

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.44%	▲ 0.53%	\$1,784.00	\$42.80	▲ 0.50%	▲ 0.72%	▲ 0.62%	▲ 2.01%	BUY TK 83.95	93.35	103.76	11.65
3,986.74	6,854.46	(per ounce)	(per barrel)	36,021.42	22,306.48	2,652.94	3,152.81	SELL TK 84.95	97.15	107.56	12.25

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Star BUSINESS

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Internet blackout for a couple of hours every week is a real possibility from next month

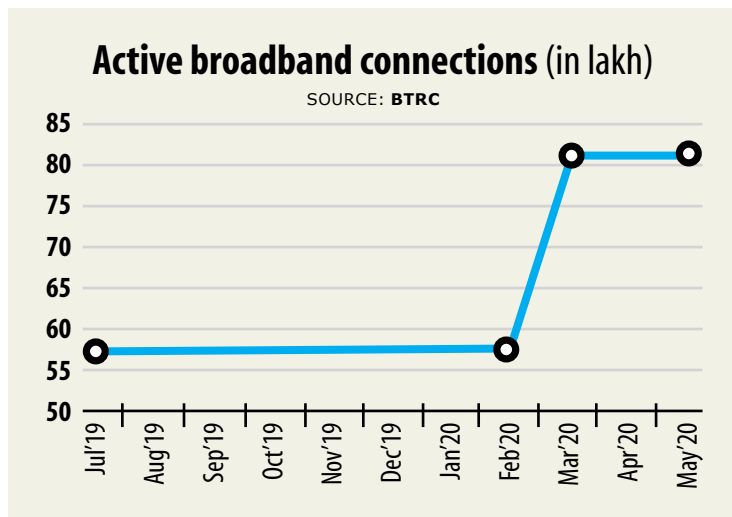
Service providers aggrieved over VAT burden dumped on them

STAR BUSINESS REPORT

Broadband service providers are threatening to observe weekly service shutdowns of one or two hours across the country if a uniform rate of value-added tax (VAT) was not brought about for them and their customers by July.

Until 2017-18, the end-users paid a 15 per cent VAT on their internet usage while the internet service providers 15 per cent on their bandwidth purchases and another 15 per cent on purchases they made for transmission purposes.

In fiscal 2018-19 the government first made it 5 per cent for all. Later, it was made 5 per cent for the users but 15 per cent for the service providers.



In a virtual press conference yesterday, the Internet Service

Providers Association of Bangladesh (ISPAB) said the two types of VAT they paid had increased their business costs by about 30 per cent.

Moreover, any rate less than 15 per cent was not eligible for rebates so the government should either withdraw VAT for all or bring in the same rate for all, be it 5 per cent or 15 per cent, the ISPAB said.

If the government did not do something about this VAT policy of

Fiscal	VAT in different level	Effect
Up To 2017-18	IIG level 15% Transmission 15% User level 15%	Equal charge for everyone
2018-19	IIG level 15% Transmission 15% User level 5%	Charge reduced for user but cost of service increased
January 2019 (revised with SRO)	IIG level 5% Transmission 5% User level 5%	Equal charge for everyone
2019-20	IIG level 15% Transmission 15% User level 5%	Charge reduced for user but cost of service increased
2020-21	IIG level 15% Transmission 15% User level 5%	Charge reduced for user but cost of service increased

the National Board of Revenue, they will have no option but to make customers foot this bill, it said.

The VAT policy has been bleeding them for more than a year, said ISPAB President MA Hakim.

"We have no intention to increase any fees as the internet has now become a basic need for people in this digital era but

our backs are against the wall. To avoid incurring the charge we are seriously considering a countrywide symbolic internet shutdown."

The association will wait for government response in July and continue with their course of action after discussions with members.

READ MORE ON B3

Banks in Bangladesh have the lowest capital base in South Asia

AKM ZAMIR UDDIN

The capital base of Bangladesh's banking sector is much weaker than in peer countries -- a situation that not only highlights its frailty but also the heightened vulnerability amid the coronavirus pandemic.

Capital adequacy ratio (CAR) is the reflection of all financial indicators of banks, including the ratio of defaulted loans, the capability of keeping provisioning against regular and classified loans and the actual situation of corporate governance.

The CAR is a measurement of a bank's available capital expressed as a percentage of risk-weighted credit exposures.

Banks in Bangladesh maintained the CAR at 11.60 per cent last year, way less than 17 per cent in Pakistan, 16.5 per cent in Sri Lanka and 15.1 per cent in India.

This means the banking sector is weaker than the lenders in neighbouring nations. But banks would be in a better position to tackle the ongoing economic fallout brought on by the coronavirus pandemic if they could manage a strong capital base.

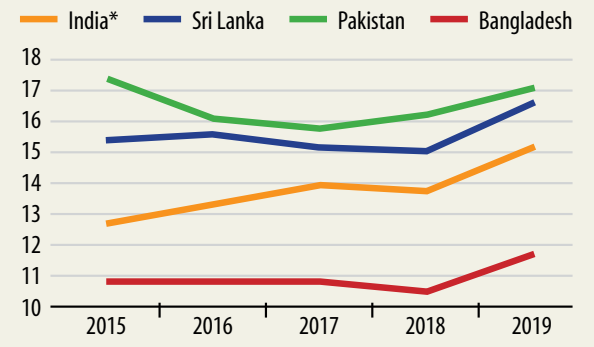
"Capital adequacy is the topmost component of the CAMELS rating for banks. And this reflects the overall financial health of lenders," said Salehuddin Ahmed, a former governor of the Bangladesh Bank.

CAMELS -- which stands for capital adequacy, asset quality, management, earnings, liquidity and sensitivity -- is a recognised international rating system used to rate financial institutions as per six factors represented by its acronym.

The high volume of defaulted loans is the main reason behind the lower CAR in Bangladesh, according to Ahmed.

Capital adequacy indicators in South Asia (in %)

*as of Sep; SOURCE: BB



Banks have to keep a large amount of provisioning against the defaulted loans that ultimately hit the capital base. This has also tarnished the image of the sector among foreigners and the lenders of the outside world will show reluctance in doing business with local banks as well, he said.

The BB took initiatives to implement the Basel III guidelines by 2019 as part of its effort to bolster the banks' capital base.

Basel III is an internationally agreed set of measures developed by the Basel Committee on Banking Supervision in response to the global financial crisis of 2007-09 to improve regulations, supervisions and risk management within the banking sector.

As per a roadmap unveiled by the BB in 2014, banks were supposed to push up the minimum CAR to 12.5 per cent by December 2019 from 10 per cent then.

Of the 58 banks, 43 met the standard by the deadline. As of December, the CAR of foreign banks was 24.45 per cent, private banks' 13.62 per cent and state banks' 4.99 per cent, data from the central bank showed.

State-run banks are largely responsible for the lower CAR in the banking sector.

"This is not the real picture of the CAR as the indicator would have worsened further if banks had followed the rules and regulations on loan classification and provisioning properly," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

Defaulted loans had not increased too much in the banking sector last year because of the central bank's relaxed rescheduling facility and special permission given to regularise defaulted loans, he said.

Banks have widened the capital base on the back of the relaxed loan rescheduling policy, which allowed defaulters to reschedule classified loans with a down payment of 2 per cent of the outstanding amount instead of existing 10-50 per cent.

The central bank also allowed banks to reschedule a large amount of defaulted loans by granting special permissions on a case-to-case basis.

READ MORE ON B3

Jute farmers begin harvest with wind out of their sails after BJMC's shuttering

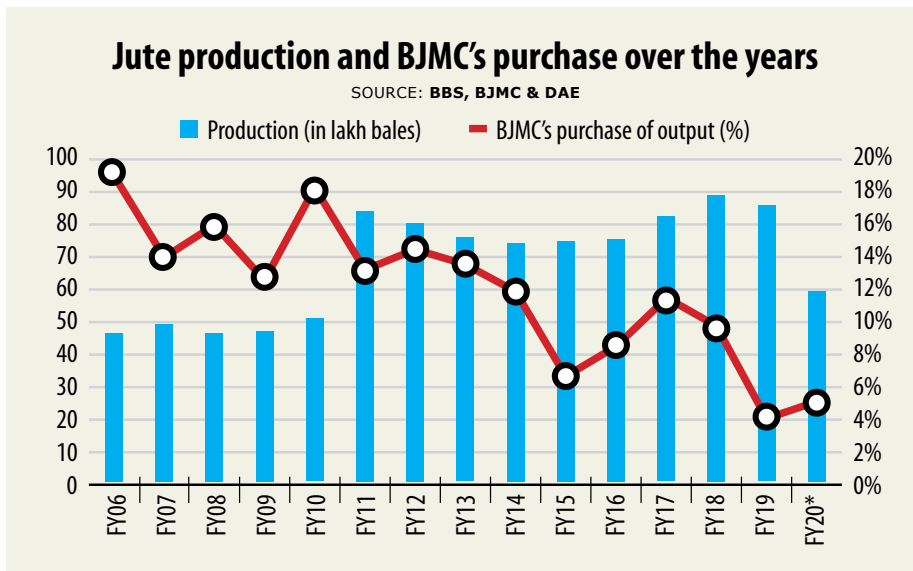
SOHEL PARVEZ

Farmers are set to start harvesting jute by the end of this month and for the first time since Bangladesh's independence, none of the natural fibre will be bought by the world's largest state-owned jute goods maker and exporter, the Bangladesh Jute Mills Corporation (BJMC).

The government completely shuttered 22 jute and three non-jute mills under the BJMC from July 1 and will be giving the golden handshake to 24,886 workers in a bid to end the continuing losses to the state exchequer.

The declaration comes just before the beginning of the full-swing harvest of jute, raising concerns among growers.

"This is going to affect us. Prices are likely to drop and subsequently production because of the closure of jute purchase by the BJMC," said Md Fazlul Hoque Sarker,



president of the Bangladesh Jute Growers Association (BJGA), over the phone yesterday.

It is not right to close all the mills altogether without creating an alternative arrangement. It would have been better for farmers and workers had there been gradual modernisation and closure, Sarker added.

Jute production has risen in the past decade.

Farmers produce nearly 80 lakh bales of jute annually as a cash crop to profit from the purchases by state-owned and private jute mills as well as raw jute exporters.

This year farmers have increased their area of cultivation by 8 per cent year-on-year to 7.20 lakh hectares, showed data from the Department of Agricultural Extension.

READ MORE ON B2

Govt looks to simplify rules as FDI plummets 13.8pc

REJAUUL KARIM BYRON and MD FAZLUL RAHMAN

Gross inflow of foreign direct investment to Bangladesh fell 13.8 per cent to \$3.73 billion in the first 11 months of last fiscal year, largely owing to the coronavirus pandemic, which came as a shock to foreign investors.

The drop would sound out a warning bell to Bangladesh as it would have to make its laws simple and incentives attractive to attract foreign investors as it seeks to draw FDI moving out of China in the wake of the epidemic.

Gross FDI receipts were \$4.33 billion

during the same period a year earlier, Bangladesh Bank data showed. Net FDI dropped 19.04 per cent year-on-year to \$1.97 billion in the 11 months.

The fall in FDI was expected as the United Nations Conference on Trade and Development last month forecast that global FDI flows to decrease by up to 40 per cent in 2020, from their 2019 value of \$1.54 trillion, because of the pandemic.

This prompted the finance minister to write to the central bank last month to remove barriers in the banking sector to make investing in Bangladesh easier and

repatriating funds and profits smooth.

"The Covid-19 has created an opportunity for Bangladesh to attract increased foreign investment. To seize this opportunity, foreign investors have to be allowed to easily repatriate their investment money or profits or transfer them to other locations."

Possibility of investment or factories relocating from China has been created in the wake of the coronavirus pandemic, the letter said.

Many countries in the region such as India, Vietnam and Indonesia are simplifying rules, regulations, tax regime,

and banking systems to attract the investment moving out of China.

Ensuring smooth repatriation of investment and profits to home countries of the investors is prerequisite to creating a congenial environment for FDI.

So, related agencies should take immediate measures so that investors can repatriate the funds easily, the finance division said.

"To make it happen, simplifying banking activities, easing rules and regulations and making them time-befitting and their applications are important."

READ MORE ON B2

Online cattle sales poised to level up for pandemic this Eid

MAHMUDUL HASAN

As coronavirus pushes shopping online, e-commerce and f-commerce platforms are betting big on selling cattle digitally for the upcoming Eid-ul-Azha to get a slice of the cake of a market in which over one crore livestock are sold during the festival.

Makeshift markets for selling animals for Qurbani are expected to be less crowded this year as social distancing is set to bear paramount importance in fighting the lethal pathogen.

Several online platforms have already started campaigning with offers of "full-service Qurbani" as authorities in different cities are allowing fewer Qurbani haats compared with previous years.

Meat provider Bengal Meat has recently launched its online Qurbani haat at qurbani.bengalmeat.com.

"Though we have provided seamless service to our customers for the past five years, we have taken a different strategy keeping in mind

the issue of social distancing and health risk during this hard time of coronavirus," said Sharfuddin Ahmed Chowdhury, head of sales, marketing and distribution of Bengal Meat.

People just have to choose the cattle on Bengal Meat's site and the rest -- halal Qurbani, meat processing -- will be done through the meat processor's team of professionals, he said.

Then the meat will be packed in three-kilogram units to be sent to the customers' homes.

"This will also minimise the health risk of slaughtering in open spaces and contamination during processing," he added.

The online payment option is also available at the website of Bengal Meat, which has been witnessing double-digit growth in this segment.

The online site works like any typical shopping site, allowing customers to go through a huge range of cattle to choose from.

A team of Daraz are currently working on profiling 350 bovines of five entrepreneurs



that would soon be uploaded on its platform.

Videos and written descriptions, including age, weight, number of teeth, colour and gender, will be available for every animal.

"For the coronavirus situation I think online sales of Qurbani cattle would boom," said Shayantani Twisha, head of PR, media and communications at Daraz Bangladesh.

Last year, Chinese e-commerce giant Alibaba's subsidiary Daraz sold 70 of the 180 cattle uploaded on the site.

"From select entrepreneurs, we bring 100 per cent organic cows for our customers," she added.

The story of Qurbani cattle trading by Kakoli Khan, the owner of Shuddho Krishi, an f-commerce site that sells a variety of products ranging from vegetables to fish, would inspire any new entrepreneur.

Last year, she sold 54 cows using her Facebook site. Every small farmer has one or two cows because it meets their demand for compost fertiliser.

READ MORE ON B3

With creches shut, mothers forced out of garment factory jobs in India

REUTERS, Chennai, India

Every morning since her factory reopened after lockdown in southern India last month, garment worker Radha has woken to the same dilemma; leave her two young children alone at home or miss out on a day's pay.

Indian clothing factories resumed production eight weeks ago as the country's coronavirus restrictions were eased, but they have kept their creches shut, leaving working parents in the lurch and forcing some to give up their jobs.

"Parents were called by the management and simply told to stop coming to work as creches would be closed... There was no discussion and many were forced to quit," said Radha, 36, who goes by one name and works in Bengaluru, a major manufacturing hub in southern Karnataka state.

Radha, whose children are four and six, worked just 20 shifts during May and June - heading to the factory when her husband's income as a daily wage worker was not sufficient to cover the household expenses.

"I stayed home for days but then there wasn't much to feed my children and no money to pay rent and bills. So I left them alone, prayed they would be safe and went to work," she said.

Besides shutting the creche, Radha's factory is only using 30% of its normal workforce, partly due to reduced orders but also to comply with social distancing rules.

India's multi-million dollar garment industry, which employs at least 12 million people, is reeling from the impact of the pandemic, which led many global brands to cancel orders or demand steep discounts as store closures battered their sales.

Across Asia, thousands of workers have suffered job cuts and unpaid wages as a result, with campaigners warning of a mass rollback of labour rights in the garment sector.

Factory bosses defend creche closures



REUTERS

Indian clothing factories resumed production eight weeks ago, but they left working parents in the lurch and forced some to give up their jobs.

as a way to stem the spread of COVID-19, but union leaders say it is a convenient way for them to lay off workers - particularly working mothers - without having to sack them formally.

The vast majority of India's garment workers are women, who generally take responsibility for childcare. Many are single mothers or get little babysitting help from their husbands.

"In the name of safety, managements have targeted working mothers and left many with no choice but to quit. The decision has pushed thousands of women with toddlers into deep crisis," said union leader Saroja Kannappa.

"(The) closure of creches is illegal and violates a worker's basic rights," said Kannappa, who is general secretary of the women-led Garment Labour Union, which

has some 6,000 members.

Manufacturers said the closure of on-site nurseries was a precautionary measure that responded to concerns about the safety of workers and their children.

"There is no formal directive given to factories but most feel that not running creches is a safer option. Health and safety is a priority," said A Sakthivel, chairman of India's Apparel Export Promotion Council.

Under Indian labour laws, factories with more than 30 women employees have to provide a creche for children under six, but it is unclear when they might reopen.

"It is mandatory and the government has not given any instructions to the contrary. We are trying to see how we can reconcile these problems," said Maheshwar Rao, principal secretary of the Karnataka state labour department.

Shell CEO does not rule out moving headquarters to Britain

REUTERS, Amsterdam

Royal Dutch Shell is not ruling out moving its headquarters from the Netherlands to Britain, the oil company's chief executive Ben van Beurden said in a Dutch newspaper interview published on Saturday.

Anglo-Dutch consumer products giant Unilever said last month it plans to ditch its dual Anglo-Dutch legal structure and create a single entity in Britain.

Van Beurden did not explicitly say Shell wants to move its headquarters, het Financieele Dagblad said.

"You always need to keep thinking," Shell's Van Beurden told the newspaper. "Nothing is permanent and of course we will look at the business climate. But moving your headquarters is not a trivial measure. You cannot think too lightly about that." A Shell spokesman confirmed the CEO's comments to Reuters and said the company was looking at ways to simplify its dual structure, as it had been doing for many years.

Shell has a complex Anglo-Dutch holding structure with a tax residency and headquarters in the Netherlands and a registered office in Britain.

Unilever's decision to move followed the scrapping in 2018 of a plan by Dutch Prime Minister Mark Rutte to do away with a 15% dividend withholding tax.

Shells corporate structure features the parent company headquarters in The Hague but two share classes and other arrangements to prevent the Dutch government from levying withholding tax on dividends paid to shareholders of its former British arm.

The arrangement has come under renewed scrutiny after the Dutch government tried to scrap the dividend tax as an incentive to convince Unilever to unify its dual structure in Rotterdam. Rutte abandoned the plan after a popular outcry over the tax cut, which was seen as a gift to rich foreigners.

Shell has consistently lobbied against the dividend tax, which it says makes financing dividends, share buy-backs and acquisitions more difficult.



Ben van Beurden

Germany sets out to fry the cheap meat trade

REUTERS, Berlin

How much should a slice of meat cost? More, says German Agriculture Minister Julia Klöckner.

Following a coronavirus outbreak at a German abattoir which cast a spotlight on standards in the industry, Klöckner is trying to wean German households - many on tight budgets - off low-cost meat.

"Meat is too cheap," Klöckner told Reuters. "Lurid advertising with low prices for meat does not fit with appreciation and sustainability ... This is no longer acceptable." Cut price meat, from peppered salami to the traditional sausage or Wurst, is a staple for many German consumers but a recent COVID-19 outbreak at a meat plant in the west of the country has raised questions about some of the measures taken to keep prices down.

Efforts to track down people affected by the virus were hampered when some slaughterhouses were unable to give the home addresses of all their workers because they were relying on sub-contracting firms to supply them with migrant labour.

Some of the sub-contracting firms were themselves also relying on sub-contractors to get them staff.

German Labour Minister Hubertus

Heil condemned the system of "sub-sub-contracting" in abattoirs and is introducing a new law compelling meatpackers to employ staff directly.

In addition, Agriculture Minister Klöckner plans a raft of measures to address what she calls the "serious consequences" of downward meat price pressures on animal welfare, working conditions in abattoirs and farmers' incomes - a move she knows risks driving business abroad, with a loss of control over standards.

Klöckner has proposed an animal welfare levy to compensate farmers for the cost of better husbandry of their livestock and to counter the risk of driving meat processing abroad, she will also push for European animal welfare labelling on meat goods.

"Meat should not be a luxury commodity for the rich, but also not an everyday junk product," she said at a meeting with meat industry and retail representatives on June 26.

The cost of living website Numbeo estimates a kilo of beef leg costs 10.64 euros in Germany against 16.67 euros in France, 14.58 euros in the Netherlands or 12.32 euros in Denmark.

German meat processing industry association VDF said the industry will accept change.

"The sector has decided to depart from the system of worker contracts in slaughtering, cutting and packing of meat as fast as possible," VDF director Heike Harstick said.

German poultry meatpackers will also end sub-contracting by early 2021, but the transfer to permanent employment will lead to rising production costs and so higher prices for poultry meat products, association ZDG said.

"We expect that food retailers and consumers show willingness to accept these costs," ZDG president Friedrich-Otto Ripke said.

The German farmers' association DBV also supported the government's move on slaughterhouses.

Taken together, Klöckner's plans and a government move to tighten meat processing labour standards are sure to push up meat prices and lessen Germany's comparative advantage in the trade versus other west European countries, Hubertus Gay, senior agricultural policy analyst at the OECD, said.

"The question is how much less - will it only affect additional growth (in the German market) or will it lead to a reduction compared to others? There, it's too early to call," he said.

However the impact on retail prices may be relatively moderate.

Jute farmers begin harvest with wind out of their sails after BJMC's shuttering

FROM PAGE B1

Public and private mills consume more than 60 lakh bales of raw jute to make yarn/twine, sacking and hessian products, mainly for the export market, said industry operators.

And 14 lakh bales of raw jute are exported annually.

Data of the BJMC showed that it used to annually purchase more than 10 per cent of the locally produced jute until fiscal 2013-14.

Later, its purchases declined for a shortage of funds amid continuing losses.

Yet, the purchase rate declared by the public mills at the beginning of the harvesting season acted a barometer for the prices of the raw jute and the prices usually did not go below the declared rate, said a senior BJMC official seeking to remain unnamed.

"As the mills have been closed, we have not announced any rate for the coming season," the official said.

This was echoed by BJMC Chairman Md Abdur Rauf.

"As the mills are closed, there is no scope to buy jute. It will come into consideration if we can go into production through remodelling this year. But there is no plan to make purchases at this moment," he said.

Spinners who make yarn for the export market are the main buyers of the best quality of jute available. Public and private mills buy the inferior grade to make sacking and hessian

clothes, said industry operators.

However, as state-run mills will no longer purchase the jute of inferior grade, it is likely to have an impact on the prices, the BJMC official said.

However, a former BJCA president, Borhan Uddin Chowdhury, believes there would be no effect on raw jute prices even after the closure of the state mills.

"Demand from the private sector would be enough," he said, adding that the demand for jute was higher than what present production was.

Private mills purchase 55 lakh bales of raw jute annually, said Shahidul Karim, secretary-general of the Bangladesh Jute Spinners Association (BJSJA).

Under normal circumstances, there is unlikely to be any impact on the market, he said.

However, given the coronavirus-induced economic crisis, it is not clear what the global demand for jute goods, particularly carpets for which yarn are used, will end up being in the coming days, said the official of the BJSJA, which represent jute spinners who bring in the biggest export earnings.

The BJMC played a balancing role in the jute market until now, said Abdur Quayyum, secretary-general of the Bangladesh Jute Association.

"Immediately you will see an impact. Farmers will suffer. There had been a balance of trade in the market

because of purchases by the BJMC. Even if it incurred losses, it played a role in keeping the market stable."

To ensure that farmers get profitable prices for the cash crop, Quayyum, who has been involved in the sector many years, suggested that the government keep open the scope for exporting raw jute.

Raw jute exporters suffered losses owing to frequent bans on export. The government should provide incentives to them so that they can buy the natural fibre for export.

"Otherwise, jute prices will not be favourable or farmers," Quayyum added.

Farmers have to spend Tk 1,400-Tk 1,500 to produce one maund of jute, said Abdur Rashid Patwary, a jute grower at Rajbari, one of the main producing districts in the central region.

As public mills will no longer purchase jute, an impact is likely. But farmers will not suffer if the government provides subsidies, he added.

Prices of jute stood between Tk 1,900 and Tk 2,200 per maund depending on the quality, said Prabir Saha, a trader at Madhukhali of Faridpur, the biggest jute-producing district, yesterday.

The prices of raw jute declined for the coronavirus-induced fall in demand. Prices were the same the previous week, he added.

Govt looks to simplify rules as FDI plummets 13.8pc

FROM PAGE B1

The prime minister at a cabinet meeting on June 8 ordered to take steps so that foreign investors can take back their invested money or profits without any hindrance, the letter said.

The premier emphasised ensuring top-class banking services to help foreign investors go for capital investment and repatriate invested money or profits, it said.

According to the finance division, non-resident Bangladeshis are increasingly becoming interested in investing in Bangladesh in the manufacturing, agriculture and services sectors. They are investing in various savings schemes at local banks as the rate of interest rates on deposits is higher than in foreign banks.

But they face a complex banking process when they withdraw the funds upon their maturity and take back the funds. This discourages many NRIs to invest in Bangladesh, the letter said.

Steps need to be taken so that foreign investors can easily deposit funds in their foreign currency accounts, withdraw funds and repatriate the invested funds or profits. To do so, the central bank can take urgent steps to simplify banking and make it faster, it said.

A committee of the finance division and the central bank has already prepared a draft to make the Foreign Exchange Regulation Act 1947 in Bangladesh time-befitting.

The process to pass the bill in parliament to turn it into law to get

rid of legal barriers is underway.

FDI surged 51 per cent last fiscal year to its highest on record, riding largely on Japan Tobacco Inc's acquisition of Akij Group's tobacco business for \$1.47 billion.

In fiscal 2018-19, net FDI stood at \$3.88 billion in contrast to \$2.58 billion a year earlier, according to data from the central bank.

Bangladesh expects a bigger inflow of FDI in the days to come as different nations plan to relocate their factories to countries like Bangladesh to bring down cost amid a cash crunch caused by the pandemic, said Commerce Minister Tipu Munshi recently.

Bangladesh needs to increase private investment -- and especially foreign investment -- to raise productivity levels, diversify exports and accelerate economic transformation, the World Bank said last month.

The country is not attracting near enough FDI to help propel a new phase of economic transformation.

China is joining the European Union and the US as a leading source of FDI in Bangladesh and recent anecdotal evidence indicates that some East Asian manufacturers are turning to Bangladesh to diversify their production and overcome rising international import tariffs.

Bangladesh would have much to gain from the capital, technology, innovation and managerial knowhow that may accompany FDI.

But it is well behind emerging economies in the region such as

Cambodia, India, Myanmar and Vietnam when it comes to FDI inflows per capita or as a share of GDP, the WB said in a document.

"There are signs that Bangladesh may be on the cusp of becoming a new frontier market for market-seeking foreign investment and possibly for efficiency-seeking foreign investment too. But old concerns and perceptions about Bangladesh's ability to accommodate and partner with foreign investors must continuously be addressed," it added.

Improvements in infrastructure, governance and stepping up anti-corruption efforts will be necessary to enhance the business environment and attract FDI, the International Monetary Fund said recently.

The government plans to redesign the incentive package for post-pandemic FDI flow, Paban Chowdhury, executive chairman of the Bangladesh Economic Zones Authority, told state-run news agency BSS last week.

He said a redesigned incentive package appeared crucial for Bangladesh as other FDI-seekers like India, Vietnam, Thailand and Cambodia were offering "more than what we are doing" and some of them by now ensured their access to bigger markets under different free trade agreements.

"We have made a series of recommendations to incorporate new offers in our existing incentive packages to draw FDI during and after the pandemic," Chowdhury said.

Technical training the answer to skilled worker deficit

FROM PAGE B4

The initiative is a platform for local businesses, educational institutes and policymakers to come together and formulate plans to turn Bangladesh into a knowledge-based economy, in line with the government's vision.

Since most graduates from the country lack proper communication and managerial skills, BIDA provides work permits to foreigners who are recruited by local firms to fill the gap.

To survive the coronavirus fallout, companies need to adapt to the fourth industrial revolution, maintain good communications and improve the ease of doing business.

"If we want to attract the factories relocating from China, we have to compete with countries like Vietnam, Indonesia and Japan. And the only way to do that is to help facilitate the move," Islam added.

Bangladesh has a competitive advantage over the other possible destinations for companies relocating from China as the country with its 63.5 million-strong workforce has a

favourable demographic dividend, said DCCI President Shams Mahmud.

Due to the lack of working capital following reduced exports, many people have lost their jobs in the SME and informal sectors, he added.

Creating new opportunities for employment will be a major problem in the post-pandemic period, said Md. Shahidul Alam, additional secretary of the ministry of expatriates' welfare and overseas employment.

To tackle the problem before it arises, strong collaboration between the government and the private sector will be needed.

Stressing on how crucial it is to make technical training attractive for students by immediately absorbing trained manpower into the economy, Alam suggested forming links between educational institutions and various industries.

The National Skills Development Authority is already formulating a strategy to raise quality technical professionals, said Md. Abdur Razzaque, a member of the planning

and research division of the National Skills Development Authority.

However, the process could take some time due to the coronavirus situation, he added.

Meanwhile, Md Sakawat Ali, director of the Bureau of Manpower, Employment and Training (BMET), said they are assessing the skilled manpower requirements of different sectors to provide training on a need basis.

Through 70 BMET institutes, training will be provided to the returning skilled migrants in a bid to convert them to entrepreneurs, Ali added.

Shaqib Quoreshi, enterpriser of Business Intelligence Limited, presented a keynote paper while Atique-e-Rabbani, managing director of The Computers Limited; DCCI Vice-President Mohammad Bashiruddin; Asif Ibrahim, chairman of the Chittagong Stock Exchange; Khairul Majid Mahmud, former DCCI director; and Humayun Rashid, former DCCI senior vice-president, were present, among others.

Primary textile sector still deprived of bailout funds

FROM PAGE B4

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the association responsible for coordinating the disbursement of loans from the government stimulus packages, expects to see a reasonable flow of funding for both existing and new loan applications soon.

"The momentum should be visible to all within two weeks. District business chambers and sectoral associations are in touch with FBCCI in this regard," said FBCCI President Sheikh Fazle Fahim.

Working out the challenges faced by borrowers is a continuous process that requires constant communication

between the government and various stakeholders. To streamline the process, applications, disbursements, approvals, declines and customer service is being monitored by the FBCCI, Fahim added. As of July 1, Bangladesh Bank approved applications to disburse a total of about Tk 4,100 crore from the Tk 30,000 crore-package.

Trustworthy financial reporting brings investors' confidence

Experts say at ICAB members' conference

STAR BUSINESS DESK

High quality financial reporting supports well-informed investment decisions, thereby facilitating the efficient formation and deployment of capital, said Muhammad Farooq, president of the Institute of Chartered Accountants of Bangladesh (ICAB).

"So, independent and consistently high quality audits are an essential tool for trustworthy financial reporting, which brings stakeholders' confidence when pursuing market opportunities," he said yesterday.

He made the comments at a time when financial experts have been blaming the volatility of the stock market as well as the economy on the publication of fabricated financial statements.

The members of ICAB took part in the conference on 'Bringing improvement in the financial reporting and quality of auditing' through virtual conferencing platform Zoom.

The purpose of the conference was to discuss the challenges and way forward to improve the financial reporting and quality of auditing.

Most companies around the world provide factual information on their financial statements to help interested parties decide whether to invest or not. They depend on quality audit reports. But, the case is opposite in Bangladesh.

At the event, Mahbub Ahmed Siddique, director (technical) of ICAB, shed light on the challenges for quality audit in Bangladesh.

A lack of corporate governance, conflict of interest, corruption, minority shareholders, a lack of technical skill, low audit fee and a lack of collaboration among regulators and stakeholders are some of the challenges, the keynote paper presenter said.

Reporting and compliance of corporate

governance should be meaningful and effective collaboration among relevant stakeholders is vital to improve the quality of financial reporting and audit in the country, he said.

As part of ICAB's mandatory inspection programme, it evaluates quality control system of each firm maintaining requirements of the International Federation of Accountants, Farooq said.

ICAB takes necessary actions, if it identifies quality control deficiencies, he said. "Even, proactively take actions against the firm for any professional misconduct."

Auditors cannot compromise audit quality for audit fee, said Farooq about the role of the auditors. They should prepare high quality audits regardless of the level of audit fee.

Considering the high level of cost to engage audit personnel with sufficient skill, expertise, and the use of information technology like computer assisted audit techniques, the existing audit fees are not sufficient, he said.

Regulators involvement in selection of audit firm and fixing of audit fee may be an option to think about, he said.

In this connection, the Financial Reporting Council (FRC) and Bangladesh Securities and Exchange Commission (BSEC) could jointly work in formation of a joint committee or task force to develop a strategic plan to improve the quality of financial reporting and auditing, he suggested.

Independence of preparers, auditors and regulators could improve the quality of audit, Siddique said.

The regulators should protect chief financial officers from any threat, including job security, he said.

CQK Mustaq Ahmed, chairman of FRC; Shaikh Shamsuddin Ahmed, commissioner of BSEC, and Muhammed Farhad Hussain, past president of ICAB, also spoke.

STAR BUSINESS DESK

Bangladesh-based SOLshare has closed a \$1.1 million financing round and the off-grid solar energy marketplace firm will use the fund to bring smart solar micro-grids to off-grid, underserved communities in the country.

Dubbed as the AirBnB of the energy off-grid space, SOLshare was founded in 2014 in Dhaka, the company said in a statement yesterday.

To date, the company has set up 30 peer-to-peer solar electricity trading grids in Bangladesh and India. SOLshare helps people to turn their excess solar electricity into money with zero hassle.

It also enables them to purchase more power on the go whenever they want as well as they get to invest in more power generation and trade it off for a handsome return with minimal risk.

For the funding, the company was supported by IIX Impact Partners—the world's most successful debt and equity crowdfunding platform for impact investing—through its network of impact investors.

Current investors, innogy New Ventures LLC and EDP Ventures, are also part of the round, as well as new angel investors from around the world.

Innogy New Ventures LLC is the venture capital investment arm of the German utility firm innogy SE and EDP Ventures is the investment arm of Portuguese based utility firm EDP, according to the statement.

"The SOLshare team had been working on a financing round for

many months and Covid-19 was an additional unexpected challenge," said Sebastian Groh, managing director of SOLshare.

"Thanks to the tremendous support of existing investors, support partners, and mentors the company was able to move forward. We're thrilled that investors recognize the critical need on the ground, especially in some of the most vulnerable communities in the world who risk losing access to clean energy as well as the great potential SOLshare has to show the

drive capital towards where it is needed the most.

"IIX is thrilled to continue supporting SOLshare, following our 2018 investment through our IIX Growth Fund," said Robert Kraybill, IIX chief investment officer and managing director of portfolio management.

Over the past decade, IIX has built a highway of support for enterprises across their stages of growth, effectively connecting them to capital markets through Impact Partners, Kraybill said.



path into a better energy future."

In the aftermath of Covid-19, venture capital rounds dropped by 44 per cent in the US alone. In the first quarter of 2020, no capital was secured by ASEAN-focused private equity funds, demonstrating a challenging fundraising environment.

To support SMEs in raising capital, IIX is leveraging on-the-ground data-driven insights to provide businesses and investors with comparative, standardised information on risk, return, and impact (RRI).

The RRI will help them create risk mitigation strategies, make capital allocation decisions, and more effectively and transparently

SOLshare's vision and mission, which continues to prove to the world that a deep commitment to underserved communities pays off for investors," Stefan Padberg, managing director of innogy New Ventures LLC.

"We are excited to be a part of this journey to make affordable clean energy accessible to everyone."

SOLshare's peer-to-peer marketplace in solar villages creates economic value, allowing the use by small businesses of individual household's power that otherwise would be wasted, said Luis Manuel, executive director of EDP Innovation.

Even before the pandemic, SMEs formed the backbone of the global economy, making up over 90 per cent of all firms, 70 per cent of total employment, and 50 per cent of gross domestic product.

SOLshare is now negotiating a framework agreement to support the United Nations High Commissioner for Refugees (UNHCR) office in Bangladesh supplying smart solar micro-grids in the Rohingya refugee camps.

SOLshare has also announced that it has won the Ashden Award in the energy access category for "Finance and Business Model Innovation", a gala ceremony referred to as the Green Oscars at the Royal Geographic Society in London, UK.

Ashden spotlights and supports climate and energy innovators around the world, including businesses, non-profits and public sector organisations which are delivering proven, ready-to-scale climate solutions.

Akash DTH slashes connection fee to hook housebound customers

FROM PAGE B4

The connection includes HD Set Top Box, user-friendly multi-function remote control unit, heat- and rain-resistant Akash-branded Universal KU band dish, necessary cable, connectors and other accessories.

Akash subscribers can watch 34 national and 89 international channels. All the channels are available for Tk 399, including VAT, per month under the standard package and Tk 250 under the Lite pack, the press release said.

Subscribers also can take add-on packs according to their desire that brings flexibility to choose and select. This is also a unique feature and is not available for any other service provider, it said.

Akash is available in 64 districts and can be viewed from any corner of Bangladesh with the same quality.

FROM PAGE B4

This policy cell at the finance division was the beginning of several major public financial management (PFM) projects since the mid-1990s until now, the seed for which was sown by Dr Huq during his short stint as the finance minister.

Dr Huq and I also discussed the possibility of introducing VAT in Bangladesh, for which he got the support from former president HM Ershad.

His support for the initiative was the key to my getting involved with the VAT introduction-related work with the National Board of Revenue and an exploratory visit by a Bangladesh delegation – comprising the NBR and private sector representatives – to a number of Asian countries to learn from their experience.

Dr Huq was instrumental in getting the president's approval for going ahead with the implementation of VAT in Bangladesh based on the report submitted after the completion of the visit.

Enthusiastic support of NBR senior staff including Dr Ekram Hossain (chairman), Shah Abdul Hannan (member), and Dr Zahid Hossain (then first secretary) deserves a special mention in this regard.

Dr Huq had a very simple and transparent mind and was always

very uncomfortable with many things happening all around him.

On many issues, as he shared with me on different occasions, he was making bold dissenting views during the cabinet meetings – almost like a lone voice without much effect.

He was getting frustrated in not being able to influence many of the decisions but continued to voice his reservations quite boldly within the cabinet.

On some occasions, I also tried to tone his dissenting voice suggesting that it might harm him in his current position. But I knew, while he listened to me, he could not compromise his principles.

One of his statements to the media was the final nail in the coffin. At that time, Bangladesh Bank's foreign exchange reserves were going down and Dr Huq requested me to do an analysis to identify the reasons behind the decline.

I worked with Bangladesh Bank's research department and concluded that all data were pointing to large amounts of money being siphoned off Bangladesh in suspicious ways.

There were huge gaps between export repatriation and also in import data. I submitted the report to Dr Huq for his own information, but as a sincere public servant, he went public alleging that massive

amounts of capital flight were taking place and many powerful people were probably associated with it.

The next day, Dr Huq was relieved from his duties, in my view, for telling the truth to the public. He clearly showed that while he was a low key and not a dominating personality, he was uncompromising when it comes to the national interest.

Another sad truth that I came to realise was that when one falls from grace in Bangladesh, nobody stands by him.

Next morning, when I went to meet him at his Minto Road residence, there was nobody but me – not even his private secretary to say goodbye.

Dr Huq had left Bangladesh with disappointment. He could not offer the country what he wanted to, probably because the country was not ready for a person like him.

I certainly missed him, but I was also happy that he went back to where he rightly belonged – the academic world, which was more receptive to idealistic views and gave him the space to practise the teachings of Kenneth Arrow and Gerard Debreu, the icons of general equilibrium theory.

The writer is the executive director of the Policy Research Institute of Bangladesh

Strike at Tata Steel's Dutch plant ends after agreement on jobs

REUTERS, Amsterdam

Workers at Tata Steel's main plant in the Netherlands ended a three-week strike on Friday after the company said there would be no compulsory layoffs under a planned reorganisation of its Dutch operations.

"We are pleased to announce we have reached an agreement with all unions involved," Tata Steel's Dutch division said in a statement.

"The transformation programme will not lead to forced redundancies at Tata Steel Netherlands." The company did not say whether there would be a voluntary redundancy programme but said it would now extend its current jobs pact for IJmuiden, which stipulates no forced layoffs, by five years until October 2026.

Workers at the IJmuiden plant went on strike on June 10 after unions said the company had outlined plans to scrap around 1,000 of the 9,000 jobs at the site as part of a reorganisation of its European

operations.

Tata Steel Europe last year announced a major overhaul of its British and Dutch activities, at the cost of around 3,000 jobs in total. Tata Steel Europe has said IJmuiden needs to become more profitable as the steel sector grappled with the effects of overcapacity, cheap Chinese imports and U.S. trade tariffs, even before the global coronavirus recession hit.

"This agreement offers a counterweight against the risks we see coming from Tata Steel Europe," Roel Berghuis, spokesman for the FNV union, said on Friday, adding that workers would now return to work on Friday. Under the agreement reached with unions, Tata also promised to invest in innovation and cleaner production technologies and not to quickly divest any part of its Dutch activities or to outsource work done in the Netherlands.

Tata is expected to present detailed plans for the future of IJmuiden by the end of September.

Online cattle sales poised to level up for pandemic this Eid

FROM PAGE B1

"I connect buyers with these farmers, who supply me vegetable, rice and other things from my business. As these local cows eat grass in the field, the taste of their meat is different. So, buyers are much enthusiastic about such livestock," she said.

She made a few lakh taka last year selling cattle and goats.

"Last year, I got another 100 requests in person and on my company's Facebook page for supplying cows or goats for Qurbani. But I couldn't supply them as I don't compromise on quality."

This year her target is to sell 100 cattle. She charges 8-10 per cent of the selling price as her commission.

Dhaka North City Corporation has decided not to set up a sacrificial animal market in densely populated areas inside the capital to prevent the spread of coronavirus.

In such a situation, Sheba.xyz, a popular online service marketplace, which used to supply butchers to customers, is now launching cattle sales.

There will be 500 cattle on its website for customers.

"Keeping the pandemic in mind, Sheba.xyz is providing full Qurbani service along with making the cattle available for purchase and getting it delivered home," said Samiul Kabir, chief strategy officer of the platform.

For those who want the option of sacrificing an animal in a group instead of the whole animal oneself, there is the opportunity of getting that specific share at a fixed price.

This year, Bikroy.com has targeted to sell several thousand cattle through its site. Last year, it sold 3,000.

"We do not sell cows ourselves. Various agro firms provide advertisements for selling their cattle on our site," said Bikroy.com's Co-Managing Director Eshita Sharmin.

This time the farmers of Dhaka and its surrounding areas are saying that bookings are being made shortly after advertisements are being placed on the site.

"So, this means that the buyers have already started choosing their desired animal for sacrifice. Probably this trend has appeared due to coronavirus," she added.

The platform charges only Tk 1,000 for membership of big farms for unlimited ads and does not take any fee from small farmers.

She hopes more than 10,000 cattle advertisements will be up on Bikroy.com this year.

Many buyers are also turning to online platforms this time because of the coronavirus.

Mohammad Shahed from Bashundhara area of the capital is planning to buy a cow from an online marketplace this time. "Social distancing is impossible in the makeshift markets selling animals for Qurbani."

Although going to such a market is a traditional and joyful event, he would opt not doing it this time around, he added.

This year 1.19 crore cattle have been prepared for Qurbani, up from 1.18 crore last year, Abdul Jabbar Sikder, director general, the Department of Livestock Services, told The Daily Star.

"We are encouraging different big farmers to sell online this year. If 20 per cent of the total sales can be made through digital platforms gradually, it will reduce the pressure on the makeshift markets," he added.

This year, 1.10 lakh cattle will be needed for Eid-ul-Azha, according to the department.

However, the demand for cattle would be 20 per cent less than that of the government estimate because of the pandemic, which ate away people's income significantly, according to the Bangladesh Dairy Farmers' Association.

Bangladesh-based SOLshare closes \$1.1m financing round

Internet blackout for a couple of hours every week is a real possibility from next month

FROM PAGE B1

"It could be one or two hours in a week and will continue," Hakim said.

Currently, there are 80.84 lakh active broadband connections in the country as of May, and according to the ISPAB's estimate, 3.5 crore users are enjoying the fastest internet service from them regularly.

For the businesses to survive there is no option but to either increase service charges for end-users or compromise in service quality, said ISPAB General Secretary Imdadul Haque.

"We have yet to fix our course of action but this time we will take a hard line," he said.

The telecom minister and ICT state minister agree with the internet service providers, the ISPAB said. Telecom Minister Mustafa Jabbar is said to have even sent a letter to the finance minister on June 24 informing the matter.

"If the government does not take our logical demand into consideration, we have no way other than to consider increasing charges and that could turn out to be 30 to 40 per cent," Hakim said.

This means that users who are enjoying the Tk 1,000 package, which is the most popular segment, would have to pay Tk 1,300 after August, he added.

The association also demanded to incorporate internet service in the information technology-enabled service (ITES) list for tax holidays. The government has so far recorded 22 categories of services in the ITES tax holiday list.

They are providing a good number of services that fall under the 22 categories but they have always been ignored by the government, Hakim said.

He said they would be able to create at least 1.5 lakh new jobs within the next couple of years if they were placed in the ITES list as the tax benefit would help them grow the market significantly.

ISPAB Senior Vice-President Rashed Amin Biddut and other leaders attended the event.

State-run companies not paying dividend to govt

FROM PAGE B4

From Power Grid Company alone, the government missed a dividend income of Tk 2,637.22 crore in the last three financial years.

Accordingly, it was deprived of Tk 63.11 crore, Tk 59.17 crore, Tk 19.79 crore and Tk 140.86 crore from Bangladesh Submarine Cable Company, Titas Gas, Meghna Petroleum and Dhaka Electric Supply Company respectively during the period.

Rupali Bank did not come under the purview as it did not announce any cash dividends in the last three years.

As the money kept as share money deposit could be misused, the finance

ministry should resolve the issue by talking with the companies, the FRC said.

Earlier in February, the FRC directed the listed companies to convert their share money deposits into paid-up capital within six months.

According to the directive, the share money deposit received for increasing equity or paid-up capital of a company must not be withdrawn or taken back under any circumstances.

Besides, the share money deposit will be considered as potential share until its conversion into paid-up capital, and the company must show the diluted earnings per share in the financial statement or impact of the new shares on EPS.

Banks in Bangladesh have the lowest capital base in South Asia

FROM PAGE B1

Last year, a record Tk 52,770 crore was rescheduled. Of them, Tk 13,284 crore has turned sour again, BB data showed.

This means nearly one-fourth of the rescheduled loans slipped into the bad category again.

Defaulted loans stood at Tk 94,313 crore at the end of 2019, up 0.42 per cent year-on-year.

Banks should now start preparing to improve the capital base as there will be an uncertainty in the days ahead due to the twists and turns of the pandemic,

said Mansur, also a former official of the International Monetary Fund.

"The financial health of banks will deteriorate in the coming days if the economy faces more storms," he ADDED.

The weak CAR has indicated that the financial health of the banking sector in the neighbouring countries is stronger than Bangladesh, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

"The CAR would have been 15-16 per cent if the state banks could maintain the requirement as per the Basel III guidelines," he added.

State-run companies not paying dividend to govt

AHSAN HABIB

The government is being deprived of hundreds of crores of taka every year in dividend income from listed state-run companies as no shares are issued against the government's investment in those companies.

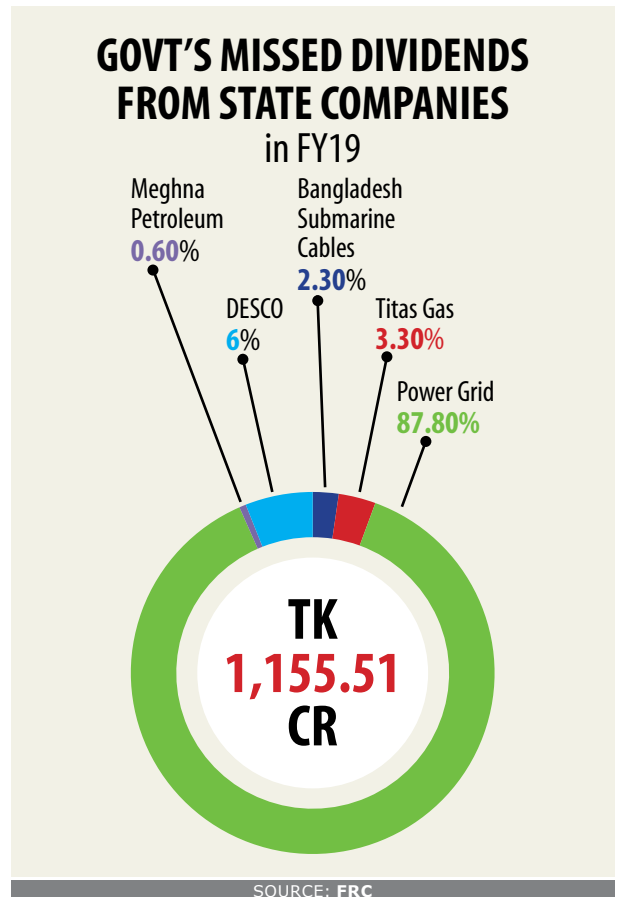
In fiscal 2018-19 alone, the government missed out on at least Tk 1,155.51 crore in dividend against Tk 6,652.57 crore the companies showed in their "share money deposit" accounts as the government's investment.

Share money deposit is the money paid in exchange for shares which have not yet been acquired.

The Financial Reporting Council (FRC), an independent government regulatory body under the finance ministry, detected the anomaly and apprised the ministry of this last month through a letter.

Despite taking money from the government, the companies did not issue shares, which is a breach of corporate governance rules and accounting policies, the FRC said in the letter.

Though the government had not earned a dime from its investment, the other investors booked handsome dividends from these companies, said Sayeed Ahmed, an executive director of the FRC.



"Every year, the government is thus being deprived of dividend," he said.

The government was denied Tk 948.12 crore and Tk 816.19 crore in dividend income in fiscals 2017-18 and 2016-17 respectively, according to the FRC letter.

"Every capital has a cost but the government saw no return on its capital. This is unfair," Ahmed said.

The government is partly to blame as it did not give any clear directive in this regard while investing the fund.

"The companies took advantage of this lapse," he added.

Until fiscal 2018-19, the government invested Tk 6,652.57 crore in Bangladesh Submarine Cable Company, Titas Gas, Power Grid Company, Meghna Petroleum, Rupali Bank and Dhaka Electric Supply Company and the amount was shown as share money deposits in the companies' financial reports.

The share money deposits of the companies were Tk 4,775.54 crore in fiscal 2017-18 and Tk 3,815.75 crore in fiscal 2016-17 respectively.

When asked by the FRC, the companies had replied that they had done so in the absence of specific instruction from the government, according to the letter.

"But this is not acceptable as per the rules and regulations of the listed companies."

The companies had feared that they would see a negative impact on their earnings per shares if they issued the shares.

The government can now address the problem by asking the companies to convert irredeemable preference shares or convertible preference shares into ordinary shares at a logical dividend, it said.

As preference shares get a certain amount of dividend every year, these types of shares would not impact the companies' earnings much, Ahmed said.

So, the finance ministry should initiate a process to get a return from the government's investment in these

READ MORE ON B3

Remembering Dr Wahidul Huq -- an untold story



AHSAN H MANSUR

When I was a student and a lecturer at Dhaka University in the 1970s, we used to talk a lot about Dr Wahidul Huq.

He was one of the brightest products of Dhaka University who obtained his PhD from Stanford University, one of the best in the world, and taught as a professor at the University of Toronto, Canada.

I did not have the opportunity to meet him even though I completed my graduation from the University of Western Ontario, Canada, which is only a two-hour drive from Toronto.

I only knew him through his

works in the field of highly abstract mathematics and application of the general equilibrium theory in explaining the real-world economic issues.

While I was at the International Monetary Fund, I learned from media reports that Prof Huq was appointed as the finance minister of Bangladesh.

I was always intrigued by how an academician pursuing abstract economic theories would be dealing with the real-life job of managing a country's overall finance and the issue of complex political economy that comes with the job.

It did not take me long to get to work with him closely and experience the academician's handling of the real-life political economy.

I went on an IMF mission to Nigeria, and upon my return to my office in Washington DC, my administrative assistant told me that I would be going to Bangladesh and Dr Vito Tanzi, director of the fiscal affairs department at the IMF, wanted to



talk with me on that issue.

I came to know from Dr Tanzi that when IMF managing director Michel Camdessus was visiting Bangladesh (after the floods of 1998), Dr Huq requested him to help the government by sending me to Bangladesh as the adviser to the finance minister. And Camdessus wished to entertain his request.

Dr Tanzi could not accept my

statement that I had nothing to do with this request, but mentioned that although the IMF had never allowed its staff to be placed in their home countries, he would, albeit reluctantly, make an exception by allowing me to be placed as an IMF expert working with the government.

After coming to Dhaka, in my first meeting with him at the

finance minister's office I asked him why he thought of me even though we never knew each other personally.

He told me that since I had worked on computable general equilibrium (CGE) theory, he would like me to work with him in preparing a CGE model for Bangladesh.

I recalled the observation of Prabhakar R Narvekar, director of the Asian department of the IMF, that the new finance minister was an excellent academician and thus would be open to undertaking reforms but would need help in the day-to-day operations of the finance ministry.

We agreed also to invite Dr Golam Quibria -- a Princeton University PhD -- at that time working in the ADB to help us put together the infrastructure.

Dr Quibria and I worked on putting together the terms of reference for a project at the finance ministry to initiate policy analysis and model building.

READ MORE ON B3

Akash DTH slashes connection fee to hook housebound customers

MD FAZLUR RAHMAN

The country's lone direct-to-home service provider Akash DTH has slashed the connection charge by Tk 1,000 to reach out to more people who are spending more time in front of their TV sets owing to the coronavirus pandemic.

Akash DTH currently has 1 lakh connections.

However, there are a huge number of illegal connections linked with DTH companies based in India such as Dish TV, Tata Sky, Airtel Digital, Sun Direct and so on, in a testament to the aspirations and spending capacity of Bangladesh's upwardly mobile population brought on by the country's decade of solid economic growth.

In DTH, TV channels are transmitted from the satellite to a small dish antenna mounted

on the window or rooftop of the subscriber's home, resulting in lucid picture and sound quality and a greater selection of channels offered by the cable operators.

"The potential is huge as people are increasingly replacing their traditional TV sets with smarter ones, said an official of the company on condition of anonymity.

So far, the government has awarded two licences to introduce the DTH service in Bangladesh. The other licence holder is not operational at present.

If not DTH, the next best option for customers are digital cable, which can be obtained by way of Bengal Digital and Jadoo Digital.

Despite the pandemic-induced economic slowdown, sales have been stable, said Quazi Shakil Mahmud, senior manager for



brand activation of Beximco Communications.

People are spending more time at home for fearing of catching coronavirus and this has multiplied their TV viewing.

They now realise more how much they have been deprived of quality viewing with their conventional connection, said Muhammad Abul Khair Chowdhury, head of marketing

and strategic sales of Akash, which started its journey in May last year.

To make the most of the momentum and gain a solid footing in the up-and-coming DTH market, Akash has revised the connection charge.

"We want to take the service to more households," Mahmud said.

A new connection of the modern TV connectivity technology now costs Tk 4,499, said the service, owned by Beximco Communications, in a press release yesterday.

Interested customers can avail the new connections from authorised sales points or by calling 16442 or through online order on www.akashdth.com.

The service provider will install the connections on the premises of customers with full safety, precautions and care.

READ MORE ON B3

Technical training the answer to skilled worker deficit

Said speakers at a webinar

STAR BUSINESS REPORT

Need-based technical training could provide a steady supply of skilled workers during the post-pandemic era, when sustaining the existing job market while also creating new opportunities for employment will be a big challenge, according to various speakers at a webinar.

Besides, courses on skills development taught with modern curriculums will be vital for the re-assimilation of returning migrant workers.

"We need to ensure quality technical education, structural changes in the education system, maximum utilisation of ICT services and smooth adaptation to the fourth industrial revolution," said Mohibul Hassan



Chowdhury, deputy minister of the Ministry of Education. Universities in Bangladesh should focus on creating skilled workers as per the needs of the manufacturing sector amid the coronavirus fallout, he added.

Chowdhury's comments came yesterday at a webinar styled 'Post-COVID-19 Bangladesh Industry Readiness: Investment & Skills', organised by the Dhaka Chamber

of Commerce and Industry (DCCI).

The deputy minister also informed that the age-restriction on applicants for diploma courses at polytechnic institutes have been lifted in a bid to increase the enrolment rates and expand technical education.

"We are thinking about raising the ratio of general to technical education students to 50:50 since it is currently very low," he

added.

A solid education system would help cultivate a skilled workforce that could address the dip in exports and the overall economy due to the ongoing coronavirus pandemic.

However, Md. Sirazul Islam, executive chairman of the Bangladesh Investment Development Authority (BIDA), alleged that the universities in Bangladesh have so far been incapable of producing quality graduates.

"Our industries are expanding at a fast pace, but the development of soft managerial skill has not risen in line with that," said Islam, adding that the DCCI's 'Research and Innovation' initiative could be a game-changer.

READ MORE ON B2

Primary textile sector still deprived of bailout funds

REFAJET ULLAH MIRDHA

The primary textile sector is yet to receive funding from the government's Tk 30,000 crore stimulus package, despite being in dire straits due to the ongoing coronavirus pandemic.

Following a slump in sales, manufacturers unable to resume operations in full due to a lack of working capital, leading to large stockpiles of yarn and other fabrics.

Spinning, weaving and dyeing factories are eligible for a loan, according to the guidelines banks must follow when disbursing funds from the stimulus package.

From the \$8 billion invested in the primary textile sector, Tk 20,000 crore has been lost to the coronavirus fallout, various millers said.

Making matters worse, about 11,000 micro, small, medium and large firms engaged in the industry could not manufacture any goods in the March-April period as it coincided with the government's two-month nationwide lockdown aimed at curbing the spread of coronavirus within Bangladesh.

As a result, these millers missed the two biggest sales windows of the year -- Pahela Baishakh and Eid ul Fitr, they added.

No one has been able to avail the loans from the bailout package as of yet, said Mohammad Ali Khokon, president of the Bangladesh Textile Mills Association (BTMA).

The primary textile sector requires heavy investment since its operational costs are so high and due to the coronavirus outbreak, the sale of yarn and other fabrics has dropped significantly.

Besides, international demand began to pick up again after stores started reopening in the US and EU, the two major export destinations for Bangladeshi garment products.

Therefore, millers need a large amount of funding so that they can restart their businesses, Khokon added. Currently, the number of spinning mills operating in the country stands at 450 with total investment in the sector amounting to Tk 40,000 crore, said Monsoor Ahmed, secretary to the BTMA.

Moreover, Tk 30,000 crore is invested in the weaving and dyeing sectors, he said, adding that those units need immediate loans to supply raw materials for the garment sector.

"Banks are reluctant to receive applications from us. I have corrected my application several times as my bank cited new excuses again and again," said Rashidul Hasan Rinto,



AMRAN HOSSAIN

proprietor of Chistia Sizing Mills.

Rinto is seeking to borrow Tk 1.20 crore to expand his factory in Narsingdi.

Millers who serve local markets with traditional garbs like sarees and lungis are

also finding themselves in trouble for several reasons.

For instance, export-oriented textile millers who produce yarn and other fabrics are now targeting the local market due to a slump in

demand from apparel exporters.

As a result of the excess supply, the price of yarn fell significantly in the domestic market, Rinto said.

A month ago, yarn sold for Tk 130 per pound. It is now selling at Tk 110 per pound.

Besides, millers have the added challenge of preserving unsold stockpiles due to the decreased demand, he added.

"This time, I expect the bank to disburse the loan as Bangladesh Bank asked the scheduled banks to complete disbursements from the stimulus packages by next month," Rinto told The Daily Star over the phone.

On July 2, the central bank issued a notice directing all scheduled banks to release a major portion of the bailout package as loans by the end of the current month while the remainder is to be distributed next month in a bid to ensure proper utilisation of the funds.

Like Rinto, Abdullah Al Mamun, director of Abed Textile Processing Mills, is waiting for his loan application to get approved.

"I hope that my bank will disburse the amount now as the central bank asked scheduled banks to make quick disbursements," he added.

READ MORE ON B2