

‘Get Britain moving again’, PM Johnson to unveil new infrastructure plan

REUTERS, London

Prime Minister Boris Johnson will launch a plan this week to get Britain “moving again” after the coronavirus lockdown, when the government will set out measures to boost infrastructure construction, interior minister Priti Patel said on Sunday.

Johnson will make a speech on Tuesday to set out plans to fast-track building projects such as hospitals, schools, housing, and road and rail infrastructure, part of efforts to try to stem a fall in support for his government.

The British leader has been criticised for his response to the coronavirus crisis, with opposition parties and some scientists saying the government was too slow to bring in a lockdown, too slow to carry out widespread testing and not clear in its messaging.

But Johnson, who won a large majority at last year’s election, hopes to revive his fortunes by returning to his pledges to “level up” Britain by focusing spending on traditional Labour-supporting areas that backed his Conservative Party.

“It’s an important plan ... As we move out of this awful, awful period of coronavirus, this dreadful



Britain's Prime Minister Boris Johnson, right, and Britain's Chancellor of the Exchequer Rishi Sunak leave after visiting Pizza Pilgrims in West India Quay, London Docklands on June 26.

services and economic growth and opportunity around the country.”

Despite the likely questions over the bill for such works, Johnson repeated that his government would not return to the austerity policies seen under Conservative former prime minister, David

services and economic growth and opportunity around the country.”

Patel said people should still follow the guidelines. “It’s important that the public realise that this virus has not disappeared at all,” she said. “We are still in a health emergency ... People need to follow the guidance.”

Cameron. He told the Mail on Sunday newspaper that he was going to act fast “to build our way back to health”.

According to pollster Opinium, more of the public favour opposition Labour leader Keir Starmer as prime minister over Johnson, although the Conservatives still hold a lead in terms of voting intention.

Some scientists fear that Britain is on course for a second wave of coronavirus, not helped by some people holding parties and large gatherings after Johnson announced a further easing of England’s lockdown in early July, when pubs and restaurants can reopen.

“My concerns with the UK government are sometimes less with the substance ... I’m more concerned that the messaging ... seems much more that it’s all over and you can go back to doing everything as you did before,” Mark Drakeford, the first minister of Wales, told Sky News.

Patel said people should still follow the guidelines.

“It’s important that the public realise that this virus has not disappeared at all,” she said. “We are still in a health emergency ... People need to follow the guidance.”

Some Disneyland workers protest reopening plans amid pandemic

REUTERS, Anaheim

Workers at California’s Disneyland Resort protested from their cars on Saturday, arguing that the Walt Disney Co has not agreed to adequate protections for employees when the destination reopens to the public amid a pandemic.

The company had planned to welcome guests back to Disneyland and neighboring California Adventure starting July 17 but delayed the restart date indefinitely.

Disney said this week that it would set a new opening date after the state issues guidelines on how theme parks can return to business safely amid the global coronavirus outbreak.

On Saturday, about 200 cars formed a caravan outside the resort in the protest staged by the Coalition of Resort Labor Unions, a group of 11 unions that represent 17,000 Disneyland workers.

The unions have called on the company to commit to providing onsite testing for COVID-19, the disease caused by the novel coronavirus.

“When Disney does reopen, we want it to be as safe as possible for cast members, for the guests,

and for the families that cast members have to go back to,” said Maria Hernandez, a union member who attended the rally.

Disney said in a Saturday statement that it has reached agreements on coronavirus protections with 20 union affiliates that include additional sick pay, face coverings for guests and cast members, and reduced park capacity.

In a letter to unions earlier this week, a Disney representative said existing COVID-19 testing was not recommended by US health authorities for routine screening.



Coalition of Resort Labor Unions representing Disney cast members stage a car caravan outside Disneyland California, calling for higher safety standards for Disneyland to reopen during the global outbreak of the coronavirus disease (COVID-19) in California, on June 27.

Bourse braces for its biggest IPO yet

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Investors would get the share at Tk 10 that has the assets of Tk 12.64, he said, adding that the share price compared to earnings before interest, tax, depreciation and amortisation (EBITDA) is very lucrative.

The price of telecom shares normally ranges between 6 and 8 per cent of EBITDA globally, but it is 3.35 per cent in case of Robi, he said.

So, the company’s entry may give a leg up to the ailing stock market, especially during the coronavirus pandemic as most of the companies have failed to make profits because of the collapse in demand, except those operating in the pharmaceuticals and telecom sectors, the merchant banker added.

The DSEX, the benchmark index of the Dhaka Stock Exchange, dropped to 3,603 points on March 18, the lowest in seven years.

As the market had been falling because of the fear over earnings falls amid the raging pandemic, the stock market regulator set floor prices for all stocks to prevent the freefall.

Now, the index is hovering between 3,800 and 4,000 points.

According to an industry calculation, if the carrier’s share is sold at the face-value of Tk 10, the market capital would increase by more than

1.65 per cent. If the share price rises to Tk 50, the market capitalisation would expand by 7.74 per cent.

The DSE’s current market capitalisation is about Tk 311,125 crore.

In the application, Robi requested the government to bring down the corporate tax rate to 35 per cent and withdraw 2 per cent minimum income tax.

Grameenphone had received the corporate tax benefit when it got listed in 2009. The government withdrew the benefit a few years ago.

About the demands of Robi, the BSEC chairman said he learned about the issues but the commission has nothing to do about them.

“Both issues are related with the National Board of Revenue and we could write to the NBR but it is up to the revenue board whether it would do it or not,” Islam told The Daily Star on Saturday.

However, Islam said the operator should get some extra benefits for the listing.

“We are waiting for the approval from the BSEC,” said Shahed Alam, chief corporate and regulatory affairs officer of Robi.

“As of now, we are happy with the development in this regard. We are hopeful that we will soon get the nod from the commission.”

Robi has allocated 13.61 crore shares to its employees and collected Tk 136.10 crore, a top-placed source at the carrier said.

Talks of Robi’s listing have been going on since 2013. The government has requested the operator on several occasions to go public, but Robi did not entertain it on grounds of not logging in profits consistently.

It raked in Tk 240.23 crore in profits in 2015 after two years of losses. The operator returned to profitability in 2018. In 2019, Robi’s profit stood at Tk 16.91 crore, down 92.12 per cent from the previous year.

Its earnings per share were Tk 0.46 in 2018 but it came down to Tk 0.04 at the end of 2019.

The carrier started its journey in 1997 under the brand name of Aktel. On May 28, 2009, the name of the company changed to Axiata (Bangladesh) and it assumed its present name on August 19, 2010.

Robi’s authorised capital is Tk 6,000 crore and paid-up capital Tk 4,714 crore. Net asset value per share was Tk 12.64 in 2019, down from Tk 12.85 a year earlier.

In 2009, Grameenphone became the first mobile carrier in Bangladesh when it made its debut on the twin bourses. It raised Tk 486.07 crore by issuing 6.94 crore shares.

Meghna Executive Foundation offers free Covid-19 services

STAR BUSINESS DESK

Meghna Executive Foundation is providing ambulance services for hospital drop offs, oxygen concentrators at homes and healthcare consultations to Covid-19 patients free of cost within Dhaka city and Gazipur 24 hours a day.

The services are available at 01313-404844 and 01313-438874. The humanitarian organisation has been established by Meghna Executive Holdings, says a statement.

For NBFIs, 2019 was a terrible year. And 2020 is poised to be even worse.

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“But the classified loans may sharply rise after September. So the central bank should explore ways to curb the default loans,” said Islam, also the managing director of IPDC Finance.

The weak NBFIs could follow IPDC’s model to bring down their default loans.

In 2007, IPDC’s soured loans stood at 37 per cent of its total outstanding credit.

“We implemented various models to improve our financial health in phases. Now, IPDC’s defaulted loan is only 1.56 per cent,” he said.

The ratio of defaulted loans in the NBFi sector stood at 9.53 per cent of the total disbursed loans amounting to Tk 67,177 crore as of December last year.

Uber’s Middle East business Careem sees ride-hailing recovery next year

REUTERS, Dubai

Careem, a unit of Uber Technologies, expects ride-hailing demand to recover to pre-pandemic levels “sometime” in 2021, encouraged by a better-than-expected pickup as countries started to ease coronavirus-related curbs.

“It’s been a tough couple of months,” Careem Chief Executive Mudassir Sheikh told Reuters on Sunday.

“It’s really anyone’s guess. We have planned for a recovery (in ride-hailing) sometime next year but ... the recovery has begun and the recovery has been faster already than our initial projections.” The company, which primarily operates in the Middle East, has seen its overall business, which also includes delivery services such as take-away food, recover at an almost double-digit rate week-on-week over the past two months as countries eased restrictions, he said.

“I’m actually quite bullish on the rest of the year and the next few years as a result of some of the restrictions that were put on our movement and the growth it led to in the adoption of digital platforms.” Dubai-headquartered Careem will fast-track plans to add more features to its ‘Super App’ that has expanded to also include some payment services.

It announced on Sunday it had signed a multi-year agreement with Visa that will see Visa push payment services become available through the app. Careem, which was bought by Uber last year for \$3.1 billion, shed nearly a third of its workforce as a result of the pandemic, laying off 536 staff.

Bangladesh seeks extension of EU trade benefits even after LDC graduation

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Jafar Uddin said his ministry has been working to sign Preferential Trade Agreements (PTAs) with wide product coverage with Nepal, Bhutan and Indonesia.

“The wide coverage of products under the PTAs means the agreements are nearly Free Trade Agreements [FTAs],” he said.

Regarding duty privilege to the UK after the Brexit, he said the British government has already assured the commerce ministry that it would continue providing the existing trade benefits even after separation from the EU.

“Our expectation is that the EU will extend its EBA for Bangladesh at least for 10 more years after the official graduation in 2024,” said Mohammad A Momen, a director of the Bangladesh Garment Manufacturers and Exporters Association.

The usual grace period for three years up to 2027 will not work for Bangladesh as the economy has been reeling from the coronavirus shock, he said.

The garment sector alone

contributes 84 per cent of the national export and directly employs 4.1 million workers, Momen also said.

One crore more people are directly involved in the garment sector, which has also empowered numerous women, said Momen, also a professor of the Institute of Business Administration of Dhaka University.

Moreover, Bangladesh sheltered more than 10 million Rohingyas and the country’s contribution is lauded for peacekeeping worldwide, he said.

“We have invested billions of US dollars in the sector and backward linkage industries. We need more trade benefits from the EU and other developed countries for our development.”

The Chinese garment sector is 80 years old whereas the business began in Bangladesh only 40 years ago, he said. “So, extension of the trade privilege for us is logical,” he also said.

Bangladesh will face competition in the EU market after graduation as Vietnam has already signed an FTA with the European Union.

Some 74 per cent of Bangladesh’s export earnings come under the

preferential trade as an LDC. Of the percentage, 64 per cent comes from the EU and 10 per cent from Japan, Canada and other developed countries.

Bangladesh’s export will decline by 5.7 per cent annually if the EBA is not extended and the local exporters will have to face an 8.7 percent duty to the EU.

Bangladesh needs to think for the GSP Plus status to the EU after the graduation, said Ahsan H Mansur, executive director of the Policy Research Institute.

The EU has already granted GSP Plus to many countries after the graduation.

To avail the benefit, Bangladesh needs to improve in four core areas, such as protection of environment, labour rights, curbing corruption and human rights.

Moreover, Bangladesh will have to ratify the 27 UN Conventions for the EU trade facility.

The plea of Bangladesh in getting GSP Plus to the EU is strengthened further due to the financial losses from the Covid-19, the economist said.

Collective efforts key to fighting pandemic

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Up until a vaccine is found, the governments have to ensure adequate treatment facilities for the infected.

The pandemic served as an eye opener to the world as it showed the international community just how vulnerable or inadequate the medical facilities are in most countries.

Again, this is an issue the WHO could help address by helping countries improve their healthcare infrastructure. At the same time, the WHO would need to ensure adequate training for healthcare professionals so that proper treatments can be delivered.

To carry out all these tasks, the creation of a fund would naturally be key. Therefore, world leaders should immediately sit together and raise

the funds while businesses could also make significant contributions.

Many governments have rolled out stimulus packages in an attempt to revive their economy but seeing as the global economy is hugely inclusive and interdependent, a collective effort is required here as well.

Global organisations such as the World Bank and International Monetary Fund should devise a comprehensive plan to help the worse-off countries. These organisations should assess damage done by the coronavirus country by country before providing them concessional financing to help recover.

Each individual country could then extend support to their business enterprises and other organizations. Therefore, the immediate task should

be to create a ‘Global Bailout Fund’.

Another key task is to help the millions of people who have either lost, or are on the verge of losing, their jobs. The ILO’s Director General Guy Ryder said: ‘for millions of workers, no income means no food, no security and no future.’

As the pandemic and the jobs crisis evolves, the need to protect the most vulnerable becomes even more urgent’.

It has become quite evident that, unless collective efforts are made, the world will not be able to overcome the coronavirus pandemic. And as the people living during this time, history will judge us should we fail to survive.

The author is chairman and managing director of BASF Bangladesh Ltd.

GP files virtual writ petition challenging SMP guidelines

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Meanwhile, the second restriction made it easier for subscribers to leave Grameenphone under the mobile number portability (MNP) facility.

Senior officials of the market leader said that BTRC did not run any market survey and did not have any proof that Grameenphone is anticompetitive with any of its services or offers.

“We are not manipulating or controlling the market, so why these restrictions? Even they didn’t follow their own guidelines by issuing this

kind of directive,” a senior executive of the top carrier said.

Earlier, in its second attempt, the BTRC had tried to impose four restrictions, including an increase in the carrier’s call rate and interconnection charge, but they have halted it in the latest directive because of the COVID-19 situation.

According to the SMP guideline, the regulator can declare a carrier as an SMP operator if it controls more than 40 per cent share in any parameter.

Grameenphone holds 45.64 per cent share of the country’s subscriber base and more than 50 per cent revenue share.

The number of active subscribers at Grameenphone stood at 7.65 crore, earning the carrier Tk 14,366 crore, by the end of 2019. It logged a record Tk 3,452 crore profit last year, the highest to date.

The telecom regulator has been working on the SMP issue since 2011. The BTRC formed a committee to devise a process to implement it.

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e-Tender Notice No. 05/2019-20

e-Tender is invited in the National e-GP System Portal (<http://www.eprocure.gov.bd>) for the procurement of the following:

Tender ID No	Package No.	Description	On-line Tender Publication Date	On-line Tender Closing Date
475801	URP/RAJUK/ G-20	Procurement of ICT Equipment for Deploying Electronic Construction Permitting System in RAJUK	29/06/2020 10:00 AM	23/07/2020 02:00 PM
475789	URP/RAJUK/ G-19	Procurement of Motorcycle for PIU of Urban Resilience Project: RAJUK Part	29/06/2020 10:00 AM	16/07/2020 02:00 PM

This is an online Tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.

The fees for last selling/downloading the e-Tender Documents from the National e-GP system portal have to be deposited online through any registered banks branches up to 12:00 PM of Same Date as Closing Date. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd)

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