

Mercantile Bank opens seven agent banking outlets

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Mercantile Bank opened seven agent banking outlets across the country on June 21 to provide basic banking services to the unbanked population amid the ongoing coronavirus pandemic.

Merbank Bank Chairman Morshed Alam inaugurated the outlets through a virtual event, the bank said in a statement yesterday.

Senior officials along with the bank's managing director and CEO, Md Quamrul Islam Chowdhury, also joined the event through a digital platform, according to the statement.

75 firms get BB nod to borrow funds from stimulus package

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"The corporate entities should use the funds properly within the shortest possible of time to give a boost to their businesses," said Iftekhar, also the chairman of the Association of Bankers, Bangladesh, a forum of managing directors of private banks.

The affected companies are now submitting applications in a quick manner and the central bank is also giving feedback promptly, he said. The banker, however, said the recovery of the companies would largely depend on bringing the pandemic under control.

REUTERS, Stockholm

At 7am on Friday morning, Dean d'Arco, 31, a phone shop manager from Belfast, Northern Ireland, logged on for his last day as a round-the-clock armchair stock market trader.

During almost three months on coronavirus furlough, he was one of a swelling number of stuck-at-home punters using their free time to ride a climbing stock market which rebounded after a giant slump in March.

As lockdown lifts, d'Arco is now returning to work, but he doesn't plan on giving up his new-found interest in financial markets entirely.

"It's given me a routine, a reason to get out of bed in the morning," d'Arco said of his time on furlough, adding that his new hobby was also a welcome social activity.

Along with his friend Damian McVeigh, 31, the pair put in 70-

plus hours a week on trading apps, staking a substantial part of their savings in the process, despite neither having prior experience in financial markets.

"I only play with savings I can afford to lose and I've made a good return and have no regrets," McVeigh, who is a quantity-surveyor by trade, said.

Around the world, online retail brokers are booming this year, with global app eToro increasing new account openings by 400 per cent, compared to the same period last year.

eToro customers invested \$300 billion in Q1, part of a global surge in activity on retail trading platforms which played a role in the recent stock market rally.

"We began to see record levels of activity when the coronavirus pandemic started," said Johanna Kull, an economist for Swedish trading app Avanza.

"Stock market gains have

mostly been led by government and central bank stimulus, but increased retail trading activity has pushed up prices and caused volatility in specific small cap

stocks," she said.

McVeigh said he has invested around 5000 pounds (\$6,300) and made a 20 per cent profit by trading around 80 companies and



REUTERS

Daytrader Damian McVeigh sits in front of computers with his daughter Avril at home during the coronavirus disease (COVID-19) outbreak, in Belfast, Northern Ireland.

\$150,000 Metlife grant for fighting pandemic

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MetLife Foundation is providing a \$150,000 grant to non-profit SAJIDA Foundation for providing financial support to frontline healthcare workers battling Covid-19 in Bangladesh.

SAJIDA Foundation will review cases and provide Tk 2 lakh to each family of healthcare workers who passed away due to the disease.

A portion of the grant will also be used to strengthen resources and protection measures of the foundation's Covid-19 isolation center in Narayanganj, according to a statement.

"We...fully comprehend the immense pressure and risk with which healthcare professionals are operating," said CEO Zahida Fizza Kabir.

"Frontline healthcare workers are fundamental to the country's successful management of the Covid-19 situation," said the insurer's general manager, Syed Hamdul Karim.

Lufthansa trails backup plans as govt rescue in doubt

AFP, Frankfurt/Main

German airline group Lufthansa says it has backup plans ready in case shareholders reject a nine-billion-euro (\$10.1 billion) pandemic rescue plan agreed with the state. Like rival airlines, Lufthansa was plunged into crisis after efforts to contain the coronavirus brought air travel to a near standstill for several months this year.

"If the shareholder meeting does not give its approval for the federal government's stabilisation measures, we have made extensive preparations," chief executive Carsten Spohr said in a letter sent to employees Sunday and seen by AFP.

Investors are to meet Thursday to sign off on the rescue that was hammered out in arduous talks with Berlin and which would see the government climb aboard with a 20-percent stake and an option on five percent more.

But with shareholders representing just 38 percent of Lufthansa's capital registered to participate in the meeting, two-thirds backing will be needed to approve the plan rather than a simply majority if turnout were higher.

Rail industry tycoon and German billionaire Heinz-Hermann Thiele has in recent weeks built up a 15-percent stake in Lufthansa, making him the group's largest single shareholder and raising fears he could block the government deal.

Thiele told the Frankfurter Allgemeine Zeitung daily last week that his grab for shares was "not a signal that I will vote against anything", but added that "not all the possibilities were exhausted" in bosses' talks with Berlin.

Economy Minister Peter Altmaier and Finance Minister Olaf Scholz are to meet with Thiele and Lufthansa representatives for last-ditch talks later on Monday, sources told AFP.

Thiele in particular objects to the state taking a stake in Lufthansa, and has pointed out that Air France-KLM received state aid in the form

of loans rather than government shareholdings. If Lufthansa's shareholders reject the rescue package, the group -- which also includes Swiss, Austrian and Brussels Airlines -- could be forced to launch insolvency proceedings.

Spohr said the company would continue to "discuss options with the government" until the very last moment and vowed to do everything necessary to avoid grounding the fleet again. "Our goal of course remains to avoid insolvency and all its consequences,"



REUTERS/FILE

An employee of Fraport airport disinfects self check-in counters of German airline Lufthansa during a guided tour hosted by Fraport airport and the airline, at the airport in Frankfurt, Germany.

Buying ad space on Facebook just became easier for Bangladeshi firms

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Htpool, which is mostly owned by a Sony Pictures subsidiary IMS, already has a strong presence in the region, representing the leading digital media platforms across Europe and Asia, supporting their growth and driving business results for traditional and native advertisers across 30 markets.

It works with Facebook as its authorised sales partner in Serbia, Slovenia, Bulgaria, Croatia, Latvia, Lithuania, Estonia, Cambodia, Laos, Myanmar and Bangladesh.

"We will build on our experience from Europe and Indochina to provide brands and agencies in Bangladesh with first-hand support at the highest execution level, helping them leverage the full potential of Facebook advertising and working with them towards surpassing their business goals," said Sunny Nagpal, co-founder and managing director of Htpool APAC.

No more duty exemption for furnace oil

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"It is a good decision," he said.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD), said the government needs to collect an increased amount of revenue. As the import of furnace oil increases, there is potential for getting revenue from this source, he said.

"Besides, it is also a positive move from the fact that we already have overcapacity in power generation," he added.

However, the Consumers Association of Bangladesh (CAB) Adviser for Energy Prof M Shamsul Alam said withdrawal of duty benefit without stopping electricity generation through oil would increase cost.

"Given the overcapacity, we demand the government stop purchasing electricity from oil based power plants in private sector. The government should consider this during this Covid-19 crisis," he said.

UN high-ups for postponing LDC graduation of Bangladesh

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Bangladesh has been doing extraordinary in socio economic development and poverty reduction but the Covid-19 affected the normal economic growth. So the country should take a break so that it can perform well after the graduation, said the economists.

"This is a watershed moment for humans. Great uncertainty in economy. Bangladesh should reconsider for an inclusive manner in graduation," said Mia Seppo, UN resident coordinator in Bangladesh.

"Graduation is a political decision of the government. But this decision should be taken based on broad analysis like including universal health system," she said.

Nagesh Kumar, director of the UN Economic and Social Commission for Asia and the Pacific (UN ESCAP), said some 12 million Bangladeshis have already entered new poverty due to the pandemic and 132 million in South Asia.

So this is not the time to graduate although Bangladesh outperformed in all the three

required criteria set by the UN for graduation, he said. Moreover, the tax-GDP ratio in Bangladesh is very low at 8 per cent whereas it is 12 per cent in other LDCs and even higher in developed and developing countries.

"Bangladesh should revisit the graduation process by five or 10 years. Bangladesh should take more LDC benefits. Bangladesh should act more realistically. Although the graduation is a political decision," said Fahmida Khatun, executive director of the Centre for Policy Dialogue (CPD).

She spoke while presenting a keynote paper at the virtual discussion.

Bangladesh needs to be given some extra time for enjoying the LDC benefits because the local investors invested a lot of money for compliance development, said Mohammad A Momen, a director of the Bangladesh Garment Manufacturers and Exporters Association.

Bangladesh has been contributing extraordinarily in global peacekeeping and facing the Rohingya crisis, he said.

"And we have to develop our backward linkage industries in the garment sector," Momen said.

Deferment of graduation might not be possible but the UN should extend the grace period for Bangladesh, said KAM Morshed, senior director of Brac.

"We should not forget the informal economy which has a contribution of 80 per cent in the GDP," he said.

Bangladesh is still well positioned for the graduation, said Monowar Ahmed, former secretary to the Economic Relations Division, while echoing Morshed's views.

"Bangladesh will move forward with its original plans of graduation," he said.

Bangladesh should save lives first and protect people before going on to think about the graduation, said Mercy Tembon, Bangladesh country director of World Bank.

The human spirit is at the centre of any development, said Subhra Bhattacharjee, head of UN Resident Coordinator's office in Bangladesh, while moderating the discussion.

Tax receipts keep falling as pandemic lingers

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As the economy is reeling under the coronavirus-induced slowdown and tax collection plunged, the target for the NBR has been fixed at Tk 330,000 crore in FY21, which is 10 per cent higher from the revised target of Tk 305,500 crore in FY20.

Unfortunately, the budget for the FY21 did not consider these data while setting the revenue mobilisation target, Khan said.

"With a wide range of tax reliefs, it will not be possible to attain the NBR's revenue target in FY2021. The revenue target for the next fiscal year will need serious overhauling in view of updated real-time data."

Mansur said the NBR might be able to collect at best Tk 260,000 crore next fiscal year.

Normally, revenue generation picks up in Bangladesh as the fiscal year nears its end. In the past couple of fiscal years, the NBR posted an average revenue generation growth of 13.16 per cent.

But such growth is impracticable this time.

The pandemic may inflict a minimum revenue loss of 2 per cent of GDP, said Asian Development Bank recently.

Toyota sees July vehicle output down 10pc on initial plan

REUTERS, Tokyo

Toyota Motor Corp said on Monday it would make 10 per cent fewer vehicles next month than originally planned, as it gradually resumes output following factory closures earlier this year due to the coronavirus pandemic.

The Japanese automaker said it planned to make 71,000 fewer vehicles globally in July than its original goal of about 700,000. While production has yet to return to normal, the July reduction is smaller than the 20% output cut for June.

Govt-backed loans for state enterprises rise to Tk 60,653cr

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Northwest Power Generation Company Ltd took two loans, respectively Tk 1,358 crore and Tk 1,487 crore for the second and third units of the 225MW combined cycle power plant in Sirajganj.

Bangladesh-India Friendship Power Company borrowed Tk 3,902 crore from Exim Bank of India for the coal-based power plant in Rampal.

Bangladesh-China Power Company Ltd secured Tk 12,447 crore from Exim Bank of China for the Payra 1,320MW thermal power plant.

The guarantee for the power sector may go up in the next fiscal year as a number of projects are being implemented.

The government has also provided guarantee for loans handed out by Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank of Tk 3,680 crore, up from Tk 3,143 crore a year ago.

The guarantee in the energy sector

was given as state-run Bangladesh Petroleum Corporation imported crude and refined oil worth Tk 1,198 crore, down from Tk 3,381 crore in FY19.

The total guarantee also included Tk 1,168 crore for the Bangabandhu satellite project.

The government has formulated a policy to monitor the indirect debt so that they don't turn into direct debts for the country, the finance ministry's policy statement said.

It is hoped that the sovereign guarantee and counter guarantee guidelines would help the government keep the indirect debt at a tolerable level.

Public debt in Bangladesh was \$105 billion in FY2019, around 34.9 per cent of GDP, and the external public and publicly guaranteed (PPG) debt ratio was 14.5 per cent of GDP.

Both are low, said the Asian Development Bank recently.

The additional external debt of

\$2.9 billion, as the government projected to tackle the impact of the coronavirus pandemic, will increase both the external PPG debt-GDP ratio and public debt-GDP ratio by 0.9 per cent in FY2020.

"Bangladesh remains at low risk of debt distress," the ADB said.

Because of the coronavirus pandemic, Bangladesh's public debt-GDP ratio, which has thus far been in a healthy position, is set to exceed the responsible threshold of 40 per cent.

In the coming years, Bangladesh's public debt-to-GDP ratio would swell to about 41 per cent owing to increased borrowing to safeguard both lives and livelihoods, the International Monetary Fund said recently.

"Even so, debt should remain sustainable," said Ragnar Gudmundsson, resident representative for Bangladesh of the IMF, on the crisis lender's website, recently.

Rangpur farmers happy with Haribhanga mango prices

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Last year production had been a bit less and this year the weather is said to have been favourable despite massive damages caused by tropical cyclone Amphan in May.

The pandemic lockdowns made it troublesome to avail essentials such as pesticides on time, said grower Bakul Hossain of Mithapukur.

"If there are an adequate number of buyers, growers will get better rates for sure," he said.

Buyers usually come to make purchases right off the trees between March and early May but they were late this year, said another grower, Md Samsuzzaman of Badarganj.

"It is possible to earn a better profit if the situation remains as it is now," he said.

Transportation, healthcare support and increased police vigilance to prevent robberies were assured by the deputy commissioner at a meeting with orchard owners on June 13.

JICA, IFC to give \$2.1b for private seaport, industrial park

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The new port and industrial park could create up to 100,000 jobs and business opportunities for different sectors, including logistics and shipping.

It is, however, a considerable challenge for any Bangladeshi company to undertake such a tremendous project without support from an efficient foreign company.

"Sojitz has the experience of handling this type of port project and we have a plan to engage a top seaport authority in Japan with this project in order to make it a top port," Aktar said.

Sojitz has been working in Bangladesh since 1951 and was the contractor for a number of major construction projects, including

the Pan Pacific Sonargaon Dhaka and an integrated steel plant in Chattogram.

Back in 1951, the corporation opened liaison offices in both Dhaka and Chattogram but offices were eventually closed down in 2004. In June 2018, however, Sojitz opened a new office in Dhaka.

Harun-Ar-Rashid, project director at EPGL, said the companies hope to begin development work within the next year following the final feasibility study.

The joint venture received a recommendation letter for their fund application to JICA for the final feasibility study yesterday.

"Now, we will forward the fund application to the JICA and IFC," the Energypac director said.