roshan, as part of its ongoing efforts to consolidate its image as the beverage of choice of youths looking to live life on the edge.

READ MORE ON B3

