

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.05%	▼ 0.11%	\$1,773.04 (per ounce)	\$42.81 (per barrel)	▲ 1.21%	▲ 0.11%	▲ 0.02%	▲ 2.13%	BUY TK 83.95	93.35	103.76	11.65
3,986.73	6,854.46			35,843.70	22,145.96	2,636.69	3,090.57	SELL TK 84.95	97.15	107.56	12.25



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# BUSINESS

DHAKA FRIDAY JULY 3, 2020, ASHAR 19, 1427 BS
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## WB's purse strings always open for Bangladesh

*Says its Country Director Mercy Tembon*

REJAUL KARIM BYRON and MD FAZLUR RAHMAN

The World Bank has been an ever-reassuring presence in Bangladesh's growth narrative, and the multilateral lender will continue to play that role, said its country director.

The Washington-based multilateral lender would continue making funds available for Bangladesh to help the country pull out of the devastating impact of the coronavirus pandemic.

"We are taking broad, fast action to help strengthen Bangladesh's pandemic response," Mercy Meiyang Tembon, its country director for Bangladesh and Bhutan, told The Daily Star in an interview yesterday.

Soon after Bangladesh reported the country's first cases of the coronavirus infections, the development lender approved a fast-track \$100 million financing to procure medical equipment

and supplies and support public health interventions to respond to the pandemic and strengthen the country's national systems for public health emergencies.

In June, it approved \$1.5 billion in four projects, all of which will help create large-scale jobs and quick economic recovery.

The projects are expected to create fiscal space while promoting foreign direct investment in economic zones and laying out foundations for a digital economy that will enable the government and businesses to provide critical services during pandemics and similar future crises.

"We are working with the government on a robust pipeline for fiscal 2020-21 that will support the government's effort in overcoming the challenges of the pandemic."

For example, it is collaborating with the Bangladesh Bank to deliver the Tk 103,117-crore stimulus packages.

In fiscal 2019-20, the WB delivered \$2.3 billion in new financing for Bangladesh.

The WB is in talks with the Economic Relations Division on a new development policy operation to support a new set of reforms aimed at countering the impact of the rogue virus.

"Besides, we will continue our focus on



Mercy Tembon

investing in people through projects in skills development and health services, and providing safety nets to the poorest and the most vulnerable. We will also help Bangladesh build resilience in agriculture and other sectors as well as to adapt to climate change, and other sectors."

Furthermore, the Washington-based multilateral lender will continue the critical path on policy reforms and institution-

building necessary to improve the business environment and investment climate to create jobs and keep Bangladesh on a steady growth path, she said.

The WB's support for these reforms has been through a programmatic series of three operations amounting to \$750 million, of which \$500 financing has already been disbursed.

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## Pandemic downs garment shipments to a decade-low

REFAJET ULLAH MIRDHA

The unprecedented coronavirus pandemic has put a scar in apparel shipments as earnings from the country's main export item in the immediate past fiscal year fell significantly compared to anytime in the past decade.

The earnings declined 18.45 per cent year-on-year to \$27.83 billion in the outgoing fiscal year.

This is \$6.3 billion less than that of fiscal 2018-19 and falls \$10.37 billion short of the target set for fiscal 2019-20.

The target for the immediate past fiscal year was \$38.20 billion. Bangladesh exported \$34.13

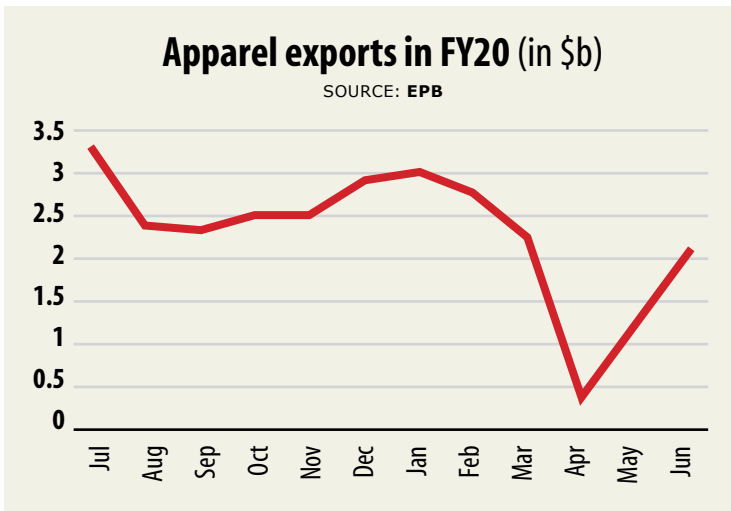
billion-worth apparel in fiscal 2018-19.

But, things are looking up.

In June, the final month of the immediate past fiscal year, the earnings were \$2.12 billion, according to data from the Export Promotion Bureau, customs and Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

June's earnings were 11.43 per cent lower than a year earlier but up 72.4 per cent from the previous month.

The sector experienced a historic low in shipments in April this year. Earnings from the garments sector reached only



\$0.37 billion, the lowest receipt since the sector started taking shape four decades ago.

Bangladesh's garment export of \$34.13 billion in fiscal 2018-19 was 11.49 per cent higher than the preceding year.

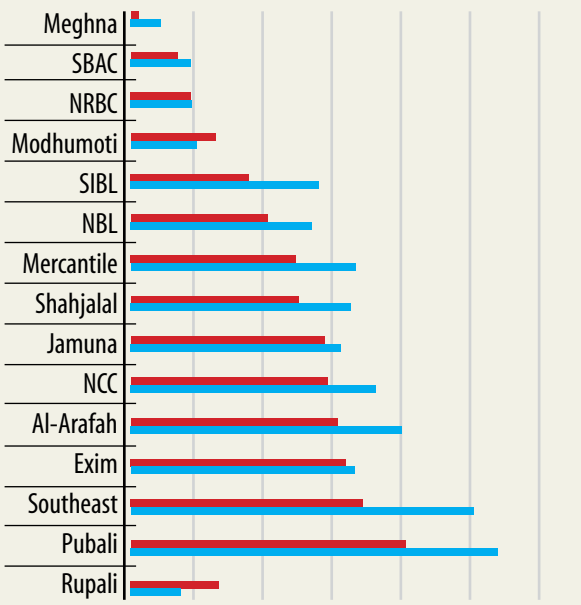
The compound annual growth rate of apparel exports during the past five years was 6.86 per cent. The rate is even higher for the past 10 years at 10.70 per cent.

The receipts from apparel, which typically makes up 84 per cent of national exports, was lower mainly because of two reasons fuelled by the pandemic coronavirus.

READ MORE ON B3

### Banks' profit in H1 of 2020

(in Tk cr) ■ 2020 ■ 2019



The floor price averted the slump, he said, adding that investors tried to sell the banking stocks that made lower profits but they failed to find any buyers.

"Whenever someone found buyers, they sold shares. We bought some banking stocks whose performance was better despite the pandemic," the merchant banker added.

The banking sector was the top-traded sector on the Dhaka Stock Exchange (DSE) yesterday, as investors rearranged their portfolio following the disappointing performance of finance shares.

The turnover in the banking sector was Tk 16.72 crore, accounting for 21 per cent of the total turnover in the country's premier bourse, which is higher than the 3 per cent registered in the previous session.

Banks announced their profit scenario through newspapers yesterday and this prompted investors to sell or buy the stocks depending on the performance, said a stockbroker. Among the listed 30 banks, Social Islami Bank, Pubali Bank and AB Bank rose, seven fell and the rest were unchanged.

"Investors did not find buyers, so many of them failed to sell. They think that banks' performance would worsen further in the upcoming months due to the lingering pandemic," the stockbroker added.

READ MORE ON B2

## BB orders banks to disburse all stimulus funds by next month

AKM ZAMIR UDDIN

The Bangladesh Bank yesterday cracked the whip on banks for their foot-dragging in implementing the stimulus packages for businesses, ordering them to disburse all funds within the next month.

The desired recovery from the ongoing economic fallout brought on by the coronavirus pandemic will not be possible if the stimulus package is not implemented on time, according to a central bank notice sent out to all lenders.

Lenders have been asked to implement the lion's share of the stimulus packages

within this month and the remaining portion by August.

The central bank came up with the decision after a virtual meeting with banks yesterday.

The managing directors of banks, whose portions of stimulus packages will depend on their past disbursement performance to respective sectors, took part in the meeting.

Banks have so far got approval from the BB to disburse loans worth Tk 4,100 crore under the stimulus package of Tk 30,000 crore for the large borrowers in the industrial and service sectors.

Small and medium enterprises have



got nearly Tk 200 crore in SME loans from the central bank's stimulus package of Tk 20,000 crore.

The central bank will provide half of the total amount of the two stimulus packages from its own sources in the form of refinance fund.

Businesses in the farm sector have so far managed to get only Tk 60 crore from the stimulus package of Tk 5,000 crore for them.

Marginal businesses have got only Tk 82 crore from the dedicated stimulus package for them.

READ MORE ON B3

## Pandemic was supposed to quash remittance. But inflows hit an all-time high.

AKM ZAMIR UDDIN

In recent years, remittance has become a pillar of strength for the Bangladesh economy. So when the global coronavirus pandemic hit, all eyes were on the remittance and whether its incredible momentum would sustain.

It was widely expected that the inflows from the 1.20 crore-odd migrant workers would drop off massively. But, in reality, the inflows seem to be swimming against the tide.

Remittance hit an all-time high of \$18.20 billion in the just-concluded fiscal year, giving much-needed breathing space to the government to manage the macroeconomic state of affairs hit hard by the ongoing financial whiplash.

The inflows were 10.87 per

cent higher than in fiscal 2018-19, according to data from the central bank.

Expatriate Bangladeshis sent home \$1.83 billion in June, the highest in a single month, eclipsing the \$1.74 billion that flowed in May last year.

The healthy flow of remittance pushed foreign exchange reserves to surpass the \$36-billion mark for the first time on June 30.

And what caused such remarkable performance seems to have left economists and analysts scratching their heads.

"There was no good reason for the sudden increase in remittance in June as the economies of the Middle East, home to a major portion of Bangladeshi expatriates, are still suffering from the meltdown," said Ahsan H Mansur, executive director

of the Policy Research Institute of Bangladesh.

Saudi Arabia has adopted austerity measures to manage the budget deficit amid a heavy fall in petroleum prices, he said.

Many state-backed projects in the

Gulf nation have come to a halt due to the fund shortage. And the country has cut salaries of the employees working in the public sector.

The price of petroleum products in the global market increased last month from April, but the hike is not

good enough to cause a quick rebound in the Gulf economies, he said.

Mansur apprehended that Bangladeshi workers were now sending their last savings before leaving their host countries for good.

"The Gulf nations have launched

a drive to send back illegal foreign workers. And they are now sending their deposits to families in advance," said Mansur, also a former high official of the International Monetary Fund.

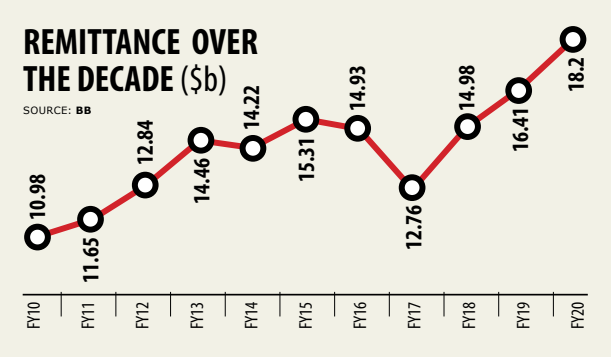
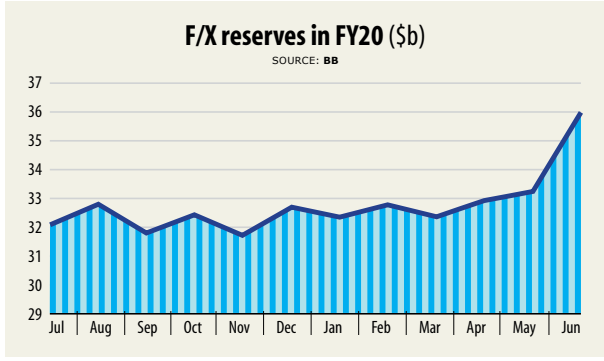
About 8-10 lakh Bangladeshi expatriates are waiting to come back to the country, he said.

However, Bangladeshi expatriates may still survive the onslaught of the pandemic-induced slowdown.

They may face fewer job cuts compared with their peers from other countries. And as they are lowly paid, they may be able to survive, Mansur said.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, echoed Mansur, saying expatriates might be sending money just before leaving their host nations.

READ MORE ON B3









## ACI Motors celebrates Yamaha's 65th anniversary

STAR BUSINESS DESK

ACI Motors, sole distributor of Yamaha motorcycles in Bangladesh, celebrated the 65th anniversary of the Japanese motorcycle manufacturer at Yamaha 3S Centre in Tejgaon on Wednesday.

Subrata Ranjan Das, executive director of ACI Motors, inaugurated the event where motorcycle enthusiasts and customers were in attendance.

Yamaha Motor Co started its journey in Japan in 1955. Their first production motorcycle was named YA-I. The company's modern motorcycle production has gained popularity across the world. Its other products include bicycles, fishing boats and golf carts.

The celebration also took place at 31 dealer points across the country. ACI Motors also distributed food among the underprivileged.

ACI Motors is also Yamaha's technical collaboration partner in Bangladesh. As a subsidiary of ACI, ACI Motors started its journey in 2007. There are more than 70 3S (sales, service, spares) dealer points of ACI Motors across the country.

## Thailand unlikely to join Asia-Pacific trade pact this year

REUTERS, Bangkok

Thailand will take until September to study whether to join a trans-Pacific free trade agreement, potentially missing a window for entry this year amid widespread concern that joining the pact may harm its farm and healthcare sectors.

Thailand's commerce ministry has said joining the 11-member Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) would boost the country's economy and offset the impact of the coronavirus outbreak, while making sectors including electronics and agriculture more competitive against rivals like Vietnam and Malaysia, both CPTPP members.

Opposition parties and some civil groups oppose membership, saying tariff-free access to other CPTPP members could lead to a flood of agricultural and pharmaceutical imports and hurt those industries in Thailand.

A parliamentary committee will study the costs and benefits of the CPTPP by mid-July. But the committee needs two more months to finish its study, chairman Werakorn Khumprakob told Reuters.

## Small business owners hold their breath post-confinement

AFP, Paris

After months of economic turmoil triggered by the long coronavirus lockdown, battered small and medium-sized businesses are attempting to pick up the pieces.

The post-confinement world remains a deeply uncertain one, with many business owners battling for survival and hoping they can hang on long enough to benefit from an economic upturn, when it comes.

Lockdowns brought activity in countless sectors grinding to a halt, forcing governments to make available billions in aid to see them through the worst of the crisis.

Such businesses form the backbone of many national economies and are therefore vital to the resumption of activity which the International Monetary Fund forecasts will be more sluggish than hoped for as recession looks sure to bite.

The picture emerging from a swathe of AFP interviews with professionals in a range of industries across the world was initially very bleak -- but some now see tentative reasons for optimism.

Among those daring to hope for better times is Rubel Ahmed, 40, the owner of Dibbo Fashion, a sweater factory at Ashulia, a major Bangladeshi garment and textile manufacturing hub just outside the capital Dhaka.

The married father-of-two set up the factory in 2013 and employs nearly 300 workers. He annually exports some \$5

million of goods -- much of it to retailers in Spain, one of Europe's countries worst-hit by the virus.

"There were countless times I even prayed to Allah for improvement of the virus situation in Spain," he told AFP at an empty factory on April 6 after a lockdown that started on March 26.

Some 84 percent of Bangladeshi exports are garment-orientated in a country where much employment is informal.

The pandemic caused \$3.2 billion worth of orders for Bangladeshi goods -- destined for top Western retailers such as H&M, Primark and JC Penny -- to be delayed or cut altogether.

Ahmed feared for his firm's future as he monitored news from Spain on a daily basis.

But on June 18, interviewed again post-lockdown, he was feeling confident.

Nearly all his staff were busy ahead of a first post-virus shipment since exports were halted in January and "so far everything is running smoothly," he said.

Despite making a loss, and taking out loans from family, friends and the government to pay staff wages during lockdown, Ahmed said proudly: "I didn't fire a single worker.

In fact, I appointed some 10-12 new workers to catch up with the shipment deadline.

"But he added: "If my shipments are refused and the crisis worsens, then, God forbid, I will be done with business. I will

not be able to bear all the losses and the loans on my accounts."

Swanky Manhattan may be a world away from Bangladesh -- but COVID-19 did not spare New York-based dog spa, Biscuits & Bath.

Prior to the virus, the firm employed about 220 people in 13 boutiques.

Late March saw the 20-year-old company close its doors and lay off the bulk of its employees.

But grooming services resumed in mid-April due to "overwhelming" demand, said marketing and sales manager David Maher, and business is now back to roughly a third of what it was.

Staff must follow strict protocols that include sterilising leashes, wiping down dogs as they come and go, and directing customers to text a few minutes ahead of pick-up and drop-off to minimise contact with workers wearing face coverings.

Biscuits & Bath averaged \$1-to-\$2 million turnover per month prior to COVID-19. Revenues are now on track to grow back to \$300,000 in June.

The company is confident it will survive because it has maintained contact with its long-term customers, new ones are coming onboard and other competitors may struggle for lift-off in the post-COVID landscape.

As a perennial favourite tourist destination, Paris has meanwhile suffered from the collapse in tourism worldwide.

Hotels such as the Celeste near trendy

Montmartre were forced to close for two months and even post-lockdown the reservations are barely taking off.

"When there are some there are often last-minute cancellations, the day before or even on the day itself," explains Khadija Radja, director of the independent art deco-style establishment with 30 rooms.

Early June saw restrictions on travel relaxed in France, the globe's premier tourist destination, and venues such as the Eiffel Tower have recently reopened.

But Radja, 49, says business is poor despite some price reductions. "People are still hesitating to come to Paris," says Radja, whose hotel has seen a 70-percent drop in business, forcing her to temporarily lay off six staff as she struggles to cope with fixed costs, as well as a loan for a 2.5-million-euro (\$2.8-million) renovation two years ago.

Only government support, including a loan guarantee, has kept her afloat she says, warning that "the crisis is not yet over".

Even the worst crisis has its winners. In Germany, Claus Mueller, 63, owner of the century-old firm Plexiglas Riesner in Wiesbaden, told AFP in March -- when the crisis was at its peak -- that there was more demand for protective plexiglass than his firm could handle.

"Things have definitely calmed down now. The protective screens were necessary to allow businesses to reopen, and most now have them so the situation has normalised," he said.

## Pandemic downs garment shipments to a decade-low

FROM PAGE B1

Primarily, thousands of retail stores were shut in the Western world and secondly, factories were shut in Bangladesh due to coronavirus.

However, the retailers in Europe and the US started reopening their stores from May.

As a result, garment shipments and production in the local factories are rebounding gradually.

A quarter-wise analysis of export performance reveals that the industry was already distressed with many challenges including an increase in the cost of production and stronger currency exchange rate, according to BGMEA President Rubana Huq.

The decline in export during the fiscal

year in actual amount is \$6.6 billion, which is around one-fifth of what Bangladesh exported last year.

A closer look reveals that of the \$6.6 billion, \$1 billion worth of export was lost in the first half of the year and the remaining \$5.6 billion in the latter half.

"We lost \$4.8 billion worth of export just in three months, i.e. April-June 2020. This shows the severity of the COVID's impact on the industry," Huq said.

According to global projections and forecasts by industry insiders, currently, the factories have orders equivalent to 55 per cent of their capacities on an average, which is expected to pick up a bit by the year's end, that is by 70 per cent of the

capacity by December 2020.

A long-term prediction may not be pragmatic in this volatile situation. Yet, it can be hoped that as much as 80 per cent of regular exports may be regained towards the middle of 2021.

However, concerns remain over the fact that factories are still struggling with cash flow and credit, with the amount of resulting unsettled liability/payables assumed to be about \$1.9 billion.

Since March, 179 factories were forced to shut down and more may follow the trail, Huq told The Daily Star.

Garment exports started rebounding because of the reopening of the economies in Europe and the US, said Ahsan H

Mansur, executive director of Policy Research Institute (PRI).

However, some reforms are needed in the garment sector and the BGMEA has been trying to bring those about, he said.

For instance, Bangladesh is much too dependent on cotton fibre-based garment items and needs to make garment items from manmade fibres.

Only five basic items comprise nearly 80 per cent of the exports and at least 50 such items should be developed, he said.

Mansur, who is also a former economist of the International Monetary Fund, also suggested grabbing more export destinations in Asia, Central Asia and Latin America along with Europe and the US.

## Pandemic was supposed to quash remittance. But inflows hit an all-time high.

FROM PAGE B1

The economies of both the Middle East and Europe have recently opened and this might have pushed the remittance up.

The Gulf economies are rebounding, which has played a role in boosting the remittance flow, he added.

The 2 per cent incentive for the remitters since the initial period of last fiscal year has had a good impact on remittance flow, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

The repatriation of workers has had a positive effect on remittance for the time being.

"We need 2-3 months more to say whether the inflow will continue in the months to come," said Rahman, also a former chairman of the Association of Bankers, Bangladesh, a forum of the CEO of private banks.

The upward trend of remittance boosted the country's foreign exchange reserve to a great extent last month.

In May, the reserves ballooned to \$34 billion before swelling up to \$36 billion, also aided by lower-than-expected imports.

"We have never seen such a growing

trend of the reserve in a month. This is quite good given the ongoing recession," said a Bangladesh Bank official.

Lower imports and soft loans provided by the multilateral lenders have helped widen the reserve.

The Asian Development Bank approved an additional \$500 million loan to strengthen the Bangladesh government's efforts to manage the impact of the coronavirus pandemic on the country's economy and public health.

The International Monetary Fund (IMF) sanctioned \$732 million and the World Bank \$1.05 billion.

The central bank is also buying dollars from banks amid a decline in imports, helping the BB to augment the reserves.

The BB purchased \$50 million on June 30 to inject the local currency. This will help banks enjoy adequate liquidity during the meltdown, Mansur said.

The rising remittance trend might not last in the coming days if a recent projection of the IMF comes true.

Continued remittance weakness in the coming months will lead to a 7 per cent fall in fiscal 2020-21, it said.

## bKash users can now send money to non-account holders

FROM PAGE B4

Launched in 2011, bKash operates as a payment service provider that offers a broad range of digital financial services. During the ongoing pandemic, it has added around 40 lakh customers, bringing its total client base to 4.43 crore.

The company disbursed the salaries and wages of workers at more than 1,000 garment factories during this period as well.

Despite the sluggish inflow of remittance through regular channels amid the Covid-19 outbreak, the value of remittance sent home by Bangladeshi expatriates through digital or wallet-based money transfer services has risen.

In April, Bangladeshi expatriates transferred

more than Tk 100 crore through bKash, up from Tk 27 crore in March.

Another service unveiled by bKash during the pandemic allows users to pay water bills in Dhaka, Chattogram and Sylhet.

Around 15 lakh distressed families received Prime Minister Sheikh Hasina's cash aid through the MFS provider and more than 1.2 million secondary-level students received stipends before Eid.

bKash recently launched Visa and Amex credit card bill payment services. Customers can add or send money from bKash accounts to 14 banks that issue local VISA and Mastercard.

Although people's reliance on mobile

financial services rose during the pandemic, the amount of transactions made daily slightly decreased, thanks to the lockdown, which stalled the economy.

Transactions made through MFSs totaled TK 29,029.14 crore in April, down from TK 39,785.23 crore in March.

Average daily transactions fell 24.6 per cent to Tk 967.64 crore in April from March, when it was Tk 1,283.39 crore.

However, the number of registered clients increased 3.1 per cent to around 8.51 crore in April from a month ago, according to data from the Bangladesh Bank. Of them, 2.81 crore users are active now.

## BB orders banks to disburse all stimulus funds by next month

FROM PAGE B1

The central bank will distribute the whole of Tk 8,000 crore of the two stimulus packages from its own sources by constituting separate refinancing schemes.

Even though lenders have been showing a reluctant attitude in giving out loans, borrowers are repeatedly seeking funds from banks.

Lenders will get loans at the highest interest

rate of 9 per cent from the package.

For instance, the SME clients can take working capital at 9 per cent interest from the stimulus package for the sector. Of the interest, 4 per cent will be borne by the borrowers and 5 per cent by the government.

The economy will not get the expected recovery from the ongoing meltdown if lenders continue to show unwillingness in implementing the

packages, a central bank official said.

Some banks think that their disbursed loans will become defaults if they give out funds at this moment.

"But such a situation will create a vicious cycle for them. They will only protect their financial health by way of disbursing loans since this is the single path to ensuring desired profits," the official said.

## A policy brief to accelerate technology delivery in agriculture

FROM PAGE B4

Recently, it has been made mandatory for the agro-input dealers to get a diploma from KVKs to qualify as the dealership.

The Agricultural Technology Management Agencies (ATMA) works at the district level with the support of the government of India.

Initiated by the National Agricultural Technology Project (NATP) in 2004, the ATMA's mission is to implement the agricultural technology plan of the government of India under the ministry of agriculture and farmers welfare.

The ATMA has a state-level management committee and working committee where state agricultural universities (SAU), KVK and ICAR institute and farmers' advisory committee are the part of the decision-making and implementation plan with different ministries at the state level.

There is a successful model in the US where land grant universities provide cooperative research and extension services.

In Bangladesh, agricultural universities are provided with research funding from different sources like BARC, Krishi Gobeshona Foundation (KGF), University Grants Commission (UGC) etc.

This supports universities in their development of knowledge and technology, which is useful for addressing production constraints. This service needs to be utilised to the fullest by the extension system.

Bangladesh has experience of developing research and extension coordination through project support since 1996 involving crops, livestock and fisheries.

However, the nodal platforms at the upazila level did not sustain.

A model for formalising agricultural education-research-extension coordination is

proposed here.

In developing this model envisaging active participation of the universities having knowledge, expertise and technologies, past and present experiences have been reviewed.

Also, past lessons on coordination and linkage systems in Bangladesh and experiences of some other countries have been taken into consideration.

The proposed model seeks to pool the knowledge, skills and technologies at the disposal of the research centres, i.e. the universities and NARS institutions into one platform and utilise these through the extension services and to ensure pluralistic, participatory, quick and reasonable returns from the huge investments the country makes in the universities as well as in the NARS institutes and private sector.

The ERE will mostly be responsible for the efficient cycle and recycling of technology development, refinement, validation and feedback among research, extension and education centring the producer.

**STRUCTURE OF THE NODAL PLATFORMS AT DIFFERENT TIERS**

In the ERE mechanism, the National Executive Body (NEB) will be the central framework with the authority and responsibility to formulate policies and plans, set research and extension priorities and provide implementation guidelines to field level actors through the regional executive body for ERE linkages and coordination in agriculture.

The national executive body will be chaired by the executive chairman of BARC.

The director (proposed to be upgraded to member director) of TTMU will act as member secretary, director generals (DGs) of NARS institutes, DGs of extension departments

(Department of Agricultural Extension-DAE, Department of Fisheries-DOF and Department of Livestock Service-DLS), a high-level academic representative of UGC, Department of Marketing (DAM), Bangladesh Agricultural Development Corporation (BADC), development partners, relevant NGOs and private organisations will take part.

TTMU of BARC will coordinate the affairs of the national executive body, including the planning and execution processes, fund accumulation and distribution, guidance for the regional executive body.

The major function will focus on the following:

- Coordination among different actors
- Set research/extension priorities
- Evaluation of the technology transfer process and identify constraints

The Regional Executive Body (REB) will be represented and coordinated by TTMU of BARC, regional research stations under NARS, director of research and extension of a regional university, extension departments in the region, BADC, DAM, Agricultural Information Service (AIS), NGO and private sector.

REB will have the structure and authority to oversee ERE coordination at the regional level in light of the guidelines and directives provided by the national executive body.

The prime job will be to strengthen BARC with adequate financial and institutional capacity and upgrade TTMU to be supported by leadership capacity.

The REB will focus on the following function:

- Technology and or knowledge transfer to end-users through line departments until grassroots (union).
- Act as a common platform for coordination among universities, research

institutes, extension organisations and other development actors

· Management of REMU and budget accumulation and disburse to REMU  
**CONCLUSIONS AND RECOMMENDATIONS**  
Agricultural education, research and extension (ERE) deliver best in terms of boosting agricultural production and net farm income when they function in a coordinated and complementary way.

The existing ERE linkages in Bangladesh need to be strengthened and the agricultural research and extension systems are functioning mostly under separate administrative and management units.

There is a compelling need for strengthening the ERE linkages for bringing accountability and efficiency of research resources through better coordination of the actors under a rational and functional coordination mechanism.

It is evident that policymakers and education, research and extension leaders are keen to develop a formal structure to establish a meaningful ERE coordination.

Performing its routine jobs, line departments and actors will continue one additional responsibility to serve in the linkage mechanism for technology refinement, validation, feedback and dissemination.

The agricultural universities are the centres of agricultural education, are makers of the professionals who ultimately man the NARS institutions and extension agencies, they generate knowledge and develop technologies, the faculty members are involved in agricultural research projects entailing huge investments from domestic resources and international assistance.

Yet, the universities have so far remained rather alienated from the national research-

extension continuum.

It is high time that the universities are brought under the umbrella of an ERE linkage-coordination system to tap the potential, add value to returns from the investments.

With the lessons being learnt under present pandemic and consequent impact in agro-based livelihood and future food security, it is essential to utilise all frontiers of innovations, including innovative marketing to win the battle of today and tomorrow.

Reviewing the existing institutional arrangements related to agricultural ERE and considering the need for strengthening the linkage for agricultural development, a model for coordination is proposed.

With the mandates notated in BARC Acts 1996 and 2012, BARC is authorised to coordinate overall agricultural research across different disciplines.

It is proposed that BARC through its TTMU take the lead role in coordinating research and technology transfer across all disciplines of agriculture.

The TTMU of BARC may be supported with strong scientific manpower with managerial skills and adequate funding to coordinate education, research and extension.

As a pilot test of the model, a regional university (say Patuakhali University of Science and Technology and or Bangladesh Agricultural University) may house the REMU partnering with regional research stations and public, NGO, private extension agencies and assist in the coordination work.

The technical, financial and managerial support for this may come from TTMU of BARC.

*The writer is the former executive chairman of Bangladesh Agricultural Research Council*



# EBL introduces export factoring solution

*Becomes the first bank to provide the new financing method for exporters*

AKM ZAMIR UDDIN

Eastern Bank (EBL) yesterday rolled out a novel export factoring solution -- just the day after the central bank issued the guideline for it -- as part of its efforts to reduce the risks that Bangladeshi exporters face when it comes to collecting their goods' worth.

Called the export factoring solution, the new method will also help exporters avail payments faster than what current practices allow.

EBL is the first lender in Bangladesh to introduce it. The bank signed a letter of intent with German-headquartered trade finance provider Tradewind GmbH on Wednesday to make the service initially available to the country's garment exporters.

Under the agreement, the bank will collaborate with Tradewind for export factoring where local exporters will be able to obtain their deferred receivables from overseas importers, said an official of the lender with a strong understanding on the matter.

The process is faster, more secured and will protect the interests of Bangladeshi exporters while supporting the garment sector's ambitions in becoming a leader in the textile manufacturing and sourcing world.

This new method is a form of payment guarantee for exporters.

The country's exporters currently have to undertake sales contracts without payment guarantees from foreign importers. As a result, exporters face the risk of payment defaults by importers.

Under the factoring solution, Tradewind will provide the payments to the exporters on behalf of the importers.

Exporters will get their earnings soon after their products are shipped.

The factoring solution would keep exporters free from the risk of a payment default.

This means Tradewind will provide the payments to the exporters irrespective of whether the importers make the payments on time or not.

Meanwhile, insurance companies will



cover the risk of Tradewind.

An exporter currently has to wait for anything from 15 to 20 days to up to several months to get paid for their goods, but the latest method will help them avail it just after the products have been shipped.

The costs by exporters against payment

undertaking or payment risk coverage and interest with relevant charges for early payment shall not exceed a six-month London Interbank Offer Rate (LIBOR) plus 3.50 per cent annually, according to the central bank notice.

The initiative will provide huge relief to the country's exporters as they will be able to conduct business without the fear of being left unpaid, said Ali Reza Iftekhar, managing director of EBL, whose export volume is now about \$1.5 billion per year.

"Initially, we will provide the facility only to our clients. Customers of other banks will get support from the factoring in the near future by way of using our platform."

Tradewind is also a company with a good reputation and track record, Iftekhar said.

The company is regulated by the German Federal Financial Supervisory Authority, which began its journey 20 years ago and has since expanded its global presence to over 20 offices across 13 countries in four continents.

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## Import through Benapole remains suspended for second day

*C&F agents continue protests as India refuses to accept exports from Bangladesh*

OUR CORRESPONDENT, Benapole

Imports through Benapole remained suspended for the second day yesterday, as the port's clearing and forwarding agents went for protesting against India's bar on exports from Bangladesh.

Five organisations of port users sat in an emergency meeting yesterday and decided to continue with the protest unless India opens gates for Bangladeshi exporters.

The biggest trade channel between the two neighbouring nations was reopened for business on June 7 after remaining closed since March 22 on coronavirus fears.

India started sending trucks laden with goods when trade resumed, said Mamun Kabir Tarafdar, deputy director of Benapole Port Authority, adding that 4,188 Indian good-laden trucks have entered through Benapole so far.

But the neighbour did not allow any export truck from Bangladesh to enter Petrapole since June 7.

India even refused to take back the trucks that came from Petrapole and entered Benapole some days before the imposition of a lockdown on March 22, he said.

Just before the shutdown of the border, 200 Indian trucks entered Benapole and 75 Bangladeshi ones went the other way.

Since then, India's Border Security Force (BSF) has been refusing to allow any of the 275 trucks to go back to their origins after releasing their goods, as it believes the vehicles may spread coronavirus.

Moreover, though the BSF allowed the drivers and helpers of all 75 Bangladeshi vehicles to return home, they are not accepting the Indian drivers.

The empty Indian trucks are now occupying the parking sheds, creating a traffic jam and obstructing the release of newly imported goods, said Kalim Uddin, a leader of Benapole Port Workers Union.

"We had a small amount of money in our pocket that we received as truck rent while entering Bangladesh three months ago. We are now struggling to buy food. Moreover, we have to sleep inside our trucks, as we are not allowed to go outside the port," said Indian truck driver Sushant Kumar.

The port authority has been providing food to the Indian truck drivers, but still, it is not enough to feed all of them indefinitely, said a port official.

In fiscal 2019-20, India sent goods through Benapole worth Tk 35,000 crore, which is much higher than its annual target of Tk 30,000 crore, said Akram Hossain, assistant commissioner of Benapole Customs.

Bangladesh was also on course to reach its target of Tk 2,000 crore in export earnings through the port.

"But the coronavirus and Indian ban spoiled the momentum. We will surely miss the target this year," he added.

From India, Bangladesh mainly imports basic agricultural products, capital machinery, industrial raw materials, raw materials for garments, motor parts, motor vehicles, MS billets, paper, paper board, industrial chemical, polyester chips, tyre, tubes, beverage concentrate, synthetic fabrics, pharmaceutical raw materials, fresh fish and cosmetics.

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People are seen producing jute sacks at state-owned Crescent Jute Mills at Khalishpur in Khulna on June 27. The jute mill labourers will fall into a deep trouble as the government has decided to shut all 25 state jute mills by today and lay off 25,000 permanent workers with golden handshakes. Besides, those who retired since 2014 will be given lump sums. But there is nothing for the temporary workers. The Khulna-Jashore industrial belt alone has nine jute mills, which have 8,100 permanent and 30,000 temporary workers.



DIPANKAR ROY



## Samsung unveils offers for Eid-ul-Azha

STAR BUSINESS REPORT

Samsung Bangladesh has unveiled a raft of new offers, including up to Tk 2 lakh cashback on the purchase of a television set, for this year's Eid-ul-Azha campaign.

The campaign -- Ashbe Eid Hashbe Ghor -- will feature bundle offers that will be available across the country for the entire month of July to bring some joy to customers amid the ongoing coronavirus pandemic, the company said in a press release.

The bundle offers a 50 per cent discount for the 'Sound Bar' product, provided customers purchase it alongside a 50-inch, or above, television set.

Customers can also enjoy an additional discount of up to Tk 5,000

if they buy a television set alongside a refrigerator or washing machine.

The South Korean multinational electronics company is also providing an exchange offer that allows customers to pay up to Tk 20,000 after trading in their old set to walk out with a brand-new television.

**SAMSUNG**

"The ongoing pandemic is wreaking havoc in our lives. So, on the occasion of Eid-ul-Azha, we would like to stand beside our customers and provide them with offers that will increase their accessibility to various appliances and help them navigate this crucial

time," said Shahriar Bin Lutfor, head of business and consumer electronics at Samsung Bangladesh.

Samsung is also providing cashback offers of up to Tk 40,000 on the purchase of refrigerators. Customers can also avail an exchange offer by making a maximum payment of Tk 24,000.

There is a 50 per cent discount on microwaves when bought alongside a refrigerator. A maximum discount of Tk 2,000 is being given on just microwaves.

If customers are planning to buy air conditioners to beat the smoldering heat, they can easily do so with a cashback offer of up to Tk 5,000 as well. Meanwhile, up to 10 per cent cash back will be extended on washing machines, the press release said.

## bKash users can now send money to non-account holders

MAHMUDUL HASAN

bKash has rolled out a new facility that allows people to transfer funds to non-account holders, in a move that may cut reliance on cash and increase the mobile financial service's (MFS) accessibility.

The service is part of a host of measures taken by the non-banking financial institution to support customers amid the ongoing coronavirus pandemic.

"It will make life easier for our customers since they can now complete almost any transaction, such as paying bills or transferring money online to avoid the risk of going outside," said Shamsuddin Haider Dalim, head of corporate communication at bKash.

Interested individuals can avail the service through the bKash app or by dialing \*247#.

bKash has been providing many services to customers and it is easier for its customers to complete transactions



because it has thousands of agents across the country, said Dalim.

However, the recipient of the funds transferred through the app will have to open a bKash account within 72 hours if they wish to withdraw the money. If they fail to do so, the money would return to the senders' account within three working days.

Sometimes, emergency funds are needed to be sent from one party to another but the recipient may not have a bKash account. "Therefore, this new service will encourage recipients to open a new account," Dalim said.

After opening an account to receive funds, the new customer would be

able to avail other services such as mobile recharge. In order to make the service more attractive, bKash is offering Tk 15 cashback on the money sent through the platform until September 30.

Customers can enjoy a total cashback of up to Tk 500 per month. No charges would apply to send money to non-account holders.

A bKash customer needs to enter the recipient's mobile phone number and the amount to be transferred on the app. The app would then ask for the customer's security PIN before disbursing the funds.

The beneficiary would be notified via a text message, which will contain a download link for the bKash app.

After the download is complete, the recipient would be able to create a bKash account. In order to avoid accidental transfers, senders can cancel the 'Send Money' request within the 72-hour timeframe.

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## A policy brief to accelerate technology delivery in agriculture



WAIS KABIR

Agricultural research and extension services in the country achieved momentum during the green revolution campaign that started in the early 1970s with strong support and guidance from Bangabandhu Sheikh Mujibur Rahman, who envisioned the expedient development of Bangladesh as a nation free from hunger and poverty.

Since then, with the help of new research-extension knowledge and paradigms, the agriculture sector has played a crucial role in national economic development and alleviation of hunger and poverty in the country.

Today, the growing demands for food and other necessities require the agriculture sector to deliver further by substantial production boosts through intensification and strengthening of agricultural education, research and extension by the universities, National Agricultural Research System (NARS) institutions, extension departments, NGOs and private organisations.

The agricultural research is getting more complex, knowledge-intensive and demanding now under the circumstances of challenges.

Lack of coordination among the actors involved in research extension system is highlighted in most of the policy documents of the government.

A formal, well-organised institutional mechanism for coordinating the education-research-extension (ERE) functions is essential to meeting the diverse needs in crop, fisheries and livestock subsector as well as emerging agro-entrepreneurs to improve productivity, enhance farm incomes and foster agribusiness in Bangladesh.

The country along with the world is

facing sudden shock due to pandemic.

Climate change, a slow-acting process in one hand, and current pandemic on the other extreme are impacting the production and post-production system.

Considering this, it is high time to accelerate the dissemination process of farm solutions, thus reducing the time lag and quick application of technological interventions through the participation of all actors.

Bangladesh Agricultural Research Council (BARC) has been established to coordinate research and allocate resources to NARS and universities.

It also has the mandate to review the extension process of farm technology and promote technology transfer.

For this, the Technology Transfer and Monitoring Unit (TTMU) has been introduced. However, it is constrained with inadequate staff.

Different countries have developed ERE coordination mechanisms in keeping with their needs and aspirations.

The Indian Council of Agricultural Research (ICAR) provides research and extension support to State Agricultural Universities (SAUs) and coordinates agricultural education, research and extension.

At the zonal level, the Agricultural Technology Application Research Institutes (ATARIs) oversee the performance of KVKs (Krishi Vigyan Kendra -- farm science centre) through ICAR.

The mandate of KVK is technology assessment and demonstration for its application and capacity development.

At present, there are more than 700 KVKs in operation with SAUs, ICAR institutes and non-governmental organisations.

Technology refinement, validation and dissemination for all sub-sectors of agriculture are looked after in this mechanism.

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