

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. Mahbub Ur 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.