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DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
0.13%	0.14%	\$1,784.00	\$42.80	36,021.42	22,306.48	2,652.94	3,152.81	83.95	93.21	103.68	11.65
3,981.52	6,845.17	(per ounce)	(per barrel)					84.95	97.01	107.48	12.25

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DHAKA MONDAY JULY 6, 2020, ASHAR 22, 1427 BS • starbusiness@thedailystar.net

Banks' looming salary cuts: far-sighted or self-seeking?

AKM ZAMIR UDDIN

Opportunism. That is what comes to mind when one hears of the move by the Bangladesh Association of Banks (BAB), an organisation of sponsors of private banks, to usher in salary cuts for their staffs.

In an extraordinary letter to all banks last, BAB urged them to cut the salaries of staffs whose monthly wage is more than Tk 40,000 by 15 per cent for the period of July 1 this year through to December 31, 2021 as well as suspend promotion, increment and incentive bonus and put a freeze on all sorts of hiring including ongoing hiring.

And BAB's rationale for this audacious recommendation? As per its observation, the interest rates on lending have been on the decline at a time when loan recovery is in negative territory.

Revenue generation from credit card and earnings from both exports and imports have also nosedived.

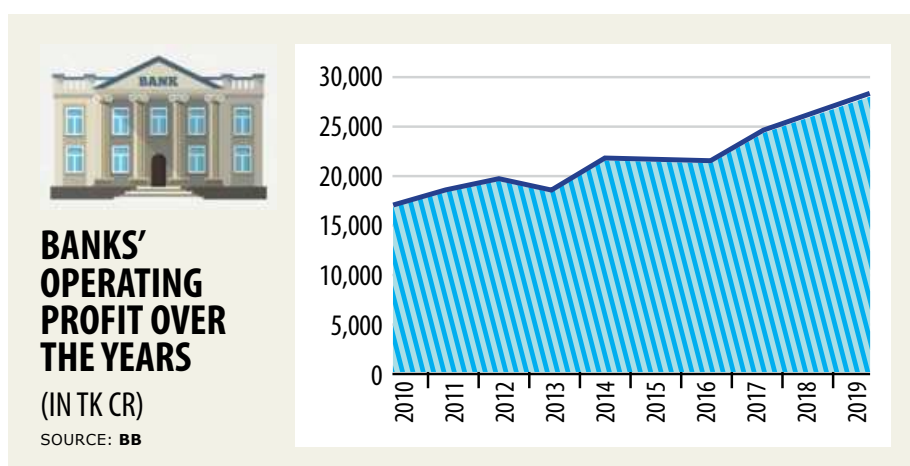
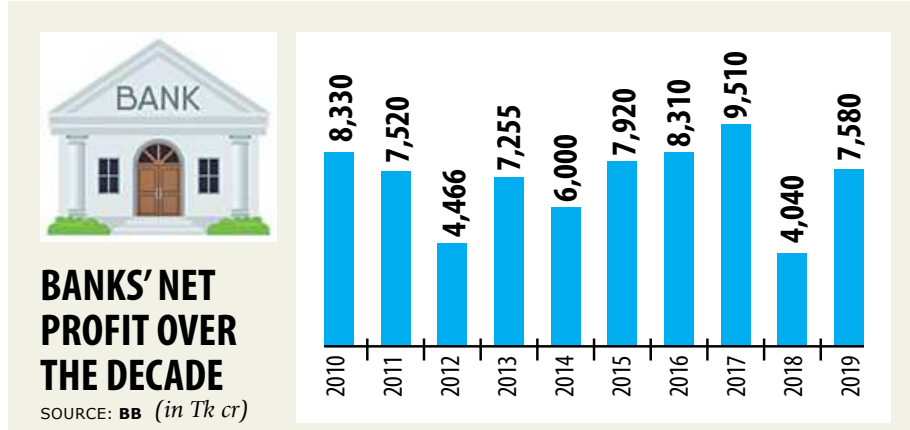
There were other reasons but these two seemed the most credible.

Never mind that last year banks' net profit soared 87.6 per cent year-on-year to Tk 7,580 crore.

The letter prompted a veiled notice from the central bank on June 18, implicitly urging bank chiefs not to follow through with BAB's recommendation.

In the notice, the Bangladesh Banks asked banks' chief executives to take 'all required measures' such that the bankers feel regenerated and play a proactive role in implementing the government-announced Tk 103,000 crore stimulus package for revival of the coronavirus-battered economy.

"The role of bankers and staffs to keep the wheels of the economy rolling is undeniable during this hard time of the country. It will not be possible to make a turnaround of the economy and attain the desired goal of GDP without the active



participation of bankers and employees," the central bank said in the notice.

In its notice yesterday, the BB did not mention the salary cut issue but asked the bank chief executives for taking all sorts of initiatives so that bankers and employees, infused with a new life, can play the role of front liners in executing the stimulus packages.

And yet, as many as five banks have already declared the implementation of the BAB recommendations and some others are taking preparation to do so, in a move that can have a domino effect on the economy although the sector employs just 1.5 crore

people. Features of job in the banking sector are considered the benchmark in the private sector, said Zahid Hussain, former lead economist of the World Bank's Dhaka office.

If banks cut the salary of their staffs, other corporate organisations will follow the same path.

"This is not the time to cut the salary as it would badly hit other sectors," Hussain said.

If all sectors commence salary or job cuts, the economy will not get the much-needed turnaround; rather, the situation will get worse.

Demand will not pick up despite the implementation of the stimulus packages of more than Tk 1,031.17 billion, which

is nearly 3.7 per cent of the country's gross domestic product, and the situation will give a big blow to the supply side.

The dwindling industrial production will face a prolonged situation if people do not improve their capacity to spend.

And given the profit trend of the country's banking sector last year, the proposal of cutting the salary for the employees of banks is not logical, Hussain said.

"The economy has been facing the ongoing meltdown since the last week of March. The sponsors of banks have taken the decision of salary cut within just the two and a half months since the inception of the crisis."

The logics are not appropriate as private banks in the country have been bagging hefty profits for years.

Besides, the sponsors of banks are ultra-rich in terms of their business profile but the BAB has not made any recommendation to scrap the honorarium of directors for their attendant in the board meetings, Hussain added.

The BAB's judgment is completely illogical as the decision of cutting salary should not be implemented for all banks at the same time, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

"Manpower is the pivotal asset for every bank. And they are frontline workers to tackle the recession because of their role in implementing the stimulus packages."

BAB should restrain from taking such decision in the days ahead in the interest of the banking sector, he said.

If any bank face problems due to the ongoing crisis, both the board and the management of the lender will take a decision on the issue. The bank will have to motivate their employees before taking such a decision, he said.

"Bac Bank will not implement the BAB's recommendation as this will not bring any good for us," said Mansur, also the chairman of the lender.

Asked managing directors of Mutual Trust Bank, Dhaka Bank and Pubali Bank whether the lenders will cut salary, they said that the banks have still enough strength in tackling the situation without taking such austerity measures.

Nazrul Islam Mazumder, chairman of the BAB, did not respond to a The Daily Star request for comment.

There will be rebound of apparel shipment to US. But it will be slow and steady.

REFAYET ULLAH MIRDHA

Bangladesh's garment exporters expect a slow rebound of shipment to the US market, the country's single largest export destination, this year as American buyers have been consumed by a confidence deficit amid an economic meltdown lurking round the corner.

Due to the coronavirus pandemic, garment export to the US plunged 12.50 per cent year-on-year to \$2.32 billion in the January-May period of this year, according to the Office of Textiles and Apparel (OTEXA) of the US.

Though retail stores in the US have started opening up gradually, it will take a lot of time for normalcy to return as consumers are still staying at home amid the fear of contagion, exporters said.

Top 10 garment exporting nations to the US between Jan and May

SOURCE: US OTEXA (in \$b)

Nation	Value (\$b)
China	7.66
Vietnam	5.14
India	2.79
Bangladesh	2.32
Indonesia	1.76
Cambodia	1.29
Mexico	1.26
Pakistan	1.06
Turkey	0.7
South Korea	0.34

The pandemic has badly impacted the US economy bringing down sales of commodities including clothing items, they said.

"Garment shipment from my factory to the US market might not pick up soon although orders are coming back from the American buyers gradually," AK Azad, managing director of Ha-Meem Group, told The Daily Star over the phone.

The US market accounts for about 80 per cent of Azad's \$450 million annual shipments.

"Within December, I might get 70 per cent of the work orders I had received at the same time last year."

However, everything is depending on the invention of a vaccine, he said, adding that the shipment to the American market will increase if the vaccine comes this year.

The export trend was positive in 2019 but after the coronavirus broke out, orders from the US have nosedived, said Mostafa Sobhan Rubel, managing director of Dragon Sweaters. Almost half the products of his company are destined to the US.

Many of his customers complained that their stores were not logging the expected sales even after the lockdown was withdrawn in most US states.

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Motorcycle sellers can't believe their luck as pandemic ramps up sales

MAHMUDUL HASAN

When Bangladesh reported its first confirmed case of Covid-19 infection in early March, Saleh Mohammed Shuhel, the proprietor B. Baria Motors that sells motorcycles, had thought his business would not be spared from the claws of the raging disease.

To his utter surprise, the devastating impact of the countrywide shutdown put in place to stop the spread of the lethal pathogen has turned out to be a boon.

Sales at his showroom in Brahmanbaria have shot up by about 20 per cent over the last two months.

"Before the pandemic, I used to sell 40 to 45 units of motorbikes per month during good times. Now, the sales increased to 55 to 60 units," Shuhel told The Daily Star yesterday.

The main reason for the surge in sales, he pointed out, is the fear of catching the virus, which can be spread mostly through physical contact.

Before the onset of the pandemic, people travelled daily for jobs or business purposes from Kasba, an



PRABIR DAS

upazila in the district, to the district centre, mostly by buses or CNG-run three-wheelers.

Now, they are afraid of the virus, compelling some of them to opt for the safer alternative of motorcycles, which allows the requisite social distancing needed to flatten the curve on coronavirus.

Motorcycle dealers from seven

more districts also confirmed their sales have risen 10 to 20 per cent over the last two months.

According to the dealers, apart from the anxiety over catching the infection, the recent increase in the fare of bus and CNGs is another cause for people to switch to motorcycles.

READ MORE ON B3

Govt to set up company to salvage soured loans

REJAUL KARIM BYRON and MD FAZLUH RAHMAN

The government now plans to set up a state-run corporation to buy and trade distressed loans off banks as part of its efforts to clean up the financial sector.

The planned Bangladesh Asset Management Corporation (Bamco) would be run as a state-run entity by the Financial Institutions Division under the finance ministry.

The government had initially planned to set up a company to deal with the mounting default loans in the financial sector.

The division has prepared a draft of the Bangladesh Asset Management Corporation Act 2020 (Bamco) to this effect.

The authorised capital of the planned corporation would be Tk 5,000 crore and the paid-up capital would be Tk 3,000 crore. A 15-member board led by a chairman would run it.

The corporation would set up a trading platform to buy and sell default loans and create a competitive market to trade distressed assets. It would be able to raise funds from the capital market by issuing bonds.

Despite several measures in Bangladesh, including the implementation of prudent measures in the banking system in 1990 and loan classification and provisioning with the international standards, the default loans in the banking system are still very high, according to the Asian Development Bank.

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

As of last year, reported default loans approached 9 per cent, with state-run commercial banks' bad loans reaching 24 per cent, the International Monetary Fund (IMF) said recently.

The planned Bamco would take control of the assets of the defaulted individuals or firms, manage them and advise lenders to manage and



BANGLADESH ASSET MANAGEMENT CORPORATION

- Authorised capital Tk 5,000cr
- Paid-up capital Tk 3,000cr
- Its decisions to be final
- Take over the assets of defaulted individuals or firms and manage them
- Set up trading platform to buy and sell soured loans
- Advise lenders to manage and recover defaulted loans
- Counsel borrowers

recover defaulted loans as well as advise borrowers.

If a borrower becomes sick, the corporation would stand by it. It would work as a government receiver if a borrower firm goes bankrupt, according to the draft act.

The draft act would be sent to the public administration ministry this month.

After approval by the cabinet and vetting by the law ministry, it would be sent to parliament to turn into law.

The status of the Bamco chairman would be equal to a deputy governor of the central bank.

The rest 14 directors would consist of a senior official of the finance

division, the financial institutions division, the commerce ministry, the Bangladesh Bank, the Bangladesh Investment Development Authority, the Insurance Development and Regulatory Authority, the National Board of Revenue and the Financial Reporting Council.

A certified accountant or financial analyst, an academic from a finance department of a university, a representative from the Attorney General Office, the Association of Bankers Bangladesh and the Federation of Bangladesh Chambers of Commerce and Industry would also be on the board.

READ MORE ON B3

Sonali Bank seeks Tk 10,000cr to meet BASEL III requirements

AKM ZAMIR UDDIN

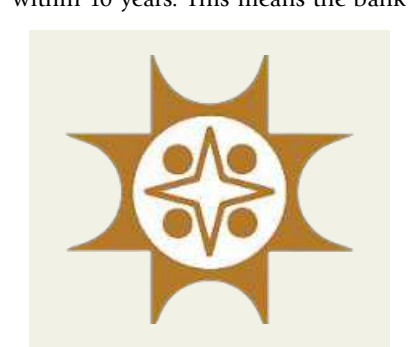
State-run Sonali Bank has sought about Tk 10,000 crore as regulatory capital from the government in order to implement the BASEL III guidelines.

The bank sent a letter to the finance ministry in the last week of June requesting it to provide the capital support.

The fund will be used to manage its historical loss, an official of the bank said.

Sonali Bank incurred a cumulative loss of Tk 6,574 crore in 2007 when it became a corporate organisation.

As per the regulatory requirement, the bank was asked to adjust the loss within 10 years. This means the bank



would have to deduct Tk 657 crore per year from the net profit to adjust the loss.

But the lender has failed to do so as it had faced a weak profit trend for years, forcing it to adjust the loss by converting funds from its capital.

In addition, it would take additional funds to fulfil the Basel III guidelines.

"Sonali Bank does not have any liquidity crunch right now. But it will have to maintain the regulatory compliance as per the Basel III guidelines," the official said.

READ MORE ON B3

Big Oil confronts possibility of terminal demand decline

AFP, Paris
Although crude prices have rebounded from coronavirus crisis lows, oil execs and experts are starting to ask if the industry has crossed the Rubicon of peak demand.



A well head and a drilling rig are seen in the Yarkta Oil Field in Irkutsk Region, Russia.

The plunge in the price of crude oil during the first wave of coronavirus lockdowns -- futures prices briefly turned negative -- was due to the drop in global demand as planes were parked on tarmacs and cars in garages.

The International Energy Agency (IEA) forecast that average daily oil demand will drop by eight million barrels per day this year, a decline of around eight percent from last year.

While the agency expects an unprecedented rebound of 5.7 million barrels per day next year, it still forecasts overall demand will be lower than in 2019 owing to ongoing uncertainty in the airline sector.

Some are questioning whether demand will ever get back to 2019 levels. "I don't think we know how this is going to play out. I certainly don't know," BP's new chief executive Bernard Looney said in May.

Mostly, it has been focused on peak production, with experts forecasting that prices would reach astronomical levels as recoverable oil in the ground runs out.

But in recent months, the concept of peak demand has come into vogue, with the coronavirus landing an uppercut into fuel demand for the transportation sector followed by a knock-out punch from the transition to cleaner fuels.

Michael Bradshaw, professor at Warwick Business School, said environmental groups are already lobbying to prevent the Paris agreements becoming another casualty of the pandemic, stressing the need for a Green New Deal for the recovery.

"If they are successful, demand for oil might never return to the peak we saw prior to COVID-19," he said in comments to journalists.

never fully recover, Bradshaw posited. "After the pandemic, we might have a different attitude to international air travel or physically going into work," he said.

Other experts say we haven't reached the tipping point yet, and might not for a while.

"Many people have said, including some CEOs of some major companies, with the lifestyle changes now to teleworking and others we may well see oil demand has peaked, and oil demand will go down," IEA executive director Fatih Birol said recently.

"I don't agree with that. Teleconferencing alone will not help us to reach our energy and climate goals, they can only make a small dent," Birol added while unveiling a recent IEA report.

Moez Ajmi at consulting and auditing firm E&Y dismissed as "science fiction" the idea that a definitive drop in oil demand could suddenly emerge.

Indonesia says trade, investment deal with Australia takes effect

REUTERS, Jakarta
An Indonesia-Australia deal that eliminates most trade tariffs between the two nations and aims to open up investment, took effect on Sunday, Indonesia's Trade Ministry said.

The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), signed last year and ratified by the Indonesian parliament in February, aims to boost bilateral trade that was worth \$7.8 billion in 2019.

"COVID-19 has resulted in economic slowdown in nearly all countries," Trade Minister Agus Supramanto said in a statement. "IA-CEPA momentum can be used to maintaining Indonesian trade and improve competitiveness."

In a signing ceremony last year, the two countries said the pact would eliminate all Australian tariffs on imports from Indonesia, while 94% of Indonesian tariffs would be gradually removed.

Australia aims to boost exports including wheat, iron ore and dairy, while Indonesia hopes to increase automotive exports, textile and electronics. The deal opens up investment, including for Australian universities in Indonesia.

The ministry said in the statement it has issued three regulations to allow for implementation of the deal.

AmCham puts steps forward

FROM PAGE B4
Therefore, the government wants to further increase cultivation and the supply of food.

For instance, Bangladesh sent 20,000 and 50,000 tonnes of rice to Nepal and Sri Lanka respectively when the two nations suffered from natural calamities.

"COVID-19 is a threat to our lives and livelihoods. We have to continue our success in food production," Razzaque added.

The coronavirus pandemic is also a threat to food security in the country, said Earl R Miller, the US ambassador to Bangladesh.

Habibe Millat, a member of parliament from the Sirajganj-2 constituency, said his district is a gateway for the country's northern districts and, despite being vulnerable to floods and river erosion, is famous for its dairy and fishery industries, among others.

"We believe that the agriculture sector's performance has an overwhelming impact on major macroeconomic objectives like employment generation, poverty alleviation, human resources

development, food security and so on," said AmCham President Syed Ershad Ahmed.

Agriculture is the largest employment sector of Bangladesh, which is the fourth-biggest rice-producing country in the world.

This is why special attention should be given to the industry, and rightly so, the prime minister has been motivating farmers to not leave even an inch of land uncultivated, Ahmed said.

Upwards of 80 per cent of Bangladesh's workforce is still engaged in the informal sector, of which more than 40 per cent are employed in the agriculture sector alone.

This makes farmers, especially the marginal ones, the true heroes behind the country's economic development.

Sine the coronavirus fallout has also had an adverse effect on Bangladesh's three main economic pillars -- export, remittance and a vibrant middle class -- AmCham decided to support the country's agriculture sector without hesitation, Ahmed said.

The sale, transport and distribution of goods amid the coronavirus pandemic are challenging for the

marginalised, said Zahida Fizza Kabir, chief executive officer of Sajida Foundation.

"We will try to help the farmers overcome those challenges," she added.

AmCham Vice-President Syed Mohammad Kamal moderated the event.

SIBL targets low-cost deposits

FROM PAGE B4
Most banks' operating profits declined 20 to 30 per cent in the first half of 2020 because of the paralysed economy.

Customers are gradually returning to banks but they are being frustrated when they are told about the new savings rate, he said.

There are people who don't want to keep their funds in banks at the current rate and some of them are moving to cooperatives, he said, on condition of anonymity.

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০১	প্রোগ্রামার কম্পিউটার বিজ্ঞান ও প্রোগ্রামিং বিভাগ (০৪টি পদ, ০২টি স্থায়ী এবং ০২টি শিক্ষাক্রম বিপরীতে অস্থায়ী) বেতন স্কেল: ২২০০০-৫০০০০/-	৩০ বছর (তবে অধিকতর যোগ্যতাসম্পন্ন প্রার্থীদের ক্ষেত্রে শিথিলযোগ্য)	আবেদনকারীকে বিশ্ববিদ্যালয়ের নির্ধারিত ফরমে প্রয়োজনীয় সকল কাগজপত্রসহ ০৪ (চার) সেট আবেদন রেজিস্ট্রার, যশোর বিজ্ঞান ও প্রযুক্তি বিশ্ববিদ্যালয়, যশোর-৭৪০৮ ব্যাংকিং আর্মী ০৯/০৮/২০২০খ্রিঃ তারিখ অফিস চলাকালীন সময়ের মধ্যে পৌঁছাতে হবে। রেজিস্ট্রার, যশোর এর কার্যালয় অথবা বিশ্ববিদ্যালয়ের ওয়েবসাইট www.just.edu.bd হতে আবেদন ফরম ও সোপানকার বিস্তারিত বিবরণ সমগ্র করা যাবে। প্রার্থীকে আবেদনপত্রের সাথে নিম্নলিখিত কাগজপত্রের কপি প্রেরণ করতে হবে- (ক) শিক্ষাগত যোগ্যতা, অভিজ্ঞতা (যদি থাকে), প্রশিক্ষণ সনাক্তকরণ ও অন্যান্য সকল প্রকার ফুল/সাময়িক সনাক্তকরণ ও সনাক্তকরণ (খ) সত্য সত্য পাসপোর্ট সাইজের ০৩ কপি ছবি (গ) জাতীয় পরিচয়পত্র (ঘ) নিজ নিজ এলাকার ইউনিয়ন পরিষদের চেয়ারম্যান/পৌর মেয়র/ওয়ার্ড কাউন্সিলর প্রদত্ত ন্যায়বিচার সনাক্তকরণ। বয়স পূর্ণতার ক্ষেত্রে আবেদন জমার শেষ তারিখ পর্যন্ত হিসাব করতে হবে। চাকুরীতে নিয়োজিত প্রার্থীদের বর্ষাবধি কর্তৃপক্ষের মাধ্যমে আবেদন করতে হবে। কৃতিপুত্র/অসম্পূর্ণ এবং নিজে গ্রাজুয়েট আবেদনপত্র (নির্ধারিত সময়ের পর) গ্রহণ করা হবে না। দরখাস্তের সাথে "রেজিস্ট্রার, যশোর বিজ্ঞান ও প্রযুক্তি বিশ্ববিদ্যালয়" এর অফিসে জমা দিতে হবে। প্রার্থীকে নিজে নিজে করে আবেদন ফরম পূরণ করতে হবে। প্রার্থীকে প্রার্থীকে তার প্রার্থী পদের নাম, দপ্তর/বিভাগের নামসহ যশোর উপর স্মারকসহ লিখতে হবে। প্রার্থীর যোগাযোগের বর্তমান ঠিকানা লিখিত ৬/- (ছয়) টাকার ডাকটিকেট সন্নিবিষ্ট দুইটি ফেরত খাম আবেদনপত্রের সাথে সোপানকার করতে হবে।

স্বাক্ষরিত/-
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রেজিস্ট্রার
যশোর বিজ্ঞান ও প্রযুক্তি বিশ্ববিদ্যালয়

তারিখঃ-১০/৭

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Western Economic Corridor & Regional Enhancement Program (WeCARE) Phase-I:
Rural Connectivity, Market and Logistic Infrastructure Improvement Project (RCMLIIP)
LGED Bhaban, Level-10
Agargaon, Sher-e-Bangla Nagar, Dhaka-1207

Memo No.46.02.0000.728.14.003.20.500

Date: 30-06-2020

Request for Expressions of Interest (Feasibility and Detailed Design Consultant (FDDC) Consulting Services – firms selection)

Bangladesh
Western Economic Corridor & Regional Enhancement Program (WeCARE) Phase-I

Assignment Title: Feasibility and Detailed Design Consultant (FDDC)
Reference No.: SP-01

Government of the People's Republic of Bangladesh has applied for financing from the World Bank toward the cost of the Western Economic Corridor & Regional Enhancement Program (WeCARE) Phase-I and intends to apply part of the proceeds for Feasibility and Detailed Design Consultant (FDDC) Consulting Services.

The broad scope of consulting services ("the Services") include to carry out following in the project influence areas of Jashore, Jhenaidah, Magura, Chaudanga, Satkhira and Meherpur.

1. Preparing feasibility and detailed design of selected markets and logistics infrastructures involving storage, grading, sorting, packaging, collecting and selling facilities for selected agriculture value chains and livestock/fishing; and associated amenities;
2. Preparing feasibility and detailed design for upgrading and development of priority Upazila, Union, and village roads serving selected markets; and associated services;
3. Carrying out all required surveys and investigations, preliminary and detailed design of sub-projects;
4. Preparing Cost-estimates, specifications, bill of quantities, Bidding Documents and providing procurement support;

Expected date for commencement of the services is October 2020 and the tentative duration of the entire assignment is about 24 (twenty-four) months. A draft TOR can be found at the following website: (www.lged.gov.bd) or can be obtained at the address given below).

The Local Government Engineering Department (LGED) under Local Government Division, Ministry of Local Government, Rural Development and Cooperatives, Government of Bangladesh now invites eligible Consultancy Firms to indicate their interest in providing the Services. Interested consulting firms should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria are:

1. Experience in feasibility and detailed design of rural economic infrastructure i.e. rural roads, markets, logistics facilities.
2. Experience in Engineering investigations and surveys required for design.
3. Availability of appropriate skills among in-house staff; and
4. Experience in development partner's funded similar projects.

The attention of interested Consultants is drawn to the Section III, Para 3.14, 3.16, and 3.17 of the World Bank's "Procurement Regulations for IPF Borrowers, July 2016 and updated in August 2018", setting forth the World Bank's policy on conflict of interest.

Consultancy Firm may associate with other firms to enhance their qualifications, but should indicate clearly whether the association is in the form of a Joint Venture and/or a Sub-consultancy, in case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

A Consultancy Firm will be selected in accordance with the Consultants' Qualification Selection (CQS) method set out in the Procurement Regulations.

Further information can be obtained at the address below during office hours (9:00am to 17:00pm BST).
Expression of Interest must be delivered in a written form to the address below (in person, or by mail, or by fax, or by e-mail) by 17:00pm (BST), August 20, 2020.

Momin Mozibul Haque Shamaji
Project Director
WeCARE Phase-I: RCMLIIP
LGED Bhaban, Level-10
Agargaon, Sher-e-Bangla Nagar, Dhaka-1207
Tel: +88029131415; Fax: +88029141622
E-mail: pdwecare.lged@gmail.com

GD-1083

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Western Economic Corridor & Regional Enhancement Program (WeCARE) Phase-I:
Rural Connectivity, Market and Logistic Infrastructure Improvement Project (RCMLIIP)
LGED Bhaban, Level-10
Agargaon, Sher-e-Bangla Nagar, Dhaka-1207

Memo No. 46.02.0000.728.14.002.20.501

Date: 30-06-2020

Request for Expressions of Interest (The Project Management and Construction Supervision Consultancy Services (PMSCS) Consulting Services – firms selection)

Bangladesh
Western Economic Corridor & Regional Enhancement Program (WeCARE) Phase-I

Assignment Title: The Project Management and Construction Supervision Consultancy Services (PMSCS)
Reference No.: SP-02

The Government of Bangladesh has applied for financing from the World Bank toward the cost of the Western Economic Corridor & Regional Enhancement Program (WeCARE) Phase-I Project and intends to apply part of the proceeds for the Project Management and Construction Supervision Consultancy Services.

The broad scope of consulting services ("the Services") include, providing following services in districts of Jashore, Jhenaidah, Magura, Chaudanga, Satkhira and Meherpur;

1. Overall Project management support, including procurement, coordination, reporting, monitoring of progress;
2. Review the feasibility studies, preliminary and detailed design, specifications, engineer's estimates, survey reports and other deliverables;
3. Procurement support including preparation of ToRs/RFPs/Bidding Documents in compliance with World Bank Procurement Regulations.
4. Ensure project's compliance with the World Bank's Environmental and Social Framework (ESF) and its relevant standards;
5. Ensure that the project tasks are executed with quality standards specified in contract;
6. Construction supervision, monitoring and certifying the bills.

Expected date for commencement of the services is December 2020 and the tentative duration is about 48 (forty-eight) months.

Draft TOR can be found at the following website: (www.lged.gov.bd) or can be obtained at the address given below).

The Local Government Engineering Department (LGED) under Local Government Division, Ministry of Local Government, Rural Development and Cooperatives, Government of Bangladesh now invites eligible Consultancy Firms to indicate their interest in providing the Services. Interested consulting firms should provide information demonstrating that they have the required qualifications and relevant experience to perform the Services. The shortlisting criteria are:

1. Experience of providing high quality Project Management Services for Rural Development Works.
2. Experience in construction supervision of rural development works.
3. Experience in Procurement support to the Government for Public Works.
4. Experience in Environment and Social Safeguard Management and Supervision.
5. Experiences in similar rural development project design, supervision and monitoring activities.
6. Availability of appropriate skills among in-house staff.
7. Experience in development partner's funded similar projects.

The attention of interested Consultants is drawn to the Section III, Para 3.14, 3.16, and 3.17 of the World Bank's "Procurement Regulations for IPF Borrowers, July 2016 and updated in August 2018", setting forth the World Bank's policy on conflict of interest.

Consultancy Firm may associate with other firms to enhance their qualifications, but should indicate clearly whether the association is in the form of a Joint Venture and/or a Sub-consultancy, in case of a joint venture, all the partners in the joint venture shall be jointly and severally liable for the entire contract, if selected.

A Consultancy Firm will be selected in accordance with the Quality-and Cost-Based Selection (QCBS) method set out in the Procurement Regulations.

Further information can be obtained at the address below during office hours (9:00am to 17:00pm BST).
Expression of Interest must be delivered in a written form to the address below (in person, or by mail, or by fax, or by e-mail) by 17:00pm (BST), August 30, 2020.

Momin Mozibul Haque Shamaji
Project Director
WeCARE Phase-I: RCMLIIP
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GD-1085

Ukraine central bank departure sparks global outcry

AFP, Kiev

The IMF and the international business community expressed deep concern Thursday after the governor of Ukraine's central bank resigned citing political pressure.

The bank chief Yakiv Smoliy stood down Wednesday, saying "systematic political pressure" made it "impossible" for him to fulfil his duties.

The International Monetary Fund praised Smoliy's leadership of the National Bank of Ukraine (NBU) in a statement, stressing the need to preserve its independence.

"The independence of the NBU is at the center of Ukraine's Fund-supported programme", on which the country depends on for crucial financial aid, and "must be maintained under his successor", the IMF said.

The EU said Smoliy's resignation "against the backdrop of alleged political pressure sends a worrying signal".

It said the compromising the central bank's independence "jeopardises the credibility of and support for Ukraine's reform agenda".

The post-Soviet country's western business community also voiced alarm at the move.

The European Business Association said in a statement that it was "deeply concerned".



National Bank of Ukraine Governor Yakiv Smoliy.

"Smoliy's resignation sends a negative signal to foreign investors and companies operating in Ukraine," suggesting "security, justice, and equality now can be put under question," it said.

The president of the American Chamber of Commerce, Andy Hunder, tweeted that Smoliy was "hugely respected among the business community".

"Businesses are now concerned

about the future independence of the @NBUkraine management and the continuation of the @IMFNews program," he wrote.

Following Smoliy's resignation, Ukraine's finance ministry cancelled a previously announced Eurobond offering.

Tomas Fiala, the Czech CEO of Kiev-based investment company Dragon Capital, in a statement Thursday said Smoliy's departure

was a "red line for all investors," accusing the authorities of "complete incompetence".

Timothy Ash, a London-based economist and Ukraine expert, tweeted Wednesday evening that Smoliy's resignation was "terrible news for Ukraine."

"The future of the IMF programme must be in doubt", he said.

The bank leadership had come under attack from a group of lawmakers, mainly MPs from the ruling party of President Volodymyr Zelensky who are considered close to oligarch Igor Kolomoisky.

In a draft resolution, the lawmakers accused the bank of overseeing policies that were "dangerous for the country" and worsened its economic crisis.

"Zelensky failed to adequately support the independence of the NBU due to an onslaught from Kolomoisky and his supporters," said Ash.

In June the IMF unblocked \$2.1 billion worth of aid under a new \$5 billion plan to help Ukraine.

Zelensky's office said in a statement that ensuring the NBU's independence remains its "unconditional priority".

Zelensky has accepted Smoliy's resignation which now needs approval from parliament, which is expected on Friday.

Siemens ees up to 20pc drop in business

REUTERS, Frankfurt

German engineering company Siemens saw the volume of business contract by as much as 20 per cent in the three months to June and activity in 2021 would stay below 2019 levels, the chief financial officer told Boersenzeitung (BoeZ).

Ralf Thomas told Saturday's edition of the newspaper that the company's financial third quarter, which runs April to June, "will be a big challenge for us, as for most other market participants as well" due to the coronavirus crisis.

"However, it will not be a bottomless fall," he said, adding that the business volume of short-cycle activities had likely contracted by between 10 per cent and 20 per cent in the period.

Thomas had said in May he expected a 5 per cent drop in revenue in the financial year ending in September, after guiding for moderate sales growth before the virus outbreak.

He did not rule out moves to cut capacity in some business areas, but left open where this could be.

Trump approves five-week extension for small business pandemic loan applications

REUTERS, Washington

US President Donald Trump on Saturday signed into law a deadline extension to August 8 for small businesses to apply for relief loans under a federal aid program to help businesses hurt by the COVID-19 pandemic, the White House said.

The extension to the Payroll Protection Program (PPP), which was launched in April to keep Americans on company payrolls and off unemployment assistance, gives business owners an additional five weeks to apply for funding assistance plagued by problems.

An estimated \$130 billion of the \$659 billion provided by Congress is still up for grabs. Critics worry the U.S. Small Business Administrator's office, which administers the loan, may continue to experience challenges in fairly distributing the funds. From the outset, the unprecedented first-come-first-served program struggled with technology and paperwork problems that led some businesses to miss out while some affluent firms got funds.

The SBA's inspector general found in May that some rural, minority and women-owned businesses may not have received loans due to a lack of prioritization from the agency. Reuters reported here on Thursday that a technical snafu in a U.S. government system caused many small businesses to receive loans twice or more times, nearly a dozen people with knowledge of the matter said.



Donald Trump

Canada's biggest banks join boycott of Facebook platforms

REUTERS, Toronto

Canada's biggest lenders confirmed on Friday they had joined a widespread boycott of Facebook Inc begun by U.S. civil rights groups seeking to pressure the world's largest social media platform to take concrete steps to block hate speech.

More than 400 brands have pulled advertising on Facebook in response to the "Stop Hate for Profit" campaign, begun after the death of George Floyd, a Black man who died in police custody in Minneapolis on May 25.

Canadian lenders Royal Bank of Canada, Toronto-Dominion Bank, Bank of Nova Scotia, Bank of Montreal, National Bank of Canada and Canadian Imperial Bank of Commerce all said they will pause advertising on Facebook platforms in July.

Desjardins Group, Canada's largest federation of credit unions, also said on its website on Thursday it will pause advertising on Facebook and Instagram for the month "barring any exceptional situations where we need to communicate with our members or clients."

Most cited their commitments to inclusion and diversity. Facebook has opened itself up to a civil rights audit and has banned 250 white supremacist organizations from Facebook and Instagram, a spokesman said by email. Its investments in artificial intelligence mean it finds nearly 90% of hate speech it takes action on before users report it, he added.

Diamond World becomes first Bangladeshi company to import gold bars

FROM PAGE B4

A comparison would clearly depict how poorly Bangladesh has been performing in gold export when its neighbour India has been supplying 80 per cent of the handcrafted gold ornaments that the world needs a year.

In 2016, India exported gold ornaments worth \$42 billion while the official figure for Bangladesh stood at only \$672.

So the government formulated the country's first gold import policy with special focus on increasing gold ornament export from Bangladesh.

Bangladesh Bank last year sought applications for the appointment of gold dealers under the gold import policy.

Forty-seven applied for the dealership while 18, including a private bank, got the temporary licence for two years.

The companies are Modhumoti Bank, Diamond World, Jewellery House, Rotno Gold Corner, Aroosa

Gold Corp, Amin Jewellers, Sreeja Gold Palace, Jarwa House, Milon Bazar, SQ Trading and Eng, MK International, Amin Jewellers Ltd, Buraq Commodities Exchange Co, Golden World Jewellers, Riya Jewellers, Laxmi Jewellers, BDEX Gold and Diamond, and D Damas.

Eleven measures were incorporated in the policy giving Bangladesh Bank the right to appoint dealers for importing gold bars.

As per the policy, the dealers could be an authorised bank, an individual-owned firm, a joint venture or a limited company, which will be allowed to bring in gold bars directly.

Manufacturers of ornaments will purchase gold only from these dealers.

It was made mandatory for the dealers to import gold through bonds, for which a bond licence is a must.

Agarwala said they could not import gold even after getting the

Sonali Bank seeks Tk 10,000cr to meet BASEL III requirements

FROM PAGE B1

So, the bank has requested the finance ministry to come up with the amount.

"We do not need any cash. The government could issue a guarantee letter against our proposal. Then, the bank will submit it to the central bank to show it as the capital," the banker said.

The bank has sought the capital a number of times, said Md Aatur Rahman Prodhhan, managing director of Sonali Bank.

If the government provides the fund, the bank will be able to meet the Basel III requirement, he said.

Basel III is an internationally agreed set of measures developed by the Basel Committee on Banking Supervision in response to the Financial Crisis of 2007-09 with a view to improving regulation, supervision and risk management within the banking sector.

As of December, capital adequacy ratio (CAR) at Sonali Bank stood at 0.50 per cent, much lower than the permissible limit of 12.50 per cent.

The CAR is a measurement of a bank's available capital expressed as a percentage of its risk-weighted credit exposures, which is used to protect depositors and promote the stability and efficiency of banks around the world.

Risk-weighted assets are used to determine the minimum amount of capital that must be held by banks and other institutions to reduce risks of insolvency.

There will be rebound of apparel shipment to US. But it will be slow and steady.

FROM PAGE B1

"I am fortunate that I work with some very good customers in the US and we did not face any order cancellations."

But new orders from these existing customers have dropped by almost 60 per cent, he said, while attributing this to the current second wave of infections and a lack of confidence among buyers in the throes of fears of an economic meltdown and job losses.

"However, we expect that the US market will rebound strongly in 2021 as American buyers and importers are looking for an alternative to China because of the political conflict between the two economic powerhouses," he added.

Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association, said she was hopeful about a faster rebound of apparel shipment to the US market.

"With the gradual opening of stores, there's huge potential for Bangladesh to grow in the US market," she added.

Like Bangladesh, garment export to the US from major peer countries also declined in the January-May period compared to the same time a year ago, according to OTEXA data.

Despite being a least-developed country (LDC), Bangladesh does not enjoy zero duty benefit on garment exports to the US, as the American government does not allow zero duty benefit on export of garment items except some African countries under the African Growth and Opportunity Act (AGOA).

As a result, Bangladeshi garment exporters face 15.62 per cent duty on export of apparel items to the US although America allows zero duty benefits for 97 per cent products of the LDCs.

Bangladesh exports more than \$6 billion worth of garment items to the US market a year though the country's garment items are not included in the 97 per cent package.

The country has been performing well in the US market because of rising demand for Bangladeshi goods among American consumers.

Motorcycle sellers can't believe their luck as pandemic ramps up sales

FROM PAGE B1

For example, a CNG-run three-wheeler used to transport five persons from Habiganj Sadar to Baniachong, an upazila of the district, charging a fare of Tk 40 from each of the passengers.

But when the government eased some of the restrictions on the movement of vehicles, such vehicles were not allowed to carry more than three passengers -- a practice that continues. As a result, the fare rose 75 per cent to Tk 70 per passenger.

Later, the government hiked the bus fare by 60 per cent across the country from June 1.

"Due to the convenience of travel during these hard times and low-cost transportation, people are opting for motorcycles," said Md Kamal, a technician at New Sheikh Motors in Habiganj.

In the last two months, the showroom has sold about 50 units of motorcycles a month, up from 32-35 units during normal times.

In March, the business of Ettadi Motors, which

sells both used and brand-new motorcycles in Sylhet, was bad.

Although the shop was closed most of the time due to coronavirus in April and May, it still managed to sell a good number of motorcycles, said Rayhan Ahmed, the owner of Ettadi Motors.

"The sales in June skyrocketed, not only in my showroom but also in other showrooms," he added.

The companies have also offered discounts to drive up sales. Almost all brands came up with cashback and discounts offers on the occasion of Eid-ul-Fitr, said a manager of a showroom in Sylhet.

Due to cost efficiency, travel convenience through traffic-congested streets, and people's increasing purchasing power backed by the steadily expanding economy, the motorcycle market has been witnessing double-digit growth for the past several years.

The number of registered motorcycles increased about four times in the last decade to

2,991,612 in 2020 from 759,257 in 2010, data from the Bangladesh Road Transport Authority showed.

However, the official figure is much lower than the actual number, said industry insiders. More than 1,000 units of motorcycles hit the street in Bangladesh every day but only half of them are registered.

The market began to expand fast from fiscal 2016-17 when the government slashed the supplementary duty by 25 percentage points to 20 per cent on the import of the two-wheeler's components to encourage domestic manufacturing.

To boost the industry's growth further, the government has formulated the Motorcycle Industry Development Policy 2018.

It aims to take motorcycle production up to one million units by 2027 with half of them coming from local manufacturing and supply quality motorcycles to domestic and overseas markets at competitive prices.

Govt to set up company to salvage soured loans

FROM PAGE B1

The corporation would be empowered to sign an agreement with local and foreign banks or financial institutions and all defaulted loans of banks, financial institutions and specialised banks that have taken licences from the central bank would be under the coverage of the corporation.

It would be headquartered in Dhaka and would be able to open offices in any part of the country and abroad. The corporation would be able to set up subsidiary companies.

The decisions of Bamco would be final. The aggrieved individual or firm would be able to appeal to the board for reconsideration. However, they would not be able to sue Bamco before appealing.

The corporation would ink deals with banks to realise the defaulted loans that the lenders themselves would fail to recover. In exchange, it would get a portion of the realised money, the draft act said.

If Bamco assumes that a defaulted firm can make a turnaround if changes are made to the

management, it would bring in the change. It would be able to sell off the assets of the defaulted companies.

The tenure of the board would be three years and the directors can't continue for more than two terms at a stretch.

The incomes or profits of the corporation would enjoy the tax holiday initially for 10 years.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, however, said it would be a loss-making corporation.

"The weakest banks would use it to dump their bad assets and put the burden on the government. Why should the government take this responsibility? Why should the public sector take responsibility for the bad debts of the private sector?"

The government's track record in asset recovery is absolutely horrendous, he said.

Citing the example of scams related to Jubok, Hall-mark and Destiny, Mansur said the companies have become non-existent but the government got nothing in terms of assets.

"At least I don't know whether the government

has got anything because no such information is available."

The former official of the IMF recommended allowing setting up of private asset management companies with the government providing legal assistance.

Private sector companies would be able to buy distressed assets at market prices or much lower prices compared with the planned corporation. And banks would not run to dump their bad assets onto the public asset management companies (PAMCs), he said.

In many countries, PAMCs have been successful, he said.

But there is governance structure and integrity of the people and the overall system in those countries and there is no formalisation of corruption there.

"I strongly urge the government not to go for the corporation because it would simply assume the responsibilities of the default loans of all the banks at taxpayers' money. The government should not impose this burden on the people," Mansur added.

23 more services coming to BIDA's One-Stop Service centre

FROM PAGE B4

BIDA says it is still working on them.

The new additions are said to make as much as 52 data and payment-enabled government to business services available on the OSS.

BIDA's goal is to integrate as many as 154 services from 35 agencies with technical support from the International Finance Corporation. Bangladesh has turned starting a business less expensive by reducing name clearance and registration

fees and abolishing the fee for certifying digital certificates, according to BIDA.

The government has taken several initiatives to improve reforms to ease the process of doing business, Islam said.

This includes developing action plans, forming taskforces, coordinating reform initiatives among relevant government agencies, providing reform support to line agencies, conducting dialogues with private sector stakeholders and monitoring reform progress.

Tootli Rahman elected new WEA president

FROM PAGE B4

We plan to organise advocacy, training programmes, webinars and also interesting online shows, to bring positivity during the pandemic," said the new WEA president Tootli Rahman.

Rahman is a renowned entrepreneur, fashion designer and event planner in Bangladesh. WEA was formed to promote the interests of women in business.

The organisation has promoted women in different sectors like garment, ornaments, handicrafts, handloom, leather products, pharmaceuticals, customer service and ICT.

The association was established in 1993 with 15 members. Today, the WEA has 150 members.

"Now the members of WEA are all well-grounded and doing very well," the association said in the statement.

CVO Petrochemical left to stew amid raw material supply choke-off



AHSAN HABIB

Stock investors of CVO Petrochemical Refinery have been in a flap as the company has announced to close operations for at least three months due to a shortage of condensate, a gas by-product used as a key raw material by refineries.

The energy and mineral resources division under the power and energy ministry asked Petrobangla, a government-owned national oil company, last week not to supply the condensate to any private refineries for the next three months through September.

Once the current stock of the raw materials runs out, the

company won't be able to operate, it informed its investors yesterday through the website of the Dhaka Stock Exchange.

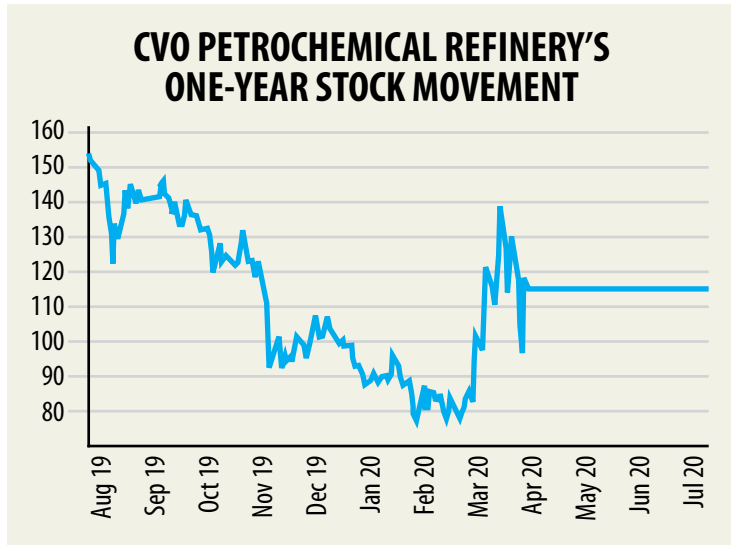
"Petrobangla has cut the supply abruptly without any prior notice or talking to us," said Mowin Hossain, company secretary of CVO Petrochemical.

All the 12 private petroleum refineries in the country run hand to mouth and if the companies close their operations for three months, they will face dire consequences.

"Employees' salaries, bank loan repayment -- everything will be left in a state of uncertainty," the official added.

The government on several occasions have asked the refineries in the country to upgrade their product quality but to no avail, which is why the harsh decision had to be taken, said a top official of the ministry asking not to be named.

"We had initially decided to halt the supply of the raw material in the month of February or March because of the inferior quality of



the products [of the refineries]," he added.

Hossain, however, said no local company could maintain the high standards as the ministry demands.

"The government should sit with the stakeholders to find a way out."

Such a development is undoubtedly a fresh blow to the stock market, which has been bleeding for long until further aggravated by the ongoing pandemic, said Abdul Malek, a stock investor.

There should be a consensus among all the regulatory bodies

before taking any decision against any listed company, he added.

Now the refiner should talk with the stock market regulator and then the ministry officials to find a solution very fast, Malek said.

"Our association is working to end the stalemate. We are hopeful that the government will reconsider the decision. As we are a public limited company, our general investors will be badly impacted," Hossain said.

However, the supply of condensate remains open for octane producers.

CVO Petrochemical, whose paid-up capital was Tk 25.24 crore, traded at Tk 115.40 on bourses yesterday.

Sponsors hold 50 per cent, general shareholders 22.47 per cent, foreigners 0.22 per cent and institutional investors the rest 22.31 per cent share in the company.

Earnings per share of the company were Tk 0.37 in the negative between July last year and March 20 this year, down from Tk 0.21 a year earlier.

23 more services coming to BIDA's One-Stop Service centre

JAGARAN CHAKMA

Bangladesh Investment Development Authority (BIDA) is moving towards deals to incorporate 23 more dedicated services for investors on its website within the next two months, aiming at improving Bangladesh's ranking in the World Bank's ease of doing business index and attract foreign investment.

"Online services are an urgent priority, especially considering the pandemic. Our stakeholders in the private sector have been communicating their need for faster, easier and more transparent digital services," said BIDA Executive Chairman Md Sirazul Islam.

The 23 services will be made available on the One-Stop Service (OSS) section of the BIDA website through letters of intent with 10 ministries and organisations.

"After we sign the letters, we will have to work hard to integrate your interface with BIDA's OSS. I am very happy to find out that out of these 10 authorities, six have already prepared their application programming interfaces."

As for the ranking, Bangladesh plans to rise to a double-digit spot from the current three-digit one within two years. Bangladesh had first advanced one place to take up the 176th position in the 2019 assessment before making a jump to become 168th among 190 countries in the 2020 index.

New OSS service of BIDA to enhance ease of doing business

Ministry/Organisation	Upcoming Services by BIDA
Ministry of Land	e-mutation, e-khatyan (record of rights)
Rajdhani Unnayan Katrapakkha (RAJUK) Department of Inspection for Factories and Establishments (DIFE)	land use clearance, plan approval, special project permit for large or specialised projects, occupancy certificate licence of establishment, factory machine layout plan approval, license renewal and correction
Department of Environment	site clearance, environmental impact assessment approval, environmental clearance certificate issuance and renewal
Bangladesh Fire Service & Civil Defence	fire license approval and renewal, no objection certificate for multi-storied buildings
Dhaka Power Distribution Company (DPDC), Northern Electricity Supply Company Limited, West Zone Power Distribution Company Limited, Bangladesh Rural Electrification Board	new electricity connection
Dhaka Chamber of Commerce and Industries	certificate of origin, membership certificate

But prospects look glum as gross inflow of foreign direct investment (FDI) has fallen 13.8 per cent to \$3.73 billion in the first 11 months of last fiscal year, largely owing to the coronavirus pandemic.

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 EU 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 know-how 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.

Launched on February 24 last year, the OSS is still limited to the initial 18 information-related services of itself, the Registrar of Joint Stock Companies and Firms, the National Board of Revenue and Sonali Bank.

It was scheduled to bring in 11 more services by June of the home affairs ministry's security services division, Office of the Chief Controller of Imports and Exports, Chittagong Development Authority, Dhaka Electric Supply Company, and Bangladesh Power Development Board.

READ MORE ON B3

Tk 1,021cr in suspicious transactions reported to BFIU in FY19

STAR BUSINESS REPORT

Suspicious transaction and activity in Bangladesh fell by 7.86 per cent year-on-year in 2018-19, in a development that may raise questions whether banks and other reporting agencies are monitoring the anomalies properly.

The Bangladesh Financial Intelligence Unit (BFIU) received 3,573 suspicious transaction reports (STRs) and suspicious activity reports (SARs) from reporting agencies in the 12-month period from banks, non-bank financial institutions, remittance agencies and other resources.

Of the total, the number of STRs was 2,084 and SARs 1,489. In 2017-18, the total number of STRs and SARs was 3,078, according to the BFIU's annual report released on Sunday.

The reporting agencies lodged 5,036 suspicious transactions involving Tk 1,021 crore in FY19.

The reporting organisations have a legal obligation to submit suspicious transactions reports to the BFIU.

The reporting systems have been introduced to protect the reporting organisations from being exploited by the money launderers and terrorist financiers, and to ensure the soundness of the national Anti-Money Laundering/Combating the Financing of Terrorism initiative.

Apart from the STRs and SARs, the BFIU received 561 requests from the Anti-Corruption Commission (ACC), police and other government agencies for information exchange in FY2018-19, up from 490 in previous years.

BB extends loan rescheduling scope to rawhide traders

STAR BUSINESS REPORT

The central bank yesterday relaxed the rules on loan rescheduling for rawhide traders in a bid to ensure availability of sufficient funds for the industry during Eid-ul-Azha.

Traditionally, half of the country's rawhide supply is collected during the celebration of the Eid, which is about a month away.

However, the majority of the rawhide traders have recently become loan defaulters, which may give rise to issues in the supply chain in the domestic market, according to a central bank notice.

Besides, a major portion of rawhide collected during the sacrificial season will be exported as well.

Under the backdrop, the BB yesterday said that traders will be allowed to reschedule their defaulted loans after paying only a 2 per cent down-payment on outstanding loans as of June 30.

Hence, borrowers can enjoy a renewed repayment tenure of up to six years, including a one-year grace period.

Clients who took term loans will be

given a maximum of eight years, including the one-year grace period. Traders will have to send in their applications by July 30 to quality for the relaxed facilities.

Clients will have to pay back at least 15 per cent of their outstanding loans after rescheduling of their non-performing loans if they want to secure further funding.

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

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.

Leather is an export-oriented industry and is a potential sector when it comes to GDP growth, job creation, earning foreign currencies and value addition.

Exports of leather brought in \$98.31 million in the just fiscal year, down 40.28 per cent year-on-year, data from the Export Promotion Bureau showed.

AmCham puts steps forward to support marginal farmers

STAR BUSINESS REPORT

The American Chamber of Commerce in Bangladesh (AmCham) disbursed Tk 2,600 each to 1,000 marginal farmers of Sirajganj district yesterday, in a bid to support continual production in the agriculture sector amid the ongoing coronavirus pandemic.

"Producing sufficient food for everyone in the country is our main target," said Agriculture Minister Abdur Razzaque.

Razzaque made these comments while inaugurating the 'AmCham Support for the farmers during COVID-19 Pandemic' programme, which was conducted online to ensure the safety of those

participating.

The beneficiaries can use the fund to purchase daily essentials or other materials needed to cultivate crops as the COVID-19 outbreak, river erosion and flooding has had a severe impact on their businesses.

Financial and technical assistance for the farmers will also help them bring their goods back to the market following months of hardship due to the recently concluded nationwide lockdown.

Sirajganj is prone to flooding and river erosion. As a result, many farmers in the area, specifically the marginal ones, often lose their investments and eventually become poorer.

Considering the situation, AmCham member companies



collectively contributed Tk 26 lakh for the fund, which was donated to the farmers through Sajida Foundation, a local non-governmental organisation

that provides medical, financial and technical assistance to the marginalised.

Besides, farmers can use the grant to pay for the preservation and transport of their goods.

"We had bumper rice production in the last boro season and we are expecting another bumper production in the Aus and Aman seasons. So, we do not have a problem with the food supply. We just have to reserve the food for the next six months," Razzaque said.

Since Bangladesh is self-sufficient when it comes to food, the country often exports surplus supplies of rice to other countries as relief in times of disaster.

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SIBL targets low-cost deposits

Offers instant cash bonus for opening new account

MD FAZLUR RAHMAN

Social Islami Bank has rolled out a new campaign to rope in more customers and widen the customer base by offering Tk 100 in instant cash bonus for opening any new accounts, in a move that can give a boost to the central bank's financial inclusion agenda.

The campaign aims at pooling deposits from across the country, particularly in the rural areas, said Moniruzzaman Tipu, senior vice-president and head, branding and communication of the private commercial bank.

"We are targeting to add more accounts, whatever the size," he added.

The campaign named "100 for 1" will continue up to September 30 this year at SIBL's 161 branches, 130 agent banking booths and 33 sub-branches.

Clients will instantly get a debit

card and internet banking facilities on the day the account is open.

SIBL has taken the initiative to raise the tendency of savings and reduce the cost among the people struck by the coronavirus pandemic, the bank said.



The offer would apply to savings, current and notice deposit accounts. These are low-cost accounts.

SIBL aims to add more low-cost deposits with a view to reducing the cost of funds and cutting its reliance on high-cost deposits such as fixed

deposit receipt (FDR) and deposit pension schemes.

A good portion of low-cost deposits gives a reasonable spread to banks.

Banks would have to increasingly look for low-cost deposits after the central bank capped the interest rate on deposits at 6 per cent and lending rates at 9 per cent.

This has become even relevant at a time when banks saw a surge in fund withdrawal as in moments of crisis holding more physical cash tends to give some a sense of control over the situation.

However, long-term deposits are not available at 6 per cent, whereas banks can't lend at more than 9 per cent, said a private banker.

The banker said many people withdrew deposits from banks after the coronavirus pandemic hit the country as their incomes dropped and livelihoods lost because of the countrywide shutdown.

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Diamond World becomes first Bangladeshi company to import gold bars

KHONDOKER MD SHOYEB and SOHEL PARVEZ

Diamond World has made history as the leading jewellery house has become the first company from Bangladesh to import gold bars through a legal channel to cater for both local and foreign markets.

The company brought in 10.5 kilograms of gold on June 30, which is an extraordinary case for Bangladesh as gold has never been imported through legal channels since the independence of the country.

"We are hopeful that we will be able to export jewellery within six months," said Dilip Kumar Agarwala, managing director of Diamond World Ltd.

Formal import will benefit customers as prices of the precious metal will come down to the levels of the international market. "Customers were bound to pay Tk 4,000 more than the international market prices. Now they will not have to pay any

extra amount."

Diamond World launched formal sales of the gold through a programme where Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industry, was the chief guest.



Diamond World's import followed the declaration of gold import policy formulated by the government in 2018 to clean the gold trade, make import and export easier, stop smuggling and ensure transparency in the trade.

The policy came in the face of demand from jewellers after the Customs Intelligence and Investigation Directorate seized huge

cache of gold from Apan Jewellers for failure to show valid documents.

Following the formulation of the policy, the National Board of Revenue (NBR) allowed traders and jewellers to declare their stock of bullion and other precious metal in fiscal year 2018-19.

Agarwala said the NBR earned Tk 217 crore as 14,267 gold traders declared their stocks.

Smuggled gold meets around 80 per cent of Bangladesh's annual demand for gold, which hovers between 20 and 40 tonnes.

In a least developed country like Bangladesh, it is a common phenomenon for big hauls of smuggled gold making headlines. The amount of seized gold portrays the true picture.

In 44 years since 1971, around 2.2 tonnes of gold worth of over Tk 750 crore brought in illegally made its way to the country's foreign currency reserves.

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