

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.17%	▲ 0.23%	\$1,793.76	\$43.16	▲ 0.51%	▼ 0.44%	▼ 0.05%	▲ 0.37%	BUY TK 83.95	93.72	103.82	11.74
4,001.81	6,882.31	(per ounce)	(per barrel)	36,674.52	22,614.69	2,661.42	3,345.34	SELL TK 84.95	97.52	107.62	12.35

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# Star BUSINESS

DHAKA WEDNESDAY JULY 8, 2020, ASHAR 24, 1427 BS • starbusiness@thedailystar.net

## Private jute millers can now go full steam ahead

SOHEL PARVEZ

Private millers are looking to utilise much of their capacity to increase the production of jute goods to cash in on the void created in the domestic and international markets for the closure of all the 22 state-run jute mills.

State mills under the Bangladesh Jute Mills Corporation (BJMC) exported 31,730 tonnes of jute goods in the first 11 months of fiscal 2019-20, up from 29,450 tonnes in the previous year.

As the BJMC factories that

produced sacks, hessian and carpet backing cloths were shut on July 1, private millers see business prospects since state mills are unlikely to resume production soon.

"This has created an opportunity for the private sector players to turn around," said Mahmudul Huq, chief executive of Janata Jute Mills, one of the leading private mills.

The mills under the BJMC had nearly 11,000 looms and the state agency could operate only half the looms to make jute goods.

The BJMC exported roughly

CLOSED JUTE MILLS	WORKERS PRIVATE MILLS	LOOMS IN PRIVATE MILLS
Private jute mills: 67 (including 28 previously denationalised jute mills)	Spinning mills: 75,000	Installed looms: 16,000
Private spinning mills: 12	Private Jute mills: 60,000	Operated Looms: 5,215
Closed state mills: 26	Closed state mills: 50,000 including casual workers	Closed looms including closed private mills: 10,906
		State mills: nearly 11,000

one lakh tonnes of jute goods annually over the past decade, while its average domestic sales were more than 28,000 tonnes.

Private mills will not be able to fill the gap overnight, said Huq, who has been in the jute industry for nearly 30 years.

"Our capacity for weaving and spinning will increase by 2021," he said.

Bangladesh has 260 private jute mills, including spinning mills, and 54 of those are closed, according to data by

the Bangladesh Jute Spinners Association (BJS), whose members contribute to more than 60 per cent of the total export receipts.

With the BJMC's 22, the total number of factories shut down so far crosses 100.

Some private millers expressed optimism that the owners of the closed mills might resume production because of the shutdown of mills under the BJMC that is going to bid goodbye to 24,886 permanent

workers through a golden handshake.

"Those who had been running factories below their capacity are likely to increase capacity utilisation," said Mohammed Mahbubur Rahman Patwari, chairman of Bangladesh Jute Mills Association (BJMA).

BJMA data showed that private jute mills operate only 5,215 of their installed looms of 16,000 including the ones of the closed factories.

READ MORE ON B2

## Work on Indian economic zone to finally get off the ground soon

JAGARAN CHAKMA

Bangladesh Economic Zones Authority (Beza) is all ready to start site development for an India Special Economic Zone (ISEZ), where billions of dollars in investment are expected to pour in from the neighbouring country.

The Indian authority approved \$115 million in funds for the project on June 11 under its third Line of Credit (LoC) worth \$4.5 billion to Bangladesh, which was agreed upon in 2017.

"We will sign a commercial agreement with the Adani Ports and Special Economic Zone Limited (APSEZ) shortly to start the implementation work after completing of necessary negotiations," said Paban Chowdhury, executive chairman of Beza.

He expects the project to be ready for factory setups within June 2021 and the factories to go into operation in full swing by 2023.

Beza already signed an agreement with the APSEZ to develop the zone and the Prime Minister's Office approved it in January this year.

The government allocated Tk 80 crore under the annual development project this fiscal year for the ISEZ.

Meanwhile, the pre-qualification report for a project management consultant has been sent for vetting to the Exim Bank of India, which is supposed to disburse the LoC.

The site selection and land acquisition for the ISEZ have already been completed at Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) in Mirsarai, Chattogram.

Now only negotiations are ongoing on whether Beza will be involved in equity or not.

According to Chowdhury, the APSEZ wants Beza to be an equity partner of the ISEZ.

Prime Minister Sheikh Hasina has given her nod for the Ahmedabad-based Adani Group to develop the ISEZ, Chowdhury said.

He believes successful implementation of the ISEZ would eventually reduce the trade imbalance between the two countries that are heavily tilted towards the neighbouring country.

In fiscal 2018-19, Bangladesh's merchandise shipments to India amounted to \$1.24 billion, crossing the \$1 billion-mark for the first time, according to data from the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

At the same time, Bangladesh imported goods worth \$7.64 billion, down from \$8.61 billion in the previous year.

The trade imbalance would be reduced while the ISEZ would go into manufacturing products and export it to the neighbouring countries, particularly to the Seven Sister States of India, the Beza executive chairman said.

An Indian diplomat in Dhaka on condition of anonymity told The Daily Star that the Indian side was sincere in completing the construction for the site's industrialisation.

"Our investors, including giant Adani Group, do not want to waste time for setting up their industrial units in the economic zones," he added.

Adani eyed the ISEZ as the Indian government supported it and it has got clearance from the Indian authority, said the BEZA executive chairman.

Almost all official formalities have been wrapped up as per Adani Group's expectations, Chowdhury said.

Adani, which has vast experience as India's largest private multi-port operator, wants to set up a dedicated port in the zone.

The number of companies that will set up shop at the ISEZ is yet to be finalised but the zone is expected to create about 3 lakhs jobs directly.

The economic zones aim to promote balanced development of multi-product industries in different parts of the country, create jobs for the locals and attract foreign direct investment, Chowdhury added.

### ISEZ at a glance

- Total area of ISEZ **1,000** acres
- India to provide **\$115m** fund
- Operational by **2023**
- Investment **billions of dollar**
- Employment **3** lakh directly
- Major sector: **IT, automobile, textile, engineering, leather**
- Important infrastructure: **jetty/port**
- Allocation of **Tk 80** cr this fiscal year

## Wage growth pitches to five-year low

REJAUL KARIM BYRON

Wage growth slowed to a five-year low in the just-concluded fiscal year driven by the income loss in the manufacturing and services sectors as the coronavirus pandemic-induced shutdown wiped out livelihoods of a major portion of the population in the last quarter.

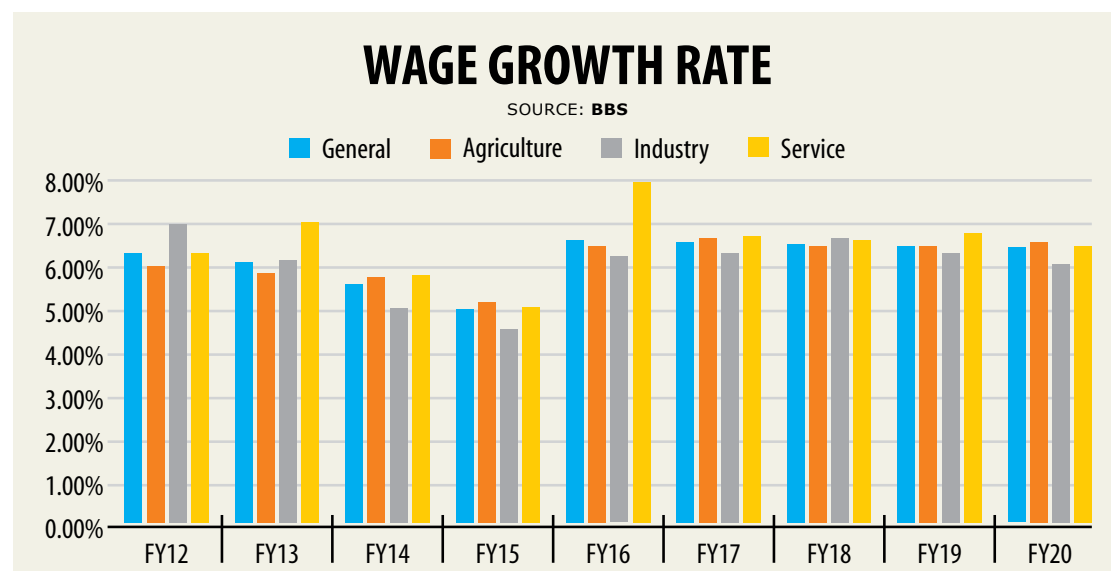
General wage grew 6.35 per cent in fiscal 2019-20, which was 6.4 per cent a year earlier, according to the Wage Rate Index (WRI) prepared by the Bangladesh Bureau of Statistics (BBS).

This is the lowest wage growth since fiscal 2015-16.

The decline in wage growth in the manufacturing and services sector led the fall.

The industrial sector saw a 23 basis-point drop in wage growth to 5.99 per cent, the lowest in five years, from a year earlier.

Similarly, the services sector's wage growth gave up 28 basis points to 6.41 per cent, also the



lowest since fiscal 2015-16.

The agriculture sector helped the wage rate end the fiscal year on a positive note: it advanced six basis points to 6.48 per cent, the highest in three years.

The wage growth of the three major sectors of the economy vanished in April, the first month that endured the devastating impact of the countrywide shutdown put in place to flatten

the curve on coronavirus.

In April, the wage growth in the agriculture sector was 0.20 per cent in the negative compared with March.

The manufacturing sector's

wage growth contracted 0.04 per cent and that of the service sector's 0.02 per cent.

Construction workers saw a wage contraction of 0.03 per cent and it was 0.05 per cent for the fisheries sector's workers, BBS data showed. The wage growth in all sectors returned to the black in May and June.

Wage growth contracted in Dhaka, Chattogram and Rajshahi in April but it was in the positive territory in Rangpur, Barisal, Khulna and Sylhet.

Unlike all other divisions, Rangpur, however, saw a contraction in wage growth in May.

While the wage growth slowed in every month since March, it still stayed ahead of the inflation, suggesting that real wage was still rising, albeit at a slower pace.

This is true for all sectors -- agriculture, industry and services, according to Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

READ MORE ON B2

## Uber comes to housebound city dwellers' rescue as it brings in car rentals

MAHMUDUL HASAN

Getting around Dhaka city, these days, has become bit of a plight for those who were reliant on their chauffeurs to drive them around.

For fear of contagion, many households have packed their chauffeurs off to their villages in the last week of March, when the government had enforced countrywide shutdown with the view to flattening the curve on coronavirus.

The shutdown has been lifted but the state of contagion remains more heightened than ever before, meaning many of those households are still without their chauffeurs and completely housebound, even if it is not by choice always.

Against such a backdrop, global ridesharing giant Uber yesterday introduced on-demand rental service to cater to the city's residents who have been struggling to get a safe ride.

Uber Rentals, the first of a kind launched by any ridesharing company in Bangladesh, promises to provide a personalised experience to passengers, allowing them to book a car and its driver for several hours at a stretch and make multiple stops on a journey.

"As Dhaka reopens, many of our riders will have new use cases and different needs from Uber, one of which will be keeping their Uber with them for a longer duration in the day," said Ratul Ghosh, head of Bangladesh and East India, Uber, in a



statement.

Uber Rentals caters to such a need by allowing users to book their Uber for multiple hours with flexible and affordable packages and also gives them the option to make multiple stops on their journey, he said.

Starting price of the service is Tk 899 for a two-hour and 20 kilometre-package. Riders will have the option of selecting

from multiple hourly packages that can be booked for up to a maximum of 10 hours.

Rides would conform to health guidelines and provide the highest possible safety standards, Ghosh said. "For our drivers, this offers them yet another opportunity to earn on the platform," he added.

Before Uber, another ride-hailing platform, Obhai, introduced such a rental service in late April called Obhai Sheba.

The emergency transport service aims to cater to patients, doctors, nurses and health officials who are failing to get to hospitals timely due to a lack of safe means of transportation under current circumstances.

READ MORE ON B2

## Shift focus to Asia to boost exports

Says Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue

REFAVET ULLAH MIRDHA

Apart from the traditional markets like Europe and the US, Bangladesh should focus more on the Asian markets to revive export earnings during the time of the pandemic, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD).

About 80 per cent of the country's exports are destined for the European and American markets, while Asian nations don't get due importance though they hold huge potential, he told The Daily Star in an interview recently.

The Asian markets, especially India and China, are very important for Bangladesh and China has recently allowed duty-free facility for 97 per

cent of Bangladeshi products.

"This is a big opportunity for our country. We need to utilise this to the full."

Bangladesh's exports to China are rising considerably as the demand for Bangladeshi products, especially garment items, is growing among the Chinese middle-income people.

China has a big consumer base but all its consumers can't afford the high-end garment items it makes.

As a result, many Chinese clothing brands are sourcing garment items from Bangladesh at competitive prices for their domestic customers although China is the largest apparel supplier worldwide with a 34 per cent global market share.

Bangladesh's export to China has increased to nearly \$1 billion in recent



years from less than \$100 million even seven to eight years ago.

Moreover, some work orders for garment products are being diverted to Bangladesh from China because of the high cost of production in the manufacturing sector of China.

India too can be another big market for Bangladesh as it enjoys zero duty benefit in the neighbour's market, although there is 12 per cent countervailing duty.

Thanks to the duty benefit, shipment to India crossed the \$1 billion-mark last year, with the garment being a major export item.

"We need to further explore the Indian market to reap the maximum benefit of the duty privilege," Rahman said.

Japan could be another promising

market for Bangladesh as shipment to Japan has been accelerating because of high demand for Bangladeshi goods and zero duty benefit. Exports to Japan crossed the \$1 billion threshold in fiscal 2018-19.

Bangladesh's overall export earnings fell 16.93 per cent year-on-year to \$33.67 billion in the immediate past fiscal year as the ongoing pandemic affected the global supply chain and dampened demand worldwide.

Against this backdrop, new destinations like China, India and other South Asian nations that comprise one of the biggest consumer markets of the world can give a breathing space to the exporters of Bangladesh, Rahman said.

READ MORE ON B2



## StanChart extends collaboration with SAJIDA Foundation for COVID-19 treatment

STAR BUSINESS REPORT

Standard Chartered has reiterated its commitment to help Bangladesh overcome the coronavirus pandemic by pledging to partially bear the daily treatment costs for 80 COVID-19 patients at SAJIDA Hospital, a dedicated treatment centre for those infected with the novel virus.

The London-based bank had previously funded the daily treatment of 40 other COVID-19 patients at the same hospital.

The ongoing pandemic is a health crisis of unprecedented proportions that required a concerted and sustained response.

Therefore, Standard Chartered is proud to expand its proud to extend its partnership with Sajida Foundation through this initiative, said Bitopi Das Chowdhury, Head of Corporate Affairs, Brand & Marketing at Standard Chartered Bangladesh.

"I would also like to express my sincerest gratitude to all the health workers who are bravely leading the fight against COVID-19," he added.

SAJIDA Foundation, a local NGO that provides medical, financial and technical assistance to the

marginalised, is trying to introduce a new treatment model which should be sufficient to cure mildly and moderately affected patients.

The organisation plans to complete this task by using remote consultation and community health workers while the severely affected patients will receive treatment at the hospital.

"We expect to treat over 5,000 COVID-19 patients in the coming months across multiple districts in Bangladesh," said SAJIDA Foundation CEO Zahida Fizza Kabir, adding that they are thankful for Standard Chartered's continued support for coronavirus treatments in Narayanganj.

Since the coronavirus outbreak began, SAJIDA Foundation has helped over three million individuals in the country through a host of measures such as raising awareness, providing food, disinfecting slums and disbursing personal protective equipment.

The two hospitals operating under the foundation are both located in coronavirus hotspots and have treated over 20,000 patients since March.

Besides, the organisation introduced an online symptom checker and dedicated hotline

numbers to provide general and mental health consultations.

Meanwhile, Standard Chartered announced a broad range of support measures for its customers following the COVID-19 outbreak as well. This includes but is not limited to: the scope to reschedule loans, fee waivers, easy cancellations and loan extension facilities.

The bank also initiated a \$1 billion global financing program for companies that provide essential goods and services in a bid to help the world recover from the coronavirus fallout.

Moreover, Standard Chartered launched a \$50 million support fund for affected communities across its global footprint.

In its fight against the pandemic, Standard Chartered is collaborating with BRAC to deliver support packages to 25,000 people from 5000 low-income families, residing in locked-down areas.

At the same time, the bank is working with the Kumudini Welfare Trust and City Group to deliver essential food items to 5000 distressed families from semi-urban and rural communities in Mirzapur, Tangail.



### Mamun becomes Chartered Insurance Institute fellow

STAR BUSINESS DESK

Md Khaled Mamun has been elected as fellow of the Chartered Insurance Institute (CII), effective from July 1.

Mamun, currently the chief executive officer of Reliance Insurance, is the first CEO of a Bangladeshi insurance company to achieve this highly-sought after British professional insurance qualification through the Bangladesh Insurance Academy.

Mamun completed his Associateship (ACI) with three distinctions in 2006 and is, by profession, a chartered insurer and associate member of the Bangladesh Insurance Academy.

## HSBC completes first ever Receivables Finance Transaction in Bangladesh

STAR BUSINESS REPORT

HSBC Bangladesh has completed its first Receivables Finance transaction for M&J Group, one of the country's leading exporters of garment products.

Global trade is facing an unprecedented level of disruption due to the ongoing coronavirus pandemic, making liquidity and risk management the primary objectives for any organisation. Subsequently, companies are more focused on optimising their working capital.

"Therefore, Receivables Finance could be the solution to help businesses unlock liquidity and better manage risk," said Ajay Sharma, Regional Head of Global Trade & Receivables Finance in the Asia Pacific for HSBC.

The transaction was completed in line with the bank's own Receivables Finance model, wherein the customer gets early payment against their deferred term exports from HSBC Bangladesh.

Such payments will be under the buyer's default risk coverage from HSBC offices abroad or other foreign reputable financial institutions.

However, this only made possible after a recent Bangladesh Bank circular paved the way for banks to offer companies such secured and efficient schemes to finance working capital.

As a leading trade bank in the country, HSBC is proud to be associated with this first-of-its-kind transaction, which will support Bangladeshi exporters to receive payments on a non-recourse basis and facilitate better working capital management, said Md. Mahubur Rahman, Chief Executive Officer of HSBC Bangladesh.

"We are extremely pleased to partner with HSBC on this transaction, which will benefit both ends by catering to buyers with increased credit terms but on an early payment and non-recourse basis," said Salahuddin Ahmed, Managing Director of M&J Group.

## Wage growth pitches to five-year low

FROM PAGE B1

It is common knowledge that unemployment is rising rapidly and businesses are facing bankruptcies, especially since the advent of the coronavirus in March this year, he said.

Estimates vary, but there is a consensus that no less than 10 million to 15 million workers have either become already unemployed or are at risk of unemployment.

Crop agriculture is the only sector where the virus may not have caused any major disruption. All other sectors have been severely impacted.

Average wages in construction and industry were 7.2 per cent higher in June than from a year earlier whereas inflation was slightly more than 6 per cent, implying a real wage growth of about 1.2 per cent, Hussain said.

"How was that possible at a time when labour demand in the industry and construction sectors has been collapsing with severe contraction in their levels of activity, and there is no reason to believe that labour supply to these sectors was diminishing?"

The only sector that could have had an excess demand for labour is agriculture

during the boro harvest season.

Strangely, the year-on-growth in agriculture wages was lower in June at 6.2 per cent relative to the average wage growth in construction and industry, Hussain added.

As many as 88 per cent of the farmers have suffered economic losses because of the production and marketing challenges induced by the ongoing coronavirus pandemic, according to two surveys carried out by Brac recently.

This was experienced by 100 per cent of fish farmers, 97 per cent in the livestock sub-sector, 93 per cent poultry farmers and 81 per cent in the crops and vegetable sub-sector.

Earnings of 51 per cent households plunged to zero while a massive 95 per cent people suffered losses in income due to the coronavirus outbreak, the non-governmental organisation said in another study. About 62 per cent of low-income wage earners lost their work opportunities after the public holiday was declared in late March, it showed.

Due to the income shock emanating from the pandemic, 77.2 per cent of the vulnerable non-poor fell below the poverty line, according to Brac.



Union Bank Managing Director ABM Mokammel Hoque Chowdhury opens the bank's new branch in Tongi yesterday through a digital platform from the bank's head office in Dhaka.

### Investors can't snap up enough pharma stocks

FROM PAGE B4

On May 19, the Bangladesh Securities and Exchange Commission set the floor price of all stocks based on the average price of the previous five days to stop the index from falling further amid the pandemic.

But companies whose products retained their appeal during the pandemic were the only ones to be able to attract the investors, Pathan added.

Turnover, another important indicator of the market, fell 7.7 per cent to Tk 139 crore on the DSE board compared with the previous day.

## Shift focus to Asia to boost exports

FROM PAGE B1

Export earnings in fiscal 2019-20 were 25.99 per cent short of the target at \$45.50 billion.

So this fiscal year, Bangladesh should try to reach the level of fiscal 2018-19's earnings of \$40.53 billion.

"And it is possible by penetrating deeper into the markets of India and China."

Rahman, however, said export revival would be a bit challenging as earnings were in the negative territory even before the onset of coronavirus.

More emphasis should be given to these sectors that performed strongly last fiscal year, such as jute and jute goods, footwear and pharmaceuticals, to ramp up sales.

"Fortunately, the European and US markets are reopening gradually. So exporters should start reengaging with their European and American business partners

as soon as possible."

The supply chain and other segments of the business should be improved significantly to lower the cost of doing business such that local exporters remain competitive when they meet their match in the global market, Rahman said.

"For example, logistic services should be made more efficient for the sake of smooth transportation of goods."

In the immediate past fiscal year, Bangladesh's monthly export earnings were upwards of \$2 billion until they crashed to only 0.52 billion in April, the lowest in the history of Bangladesh, as factories were shut and shipments suspended to contain the spread of the novel coronavirus.

However, since May exports started to look up and reached \$1.46 billion before hitting \$2.71 billion in June, the last month of the fiscal year.

## Bangladesh preferred alternative for German investment: envoy

FROM PAGE B4

The head of the German chamber also appreciated the intention of German companies to do business in Bangladesh and on counting on the BGCCI for support as the key contact and knowledge point, the BGCCI press statement also said.

Omar Sadat, BGCCI president, assured

that the BGCCI board would implement the recommendations for the betterment of business activities, especially during a pandemic.

He also informed that as soon as the situation improved, the BGCCI, along with Bida and other business houses, would visit Germany.

## Gas boom risks 'perfect storm' for climate, economy: report

AFP, Paris

Global natural gas capacity under construction has doubled in a year according to new analysis that warned Tuesday the investment boom in the world's fastest-growing fuel risks a "perfect storm" of climate chaos and stranded assets.

Capital expenditure on liquefied natural gas (LNG) facilities has surged from \$82.8 billion to \$196.1 billion over the last 12 months, according to a report by Global Energy Monitor.

Following a string of divestments from high-profile LNG funders, the report warned that at least two dozen projects were recently cancelled or are in serious financial difficulty.

"LNG was once considered a safe bet for investors," said Greg Aitken, research analyst at Global Energy Monitor.

"Not only was it considered a climate-friendly fuel, but there was substantial governmental support to make sure that these mega-projects were shepherded to completion with all the billions they needed."

"Suddenly the industry is beset



REUTERS/FILE

Two workers are involved in a discussion at the Badak liquefied natural gas plant in Bontang, East Kalimantan.

with problems," Aitken said.

As the coronavirus pandemic squeezes investors and a growing social movement against new gas projects gathers pace, the report said troubled projects were facing a range of difficulties in sustaining finance.

In the past year Berkshire

Hathaway and the governments of Sweden and Ireland were among financiers to drop several billion dollars worth of gas project funding, it noted.

While its proponents push LNG as a "bridge fuel" because it is less polluting than coal, a new gas-fired

power plant has roughly the same environmental impact as a new coal plant, given the leakage of methane throughout the supply line.

Methane is dozens of times more potent a greenhouse gas than carbon dioxide over a 100-year time scale.

The landmark 2015 Paris climate deal enjoined nations to limit global temperature rises to "well below" two degrees Celsius (3.6 Fahrenheit) over pre-Industrial Revolution levels.

The accord also commits countries to work towards a safer warming cap of 1.5 degrees Celsius.

According to the Intergovernmental Panel on Climate Change (IPCC), the safest and surest way to reach the 1.5 degrees Celsius goal would require a 15 percent decline in gas use by 2030 and a fall of 43 percent by 2040.

Global Energy Monitor said that any new gas infrastructure "directly contradicts the Paris climate goals."

The European Investment Bank (EIB) -- the world's largest multilateral lender -- said last year it was ceasing funding for nearly all new fossil fuel projects.

## Uber comes to housebound city dwellers' rescue as it brings in car rentals

FROM PAGE B1

To avail Uber's new service, customers have to select "Uber Rentals" for trips on the app. Then they will have to select an hourly package -- from two hours to 10 hours -- and tap "Confirm Uber Rentals" to request the ride.

Over the past few weeks, Uber has launched safety measures and have distributed safety kits consisting of masks, hand sanitisers, soap bars and tissue paper to their driver-partners along with placing safety placards in cars to create awareness among riders.

Last month, Uber spearheaded the formation of a "Transport Safety Alliance" to generate safety awareness amongst consumers and to equip drivers with health and safety supplies.

After a three-month-long suspension of operations due to the coronavirus, Uber has resumed services with "Uber X", an on-demand car service, in Dhaka last week after a hectic battle with Bangladesh Road Transport Authority (BRTA) over enlisting vehicles under the authority.

Although road transport services have been allowed across the country on June 1 after an over two-month suspension due to coronavirus, the ridesharing platforms were not

permitted to resume their services due to the enlistment issue.

Ride-hailing companies, including Uber and Pathao, wrote to the BRTA, requesting it to allow them to resume operations.

The BRTA, however, did not accept their request and instead took a hard line on vehicles that had been providing service without being enlisted.

Enlistment with the BRTA is a necessity for both companies and their vehicles to provide ride-sharing services.

Uber Bangladesh has sought intervention from the Prime Minister's Office to be able to resume operations in Dhaka and other cities.

Road Transport and Highway Division Secretary Nazrul Islam, BRTA's acting chairman and officials from Uber Bangladesh, among others, took part in an online meeting with Principal Secretary to the Prime Minister Ahmad Kaikaus over the issue.

The next day, the BRTA allowed the ridesharing companies to resume their service only with 255 vehicles.

Later on July 1, the regulatory body decided to allow a total 1,890 cars, minibuses and ambulances affiliated

with various ridesharing services to resume operations, according to a BRTA notice.

Of the permitted vehicles, Uber topped the list with 1,657. No other company has more than 100 vehicles enlisted at present, according to the notice issued on July 1.

Another major platform, Pathao, also resumed its car service last week. Pathao has collaborated with the e-commerce Association of Bangladesh (eCAB) to develop and implement safety protocols.

The BRTA, however, has not allowed any platform to resume operations of their popular motorcycle service saying that social distancing is impossible in this mode of transportation.

To cope with the ever-changing situation created by the virus, Uber has been seen reversing its strategies.

The company closed down its food delivery service Uber Eats in Bangladesh in June.

The San Francisco-based tech giant, in the middle of June, rolled out of its new service Uber Connect, which would enable residents in Dhaka to send and receive parcels from each other and also order items from shops within city limits.

## Private jute millers can now go full steam ahead

FROM PAGE 1

Many owners could not run their mills failing to keep pace with 'unfair' competition with the BJMC, which sold goods in the international market below the production cost, Patwari said.

Mill owners having other businesses could only survive in the jute industry, he said.

"Now the market will see competition. All will sell products at least at their production cost," said Patwari, also the managing director of Sonali Aansh Industries.

Millers are getting good prices, said GL Modi, chairman of Uttara Jute Mills.

"The market for our products has improved. We will see what decision the government would take on the resumption of the closed mills."

While it is not possible to increase capacity overnight, all mills are likely to operate in full capacity after Eid-ul-Azha, he said.

"We are also trying to increase production in our mills," said Modi, who runs two jute mills with 550 looms.

The jute industry will grow as the

closure of the mills under the BJMC is an opportunity for them, said BJA President Md Zahid Mia.

"We are increasing production in our composite mill. In the past, we could not utilise our capacity and paid attention to making yarn spinning," said Miah, managing director of Karim Jute Spinning Industries, which has a sister concern named Jobaida Karim Jute Mills.

"Jute industry will grow further for diversified use of jute. Jute is used in the automobile industry. There is also a big market for shopping bags," he said.

Patwari, responding to sluggish export growth of traditional jute goods, said the market for jute products will not be as big as the market for plastic items in terms of value.

"But it has some advantage over plastic products in some areas such as carpet manufacturing. Plastic bags are costly from the environmental point of view. There will be a niche market for jute. It will be enough for us if we can nurture that market with proper strategies," he said.

The private sector mills could not attain much growth in the past partly

because of the BJMC's faulty pricing of jute goods and sluggish demand in the global market, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue.

Production in the existing jute mills is likely to increase, he said, adding that an opportunity has been created for a competitive environment in the market.

However, MA Raihan, director of Nowapara Jute Mills, said modernisation of mills is required to enhance production and reduce cost.

## Work on Indian economic zone to finally get off the ground soon

FROM PAGE B1

An official of Economic Relations Division (ERD) said the Indian authority has given its nod to the ISEZ project last month.

Now, Beza will sign the commercial agreement with the APSEZ to start the implementation work.

The Indian authority has given clearance to five projects under the third LoC, including this one.





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**Initial Public Offer (IPO) for 29,28,343 ordinary shares, from which 13,79,367 ordinary shares are reserved for Eligible Investors (EIs) at their own bid price and quantity on highest to lowest bid basis in a descending order of individual bid price till exhaustion of the quota for EI category above the cut-off price Tk. 315.00 and remaining 15,48,976 ordinary shares at a 20% discounted price from the cut-off price i.e Tk. 252.00 per share for General Public including NRBs totaling Tk. 1,000,000,000.00 approximately.**

**Opening date of subscription: August 09, 2020**      **Closing date of subscription: August 16, 2020**

**Manager to the Issue**



**AAA FINANCE & INVESTMENT LTD.**  
PARTNERSHIP OF TRUST

**AAA Finance & Investment Limited**  
Amin Court, 4<sup>th</sup> Floor (Suite # 403-405)  
31, Bir Uttam Shahid Ashfaqus Samad Road, Motijheel C/A, Dhaka-1000.

Name and Address	Contact person	Contact Address
<b>Walton Hi-Tech Industries Limited</b> Plot No.: 1088, Block No.: I, Road No.: Sabrina Sobhan 5 <sup>th</sup> Avenue, Bashundhara, Vatara, Dhaka-1229.	<b>Partha Protim Das FCS</b> Company Secretary	Tel: +8809606-55555 Fax: +8809606-55550 E-mail: cswhil@waltonbd.com Website: www.waltonhil.com
<b>Manager to the Issue</b>	<b>Mohammad Obaydur Rahman FCS, FCGA</b> Managing Director & CEO	Tel: +8802-9559602 Fax: +8802-9558330 E-mail: info@aaainvestment.com Website: www.aaainvestment.com
<b>AAA Finance &amp; Investment Ltd.</b> Amin Court, 4 <sup>th</sup> Floor (Suite 403-405) 31, Bir Uttam Shahid Ashfaqus Samad Road, Motijheel C/A, Dhaka-1000.	<b>Mohammad Obaydur Rahman FCS, FCGA</b> Managing Director & CEO	Tel: +8802-9559602 Fax: +8802-9558330 E-mail: info@aaainvestment.com Website: www.aaainvestment.com
<b>EBL Investments Limited</b> 59, Motijheel C/A, Dhaka-1000, Bangladesh	<b>Tahid Ahmed Chowdhury FCCA</b> Managing Director	Tel: +88 02 471 11096, 47111867 Fax: +88 02 471 11218 E-mail: info@eblinvestments.com Website: www.eblinvestments.com

**Amount, type and offering price of the securities on a per unit and aggregate basis of securities being issued:**

Amount	Type	Offer Price	Number of Share to be Issued
BDT 1,000,000,000 (One Hundred Crore Approx.)	Ordinary Share	Eligible Investors: Bid price of each EI above cut-off price BDT 315 General Public: At a 20% discount from the cut-off price i.e. BDT 252	2,928,343

**Opening and closing date of subscription:**

Opening Date of Subscription	August 09, 2020
Closing Date of Subscription	August 16, 2020

**Availability of full prospectus:**

The Prospectus and abridged version prospectus in hard and soft forms of the Company shall be obtained from the following addresses:

Name and Address	Contact person	Contact Address
<b>Walton Hi-Tech Industries Limited</b> Plot No.: 1088, Block No.: I, Road No.: Sabrina Sobhan 5 <sup>th</sup> Avenue, Bashundhara, Vatara, Dhaka-1229.	<b>Partha Protim Das FCS</b> Company Secretary	Tel: +8809606-55555 Fax: +8809606-55550 E-mail: cswhil@waltonbd.com Website: www.waltonhil.com
<b>Manager to the Issue</b>	<b>H. A. Mamun</b> Manager	Tel: +8802-9559602 Fax: +8802-9558330 E-mail: info@aaainvestment.com Website: www.aaainvestment.com
<b>AAA Finance &amp; Investment Ltd.</b> Amin Court, 4 <sup>th</sup> Floor (Suite 403-405) 31, Bir Uttam Shahid Ashfaqus Samad Road, Motijheel C/A, Dhaka-1000.	<b>H. A. Mamun</b> Manager	Tel: +8802-9559602 Fax: +8802-9558330 E-mail: info@aaainvestment.com Website: www.aaainvestment.com
<b>Prime Bank Investment Limited</b> Tajir Center (5 <sup>th</sup> Floor) House 34, Road # 19/A, Banani, Dhaka-1213.	<b>Md. Tabarak Hossain Bhuiyan</b> Managing Director & CEO	Tel: +8802 48810316 Fax: +8802 49910314 Email: info@pbil.com.bd Website: www.pbil.com.bd

**Names of the valuer, if any and the auditors:**

Valuer	Auditor
<b>Rahman Rahman Huq (KPMG)</b> Chartered Accountant 9, Mohakhali Commercial Area (11 <sup>th</sup> & 12 <sup>th</sup> Floor), Dhaka-1212.	<b>All Ashfaq FCA</b> Partner 11, Motijheel C/A, Dhaka-1000
<b>Mahfil Huq &amp; Co.</b> Chartered Accountant BGIC Tower (4 <sup>th</sup> Floor) 34, Tophkhana Road Dhaka-1000, Bangladesh.	<b>Md. Abu Kaiser FCA</b> Partner Fax: +88-02-9581786, 9553143 Email: abukaiser@mahfilhuq.com Website: www.mahfilhuq.com

**Summary of use of proceeds of the offer:**

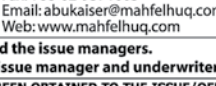
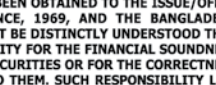
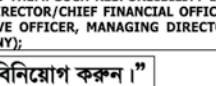
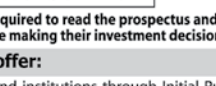
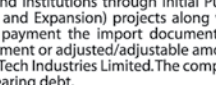
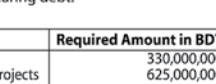
Sl. No.	Particulars	Required Amount in BDT
1.	Loan Repayment	330,000,000
2.	BMRE (Balancing, Modernization, Rehabilitation, and Expansion) of Existing Projects	625,000,000
3.	Estimated IPO Expenses	45,000,000
<b>Total</b>		<b>1,000,000,000</b>

**Brief Corporate Directory of the Issuer:**

<b>Company Name</b>	<b>Walton Hi-Tech Industries Limited</b>
<b>Registered Office</b>	Plot No.: 1088, Block No.: I, Road No.: Sabrina Sobhan 5 <sup>th</sup> Avenue, Bashundhara, Vatara, Dhaka-1229.
<b>Manufacturing Plant (Factory)</b>	Walton Hi-Tech Industries Limited, Chandra, Kalkilok, Gazipur, Bangladesh
<b>Incorporation &amp; Registration No.</b>	C-61272(3281)06
<b>Type of Company</b>	Public Limited Company
<b>Commercial Production</b>	April 02, 2008
<b>Auditor</b>	<b>Mahfil Huq &amp; Co.</b> Chartered Accountants
<b>Manager to the Issue</b>	<b>AAA Finance &amp; Investment Ltd.</b>
<b>Lead Banker for IPO</b>	<b>Prime Bank Limited</b>
<b>Company Secretary</b>	<b>Partha Protim Das FCS</b>
<b>Products</b>	Refrigerators & Freezers, Air Conditioners, Compressors, Television, Electrical Appliances and Home Appliances
<b>Upcoming Products</b>	Lift & Elevator
<b>Net Asset Value Per Share</b>	138.53 (With Financial Revaluation)
<b>Size of the Board of Directors</b>	10 (10) Directors

**Location of the project:**

**Principal products or services of the issuer:**

Sl.	Principal Product Name	Sample Picture of the Product
01.	Refrigerator & Freezer	
02.	Air Conditioner	
03.	Compressor	
04.	Television	
05.	Electrical Appliances (LED Bulb, Switch Sockets, Ceiling Fan & Table Fan)	
06.	Home Appliances (Blender, Gas Stove, Rice Cooker, Washing Machine etc.)	

**Names of associates, subsidiary/related and holding of issuer company:**

The issuer has no business associates, nor does the company have any subsidiary, also WHILL does not belong to a holding company.

**Comparative financial statements and NAV, EPS, and financial ratios for the last five years or from commercial operation, which is shorter:**

**1. Statement of Assets and Liabilities:**

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
<b>ASSETS</b>					
<b>Non-Current Assets</b>	60,230,346.43	58,696,298.03	23,273,823.67	14,211,488.47	8,643,123.019
Property, Plant and Equipment	57,575,574.816	54,862,816.863	18,623,423.060	9,464,360.715	7,317,456.591
Intangible Assets	29,322,788	39,844,214	44,016,640	23,464,087	25,256,364
Investment	484,171.979	753,862.876	280,000.000	100,000.000	100,000.000
<b>Current Assets</b>	43,197,763.333	23,665,691.884	29,637,013.951	19,061,475.692	11,658,624.141
Inventories	13,530,290.788	12,304,983.861	16,075,153.833	9,184,915.305	4,410,785.225
Trade and Other Receivables	24,478,650.688	17,967,950.688	9,913,997.908	10,536,411.782	7,796,029.008
Advances, Deposits and Prepayments	3,574,831.967	940,843.187	1,511,833.003	3,911,688.526	2,757,512.575
Short Term Investment	582,901.194	901,717.714	1,318,307.645	827,294.611	952,089.560
Cash and Cash Equivalents	1,029,902.851	1,141,586.438	1,717,721.422	779,104.868	742,203.774
<b>TOTAL ASSETS</b>	<b>103,428,109.766</b>	<b>82,361,989.947</b>	<b>52,910,837.623</b>	<b>33,272,964.171</b>	<b>20,301,747.160</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>	72,978,067.368	59,216,328.765	24,274,097.681	16,929,279.305	10,714,645.830
Share Capital	3,000,000.000	3,000,000.000	100,000.000	100,000.000	100,000.000
Retained Earnings	38,587,504.162	24,797,308.063	24,174,097.681	16,829,279.305	10,614,645.830
Reserves	31,390,563.206	31,419,020.702	-	-	-
<b>Liabilities</b>	30,450,042.398	23,145,661.182	28,636,739.942	16,343,684.866	9,587,101.330
Long Term Loans, Net of Current Portion	6,194,630.678	5,372,083.072	4,756,626.163	2,345,832.800	696,787.990
LNDF/PLF Fund	95,004.333	19,625.000	44,912.577	50,375.515	52,013.272
Deferred Tax Liability	789,268.496	632,488.025	64,360.257	-	-
<b>Current Liabilities</b>	23,371,138.891	13,120,885.805	23,770,946.765	13,947,476.551	8,838,300.068
Trade and Other Payables	8,657,103	361,818.639	481,141.872	528,479.787	261,979.302
Short Term Loans	16,260,383.014	6,240,937.854	20,015,287.216	11,084,895.800	7,106,849.022
LNDF/PLF Fund	2,837,263.291	1,043,323.300	1,328,461.436	1,009,620.267	340,580.928
Provisions and Accruals	3,286,605.474	1,494,549.062	1,945,895.551	1,621,679.227	1,147,542.228
Other Current Liabilities	-	-	154.800	2,433.332	1,459.170
<b>Total Liabilities</b>	<b>30,450,042.398</b>	<b>23,145,661.182</b>	<b>28,636,739.942</b>	<b>16,343,684.866</b>	<b>9,587,101.330</b>
<b>NET ASSETS VALUE (NAV) Per Share without revaluation</b>	138.53	92.50	80.77	56.35	35.63
<b>NET ASSETS VALUE (NAV) Per Share with revaluation</b>	243.16	197.26	80.77	56.35	35.63

**2. Statement of Operating Result:**

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
<b>Revenue, net of Sales</b>	51,773,237.116	27,329,731.164	31,931,044.073	26,566,298.161	20,965,870.005
<b>Cost of Sales</b>	(30,805,628.408)	(19,322,738.200)	(20,584,895.551)	(17,376,435.120)	(14,091,364.456)
<b>Gross Profit</b>	20,967,608.708	8,006,992.964	11,346,148.522	9,189,863.040	6,804,505.549
<b>Administrative Expenses</b>	(8,286,966.191)	(6,737,328.535)	(6,852,292.171)	(6,330,624.501)	(5,523,926.458)
<b>Selling &amp; Distribution Expenses</b>	(3,238,501.690)	(1,437,524.352)	(1,110,269.978)	(896,503.301)	(467,503.844)
<b>Operating Profit before Financial Expenses</b>	(4,626,859.173)	(2,148,852.887)	(1,795,562.149)	(1,533,717.891)	(991,430.903)
<b>Finance Costs</b>	(14,900,402.872)	(5,852,140.068)	(9,550,758.375)	(9,550,884.334)	(5,813,075.288)
<b>Profit before Operations</b>	15,406,185.007	3,962,765.496	8,088,414.316	7,772,804.964	5,411,593.259
<b>Other Income</b>	98,182.942	40,268.392	149,257.973	138,902.739	182,609.957
<b>Profit before WPP</b>	15,504,373.948	4,003,033.888	8,237,672.291	6,911,707.701	5,294,203.216
<b>Profit after WPP</b>	15,504,373.948	4,003,033.888	8,237,672.291	6,911,707.701	5,294,203.216
<b>Profit before Tax</b>	14,766,070.427	3,812,412.277	7,845,402.162	6,582,578.306	5,327,812.587
<b>Income Tax Expenses</b>	(648,151.353)	(217,668.343)	(430,806.206)	(373,359.775)	(302,241.012)
<b>Current Tax Expense</b>	(1,596,780.471)	(715,344.361)	(805,606.601)	(512,114.944)	(416,507.601)
<b>Deferred Tax Expense</b>	(1,004,831.824)	(289,302.444)	(590,883.807)	(388,244.831)	(302,241.012)
<b>Profit after Tax</b>	13,761,138.603	3,523,210.383	7,344,818.975	6,214,333.475	5,025,571.575
<b>Other Comprehensive Income</b>	-	-	-	-	-
<b>Items that will not be reclassified subsequently to profit or loss</b>	-	31,916,234.089	-	-	-
<b>Gain on revaluation of property</b>	-	31,916,234.089	-	-	-
<b>Related Tax</b>	-	-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	13,761,138.603	34,942,831.085	7,344,818.975	6,214,333.475	5,025,571.575
<b>Earnings Per Share (EPS)</b>	45.87	11.74	24.48	20.71	16.75

**3. Statement of Cash Flows:**

	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
<b>A Cash Flows from Operating Activities</b>					
Receipts from Customers	36,482,207.567	27,282,632.636	27,372,670.892	25,007,644.368	18,965,059.194
Interest Received	84,525.786	66,281.521	84,312.949	129,252.665	114,256.570
Receipts from Other Income	1,738,303.291	1,528,312.171	1,237,458.000	1,242,237.655	1,240,140.012
Receipts from Dividend and Investment Income	34,655.224	27,844.036	39,511.988	19,382.132	6,718.651
<b>PAYMENTS</b>					
Payment to Suppliers, Employees & Others	36,604,070.808	27,987,195.293	27,492,223.054	25,162,241.272	19,098,867.501
Payment for Long Term Investments	(1,154,920.460)	(12,463,695.951)	(23,271,016.163)	(20,489,327.204)	(14,667,607.891)
Payment for Directors' Remuneration	(2,420,000.000)	(1,040,000.000)	(1,000,000.000)	(1,000,000.000)	(1,000,000.000)
Payment for WPP	(190,620.000)	(392,270.109)	(328,129.916)	(360,620.629)	(310,111.000)
Cash Generated from Operations	1,853,897.198	12,065,727.119	1,413,800.808	2,055,585.783	3,100,119.948
Change in Cash and Cash Equivalents	-	(1,994,558.105)	(4,627,475.714)	(5,370,370.796)	(355,451.368)
Payments against acquisition Property, Plant and Equipment	(1,446,237.719)	(312,948.562)	(346,245.200)	(892,234.343)	(245,331.953)
Short Term Loans Received	(1,446,237.719)	(312,948.562)	(346,245.200)	(892,234.343)	(245,331.953)
<b>Net Cash (used in) generated by Operating Activities</b>	407,619.479	971,975.892	119,107.242	603,103.064	571,606.614
<b>Payments against acquisition Property, Plant and Equipment</b>	(4,561,900.575)	(4,675,255.588)	(10,058,922.151)	(6,752,976.857)	(4,480,538.505)
<b>Payments against Transfer of CWIP and Short Term Loans Received</b>	-	-	-	-	-
<b>Encausment of payment for Short Term Investment</b>	318,816.520	(82,454.382)	(263,764.102)	-	-
<b>Encausment from Long Term Investments</b>	280,000.000	-	-	-	-
<b>Payment for Long Term Investments</b>	(1,738,303.291)	(1,528,312.171)	(1,237,458.000)	(1,242,237.655)	(1,240,140.012)
<b>Payment for Intangible Assets</b>	(7,545.445)	(13,203.813)	(32,405.301)	-	-
<b>Net Cash (used in) generated by Investing Activities</b>	(3,990,314.970)	(4,870,668.336)	(10,762		



# Cattle farmers deflated as coronavirus ravages up Eid market

AHMED HUMAYUN KABIR TOPU, back from Sirajganj

The coronavirus outbreak has hit hard the cattle farmers in Pabna and Sirajganj as they are now getting hardly any customer for the animals they prepared for the last year targeting the Eid-ul-Azha this year.

Normally, cattle traders flock in large numbers to the belt -- one of the biggest cattle producing areas of the country -- one month ahead of the festival, when Muslims slaughter animals as part of their efforts to honour Prophet Ibrahim's spirit of sacrifice.

But the scene is different this year. Before the Eid-ul-Azha, at least 25 trucks of cattle used to go to Dhaka and Chattogram every week from Koromza haat in Pabna's Santhia upazila, said Momin Mollah, a farmer.

"But this year, not a single cattle trader from outside the district came to Koromza haat," said the man who brought 10 fattened cows to the haat from Pabna's Bera upazila, but could not sell any.

The farmers fattened 1.25 lakh cows this year in Sirajganj, up from 1.05 lakh last year, said Md Akhteruzzaman, the district's livestock officer.

"This time they have to count huge losses because of a significant fall in its demand among local buyers and at markets in Dhaka and Chattogram."

The pandemic is taking a heavy toll on the local farmers, said Al Mamun Hossain, district livestock officer of Pabna, where villagers have reared more than 1.2 lakh fattened cattle for the Eid market.

"Less than a month is left for Eid but still there is no rush of the traders to come to the farmers' house," said Md Nurnabi, a farmer of Char Ratikandi in Sirajganj's Shahzadpur upazila.

The cattle traders used to get tangled into an unofficial competition, as every one of them wants to buy the best animals at the lowest rates, said the farmer, for whom cattle is the only source of income.



AHMED HUMAYUN KABIR TOPU

Nurnabi has been rearing four fattened cows for the last one year and expected to sell those at a minimum of Tk 2.5 lakh. "But there was no buyer for my animals."

The farmer said he collected cows and buffaloes from his and adjoining villages and put them up for sale at markets in Dhaka and Chattogram last year.

"There would be poor sales in Dhaka this year. I have no interest to go there now as coronavirus has drastically cut the income of most people in the country."

He said he would wait for the last week ahead of the Eid and sell the animals at whatever prices he gets to recover some losses.

Some traders are visiting the villages, but they are offering prices that are much lower

than the farmers' yearlong expenditure on the animals.

Saddam Hossain of village Char Chithulia in the upazila has already spent Tk 2.5 lakh to fatten four cows and was hoping to get about Tk 3.25 lakh by selling those.

"Just one trader came to my farm in the last week and offered me only Tk 2 lakh for all the four cows."

Selling those to the local butchers is even more profitable now, he said. "Each of my cows weighs over five maunds. I would get Tk 20,000 per maund if I sell meat."

There is another big market for the farmers--the online marketplace, according to Akhteruzzaman.

"We are trying to inspire the farmers to sell animals through online markets

as many people do not come to the live cattle haats to avoid getting infected with coronavirus."

But the problem is the cattle farmers are illiterate and most of them do not know how to put an animal up on the online marketplaces.

Most of them do not even have a mobile phone capable of downloading the app for online sales of cattle, he added.

"When a person comes to the market, he gets the opportunity to choose from a variety of animals. But in case of online, there is no such scope," said Nazrul Islam Nakir, a merchant cattle farmer.

Nakir has a big firm of more than 100 cows. This year, he sold most of the animals to the meat traders due to a lack of customers.

# Bangladesh's economy managing pandemic challenges well

Says HSBC economist

STAR BUSINESS REPORT

As global growth recovers in the coming quarters, Bangladesh stands to benefit from its strong economic fundamentals and will likely continue to deliver steady growth rates, said an economist of HSBC yesterday.

Frederic Neumann, co-head of the Asian Economics Research at the bank, shared his insights at a virtual session titled "Impact of Covid-19 on the Bangladesh economy and silver linings" for the bank's clients in the country and stakeholders.

In his presentation, Neumann said Bangladesh continues to impress with economic resilience.

Strong growth in recent years was based on solid fundamentals, with stable inflation and a robust external payments position. The country's exports have also gained global market share in recent years and the continued rise in remittance has helped support local demand.

"Bangladesh's economy has so far managed the challenges brought on by the global coronavirus outbreak well," he said.

While exports, in particular, have suffered amid a global decline in apparel demand and remittances have cooled, the fall in oil prices and slowing imports have kept the country's trade position in a resilient position.

Locally, consumer spending has softened due to a softer labour market and the need for social distancing.

"However, the government has delivered a robust response to support demand, supported by an accommodative central bank," Neumann said.

Bangladesh has been one of the great economic success stories of the last decade, said Robert Chatterton Dickson, British high commissioner to Bangladesh.



Frederic Neumann



The key question now is how the country recovers from the COVID-19 pandemic and sets itself on a renewed path of sustainable, inclusive private sector-led growth.

"I hope that the insights shared by the experts at HSBC, one of the leading UK-based investors in Bangladesh, will help Bangladeshi businesses and entrepreneurs emerge stronger from these complex challenges," he added.

"This is an unprecedented situation for all of us," said Ahmed Jamal, a deputy governor of the Bangladesh Bank.

The country entered this situation with strong macroeconomic fundamentals, and the BB has worked to provide adequate policy support, he said.

"Bangladeshi people are known for our resilience and together we will navigate this tumultuous time," he added.

The COVID-19 pandemic has disrupted the way of life in many dimensions deemed unthinkable before, said Md Mahbub ur Rahman, chief executive officer of HSBC Bangladesh. A sustainable and timely recovery from this turbulence warrants deeper collaboration among all stakeholders.

"It is said that the sun rises even after the darkest night. We will come out stronger and better from this unprecedented situation," he added.

# Investors can't snap up enough pharma stocks

AHSAN HABIB

Pharmaceuticals turned out to be the most attractive sector in the stock market yesterday thanks to the continuation of the industry's solid business amid the coronavirus pandemic.

Turnover in the sector amounted to Tk 51.94 crore, which was about 46 per cent of the total, according to Dhaka Stock Exchange (DSE) data.

Though the overall market scenario is still gloomy, the pharmaceutical and insurance sectors were able to draw some attention of investors, said a stockbroker.

This is because the drug makers were the only companies that kept on going strong during the government-announced leave to contain the pathogen, he said.

"Telecom and online-based companies were also continuing their business, so these sectors

were also on the top of the demand side," he added.

Beacon Pharma topped the turnover chart yesterday with trade worth Tk 12.74 crore, followed by Beximco Pharmaceuticals, EXIM Bank, Orion Pharmaceuticals and Progressive Life Insurance, according to DSE data.

A top official of a merchant bank said pharmaceuticals and telecom were the only sectors whose products were required by people even during the pandemic.

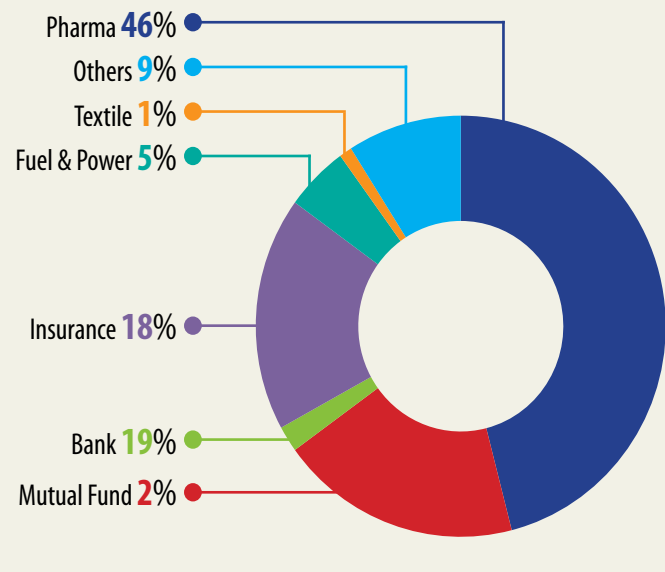
"So stock prices of these companies remained strong compared with the other sectors," he said.

DSEX, the benchmark index of the DSE, went up 7.15 points, or 0.17 per cent, to stand at 4,001.81.

The pressure brought on by the demand for purchasing stocks of life insurance, general insurance, and pharmaceuticals sectors helped the index gain marginally, according to a top official of a

## SECTORAL SHARE IN TURNOVER

SOURCE: LANKABANGLA SECURITIES



leading stockbroker.

This purchase pressure on insurance sector continued on the back of the stock market regulator's instruction to comply with a minimum 2 per cent shareholding of directors, he said, adding that 14 insurance companies failed to comply.

Investors are taking a position on these stocks with the expectation that directors of these companies would start buying shares to comply with the BSEC's instruction, the broker added.

Paramount Insurance topped the gainers' list that rose 9.98 per cent followed by United Insurance, Rupali Life Insurance Agrani Insurance and Meghna Pet Industries.

Khaleque Pathan, a stock investor, said the market was still illiquid due to the existence of the floor price, so most of the stocks had not been traded.

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# Bangladesh preferred alternative for German investment: envoy

STAR BUSINESS REPORT

Bangladesh will be a preferred destination for alternative German investment as the country's entrepreneurs are looking for such destinations, said German Ambassador to Bangladesh Peter Fahrenholtz.

In a virtual meeting with members of the Bangladesh German Chamber of Commerce and Industry (BGCCI) on Monday, the ambassador said his



government contributed \$50 million for the Rohingya refugee camp in Cox's Bazar and \$20 million for garment workers who lost jobs.

He said he could see that Bangladesh had a robust economy with dynamism, resilience and ambition and could surely bounce back soon.

German investment and trading companies are looking for new places for their investments and businesses, said the ambassador.

"Bangladesh will be one such important destination."

The BGCCI should impress upon relevant authorities to make bureaucracy more business-friendly; and to abide by

the rule of law and adhere to zero tolerance on corruption as proposed by the prime minister.

"It will definitely have a good impact on overall business development," the German ambassador was quoted as saying in a BGCCI press release.

Fahrenholtz also informed that in the past three years he had not seen any Bangladeshi business delegation visit Germany to explore new markets and investment, which was very unfortunate.

He suggested that the BGCCI could pursue the simplification of rules and regulations for investors and reducing bureaucratic bottlenecks.

The German ambassador also suggested that Bangladesh Investment Development Authority (BIDA) should be more proactive and realistic in attracting foreign direct investment (FDI).

He said he had not seen any new brochures promoting business in Germany and suggested that the BGCCI could come forward to publish such information booklets and brochures to attract new investors. In this regard, he gave the reference of neighbouring countries.

Meanwhile, the BGCCI has been informed by the German Chamber of Commerce, Berlin (AHK) that they would like to hold a dialogue and was looking forward to welcoming Bangladeshi business delegations in Germany to further accelerate and develop business relations.

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# Challenges facing accountants in protecting public interest amid Covid-19



ASM SHAYKHUL ISLAM

The whole mankind of this planet is now living in a completely unknown socioeconomic environment amid the Covid-19 pandemic.

Almost all organisations of all sizes and sectors, including professional accountants and auditors, are now facing unexpected and extreme challenges across the world.

The industry and service sectors of the economy have been affected very badly due to coronavirus. Businesses and people are now passing hard times. Accountants and auditors also cannot carry out their professional works properly as they have to maintain social-distancing.

The contagion has brought significant uncertainties, market volatility and business disruptions across the world. The present

situation has created an adverse liquidity in the businesses.

Due to this, another situation may arise to sell a part of business or assets or discontinue the business itself.

So, accountants should now assess the abilities of the businesses to continue as concerns are growing to protect shareholders' interest.

During any economic recession, generally assets are impaired and there may be unexpected decline of the market value of assets like property, plant and equipment.

This situation demands testing the impairment of assets. The Covid-19 will lead to technological improvements of industries and businesses and as such, many machinery and equipment will become obsolete and lose economic performance than expected.

As a result, carrying value of those assets may not be recovered and it may be difficult for professional accountants and auditors to apply the International Financial Reporting Standards (IFRS) 5.

Moreover, many businesses are witnessing unexpected stock lots of inventories due to the cancellation of orders. The International Accounting Standard (IAS) 2 requires that inventories should be measured at lower of cost and net

*The Covid-19 is a major issue as well as an opportunity for accountants and auditors to further develop under digital platforms.*

realisable value (NRV), which may also be difficult at the moment.

Under the circumstances, professional accountants and auditors should apply fair judgments in addition to the IFRS with a view to ensuring true and fair financial statements.

The Covid-19 has created a situation of providing more services through digital platform. But it is a reality that most of the businesses in Bangladesh are family-owned and they maintain some confidentiality in their financial transactions.

The owners are reluctant to give full information to the

accountants and auditors through online considering the matters of cyber security and involvement of taxmen.

Besides, online remote working may also create increased risk of financial fraud and may impact internal control.

The International Auditing and Assurance Standard Board has highlighted in its Covid-19 staff alert regarding the possibility of fraud and error and awareness of the auditors to pay more attention to standards.

The Covid-19 is a major issue as well as an opportunity for accountants and auditors to further develop under digital platforms. They should now develop foolproof online professional service platforms and be very careful to detect frauds and rosy pictures of financial statements.

Amid the presence of the deadly virus, they should maintain ethics in giving professional judgments and take extra precautions to gain confidence of stakeholders and protect public interest so that the WorldCom, Enron, Lehman Brothers and Satyam types of situations are not repeated.

The writer is a former president of the Institute of Cost and Management Accountants of Bangladesh.