

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.03%	▼ 0.07%	\$1,754.20	\$42.92	▲ 0.45%	▲ 0.86%	▲ 0.2%	▲ 0.17%	BUY TK	83.95	93.37	103.60	11.71
3,963.35	6,814.00	(per ounce)	(per barrel)	35,066.94	22,630.69	2,634.92	2,970.30	SELL TK	84.95	97.17	107.40	12.31



Star BUSINESS

DHAKA WEDNESDAY JUNE 24, 2020, ASHAR 10, 1427 BS • starbusiness@thedailystar.net

Credit cards use depressing as pandemic rules the roost

AKM ZAMIR UDDIN

A good number of nations have cancelled international flights partially or entirely since February in order to tackle the spread of the novel coronavirus.

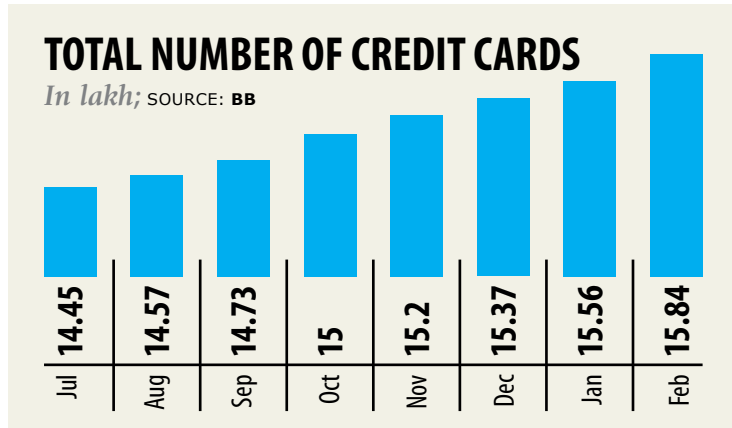
Consumers paid around \$35 billion for flights across the globe just before the coronavirus-induced pandemic. But they were unable to fly due to the lockdowns, according to the International Air Transport Association.

Clients used credit cards to pay more than 50 per cent of the bills for the flights, creating a difficult situation for the airlines company to refund the money as well.

This has also dealt a massive blow to banks globally as they usually earn a hefty profit in the form of service charges on credit card products.

"Bangladesh is not an exception," said Syed Mohammad Kamal, country manager of MasterCard Bangladesh.

Local clients make a majority of their payments for travel,



tourism and lifestyle products through credit cards. But the scenario has completely reversed due to the ongoing restriction on movement, Kamal said.

He, however, said clients have increased purchasing grocery items by using credit cards from their home to maintain the social distance.

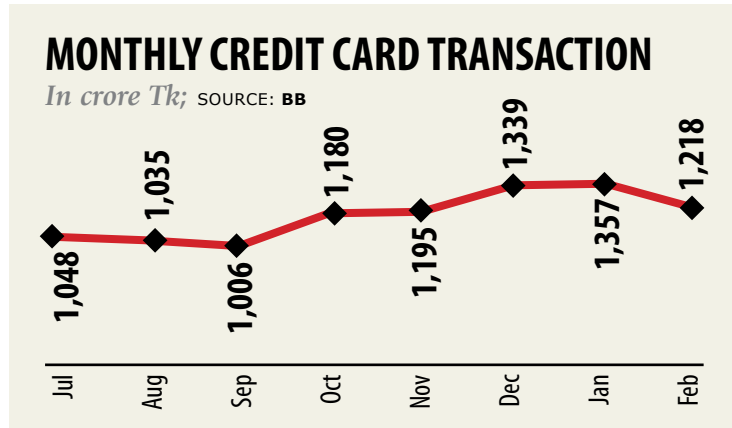
"But, the increased purchasing trend in grocery items has not filled up the vacuum."

Users of credit cards have maintained an upward trend in recent years thanks to a combination of banks' aggressive push, a growing aspirational middle-class and increasing awareness about the convenience the payment tool provides.

This has also played a positive role in building a cashless society, but now the whole process is in dire straits.

A large number of mid-level officials at corporate entities who account for the major portion of credit card-holders in Bangladesh have either lost jobs or faced a salary cut because of the collapse of incomes of their employers.

In addition, many of them, who are still on the payroll, are worried about their future as the meltdown lingers and cases of infections from the deadly virus rise.



"The situation has forced them to cut back on spending. As a result, the use of credit cards has decreased to at least 40-50 per cent," said a senior central bank official.

"We have been suffering a big loss from our credit card operation since the last week of March," said Mashrur Arefin, managing director of City Bank, which accounts for 35 per cent of the credit cards in circulation, the highest among all banks.

Between March and April, local transactions of City's credit card fell 41 per cent compared to the previous two months. The foreign transactions of the bank plunged 86 per cent at a time when transaction at point of sale terminals dropped 50 per cent.

The lender issued 8,000 credit cards from January and February and it nosedived to just 140 during the period of March-April.

"Online transaction is the major solution to tackle the ongoing situation. The volume has doubled from 5 per cent of our total transactions to 10 per cent. But this is not enough to keep the business afloat as overall infrastructure and mindset for online purchase is not yet ready," Arefin said.

Brac Bank, which is holding the second position in term of credit cards issued, is struggling to recover overdue loans from cardholders, said Md Mahiul Islam, its head of retail banking.

The bank's card transactions declined to one-third in June compared to a month before the pandemic struck. The lender has so far issued 178,000 credit cards.

Ecommerce transaction through credit cards is on the rise and this is a trend in the difficult time, Islam said.

READ MORE ON B3

Accept deferred payments to benefit both nations: FBCCI to India

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the country's apex trade body, on Monday demanded that India accept deferred payments of up to 240 days for more value addition and jobs in the bilateral supply chain.

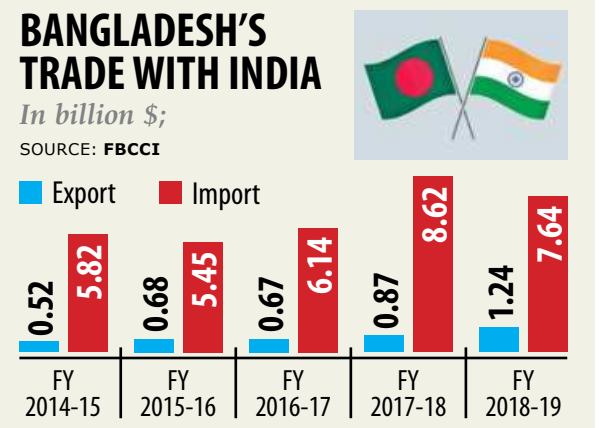
India is currently the second largest import source for Bangladesh after China. Indian businesses supply a majority of the industrial raw materials required by Bangladesh with an annual export value of about \$8 billion through formal channels.

Western retailers and brands are deferring payments to local manufacturers and exporters due to the Covid-19 crisis and so, allowing the same for the latter while maintaining healthy supply chains can stimulate businesses, protect existing jobs and create new ones for both nations.

Job creation and investments through Bangladesh-India joint ventures are the best way to benefit both nations and to stimulate the economy amidst the coronavirus fallout, said FBCCI President Sheikh Fazle Fahim.

Fahim made these comments while addressing a webinar themed, 'India-Bangladesh Trade and Investment: Stakeholders Interaction', jointly organised by the Federation of Indian Chambers of Commerce and Industries (FICCI) and the Indian high commission in Bangladesh.

Currently, bilateral trade with India stands at about \$9 billion.



"And due to the Covid-19 realities...joint investments that are a part of the value chain for products and services, of which raw materials are from India, finished goods are in Bangladesh, used in production in Bangladesh and re-exported to India and beyond, is a strategy that I think both nations would benefit from," Fahim said.

Exploring opportunities in light engineering, a value chain initiative with raw materials from India and production in Bangladesh, will be another complimentary initiative in a long list of bilateral cooperation, he added.

Revising the provision on deferred payments will assist in increasing exports of backward linkage products from India to Bangladesh and exports to India and beyond through bilateral value chain initiatives, targeted towards global markets, said the FBCCI President.

Fahim also requested Indian stakeholders to consider extending deferred letter of credit payment facilities from Indian banks for 240 days.

The extended deferred payments should increase procurement volumes for enterprises presently engaged in diverse countries other than India, the FBCCI president also said. High import duties, particularly on passenger and commercial vehicles, come in the way of accelerating bilateral trade, mentioned Manoj Chugh, president (group public affairs) of Mahindra & Mahindra, as per an FBCCI statement yesterday.

"Suitable retail finance needs to be enabled for such products in the Bangladesh market," Chug said.

On his point on diversification of routes to ease the movement of goods to promote investment and trade, Fahim said they needed to think a little outside of the box as the conventions have been such in terms of cost effectiveness.

READ MORE ON B3

Authorities remain silent over fund embezzlement by BPC partner firm

Investigation stalled by Covid-19: ACC deputy director

MOHAMMAD SUMAN, Chattogram

Legal action is yet to be taken against Standard Asiatic Oil Company Limited (SAOCL), a partner company of Bangladesh Petroleum Corporation (BPC), which was found to be embezzling Tk 134 crore in two years.

The power ministry and the Anti-Corruption Commission (ACC) continue to remain silent over the matter although evidences were found against two officials of SAOCL through an ongoing investigation being conducted by the BPC.

Moinuddin Ahmed and Mohammed Shahed are the director and general manager of SAOCL, which owns a 50 per cent stake in BPC. The pair allegedly misappropriated the funds between 2011-18, according to the primary investigation report.

Initial findings suggest that the total amount of money embezzled from SAOCL could actually be much higher, BPC officials said.

Ahmed represents the shareholders from the Asiatic Oil Company Limited (AOCL), which owns a 50 per cent stake in SAOCL. The rest of the oil blending company is owned by BPC and is represented by Shahed.

"Ahmed and Shahed are getting away due to the ministry's indifference on the matter and ACC's prolonged investigation. SAOCL plans to show unusual profits during the upcoming AGM on June 25 by covering up the irregularities," the BPC officials added.

In March this year, SAOCL issued a letter to AOCL, requesting a Tk 124.24 crore payment for outstanding sales in the previous year although it initially

demanding only Tk 1.74 crore just two months back.

AOCL was allegedly shocked by the letter and, in their response, asked how SAOCL could make such an abnormal demand.

"Shahed and Ahmed are trying to cover their corruption by claiming such an abnormal sum is owed. We sent several letters to SAOCL to clarify the matter but they have not yet replied," an AOCL official told The Daily Star.

Only after objections were raised in this regard with the BPC and SAOCL's board of directors, a committee was formed to investigate the matter, he added.

Abu Monsur, chairman of the Board of Directors of SAOCL, insisted that the allegations of their demands being abnormal are baseless.

"For a long time now, products sold

between the two companies have not even been properly accounted for since AOCL owns 50 per cent of SAOCL. But since an investigation committee has now been formed, the truth behind who was responsible for losing track of so much money will surely come to light," Monsur told The Daily Star.

Regardless of the outcome, AOCL intends to reclaim the funds. If the company's demands are not met, then AOCL will recover the money by selling their stake in SAOCL, Monsur added.

Evidence proving the embezzlement of more than Tk 134 crore over a period of just two years has already been found. However, this value could be much higher as irregularities at SAOCL have been prevalent for the past eight years.

READ MORE ON B3

Budgetary grants raised to Tk 12,680cr to fight pandemic

REJAUUL KARIM BYRON and MD FAZLUR RAHMAN

The budgetary grants rose more than four times to Tk 12,680 crore in the next fiscal year on the back of a large block allocation to meet urgent health and social protection expenses.

The grants were Tk 2,983 crore in the revised budget and Tk 2,317 crore in the original budget in the current fiscal year.

Finance Minister AHM Mustafa Kamal has set aside Tk 10,000 crore for a fund to be used to mitigate the impacts of the deadly virus, which has so far infected 119,198 people in Bangladesh and killed 1,545.

"Whenever there is an emergency, we will use this fund, especially in the health sector," the minister said yesterday.

If money is needed to invigorate the rural economy and support the agriculture sector, the fund might be used, he said.

The fund would be used to buy equipment for the health sector, recruit doctors, nurses and other healthcare professionals, said an official of the finance ministry.

If needed, the government may go for another round of direct cash transfer to

the people who have been rendered jobless since the onset of the pandemic, he said. It may be used for expanding food support.

The government has already allocated Tk 2,500 to each of 50 lakh families whose bread-earners have lost jobs owing to the coronavirus-induced shutdown.

For FY21, the government has allocated Tk 100 crore in grants for the Integrated Health-Science Research and Development Fund, Tk 100 crore for recurring micro-credit under the rural social welfare programme and Tk 700 crore for compensation against the coronavirus-related health risks.

Tk 500 crore has been set aside to give cash assistance to the jobless poor affected by the coronavirus and another Tk 100 crore has been allocated to give special allowance to the frontline health staffers.

The provision of Tk 10,000 crore block allocation in the FY21 budget to fight the pandemic in addition to the allocation to the health ministry provides some comfort that funding will be available to meet emergency needs, said Zahid Hussain, a former lead economist of the World Bank Dhaka office.

READ MORE ON B3

HSBC lends Square Tk 1,000cr in Bangladesh's first sustainability-linked loan

STAR BUSINESS REPORT

HSBC Bangladesh has arranged the first sustainability-linked loan in Bangladesh as it lent \$118 million (Tk 1,000 crore) to Square Group to advance its renewable energy ambitions.

Under the arrangement, the credit terms of the existing working capital facility offered to Square Group will be linked to renewable energy usage by the conglomerate.

The deal was launched through a virtual session attended by Tawfiq-e-Elahi Chowdhury, energy adviser to the prime minister; Mohd Humayun Kabir, an executive director of Bangladesh Bank; Tapan Chowdhury, managing director of Square Group; Laura Galvin, regional head of international markets for commercial banking at HSBC Asia-Pacific and Md Mahbub Ur Rahman, chief executive officer of HSBC Bangladesh.

A sustainability-linked loan (SSL) aims to improve the borrower's sustainability profile by aligning loan terms to the borrower's performance against predetermined sustainability performance target benchmarks.

For example, the interest rate under the relevant loan agreement may be reduced if the borrower can reach its sustainability targets. One of the targets for Square Group is to avoid carbon emissions of up to 3,000 tonnes per year, according to a presentation at the launch.

By linking the loan terms to the borrower's sustainability performance, borrowers are economically benefited when improving their sustainability profile over the term of the loan, HSBC Bangladesh said in a press release.

The proposition will reward Square for improving their sustainability profile by aligning credit terms to a set of agreed sustainability performance metrics. If it can achieve the predetermined renewable energy targets mutually agreed upon with HSBC, it will become eligible for interest rate reductions for the loan.

Square Group, one of the signatories of the United Nations Global Compact, which encourages businesses worldwide to adopt sustainable and socially responsible policies and provide progress reports on implementation, has installed solar panels on factory roofs with the capacity to produce 2.6 megawatts of electricity.

READ MORE ON B3



A view of the solar panels installed on the roof of Square Textiles in Gazipur. The company plans to expand its renewable energy use.

US home sales hit record low

REUTERS, Washington
US home sales dropped to their lowest level in more than 9-1/2 years in May, strengthening expectations for a sharp contraction in housing market activity in the second quarter following disruptions caused by the COVID-19 pandemic.

The report from the National Association of Realtors on Monday also showed the smallest annual home price increase in more than eight years. The slump in existing home sales reflected closings on contracts signed in March and April, when nearly the whole country was under lockdowns to slow the spread of the respiratory illness.

With applications for home loans surging to an 11-year high in recent weeks amid record low mortgage rates, May was probably the nadir for the existing housing market. Data last week showed a sharp rebound in building permits in May. But nearly 20 million people are unemployed and housing supply remains tight.

Home sales may bounce with pent-up demand following the shutdown of the economy starting in March, but the massive scale of job losses and cautious consumers rebuilding their savings may limit sales," said Chris Rupkey, chief economist at MUFJ in New York.

"There is still a long road to recovery for the broader economy." Existing home sales fell 9.7 per cent to a seasonally adjusted annual rate of 3.91 million units last month, the lowest level since October 2010. It was the third straight monthly drop. Economists polled by Reuters had forecast existing home sales would fall 3 per cent to a rate of 4.12 million units in May.

per cent on a year-on-year basis in May, the largest annual decline since 1982. There were 1.55 million previously owned homes on the market in May, down 18.8 per cent from a year ago.

Stocks on Wall Street were trading higher as investors weighed stimulus-fueled recovery hopes against an increase in U.S. coronavirus infections. The PHLX housing index was little changed. The dollar fell against a basket of currencies. U.S. Treasury prices rose.

Home sales fell in all four regions last month. The NAR said with many companies allowing greater flexibility for employees to work from home amid the

COVID-19 pandemic, demand for housing was skewed towards single-family homes, mostly in the suburbs.

Economists believe the migration to suburbs from city centers could ease some of the housing shortage. A homebuilder survey last week showed strong demand in June for single-family homes in inner and outer suburbs featuring lower density neighborhoods.

Single-family home sales dropped 24.8 per cent in May from a year ago, while multi-family homes plunged 41.4 per cent.

The median existing house price rose 2.3 per cent from a year ago to \$284,600 in May. That was the smallest gain since

February 2012. Though single-family home prices increased, the median condominium price fell.

"Although demand certainly dropped in March and April due to the crisis, supply dropped even more, and has thus far kept home prices from declining," said Mike Fratantoni, chief economist at the Mortgage Bankers Association in Washington. "We expect that home price growth will pick up over the summer due to insufficient supply levels."

Last month's slump in home sales, together with a modest rise in homebuilding in May, suggested a big drop in residential investment this quarter after it grew at its fastest rate in more than seven years in the first quarter.

Economists are forecasting residential investment will decline at around a 20 per cent annualized rate in the second quarter. That would contribute to gross domestic product sinking at as much as a 37.5 per cent pace during that period, they say.

The economy contracted at a 5 per cent rate in the first quarter, the sharpest since the 2007-2009 Great Recession.

At May's sales pace, it would take 4.8 months to exhaust the current inventory of pre-owned homes on the market, up from 4.3 months a year ago. A six-to-seven-month supply is viewed as a healthy balance between supply and demand.

Last month, houses for sale typically stayed on the market for 26 days, down from 27 days in April, but matching the duration a year ago. Fifty-eight percent of homes sold in May were on the market for less than a month.

First-time buyers accounted for 34 per cent of sales in May, down from 36 per cent in April but up from 32 per cent a year ago.



Homes are seen for sale in the northwest area of Portland, Oregon.

REUTERS/FILE

UK business activity slowdown eases: data

AFP, London

Britain's private sector economic activity shrank in June but the pace of decline slowed significantly from May as the country eased its coronavirus lockdown, a closely watched survey showed Tuesday.

The composite purchasing managers' index (PMI) hit a four-month peak at 47.6 points in June from 30 in May, compilers IHS Markit and the Chartered Institute of Procurement and Supply (CIPS) said in a statement.

The figure still languished below the key 50 level, representing a contraction. Markit added that the manufacturing PMI stood at 50.1 points in June to register marginal expansion.

"June saw a record rise in the PMI for a second successive month, confirming that the economy is moving closer to stabilising after the worst of the immediate economic impact from the COVID-19 pandemic was felt back in April," IHS Markit chief business economist Chris Williamson said.

He cautioned however that longer term recovery prospects remain "highly uncertain" with weak demand, despite rising confidence and easing restrictions.

"Some of the recent gains in the PMI reflect short-term bounces as businesses returned to work, but demand clearly remains weak, as indicated by a further steep decline in backlogs of orders and an ongoing fall in new orders," Williamson said.

"Many COVID-19 restrictions and social distancing measures will also need to stay in place until an effective treatment or vaccine is available. The data comes after the Bank of England (BoE) last week forecast that the UK economy would fare better than expected as lockdown restrictions are fully eased.

The UK economy contracted by one fifth in April amid a nationwide lockdown imposed on March 23 to try and halt the spread of the coronavirus outbreak. The BoE predicts that the economy will shrink by another six percent in March, but will start to recover thereafter as both consumer spending and housing activity pick up.

Eurozone business decline slows

AFP, Brussels

Private sector economic activity in the eurozone shrank further in June but the rate of decline has slowed compared to the height of the coronavirus lockdown, IHS Markit said Tuesday.

The firm's closely-watched PMI index rose to 47.5 points from 31.9 in May and a historic low of 13.6 in April but was still below the key 50 points level, which represents a contraction. "Output and demand are still falling but no longer collapsing," said Chris Williamson, chief business economist at IHS Markit.

"While second quarter GDP is still likely to have dropped at an unprecedented rate, the rise in the PMI adds to expectations that the lifting of lockdown restrictions will help bring the downturn to an end as we head into the summer.

"Jessica Hinds, European economist at independent analysts Capital Economics, said the survey "suggests that while the GDP outturn will undoubtedly be dreadful, it will not be as catastrophically bad as we had feared.

"Of the 19-nation single currency zone's largest players, France actually moved into positive territory but giant Germany's weaker score held the average down. "Overall, today's data provide some reassurance that the economy is getting back on its feet," Hinds said. "But with some restrictions still in place and fears of a second wave lingering, it will be some time before activity returns to pre-virus levels. "As the coronavirus outbreak swept the world in the first half of 2020, eurozone countries and their main partners in the rest of the EU and Britain, imposed lockdowns.

REUTERS, San Francisco

Apple Inc on Monday said it will switch to its own chips for its Mac computers, saying the first machines will ship this year and ending a nearly 15-year reliance on Intel Corp to supply processors for its flagship laptops and desktop.

Apple Chief Executive Tim Cook said it marked the beginning of a major new era for a product line that powered the company's rise in the 1980s and its resurgence in the late 1990s.

"Silicon is at the heart of our hardware," Cook said during a virtual keynote address recorded at the company's Cupertino, California headquarters for its annual developer conference. "Having a world class silicon design team is a game changer.

The silicon switch brings the Mac into line with the company's iPhone and iPads, which already use Apple-designed chips. Cook said that Apple expects the Mac transition to take about two years and that Apple still has some Intel-based computers

Apple switches to its own chips for Mac computers

in its pipeline that it will support for "many years." But the move will give software developers for Apple's largest pool of third-party apps - those built for iPhones and iPads - new access to its laptops and desktop for the first time. Apple software chief Craig Federighi said that for those offerings, "most apps will just work, with no changes from the developer" on the new Macs. He also said the "vast majority" of existing apps for Intel-based machines can be modified to work in "just a few days."

But analysts said Intel would likely to continue to supply Apple with data center chips that power services such as iCloud. In a statement, Intel said Apple remained a customer "across several areas of business" and that it was still focused on the PC market.

"We believe Intel-powered PCs like those based on our forthcoming Tiger Lake mobile platform provide global customers the best experience in the areas they value most, as well as the most open platform for developers, both today and into the

future," Intel said.

Ben Bajarin, an analyst with Creative Strategies, said Apple's two-year window at moving to its own chips was likely aimed at holding on to Mac sales to corporations, where Apple has double-digit market share.

"There are just standards there (in corporate software) that run on x86" chips from Intel, he said. Apple "cannot abandon that as quickly as they want if they want to maintain the enterprise and commercial share for Mac, which is one of their major segments." As with previous Macs, the new Apple-chipped machines will remain able to download software from outside Apple's official app stores, in contrast to iPhones and iPads, which for the most part can only run software from Apple's stores. Apple shares gained 2.7 per cent to a record high, helping the Nasdaq Composite to a record close of its own.

Apple announced the moves at its Worldwide Developer Conference. The conference has gained new prominence since paid services sold through the App

Store have become central to the company's revenue growth as consumers have slowed the growth of iPhone upgrades. Apple takes a 15 per cent to 30 per cent cut of the sales developers make through the App Store, which is the only way to distribute software onto Apple's mobile devices.

Those fees, and Apple's strict app review process, have come under antitrust scrutiny in the United States and Europe, where regulators last week unveiled a formal probe into the company. In what appeared to be an acknowledgement of some critics, Apple said it would let users select non-Apple apps as default apps for tasks like email and web browsing on iPhones and iPads.

Apple this year added privacy protections, saying it would let users only share their approximate location with app developers and would require those developers to seek permission before sharing user data with other apps and websites. Apple also said it would require a privacy and security label, akin to a food nutrition label, to be shown to users before they download apps.

Thailand's tourism social enterprises help locals hit by coronavirus

REUTERS, Bangkok

When Thai travel consultancy Local Alike saw its revenue drop to zero due to the coronavirus outbreak, it started selling products from villages through social media.

The business has generated 2.6 million baht (\$84,000) for locals in 20 communities selling products from snacks to rice.

"It exceeded our expectations," said Somsak Boonkam, founder and chief executive of Bangkok-based Local Alike, which promotes sustainable tourism in 200 villages.

"From now on, we would like to serve as an e-commerce platform for communities." Thailand's social enterprises have been hit hard by the coronavirus, which has infected more than 3,100 people and killed more than 50 since January.

Although most businesses are allowed to reopen after a decline in new coronavirus cases, the country's borders are still closed, affecting the tourism industry.

Tourism is a key sector for the Thai economy, accounting for 18% of the country's gross domestic product last year.

But the industry's social enterprises - businesses that aim to do good - have adapted through the crisis, while also finding solutions for communities.

In response to high demand for the village products, Local Alike set up a separate company to handle the e-commerce platform, which will expand to 155 communities next year.

It hopes that by helping locals develop the products by improving packaging and product design, communities will be able to earn more.

Other social enterprises like civil society network SATARANA and HiveSters, set up to preserve disappearing cultures and help local communities, have also made online food delivery services a part of their long term business plan.

"(The coronavirus) has affected communities that once had income from tourism," said Achiraya Thamparipattra, chief executive at HiveSters, which returns 70% of the company's revenue back to communities through cultural tours.

"And for us, from now on we can no longer operate just as a tour company. Setting up a food

brand (that uses products from communities) will lower future risks."

Hotels and travel businesses expect business to pick up next month following the government's 22.4 billion-baht (\$723 million) domestic tourism stimulus plan, announced last week.

The package, which is expected to stimulate 2 million domestic trips from July to October, includes subsidies on accommodation, transport, food and attractions.

Starting next month, Wocation, a tour agency that promotes mental health through craft workshops and group counselling, is looking to bring its workshops - which includes cooking and ceramic classes - to people's doorsteps.

"Crafts are used by some people to heal their minds, and that can be done at home, which also promotes social distancing," said Pasiree Parichani, co-founder of Wocation, a social enterprise based in the northern province of Chiang Mai.

An embroidery kit, for instance, would contain woven fabric and naturally dyed yarn sourced locally from Chiang Mai, with 20% of sales going towards locals.

In Bangkok's Klong Toey district, Wilaiwan Bidinlae saw her income from selling Thai dessert drop by half during the lockdown, losing many foreign customers who used to come in group tours organised by Local Alike.

The company helped package and market her best selling sweets - sticky rice with coconut milk and fried spring rolls - on its social media accounts, which has helped her survive during the crisis.

Klong Toey is the city's oldest and largest slum, but Wilaiwan says her partnership with Local Alike has helped change that perception.

"Klong Toey has been portrayed in the media as a place with drugs and illegal activities, but when tourists come, they see that we have developed," she said.



Tourism is a key sector for Thailand's economy, accounting for 18 per cent of the country's gross domestic product last year.

REUTERS

Zila Parishad Mymensingh www.zpmymensingh.org.bd	
Memo No. 46.42.6100.002.14.846.17-795	Date: 21 June, 2020
Re-Request for Expression of Interest (EOI)	
1. Ministry/Division	Ministry of Local Government Division.
2. Agency	Zila Parishad, Mymensingh.
3. Name of procuring entity	Chief Executive Officer.
4. Procuring entity district	Mymensingh.
5. Project/program name	Construction of Modern Dakbanglow cum Hostel & Multipurpose Hall at Sadar Dakbanglow of Zila Parishad under Zila Parishad, Mymensingh during the year 2017-2018.
6. EOI for Selection of	Consulting Firm (National).
7. EOI Ref. & date	46.42.6100.002.00.000.19.795 Date: 21 June, 2020
8. Procurement method	Quality and Cost Based Selection (QCBS) Method.
9. Budget and source of fund	Revenue Budget of Zila Parishad.
10. Title of service	Preparation of Master Plan, Architectural Design, Structural Design, Electrical Design, Planting Design, Acoustic Work, Lighting, Sound System Design, Fire Protection, Generator & Preparation of Details Estimate etc.
11. Closing date and time of this EOI	Date: 07 July, 2020 Time: 15:00 Hrs (3:00pm)
12. Address for submission of this EOI	Chief Executive Officer, Zila Parishad, Mymensingh.
13. Brief description of the assignment	Preparation of Master Plan, Architectural Design, Structural Design, Electrical Design, Planting Design, Acoustic Work, Lighting, Sound System Design, Fire Protection, Generator & Preparation of Details Estimate, etc.
14. Experience, resources and delivery capacity required for this EOI	The Designed Firm should have general experience of at least 10 (ten) years in consultancy assignment, of which at least last 07 (seven) years in Auditorium cum Multipurpose Hall/building construction projects. In addition, the EOI of the Firm/JVA shall be evaluated mainly considering the followings for short listing of Consulting Firm: <ul style="list-style-type: none"> Background of the firm with brochure; Legal up-to-date documents (Registration (Age), TIN, VAT, etc.); Financial capability/resources (Turnover of last three years); Availability of relevant experienced and sufficient key professionals including Architects & Engineers for conducting the assignment; Experience in preparation of at least 2 (two) Design, Drawing & Estimate of Acoustic Work which one having a capacity of not less than 10-Stored Multipurpose Building/500 seat capacity Auditorium/Multipurpose Hall. Experience in design (Architectural & Engineering) and supervision of minimum 10 (ten) storied building during last 5 (five) years; Experience in performing similar type of assignment/project including at least 1 (one) Auditorium/building project under government/wari-government/autonomous organization of total project cost not less than Tk 5000.00 lac within last 5 (five) years; Experience of the firm in other important physical infrastructures; Support services (office, staff, office equipment, vehicle, etc.);
15. Other details	<ul style="list-style-type: none"> Expression of Interest (EOI) shall be submitted in sealed envelope, delivered to the address and within the date & time mentioned in this EOI; The Consulting Firm may form Joint Venture Association (JVA) with only one other similar Consulting Firm; Firm convicted by the court or blacklisted at home or abroad is not eligible for application; Consultant will be selected in accordance with PPA-2005 and PPR-2008; Further information may be collected from the undersigned during office hour.
16. Location	Zila Parishad Dakbanglow, Mymensingh Sadar
Indicative start date	1st August, 2020
Indicative completion date	30th October, 2020
17. Name, designation and contact details of the official inviting this EOI	Sharmila Nasrin, Chief Executive Officer, Zila Parishad, Mymensingh, Phone: 09165864 E-mail: ceozpmym@gmail.com
18. The procuring entity reserves the right to accept or reject any or all Expressions of Interest (EOI) without assigning.	
Sharmila Nasrin Chief Executive Officer Zila Parishad, Mymensingh Phone: 09165864 (Office) E-mail: ceozpmym@gmail.com	

Oil, stocks gain, but rising infection rates spark concerns

REUTERS, New York
Crude oil prices and a gauge of global equity markets edged higher on Monday as lockdowns eased, with the Nasdaq setting a record closing high, but sentiment remained tenuous as coronavirus infections continued to rise.

The dollar fell and higher risk currencies, including the Australian dollar, jumped as investors weighed improving economic data against the prospect of new business shutdowns if a second wave of the pandemic gains force.

Gold prices climbed 1 per cent to hit the highest in more than a month as investors took refuge in the safe-haven.

Coronavirus cases are soaring in several major countries, with "worrying increases" in Latin America, especially Brazil, the World Health Organization said. More than 183,000 new cases around the world were reported on Sunday, the biggest daily tally since the outbreak started in December, WHO chief Tedros Adhanom Ghebreyesus said.

Bullish investors have a lot to prove in terms of further gains in the absence of continued good news in economic data, said Carlton Neel, chief executive officer of investment research firm Chaikin Analytics in Philadelphia.

"On one hand, the bulls have made their case for the fact that the opening up is going much better than expected. Yet the bears are looking at the number of cases that are starting to skyrocket," Neel said.

"There is a risk to the market that we have come a long way very quickly." MSCI's

broadest index of shares across the globe rose 0.36 per cent and has gained more than 40 per cent since its March lows on hopes that the worst of the pandemic was over.

But emerging market stocks lost 0.08 per cent and the pan-European STOXX 600 index closed down 0.76 per cent on signs of a resurgence in coronavirus cases in Germany.

The German reproduction rate jumped to 2.88 on Sunday, taking infections above the level needed to contain it over the longer term. The number was a sharp increase from 1.06 on Friday, according to the Robert Koch Institute. The number of patients in U.S. hospitals being treated for COVID-19 has been on a consistent decline since its peak in April, dropping to fewer than 30,000 from more than double that two months ago, asset manager Glenmede said.

"The continuing-to-decline hospitalization rate is more positive than the rising-case-count data is negative," said Jason Pride, chief investment officer of private wealth at Glenmede.

On Wall Street, the Dow Jones Industrial Average rose 153.5 points, or 0.59 per cent, to 26,024.96 and the S&P 500 gained 20.12 points, or 0.65 per cent, to 3,117.86. The Nasdaq Composite added 110.35 points, or 1.11 per cent, to 10,056.48, a record close, as shares of Apple Inc hit an all-time peak.

Investors nonetheless edged into perceived safe-haven assets like U.S. government bonds. Benchmark 10-year U.S. Treasury notes rose 0.1 basis point to yield 0.7102 per cent.

The dollar index fell 0.659 per cent, with the euro up 0.75 per cent to \$1.1259. The Japanese yen strengthened 0.07 per cent versus the greenback at 106.91 per dollar.

Credit rating agency Moody's warned that the stimulus measures will leave advanced economies with much higher debt than they accumulated during the last financial crisis.

"Government debt/GDP ratios will rise by around 19 percentage points, nearly twice as much as in 2009 during the (global financial crisis)... the rise in debt burdens will be more immediate and pervasive,

reflecting the acuteness and breadth of the shock posed by the coronavirus," Moody's said.

Oil rose about 2 per cent on tighter supplies from major producers and as coronavirus lockdowns continued to ease, but gains were capped by worries that a worldwide rise in new infections might stall a recovery in fuel demand.

Brent oil futures, the international benchmark, rose 89 cents to settle at \$43.08 a barrel. U.S. crude futures settled up 71 cents at \$40.46.

U.S. gold futures settled 0.8 per cent higher at \$1,766.40 an ounce.



Crude oil prices and a gauge of global equity markets edged higher on Monday as lockdowns eased.

Google faces employee petition to end tech sales to police

REUTERS, Oakland

More than 1,600 workers at Alphabet Inc are petitioning its Google unit to stop selling email and other services to police departments, a source familiar with the matter said on Monday.

The workers in a petition seen by Reuters expressed disappointment with Google not joining the "millions who want to defang and defund" police departments. Civil rights activists across the United States for years have called for scaling back traditional policing, and the efforts have gained momentum through protests over the death of George Floyd in Minneapolis police custody last month.

Accept deferred payments to benefit both nations: FBCCI to India

FROM PAGE B1

"Waterways is the best option. Then there is the railway," he said.

"There are definitely pushes towards exploring and as fast as possible executing these routes in terms of passenger vehicles or any kind of goods and services that comes to Bangladesh from India or the products that goes to India," the statement read.

Riva Ganguly Das, Indian high commissioner to Bangladesh, echoed the same as keynote speaker.

"Indian railway and Bangladesh railway are working together which shows how committed they are to provide smooth logistics," she said.

India is dedicated to take regional cooperation forward, she said while praising several other speakers' ideas on remote deduction of duty on passengers and commercial vehicles. Dilip Chenoy, secretary general of the FICCI, and Manish Singhal, FICCI deputy secretary general, presided over the programme.

Abdul Matlub Ahmad, president of the India-Bangladesh Chamber of Commerce and Industry, Venkat Nageswar, deputy managing director of the State Bank of India, and Ashok Anantharaman, director (international) of CNH International, also participated in the webinar.

Country's first perpetual bonds get BSEC nod

FROM PAGE B4

The company's issue managers at BMSL Investment and IIDFC Capital will face a Tk 5 lakh penalty.

MI Cement, a listed cement manufacturer, provided a Tk 70.40 crore interest-free loan to its sister concern. In the past, MI Cement provided similar loans to its sister concern despite the fact that its directors have full ownership of the branch company.

However, the cement manufacturer financed these loans without approval from its general shareholders, which is a breach of BSEC guidelines.

Therefore, the stock market regulator decided to fine the directors of MI Cement Tk 10 lakh each, the BSEC statement read.

At the commission meeting, BSEC approved the IPO of Walton Hi-Tech Industries to raise Tk 100 crore through the issuance of 29.28 lakh shares.

General investors can purchase stock in the company through the IPO at Tk 252 per share, which is 20 per cent lower than the cut-off price. Through bidding among eligible investors, the cut-off price was set at Tk 315.

The BSEC also approved the RACE Special Opportunities Unit Fund, an open-ended mutual fund with a primary target to raise Tk 35 crore.

Of that amount, Tk 25 crore would be financed by Premier Bank while the rest will be raised through general investors.

Credit cards use depressing as pandemic rules the roost

FROM PAGE B1

Eastern Bank, one of the top three lenders in the credit card segment, lost 20 per cent of its business in the sector, said Ziaul Karim, head of communications and external affairs of the lender.

In order to protect the cardholders from financial ruins, the central bank has recently taken a host of measures.

Lenders were asked not to impose any late payment fees on credit cardholders from March 15 to May this year.

It has also asked banks not to consider cardholders as defaulters if they fail to repay instalments until September 30.

But the decision will not pick up banks' credit card business until the end of the pandemic.

HSBC lends Square Tk 1,000cr in Bangladesh's first sustainability-linked loan

FROM PAGE B1

"This is only the beginning of a new journey because we have the capacity to increase it. I hope we will soon increase it to 8 megawatts," Square Group managing director Tapan Chowdhury said. "Sustainability sits at the core of Square's purpose."

Tawfiq-e-Elahi Chowdhury emphasised on the need for energy efficiency in the backend by way of consuming less water, gas and power along with front-end initiatives such as solar panels.

"This can help increase the productivity of industries and the sustainability of the planet," he said while calling for the establishment of proper waste management system in the country as well.

Chowdhury also said sustainability might take on a new meaning in the post Covid-19 era as there would be a lot more emphasis on self-reliance. Creative ways have to be found to use this shift to the country's advantage.

From the aspect of Sustainable Development Goals, this would be an important project, said central bank executive director Mohd Humayun Kabir.

"This is a new beginning for both Bangladesh's banking sector and business community--an important step in creating a stronger, more resilient and sustainable economy," said HSBC Bangladesh CEO Md Mahubur Ur Rahman.

"At HSBC, we are proud to play our part in structuring the country's first sustainability-linked loan and we will continue to support the development of Bangladesh's financial markets."

"I also want to thank our regulators for their strong leadership and encouragement in driving this important initiative forward."

"HSBC is committed to doing its best to support our customers and communities. I think finance has a very crucial role to play in climate change," he said.

Globally, HSBC has commitments to provide \$100 billion in financing and investments by 2025 to develop clean energy, technologies with lower-carbon footprints, and other projects that contribute to the delivery of the Paris Climate agreement and the UN Sustainable Development Goals, Laura Galvin said.

This means playing a lead role in the development of financial products for customers advancing renewable energy and low carbon business activities, according to the bank.

HSBC Bangladesh aims to help large business groups align sustainability in their operations and shift to a carbon-free world. It looks to work with all major companies as well, said an official of the international bank in Dhaka.

Riaz A Choudhury, interim country head of wholesale banking of HSBC Bangladesh, also attended the event.

South Africa's jobless rate hits record high

REUTERS, Pretoria

South Africa's unemployment rate rose to a record high in the first quarter of this year, driven by job losses in the formal and agriculture sectors, the national statistics agency said on Tuesday.

The country's economy was already in recession before the coronavirus pandemic hit, with the strict lockdown implemented at the end of March further squeezing businesses and consumers.

The unemployment rate of 30.1% was up from 29.1% in the final quarter of last year, Statistics South Africa said in its quarterly labour force survey, and higher than the 29.7% forecast in a Reuters poll.

Govt stimulus not reaching SMEs: analysts

FROM PAGE B4

Banks are not interested in disbursing loans among the small enterprises, said Rashedul Karim Munna, managing director of Creation. He suggested entrepreneurs explore domestic markets as the demand from overseas has been shrinking due to Covid-19.

If necessary the industrial policy could be amended to save the enterprises, the economy's lifeblood, said Abul Kasem Khan, chairperson of the BUILD.

The Tk 20,000 crore stimulus is a very small amount to save the enterprises, said Abdul Karim, former managing director of Palli Karma-Sahayak Foundation (PKSF).

There is a big difference between small and medium enterprises and the definitions, rules and regulations need to be duly stated to resolve problems faced by both types of entities, said Nihad Kabir, president of the MCCI.

The DCCI has already opened a separate desk to help the small enterprises borrow from banks, said DCCI President Shams Mahmud.

Many of the discussion participants suggested creating an updated database of the small enterprises so that the right decisions can be taken for the right entrepreneurs.

Bangladesh Bank arranged a salary disbursement system for the nearly 20 lakh garment workers within three weeks and can bring about a similar model for small borrowers seeking the government stimulus easily and quickly, said CSE Chairman Asif Ibrahim.

Nasir Uddin Ahmed, former chairman of the National Board of Revenue, advocated for reforms in taxation and fiscal management systems so that more revenue can be generated.

For instance, the proposed reduction of corporate tax to 32.5 per cent from 35 per cent is not enough. The corporate tax should be reduced more, he said.

Industries Minister Nurul Majid Mahmud Humayun said the government has been trying to protect existing jobs and create new ones through the stimulus packages.

Bangladesh among top three Asian nations promoting green financing

FROM PAGE B4

Investment under green financing will mainly be geared towards the construction of environmentally friendly housing and business infrastructure, transportation infrastructure, urban water management, agriculture, waste management and renewable energy to meet the nationally determined contribution (NDC) targets.

The IFC, in partnership with Bangladesh Bank, has outlined what steps need to be taken to promote the domestic green bond market as a way to mobilise funds for climate-related initiatives.

The central bank also increased the size of the refinancing scheme for environmentally friendly products, initiatives or projects from Tk 200 crore to Tk 400 crore, according to a circular from the central bank's Sustainable Finance Department in April this year.



Officials of Shah Cement pose as they distributed free masks and microbial hand rubs solutions among the company's distributors, dealers and retailers as part of effort to keep them safe from the deadly Covid-19. The cement manufacturer also handed over food items and handwashing soap to 40,000 helpless construction workers and families across the country during the pandemic.

Budgetary grants raised to Tk 12,680cr to fight pandemic

FROM PAGE B1

"However, the government needs to quickly design interventions to meet the known urgent needs to fight the pandemic. There is no reason to sit on these funds because the contingencies are known."

The use of these funds should be limited to health and social protection where the needs are the deepest, he said.

What is lacking is a set of well-designed interventions to meet the known needs, according to the economist.

The government needs to ramp up testing to at least twice the current levels by widening the testing strategies and this requires a variety of testing kits, reagents, storage facilities, laboratories, and trained personnel, among others.

Hospitals in Bangladesh do not

have enough beds, intensive care units, ventilators and oxygen. The frontline soldiers do not have enough protective gears, he said.

"Tracing is another area where we have practically done nothing other than making some digital promises. If the health ministry cannot come up with initiatives to ramp up the capacity of the public health system, the government should invite non-state actors to come forward with pandemic fighting initiatives for funding from this allocation."

This block allocation should ideally be used to catalyse initiatives from within and outside the government to meet the urgent health and social protection needs, Hussain said.

The block allocation can also be used to make cash transfers to the old and new poor. It is not necessary

to ask the local administration to prepare a list of beneficiaries.

"Identifying the poor is no longer a big challenge. Reaching them would be a big challenge if we continue to rely on the bureaucratic machinery."

Monitoring the use of all funds will be critical, he said.

"The government will be facing serious financing constraints in FY21. Every single allocation from this fund, whether made to state or non-state actors, should be made public in the finance division website with details on how much is allocated to whom for what purpose and the expected results with measurable indicators."

The intermediaries receiving these funds should be required to provide information online on the use of the funds they have received and the results achieved, he said.

Authorities remain silent over fund embezzlement by BPC partner firm

FROM PAGE B1

"We are yet to get any evidence of irregularities in the remaining six years as SAOCL's authorities are not cooperating well. To address this issue, we sent a letter to the ministry and ACC on August 25, 2019, recommending that punitive measures be taken against the persons responsible," said BPC chairman Shamsur Rahman.

It remains unknown whether the relevant authorities will take action in this regard.

These two officials have squandered crores of government funds with consequence for a long time as even with evidence, the BPC can do next to nothing due to legal constraints, Rahman said.

After receiving the initial investigation report and recommendations for corrective measures from the BPC, the ACC was told to take action, said Md Abu Jobayer Hossain Bablo, joint secretary of the Ministry of Power, Energy and Mineral Resources.

However, Bablo did not comment when asked why the ministry is relying on other agencies to take legal action when they themselves have the power to do so.

Even before receiving letters from the ministry and BPC to address the issue, the ACC had found evidence of irregularities against SOCL through an independent investigation held at the end of 2018.

On March 12, 2019, the ACC seized both Ahmed and Shahed's passports while also directing every land, sea and airport to restrict the two officials from leaving the country.

The ACC also formed a separate investigation committee to look into 15 specific allegations of irregularities at SAOCL. Although investigation is already underway, the committee have not provided any reports so far.

"We found evidence that at least Tk 57 crore was transferred to two private company accounts," said ACC Deputy Director Mahamudur Rahman.

Besides, there were around 15 other allegations to investigate, including tender manipulation and sales irregularities.

"We were unable to complete our investigation sooner due to the coronavirus pandemic, the ACC deputy director said, adding that the exact amount of money embezzled will become clear only after investigations are complete.

When contacted, SAOCL Director Ahmed did not respond while Shahed, general manager of SAOCL, claimed to be uninformed with said irregularities.

"Some former employees filed complaints against me by supplying false information to the media, BPC and ACC. These workers are complaining that they lost their jobs due to these irregularities," Shahed said.

The company's operations have always been carried out with approval from the board of directors. Therefore, maybe the irregularities the BPC and ACC spoke of could have been caused by simple gaps in documentation.

"And so, we are now trying to calculate the value of previous sales to ascertain how much money is actually missing," the SAOCL general manager added.

Bangladesh among top three Asian nations promoting green financing

MAHMUDUL HASAN

Green financing is rapidly gaining traction in the Bangladesh market thanks to the country's specific focus on issuing green loans, according to an International Finance Corporation (IFC) report.

The report by IFC-facilitated Sustainable Banking Network (SBN) shows that Bangladesh, Mongolia, and Nepal have identified green financial services as a crucial aspect for ensuring sustainable development in financial sectors.

"At a time when low-income countries across Asia and the Pacific are being battered by the Covid-19 pandemic, its all the more vital for economies to embrace sustainable financial development in order to build resilience in the sector for future calamities," said Nena Stoilkovic, IFC vice president for Asia and the Pacific.

Poorer countries face immediate and significant impacts from climate change, pollution, loss of biodiversity and social inequality. Therefore, these issues require an urgent response when they arise.

"In the wake of recent challenges faced in Asia, promoting green finance such as green bonds and loans has been particularly focused upon in Bangladesh and Mongolia," read the report styled, "Necessary Ambition: How Low-Income Countries Are Adopting Sustainable Finance to Address Poverty, Climate Change, and Other Urgent Challenges."

Other than these two countries, Nepal is also developing sustainable national finance roadmaps in an effort to reduce market risk and incentivize green finance flows, the IFC said in a statement citing the report.

Over the past few years, Bangladesh Bank has encouraged both banks and non-banking financial institutions (NBFI) to implement

a 'go-green' policy while encouraging client firms to adopt clean technology that reduces costs and ensures overall sustainability.

Green financing in Bangladesh ballooned to about Tk 33,421 million by December 2019, up from Tk 21,090 million year-on-year.

The level of understanding banks and NBFIs have on sustainable financing increased recently, Khondkar Morshed Millat, general manager of the sustainable finance department of Bangladesh Bank, told The Daily Star yesterday.

"This is why their contributions towards products that support green financing has increased," he said.

According to a central bank report published last December, 59 scheduled banks and 33 NBFIs are currently involved in green financing or investment activities.

An increasing number of banks and NBFIs are going green by providing innovative products and services that cover the finances required to support economic activities that are not hazardous to the environment but instead conserve it, the central bank report read.

The IFC report indicates that the aforementioned Asian nations are resolute in their commitment to promote sustainable finance and development planning for the future.

Established in 2012, the SBN is a voluntary community of financial sector regulatory agencies and banking associations from emerging markets that are committed to advancing sustainable finance.

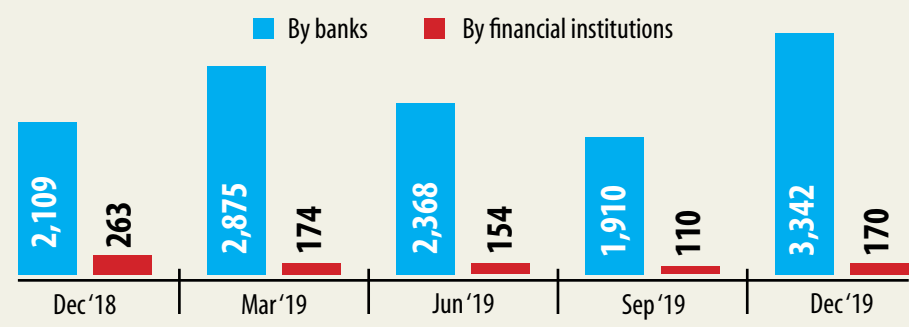
SBN, the first global network of its kind, focusses on ensuring sustainable finance at the market level. The association represents 39 countries and \$43 trillion, or 86 per cent, of the total banking assets in emerging markets.

Compared to five years ago, Bangladesh has undergone positive changes in the way banks



GREEN FINANCING IN BANGLADESH

Tk in crore, SOURCE: BB



manage environmental and social risks, said Naidalaa Badrakh, CEO and a board member of the Mongolian Sustainable Finance Bankers Association and co-chair of the SBN IDA Task Force.

Other than green finance, the report showed that Bangladesh, Mongolia and Nepal are exploring new ways to expand sustainable finance to other areas, such as financing for small and medium sized enterprises and agriculture.

In the context of a circular economy, efficient resource management is key.

"Therefore, sustainable finance plays a large part in poverty reduction," said Asif Iqbal, joint director of the Sustainable Finance Department of Bangladesh Bank.

Dev Kumar Dhakal, executive director of the Nepal Rastra Bank, said the country should develop and implement sustainable finance related policies for a better and safer financial system.

"These policies should not be detrimental to development activities but should instead guide the initiatives taken," added the executive director of Rastra Bank, Nepal's central bank.

Last year, the IFC's issuance of green bonds in Asia-Pacific crossed the \$1 billion mark as the corporation helped address environmental and social challenges in some of the world's most vulnerable and poorest countries.

Last month, Mongolia's Financial Regulatory Commission and the IFC signed an MoU to further develop the green finance market in Mongolia.

According to an IFC estimate, Bangladesh's climate-smart investment potential will be about \$172 billion between 2018 and 2030, the World Bank Group member company said in a statement last October.

READ MORE ON B3

Country's first perpetual bonds get BSEC nod

STAR BUSINESS REPORT

Both City Bank and Jamuna Bank got the greenlight from the Bangladesh Securities and Exchange Commission (BSEC) to begin issuing perpetual bonds of Tk 400 crore each to strengthen their additional tier-1 capital base.

A perpetual bond is a fixed income security with no maturity date and is often considered as a type of equity rather than debt. These types of bonds are not redeemable but instead provide a never-ending stream of interest payments.

Having been granted approval during a meeting at the BSEC office yesterday, these are the first perpetual bonds in Bangladesh's history.

During the commission meeting, the BSEC also decided to fine the directors of Intech Limited, MI Cement, Al Faruque Bags, BMSL Investment, IIDFC Capital and Artisan Chartered Accountants for breaching securities rules and regulations.

The perpetual bonds will be unsecured and feature a floating rate while the coupon rate is 11-14 per cent.

City Bank Capital is the arranger of the bonds in Bangladesh.

DECISIONS AT BSEC MEETING

- Two perpetual bonds approved
- Walton's IPO gets nod
- RACE Special Opportunities Unit fund was approved
- Penalty slapped on Intech Ltd directors for not giving price sensitive info
- Al Faruque Bags, Artisan Chartered Accountants, BMSL Investments and IIDFC Capital fined
- Directors of MI Cement fined

Previously, the market was dominated by tier-2 bonds. City Bank Capital was the company to initiate the process to bring this Basel-3 compliant new financial instrument to the market.

The fund will be raised from listed banks, insurance companies, regional

READ MORE ON B3

rural banks, private organisations, trust funds and eligible investors through private placement. The price per unit of each bond is Tk 10 lakh.

Intech, a listed company, did not provide any price sensitive information on its new ventures in the fishing and resort industries or its withdrawal of investments in certain sectors.

The company's directors also failed to maintain the required minimum for shareholding, which is a breach of the securities rules, the BSEC said in a press release, adding that the commission decided to fine the directors Tk 25 lakh each.

Meanwhile, Al Faruque Bags, which submitted an initial public offering (IPO) prospectus to the BSEC in order to raise fund from the capital market, did not issue corporate governance code certificate.

Instead, its auditor took up the task, which is also a breach of the securities rules, the BSEC said in its statement.

Considering their actions, the BSEC will fine the directors of Al Faruque Bags Tk 10 lakh each while the directors of Artisan Accountants, the firm that issued the certificate, will be fined Tk 2 lakh each.

Govt stimulus not reaching SMEs: analysts

STAR BUSINESS REPORT

Low-income cottage, micro, small and medium enterprises are shutting down or on the verge of collapse while a good number of their employees have been made redundant being unable to avail the government assistance to deal with the impacts of Covid-19.

The pandemic has led to the shrinking of their markets leading to the loss of sales and working capital while most lack strong bank connections due to their small size, missing out on the Tk 20,000 crore stimulus package the government announced for them.

It is very difficult for these small-capacity units to regain capital and employees once they are lost, said Monzur Hossain, senior research fellow at the Bangladesh Institute of Development Studies (BIDS).

Some 80 per cent of employment in the country are generated by more than 13 lakh of these small enterprises, meaning they are practically the driving force of the economy, he said.

Loss of these units will cause the recession to linger, he added.

Nearly 35 per cent of the small

Some 80 per cent of employment in the country are generated by more than 13 lakh small enterprises, meaning they are practically the driving force of the economy

enterprises conduct business through the banking system and 49 per cent borrow money either from nongovernment organisations or local microfinance institutions.

So the government stimulus should be disbursed by engaging the local microfinance institutions so that even the smallest and the remotest units can avail the benefits during this time of pandemic, Hossain said.

Hossain was addressing a virtual dialogue on SMEs organised

by a newly formed Resurgent Bangladesh, a platform to aid policy formation for businesses and industries.

It has been formed by the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka Chamber of Commerce and Industry (DCCI), Chittagong Stock Exchange (CSE), Business Initiative Leading Development (BUILD) and Policy Exchange.

Masrur Reaz, chairman of Policy Exchange, moderated the dialogue. Six more dialogues would be organised on the SMEs.

Small enterprises are in a severe crisis, facing shutdowns, problems accessing finance, export order cancellations, massive downturns in sales and unemployment, said Ferdous Ara Begum, CEO of BUILD, giving a keynote presentation on "Covid-19 economic crisis and SMEs of Bangladesh".

The recovery rate of loans from these enterprises is around 99 per cent and there is no scope for nonperforming loans if the disbursement occurs through microfinance institutions, said Safiqul Islam, managing director of SME Foundation.

READ MORE ON B3

BSEC wants integrated platform for listed firms

STAR BUSINESS REPORT

The stock market regulator directed the stock exchanges to launch an integrated online data-gathering, information submission and dissemination platform in order to streamline the activities of listed firms.

The commission issued an order in this regard on Monday and ordered exchanges to implement it immediately.

"We are working on it thoroughly so that people can get full benefits of digitisation easily," said Kazi Sanaul Hoq, managing director of Dhaka Stock Exchange.

"We will complete our works within the time the regulator has set for us."

Bangladesh Securities and Exchange Commission (BSEC) has asked the stock exchanges to notify all listed companies and issuers of securities and mutual funds about the provisions of this order within 15 working days.

BSEC also asked the stock exchanges to submit a report to the commission about the commencement of the digital submission and dissemination platform.

According to the directive, listed companies would be allowed to submit any kind of information, including applications, shareholding reports, declarations, corporate actions, financial disclosures, publication and dissemination of price sensitive information and material information, through the platform.

Both the stock exchanges must keep records of all submissions and information in both soft and hard copies in such a way that subsequent use or verification can be undertaken by the commission, according to the order.

The stock exchanges must prepare and submit a summary of the shareholding position to the commission on a monthly basis along with their findings and any non-compliance, if any, individually within the following month.

Omera becomes first local LPG cylinder maker to export its products

STAR BUSINESS REPORT

In a first for Bangladesh, Omera Cylinder Ltd, a local manufacturer of liquefied petroleum gas (LPG) containers, has recently begun exporting its products to international markets.

Omera made the foray into global markets after it shipped the first consignment of LPG cylinders to a few companies in Africa earlier this week, said Shamsul Haque Ahmed, chief executive officer of Omera LPG.

"This is not only a moment of pride for Omera, but also the entire country and its LPG industry. We are delighted that through Omera's technological expertise, our country has expanded its influence in the international arena," said Azam J Chowdhury, director of Omera Cylinders, in a press release.

Omera also hopes one day, the company will not only meet domestic demand for LPG cylinders, but also that of potential buyers from across the world.

"This achievement is a recognition of our strong commitment to quality," Chowdhury added.

After beginning its journey back in 2015, Omera Cylinders has catered to the needs of many local LPG operators by offering them a wide range of products that meet

international standards, the press release said.

By using modern European machinery and technology, securing skilled human resources and maintaining the highest

health and environmental safety, Omera grew quickly.

Besides, entering the global market is another major achievement for the company, the statement said.

Shipments to African countries are now ongoing and Omera hopes to reach Latin American countries by next year.

Omera Cylinders plans to export all of his surplus production while also expanding its manufacturing capacity in the coming days, Ahmed said.

Cylinders face a 10-tier quality test before it is declared fit for service.

"We have adopted all European equipment and machinery to manufacture world-class cylinders for exports," he added.

According to the CEO, the domestic demand for gas cylinders is around 60 lakh pieces while the industry's manufacturing capacity is around 80 lakh to 90 lakh pieces.

For the past few years, the demand for gas cylinders has increased by an average of 10 to 15 per cent, Ahmed said.

Md Jakaria Jalal, general manager of Bashundhara LP Gas, said that there are at least 14 gas cylinder manufacturers currently operating in Bangladesh. They include Bashundhara Gas, Navana LPG, Energypac, Jamuna Gas, BM Gas and Petromax LPG.



Senior officials of Omera Cylinders pose with LPG cylinders to be exported to the global market, at the company's factory in Habiganj yesterday.