STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	CNY
▲ 0.82%	▲ 0.74%	▲ $1,809.21	▲ $43.22	▼ 0.94%	▼ 0.78%	▲ 0.3%	▲ 1.74%	BUY TK	83.95	93.46	104.30	11.73
4,034.65	6,933.59	(per ounce)	(per barrel)	36,329.01	22,438.65	2,669.49	3,403.44	SELL TK	84.95	97.26	108.10	12.34

Star BUSINESS

DHAKA THURSDAY JULY 9, 2020, *ASHAR 25, 1427 BS* ● starbusiness@thedailystar.net

Quest for jute polymer bag continues despite closure of mills

SOHEL PARVEZ

The much-cherished Sonali Bag scheme, which aims to make polymer containers from jute, will continue despite the closure of 25 state-run jute and non-jute mills on the first day of the current month.

However, people are unlikely to get a hand on them anytime soon as it is taking longer than expected to launch commercial production and to understand its financial viability, said officials of the state-owned Bangladesh Jute Mills Corporation (BJMC).

The corporation began an initiative in April 2017 at the Latif Bawany Jute Mills Ltd in Dhaka's Demra area to pilot the production of polymer bags using cellulose collected from jute fibre, a technology devised by Mubarak Ahmad Khan, a scientist who formerly worked at the Bangladesh Atomic Energy Commission.

The BJMC allocated nearly Tk 2.5 crore for the project to make 2,000 polymer bags daily.

Later, the environment, forest and climate change ministry gave Tk 10 crore to facilitate the production of biodegradable bags in order to give the nation and the world an escape from plastic pollution, which is a result of the indiscriminate use of environmentally-unfriendly polythene bags.

The new technology ignited hopes of fast advancement of locally grown jute, which provides a source of living to nearly two crore people, including several millions of farmers and nearly 200,000 workers in largely export-oriented mills.

AT A GLANCE

- BJMC took a scheme in 2017 at Latif
- Bawany Jute Mills in Demra
- It initially allocated Tk **2.5**cr for the project
- Environment and forest ministry later provided Tk **10**cr
- Bangladesh generates around **3,000** tonnes of plastic waste every day
- Exports from jute and jute goods hovering around $**1**b for a decade

Exports receipts from jute and jute goods have been hovering around $1 billion for the last decade. The shipment rebounded to $880 million in the just-concluded fiscal 2019-20, posting 8 per cent growth over the previous year despite the onslaught of the coronavirus pandemic.

Bangladesh generates around 3,000 tonnes of plastic waste every day and the BJMC expects that developing packaging materials from jute can be an alternative to plastic bags while also a boosting demand for the natural fibre.

Bangladesh is the second-biggest producer of jute in the world after India.

The BJMC is yet to start automating the production of jute bags though as the required machinery has not been procured yet. However, some of the non-specific equipment has been developed locally.

"We floated a tender earlier and no response came within the deadline. We have extended the deadline to buy the machines," said BJMC Chairman Md Adbur Rouf.

Activities related to the Sonali Bag project have slowed in the wake of the Covid-19 pandemic.

"However, the project is on and it will continue," Rouf added.

Currently, the bags are made manually based on order. Because of the manual process, only a small quantity of carriers could be produced so far.

"Our target was to automate the total process but we could not do that yet. We would come to a stage once we procure the machinery," he said.

READ MORE ON B3

Stocks soar on buying spree

STAR BUSINESS REPORT

Stocks surged yesterday on the back of a buying spree from retail investors.

The DSEX, the benchmark index of Dhaka Stock Exchange, soared 32.83 points, or 0.82 per cent, to close at 4,034.65. This is the highest single-day increase since May 31 when the index rose 51 points.

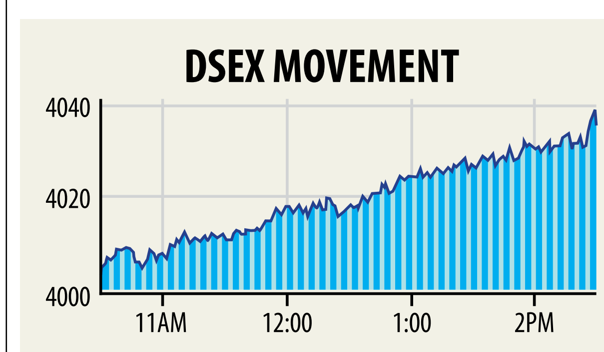
"This is a significant jump because more than 100 stocks rose. This has happened for the first time since the floor price was set," said a top official of a merchant bank.

On March 19, the stock market regulator set the floor price for all stocks based on the average prices of the previous five days in order to stop the expected rout caused around the world by the coronavirus pandemic.

As expected, the index did not fall due to the floor price. But it also did not rise either because of lower demand.

Yesterday, the key index rose riding on the news that directors, who have less than 2 per cent shares in a company, would have to buy shares to fulfil the minimum shareholding condition, the merchant banker said.

The Bangladesh Securities and Exchange Commission ordered the directors to buy the shares last week, otherwise, it would vacant their directorship.



"This is a significant jump because more than 100 stocks rose. This has happened for the first time since the floor price was set," says a top official of a merchant bank

So the companies, whose directors have failed to hold the minimum shares, attracted investors.

In 2011, the regulator ordered the directors to hold at least 2 per cent shares in their company to keep the position. Janata Insurance and Paramount Insurance were among the top gainers, advancing 10 per cent and 9.98 per cent respectively.

Banking and pharmaceuticals stocks also contributed to the rise of the market. Some medicine-makers announced earnings and subsequently advanced, pulling investors.

The central bank's recent directive on easing foreign investment also created a positive impact, said a stockbroker.

Foreign investors would be allowed to park their dividend income from listed companies in foreign currency (FC) accounts opened with the country's banks and they would be allowed to remit the funds to their home countries.

Investors would also be permitted to invest the balance in the FC accounts to purchase securities.

The move aims at retaining the existing foreign investors' funds and drawing more foreign investment in the days to come, said the broker.

"It would impact the market positively."

Stocks traded the most in the day was of Beximco Pharmaceuticals, whose securities involving Tk 17 crore changed hands, followed by Beacon Pharmaceuticals, Premier Bank and Orion Pharma.

On the day, 101 stocks advanced, 23 declined and 209 remained unchanged.

Two-thirds of poor families yet to receive Tk 2,500 cash support

REJAUL KARIM BYRON

A staggering two-thirds of the 50 lakh poor families hit hard by the coronavirus pandemic are yet to receive Tk 2,500 each in cash support because of the flawed list although they have been languishing in poverty for the last three months.

The government has managed to disburse funds among 16.16 lakh targeted people, according to a position paper prepared by the finance division. The document has been sent to the Prime Minister's Office.

Another 2.17 lakh beneficiaries are set to receive the cash support.

After the government put in place the countrywide shutdown to slow the spread of the coronavirus, it allocated Tk 1,250 crore for the 50 lakh poor families whose breadwinners have lost their jobs because of the lockdown.

In order to execute the task properly, another Tk 8 crore was released. Prime Minister Sheikh Hasina inaugurated the fund disbursement on May 14.

Rickshaw and van-pullers, day labourers, construction workers, agriculture farmers, employees of shops, people employed at small businesses, poultry labourers and transport workers are supposed to be the targeted beneficiaries. They would get the cash support through accounts of mobile financial services (MFSs).

WHO DID NOT GET TK 2,500 AND WHY?

- **107,386** are beneficiaries of other schemes
- **2,855** are govt officials
- **557** own Tk **5** lakh in savings certificates each
- **6,786** pensioners
- **295,919** names included for more than once
- Inconsistency in information of **22.86** lakh people

MFS services Nagad, bKash, Rocket and SureCash were given the responsibility to transfer the funds to 17 lakh, 15 lakh, 10 lakh and eight lakh account-holders respectively.

The information and communications technology division and the disaster and relief management ministry compiled the list of the potential beneficiaries from across the country and sent it to the finance division.

The finance ministry receives the lists from the offices of the deputy commissioners and then these lists are verified and evaluated further by the disaster management and relief ministry, according to a paper of the Centre for Policy Dialogue.

Bangladesh's safety net schemes are historically marred by fragmentation, weak targeting and inefficiency and the weaknesses were again manifested at a time when the poor have been facing possibly the worst crisis in their lives.

The finance division cross-checked the list with other available databases and struck off the names of 493,200 people for anomalies.

READ MORE ON B3

Garment work orders coming back slowly

REFAYET ULLAH MIRDHA

With the reopening of outlets of major clothing retailers and brands in the EU and US, the inflow of work orders at local garment factories has been on the rise, albeit on a limited scale.

Local factory owners said most of them are running at 80 per cent capacity as the buyers are coming back with work orders.

The apparel suppliers also said the volume of fresh work orders is less as the buyers are either reclaiming goods already manufactured or executing old work orders.

So, the inflow of new work orders is still not at the expected level although they are hoping that the situation would improve further at the end of this year if the coronavirus pandemic can be controlled.

Garment manufacturers now fear that retail sales in the EU and US will slow down again if a fresh wave of infection spreads at those major export destinations.

A slump in sales in the western world for any reason will have an effect on the inflow of work orders for Bangladesh.

The large units have been receiving a handsome volume of work orders but the country's small and medium apparel companies are still suffering.

Suppliers said they would be able to achieve at least 80 per cent of their target for exports at the end of this year if the current inflow of work orders remains stable.

"Inflow of new work orders is low. We are catering to old work orders now. There will be a nearly 30 per cent gap in receiving work orders this year compared to last year," said KM Rezaul Hasanat, chairman and CEO of Viyellatex Group, a leading garment exporter.

The outlets have been opening up gradually but the presence of customers is still thin because of Covid-19, Hasanat told The Daily Star over phone.

"Up till August, the current inflow of work orders will make due at my factories. But September onwards, the volume of confirmed work orders is reducing. I am negotiating with my buyers for new work orders," said MA Jabbar, managing director of DBL Group, another leading garment exporter.

"The inflow of work orders is not steady now. I can achieve nearly 80 per cent of my annual target of export at the end of this year," he said.

With local suppliers getting ready to begin full-scale operations, the number of new coronavirus patients in the US has increased by more than 40,000 a day, especially after July 4, when restrictions on public movement were withdrawn to mark the country's Independence Day.

So this new wave of patients in the US might force its government to prolong the shutdown procedures for retailers.

"More than 50 per cent of my goods are shipped to Germany. So far, the inflow of work orders in my factory is good," said Fazlul Hoque, managing director of Plummy Fashions, a Narayanganj-based garment factory.

Suppliers sending garment shipments to Germany are in an advantageous position as they faced less order cancellations in March, April and May.

READ MORE ON B3

DBBL

Sayem Ahmed, chairman of Dutch-Bangla Bank, presides over the bank's 24th annual general meeting through a digital platform yesterday. The bank approved 15 per cent cash and 10 per cent stock dividends for 2019.

Upside for Indian rupee seen limited despite multiple positives

REUTERS, *Mumbai*

India's rupee has the backing of a healthier trade account, steady foreign investment inflows and a return in global risk appetite, but its gains are being limited by a central bank keen to prevent wild swings and build dollar reserves.

The Reserve Bank of India's stated foreign exchange policy has been to only curb extreme volatility but recent actions suggest it is not letting the local unit appreciate despite its relative underperformance versus peers.

Traders suspect the RBI bought dollars in May and June as the return in risk appetite and overseas investments by a dozen firms, including Facebook, into the digital arm of telecommunications firm Reliance Jio brought in billions of dollars into the country.

REUTERS/FILE

A cashier checks Indian rupee notes inside a room at a fuel station in Ahmedabad, India.

Reliance is scheduled to get a total of $15.8 billion, part of which has already come in. India's external account has also improved owing to the sharp fall in global crude oil prices and a collapse in imports in an economy weakened by the COVID-19 pandemic. Companies have raised $2.49 billion through external commercial borrowings in April and May.

The flows coming in are only temporary and cannot be taken for granted as a recovery in growth would push up imports and widen the current account deficit eventually, said Suyash Choudhury, head of fixed income at IDFC AMC.

"It is also in this context that we see RBI's more aggressive stance in accumulating forex reserves lately. It is prudent to shore up external defenses given the long haul ahead."

The rupee INR=IN was at 74.98 to the dollar on Wednesday and is down 4.74 per cent so far this year, making it the worst performing Asian currency.

Dubai reopens doors to tourists after long shutdown

AFP, *Dubai*

With a "welcome" passport sticker and coronavirus tests on arrival, Dubai reopened its doors to international visitors Tuesday in the hope of reviving its tourism industry after a nearly four-month closure.

But businesses are mainly betting on those already living in the gleaming desert city to energise its ailing economy and serve as a test run before wary foreign holidaymakers return.

"A warm welcome to your second home," said the sticker applied to passports at Dubai airport, where employees wore hazmat suits and vending machines offered personal protective equipment.

Italian tourist Francesca Conte said on arrival she was worried up until the last minute that her flight would be cancelled. "When I saw passengers queueing at the gate, I thought today we are not leaving, since the trip to Dubai had already been skipped three times," Conte said.

She said she felt sad "seeing empty spaces" on the plane and stewards and hostesses "dressed like nurses and doctors", in their lab coats.

The reopening Tuesday came as the number of COVID-19 cases in the United Arab Emirates climbed to 52,600 included 326 deaths, with millions of foreign workers living in cramped accommodation particularly hard hit.

Incoming tourists are required to present a negative test result taken within four days of the flight. If not, they can take the test on arrival, but must self-isolate until they receive the all-clear.Tourism has long been the lifeline of the glitzy Gulf emirate, one of the seven sheikhdoms that make up the UAE.

High season starts in October when the scorching heat of the Gulf summer starts to dissipate.

Dubai welcomed more than 16.7 million visitors last year, and before the pandemic crippled global travel, the aim had been to reach 20 million arrivals in 2020.

"We are ready to receive tourists while we take all necessary precautions," said Talal al-Shanqiti of Dubai's General Directorate of Residency and Foreigners Affairs in a video message tweeted on Sunday.

AFP

Tourists sunbathe at a beach in the Gulf emirate of Dubai in the United Arab Emirates on Wednesday.

With scant oil resources compared to its neighbours, Dubai has built the most diversified economy in the Gulf, boasting a reputation as a financial, commercial and tourism hub despite an economic downturn in recent years.

The city-state is known for its mega malls, high-end restaurants and five-star hotels and resorts.

But all have taken a severe hit during the coronavirus outbreak, and Dubai's GDP in the first quarter of 2020 contracted 3.5 percent following two years of modest growth.

Dubai-based airline Emirates, the largest in the Middle East, has been forced to slash its sprawling network and is believed to have laid off thousands of staff.Before reopening to international tourists, authorities launched social media campaigns and deployed hundreds of social media "influencers" to tout Dubai's attractions.

As the hospitality business works out how to create an environment that follows strict hygiene rules but is still worth the hassle for potential foreign clients, hotels are offering Dubai residents "staycation" and "daycation" deals to offset the slump.

Restarting hospitality by "primarily targeting the domestic market is an important first step in our phased approach towards restoring normalcy in the tourism industry," said Issam Kazim, CEO of the Dubai Corporation for Tourism and Commerce Marketing. And key to the effort are health and safety measures at hotels to "reassure guests and travellers that Dubai is one of the world's safest destinations", he said in a statement last month.

Alibaba's Ant plans Hong Kong IPO, targets valuation over $200 billion

REUTERS, *Hong Kong*

Ant Group, the fintech arm of Chinese e-commerce giant Alibaba, plans a Hong Kong float as soon as this year and targets a valuation of more than $200 billion, said two sources with knowledge of the matter.

The world's most valuable tech "unicorn" had been looking to sell shares in Hong Kong and mainland China simultaneously, but is now leaning heavily towards the Asian financial hub first because it would probably face a smoother listing process, the sources and a third person with knowledge of the matter said.

It is looking at selling between 5 per cent and 10 per cent of its shares in an initial public offering, said one of the sources, in what would be one of the world's biggest listings this year.

The company has been working with its advisers on the planned float in recent months, said the sources, who cautioned that details have yet to be finalized and are subject to change.

In response, Ant said the information about its IPO plans was incorrect. Alibaba did not immediately respond to a request for comment.

The sources sought anonymity as the information was private.

Ant, based in China's eastern city of Hangzhou, is 33 per cent owned by Alibaba Group Holding Ltd and is controlled by Alibaba founder Jack Ma.

Although valued at about $150 billion in its last funding round in 2018, small trades in the secondary market late last year gave it an implied valuation of $200 billion.

Ant is China's dominant mobile payments company, offering loans, payments, insurance and asset management services via mobile apps.

However, recent years have seen it emphasise its technology prowess amid increased regulatory scrutiny of financial risk.

The company wants to be referred to in English as "Ant Group Co," its spokeswoman said. It won regulatory approval in May to change its legal name in Chinese to Ant Technology Group Co.

Ant generated revenue of about 120 billion yuan ($17.10 billion) last year and almost 17 billion yuan in net profit, according to financial documents seen by Reuters.

Ant said the information was incorrect.

A Hong Kong listing of Ant - one of the world's most hotly-anticipated IPOs - would be a boost to the city's status as a global capital markets centre as its leaders come under fire for China's imposition last month of a tough national security law.

This year, however, capital-raising has been helped by the broader tension between China and the United States, with several US-listed Chinese firms planning secondary listings in Hong Kong to help establish an investor base closer to home.

In November, Alibaba itself raised $12.9 billion in a secondary listing.

Huawei says US sanctions have no immediate impact on UK 5G supplies

REUTERS, *London*

US sanctions targeting China's Huawei have had no immediate impact on its ability to supply 5G equipment to Britain, a senior company executive said on Wednesday, calling for more time to understand the full repercussions of the restrictions.

Huawei Vice President Victor Zhang said it would take months to establish the impact of the US measures announced in May, which aim to cripple the firm's ability to source the advanced microchips needed to make its telecoms equipment.

"These restrictions actually haven't had an impact on Huawei's capability to supply to the UK's 5G and fibre solution at this moment," Zhang told reporters on a call. "We need to talk about the long term impact, it takes time, it takes months."

AFP/FILE

A shop for Chinese telecom giant Huawei features a red sticker reading "5G" in Beijing.

Britain granted Huawei a limited role in its future 5G networks in January, but ministers have since said the U.S. sanctions could have a significant impact on its ability to securely supply crucial pieces of networking equipment.

Prime Minister Boris Johnson, who has come under pressure from the United States and lawmakers in his own party to ban Huawei over security concerns, is expected to make a decision on whether to further restrict the company by the end of the month.

Zhang said British officials should think carefully before making what he called a "critical long-term decision".

"We believe it is important to wait until all the facts and implications are known," he said. "Now is not the time to be hasty in making such a crucial decision about Huawei."

British relations with China have already been strained by Beijing's decision to approve a new national security law in Hong Kong. China's ambassador to London, Liu Xiaoming, warned this week that getting rid of Huawei would send a "very bad message" to Chinese business.

SBI to invest 17.60b rupees in Yes Bank

REUTERS, *Bengaluru*

State bank of India, country's largest lender's executive committee has approved a further investment of upto 17.60 billion rupees in public offering of Yes Bank, according to a regulatory filing.

In March this year, SBI board had approved an investment of 72.50 billion rupees into the troubled lender Yes Bank.

Earlier this year the Reserve Bank of India (RBI) had taken control of Yes Bank, after the bad-debt laden lender had failed to raise the capital it needed to stay above mandated regulatory requirements.

Since then SBI had stepped in to acquire a stake in the private lender and to keep it afloat. However, SBI's total investment is not likely to exceed 100 billion rupees, according to the bank's chairman.

REUTERS/FILE

A man checks his mobile phone in front of State Bank of India branch in Kolkata.

UK job ads show lowest ebb for labour demand came in May, ONS says

REUTERS, *London*

Demand for labour in Britain may have hit its low point in May before recovering slightly in June, based on a study of online job advertisements, Britain's Office for National Statistics said on Wednesday.

"Experimental online job adverts data imply the worst impact of the pandemic on labour demand was experienced in May, and some sectors increased hiring in June," the ONS said, afte looking at data from online jobs portal Adzuna.

May marked the first easing of the coronavirus virus lockdown restrictions and more businesses reopened in June, which the ONS said contributed to an increase of hiring activities in some sectors.

Demand for retail and catering workers picked up modestly in June after collapsing in April and May, while appetite for healthcare workers - who have been in strong demand throughout - showed little change.

Cars, a cocktail and a celebrity: South Koreans succumb to Tesla fever

REUTERS, *Seoul*

From an eponymous cocktail to eager buyers following the shipping routes of long-awaited cars, Tesla Inc is having a moment in South Korea, particularly among tech-savvy professionals.

Kang Sung-mo, who runs an advertising production agency in Seoul, is a convert.

"I am not interested in cars, but I am interested in the Tesla brand and its technology," the 39-year-old told Reuters.

Kang bought a Tesla Model 3 in December, ditching the Hyundai crossover he bought only last summer. Being associated with Tesla's reputation for innovation was good for his image, he said.

The US electric car maker had its best month for South Korea in June, selling 2,827 vehicles and bouncing back from weak sales in April and May which were hit by US production disruptions due to the coronavirus. The Model 3 is now the country's No.2 imported vehicle, ahead of the BMW 5 series and the Audi A6, and just behind the Mercedes E-Class.

By contrast, Hyundai Motor Co, the dominant automaker in South Korea, saw sales of its Kona EV slump 31 per cent in June to 2,513 vehicles.

Another 4,000 to 5,000 South Korean customers have the Model 3 on order, although most of them may have to wait until at least September for delivery, said a source familiar with the matter. The source was not authorised to speak to the media and declined to be identified.

Tesla's rising popularity among affluent professionals in South Korea, who have been relatively unscathed by the pandemic, is one of many feathers in its cap.

Highlighting the threat it poses to established brands, Tesla last week surpassed Toyota Motor Corp as the world's most valuable automaker while its second-quarter deliveries smashed expectations at a time when sales at rivals have been laid low by the pandemic.

South Korea's generous subsidies of 12.43 million won ($10,380) for the Model 3 have definitely helped sales, bringing the car's price down to less than $40,000, but the Silicon Valley automaker has also generated a genuine buzz.

In social media posts, South Korean Tesla fans avidly track the routes of ships bringing its cars to Asia, while at the country's bars, the latest trendy cocktail is a mix of HiteJinro's Terra-brand beer and the Korean traditional liquor 'soju'. Smashed together, their names are pronounced "Tesla" in Korean.

REUTERS/FILE

A couple looks at a Tesla dealership in Hanam, South Korea on July 6.

US tech giants face hard choices under Hong Kong's new security law

REUTERS, *Shanghai/Hong Kong*

US tech giants face a reckoning over how Hong Kong's security law will reshape their businesses, with their suspension of processing government requests for user data a stop-gap measure as they weigh options, people close to the industry say.

While Hong Kong is not a significant market for firms such as Facebook, Google and Twitter, they have used it as a perch to reach deep-pocketed advertisers in mainland China, where many of their services are blocked. But the companies are now in the cross hairs of a national security law that gives China authority to demand that they turn over user data or censor content seen to violate the law - even when posted from abroad.

"These companies have to totally reassess the liability of having a presence in Hong Kong," Charles Mok, a legislator who represents the technology industry in Hong Kong, told Reuters.

If they refuse to cooperate with government requests, he said, authorities "could go after them and take them to court and fine them, or imprison their principals in Hong Kong".

Facebook, Google and Twitter have suspended processing government requests for user data in Hong Kong, they said on Monday, following China's imposition of the new national security law on the semi-autonomous city.

Facebook, which started operating in Hong Kong in 2010, last year opened a big new office in the city.

It sells more than $5 billion a year worth of ad space to Chinese businesses and government agencies looking to promote messages abroad, Reuters reported in January. That makes China Facebook's biggest country for revenue after the United States.

The US internet firms are no strangers to governments demands regarding content and user information, and generally say they are bound by local laws.

The companies have often used a technique known as "geo-blocking" to restrict content in a particular country without removing it altogether.

But the sweeping language of Hong Kong's new law could mean such measures won't be enough. Authorities will no longer need to get court orders before requesting assistance or information, analysts said.

Requests for data about overseas users would put the companies in an especially tough spot.

"It's a global law ... if they comply with national security law in Hong Kong then there is the problem that they may violate laws in other countries," said Francis Fong Po-kiu, honorary president of Hong Kong's Information Technology Federation.

While the US social media services are blocked in mainland China, they have operated freely in Hong Kong.

Further ease of doing business needed to attract investment: experts

FROM PAGE B4

In line with the ease of doing business ranking criteria, Bangladesh is trying to enact The Secured Transaction (Movable Assets) Act for the overall improvement of the country's business climate, said Ashadul Islam, senior secretary to the financial institutions division.

If implemented, the act will improve Bangladesh's score for movable collateral registration with access to credit, he noted.

The government is also trying to amend the Bankruptcy Act by addressing measures under the Resolving Insolvency category.

"All line agencies have agreed to work together to amend relevant laws to establish an insolvency regime in the country," Islam said.

The automation requirement to secure e-trade licenses will be carried out by the Dhaka and Chattogram city corporations in their respective municipalities, said Helal Uddin Ahmed, senior secretary to Local Government Division.

Such reforms will act as a positive indicator for people looking to start a business, he added.

Fast-tracking the issuance of permits for low-risk green category facilities, such as warehouses, have also been discussed with the Department of Environment as it is a prerequisite for construction permits.

Meanwhile, efforts are being made to ensure the effective generation and distribution of power, according to Dr Sultan Ahmed, secretary to the Power Division.

The System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) targets will be recorded after the Supervisory Control and Data Acquisition (SCADA) is implemented to monitor power outages and restoration, he said.

Besides, to introduce faster and less costly measures for company to company land transfers, the Ministry of Land has taken initiatives to reduce stamp duties and registration fees, informed Md Muksodur Rahman Patwary, secretary to the Ministry of Land.

"We are exploring options on how to further reduce costs as well," he added.

Mohammed Mezbah Uddin Chowdhury, secretary to the Ministry of Shipping, discussed his plans for the automation of export-import processes in line with standard global practices with an aim to positively impact the country's score under the trading across borders indicator.

National Board of Revenue Chairman Abu Hena Md Rahmatul Muneem participated in the meeting and discussed possible measures to be made under the Paying Taxes indicator.

Garment work orders coming back slowly

FROM PAGE B1

Not only that, there is also a steady inflow of work orders to their factories even amid the Covid-19 pandemic as the German economy has been comparatively less affected by the virus till date.

"I can achieve 85 per cent of by export target by the end of this year," said Hoque.

The major problem is that nearly 100 western retailers and brands have filed applications seeking salvation from bankruptcy. Of the applicants, most purchase apparel items from Bangladesh, Hoque said.

Similarly, Bakhtiar U Ahmed, chief operations officer at Fakir Apparels, said his buyers were now reclaiming their old orders. So the volume of new orders is relatively low now, he said.

Buyers stated that they would not cancel any work orders but they would take some time to take goods that have already been manufactured, he said.

They will increase the volume of new work orders once the old inventory was sold, he added. So at the end of this year there will be nearly 10 per cent lesser work orders compared to the same time last year, he also said.

Mahmud Hasan Khan Babu, managing director of Rising Group, said he has an adequate number of work orders for knitwear items but in case of woven items, he could not take orders because he needed to import fabrics, mainly from China.

So currently, he can execute 85 per cent of knitwear orders and use 60 per cent of the capacity for woven, Babu said.

Tariqul Islam, managing director of All Weather Fashions, said he closed his factory in March as he was facing a crisis of new work orders from the buyers.

He shut down his unit which employed 473 workers as he was also facing challenges in paying bank loans as well.

Before closing his factory, he used to export goods worth Tk 50 crore annually. However, the value of his exports dropped to Tk 37 crore in 2019 because of a slump in work orders at his small factory in Pubail.

Between January and March this year, he could export garment items worth Tk 12 crore, said Tariqul, adding that he would reopen his unit again in September this year as buyers were coming back.

KI Hossain, president of the Bangladesh Garment Buying House Association, said local buying houses were facing a crisis of work orders as most retailers and brands did not prefer to travel to factories or hold meetings either virtually or any other third destination, except Bangladesh.

"We are in an uncertainty now," he said.

BB asked to make wholesale changes to policies to pull in FDI

FROM PAGE B4

The Beza plans to introduce a generous incentive package to perk up the country's investment climate and attract more foreign investors to economic zones in the post-coronavirus era when companies will search for new destinations to set up operations at reduced costs.

"We have submitted proposals to the Prime Minister's Office on how we can offer policy support and incentives to foreign investors," said Paban Chowdhury, executive chairman of the Beza.

With the pandemic continuing to wreak havoc on the global investment scene, Bangladesh will not remain immune to the fallout and that is why the country should use innovative tactics to rope in investors, he added.

Md Sirazul Islam, executive chairman of the Bida, said there is a prudent need for decisive policy-making for the country to benefit in the long run by increasing FDI inflow.

The Bida has already taken the initiative to amend a number of rules and regulations that were directly impeding FDIs, Islam added.

Two-thirds of poor families yet to receive Tk 2,500 cash support

FROM PAGE B1

Of them, 107,386 are the beneficiaries of other social safety net schemes and 2,855 are government officials. Some 79,621 are stated as vagabonds, housewives, boatmen, street urchins, disabled, imams of mosques, tea labourers, tea stall owners, beggars and unemployed.

The most depressing is there were 557 people in the list who each owned Tk 5 lakh in savings certificates. There were 6,786 pensioners and 295,919 names were included for more than once, the position paper showed.

The finance division also found inconsistency in information about 22.86 lakh people. This prompted the PMO on June 15 to order the upazila nirbahi officers (UNOs) to rectify the list. The list was sent to the UNOs.

The list includes 8.29 lakh people who did not have a registered mobile phone number against the NID and 6.38 lakh people have mobile phone numbers different from those registered with the NID.

There are 7.98 lakh people whose NID number and the date of births are not similar to the database of the Election Commission.

If the anomalies are corrected from field level, it would be possible to disburse the funds, the paper said.

The finance division recommended identifying the mobile phone numbers that are being used by the potential beneficiaries and opening Tk 10-account under the supervision of the upazila administration if the targeted groups don't have mobile phone numbers against the NID or smart cards.

It also called for examining properly the NID or smart cards and the date of birth, writing the mobile phone numbers in exact format and stating the exact occupation of the beneficiaries.

A new list of 879,350 people would have to be prepared now.

"The finance ministry and the ICT division are working on it. We would get the new lists from the district and upazila administrations very soon. Hopefully, the issue would be resolved very quickly," Disaster Management and Relief Secretary Md Mohsin told The Daily Star yesterday.

Meanwhile, the central bank has ordered banks to open Tk 10 deposit accounts on the basis of the NID or smart cards and certification by the UNOs for the people who do not have mobile phones or can't open MFS accounts.

Steps have to be taken to disburse the funds through a debit voucher if no cheque book is available, the central bank said in a circular on July 6.

Due to the coronavirus outbreak, earnings of 51 per cent households plunged to zero while a massive 95 per cent people suffered losses in income, according to a survey of Brac.

Around 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.

This would imply that beyond the 20.5 per cent of the population officially recognised as poor there is a group of 'new poor' representing an additional 22.9 per cent of the population that needed to be brought within the discussion on poverty, it said.

About 13 per cent people have become unemployed in the country due to the pandemic, according to a survey of Bangladesh Institute of Development Studies.

As per the report findings, 19.23 per cent of participants with income less than Tk 5,000 reported that their income was reduced by 75 per cent.

Another 23.31 per cent participants with income between Tk 5000 and Tk 15,000 reported an income reduction by 50 per cent relative to last month's income, news agency UNB reported. The BIDS conducted the survey from May 5 to 29.

Ctg customs miss revenue target by Tk 16,445cr

FROM PAGE B4

Md Fakhrul Alam, commissioner of Chattogram Customs, said the import of duty-free products had increased last year while the number of regular imports had decreased including all kinds of cars, raw materials and goods on which high duty is imposed.

According to the data, customs authority also failed to achieve the monthly target of each month in the fiscal year. A massive amount of the targets were missed during the coronavirus pandemic from February to May this year.

Customs missed the target by Tk 1,264 crore in February, Tk 1,557 crore in March, Tk 3,509 crore in April and Tk 2,409 crore in May.

Quest for jute polymer bag continues despite closure of mills

FROM PAGE B1

"Based on the progress made so far, I can say that we will be able to understand its feasibility once we start to automate production. Still, work is going on like a lab," the BJMC Chairman added.

Initial attempts to buy a customised machinery went in vain due to various complexities, including higher offer prices than the estimated cost for the machinery.

Rouf sent samples of the bags to the Bangladesh Council of Scientific and Industrial Research to conduct some tests, including biodegradability.

The capacity to produce 100,000-125,000 bags daily has been achieved, according to Khan, who now works as a scientific adviser to the BJMC.

Currently, production cost stands at around Tk 7 per bag. Each bag, weighing around 10 grams, is sold to the government for Tk 10.

Production costs will go down if volume increases, Khan said.

"The price of our bags can't be compared with polypropylene bags. It should be compared to other biodegradable polymer bags available in the market. And the price of our bags is less than the prices of theirs," he added.

A Tk 300 crore fund is needed to make the project a success.

The money spent by two city corporations in Dhaka to clean drains every year would be enough to produce the required number of biodegradable polymer bags for the city, he added.

Bangladesh lags behind Asia Pacific peers in telecom services: GSMA

FROM PAGE B4

Bangladesh Telecommunication Regulatory Commission (BTRC) formed a committee last year to prepare a draft guideline on 5G service and initially planned to launch the 5G service by 2023. However, for the Covid-19 situation all preparations have been halted for months.

About Bangladesh's situation, the GSMA said the 5G opportunity was for a longer term, largely because there was still a lot of room to grow for 4G, which was the dominant mobile technology across Asia Pacific and would remain so for the foreseeable future.

According to the report, about 663 million new people across the region would start using mobile internet by 2025 and a majority of them will come from China (261 million), India (190 million), Pakistan (46 million), Indonesia (44 million) and Bangladesh (25 million).

The report also reads that 6.3 billion new internet of things (IoT) connections will be in Asia Pacific within the next five years, accounting for half of global new additions, with smart homes and buildings being the key growth verticals.

Currently there are 5.2 billion IoT connections in this region.

The Covid-19 pandemic will result in 18 per cent fewer 5G connections in this region than previously expected.

Mobile data traffic consumption was 9.2 GB per subscriber per month which will increase more than threefold to reach 28.9 GB in 2025.

However, according to the top three carriers, the average internet user in Bangladesh is currently consuming about 2 GB of data per month.

Bangladesh lags behind Asia Pacific peers in telecom services: GSMA

MUHAMMAD ZAHIDUL ISLAM

In the digital age, Bangladesh's mobile telecom market is still dominated by the second generation (2G) services while scenarios in other Asia Pacific countries are quite different and are predominated by 4G services, according to a GSMA report published on Monday.

The 2G technology is the mobile communications standard allowing mostly voice calls, SMS and limited data transmission while 4G is more data driven.

By 2025 Bangladesh will be a data driven market where 4G service will dominate with a 46 per cent share, reads The Groupe Speciale Mobile Association (GSMA) report "The Mobile Economy Asia Pacific 2020".

However, Bangladesh is in a position below the average standard of the Asia Pacific countries in almost all the parameters and the situation will last long ever after five years, the report's data shows.

Senior executives of mobile operators said high tax and regulatory challenges were the main barriers for Bangladesh lagging behind in the table.

"Our regulatory situation is the worst possible in the world and at the same time the government is increasing taxes every year on telecom services which halted new adoptions," said a top executive of a leading mobile carrier of Bangladesh requesting anonymity.

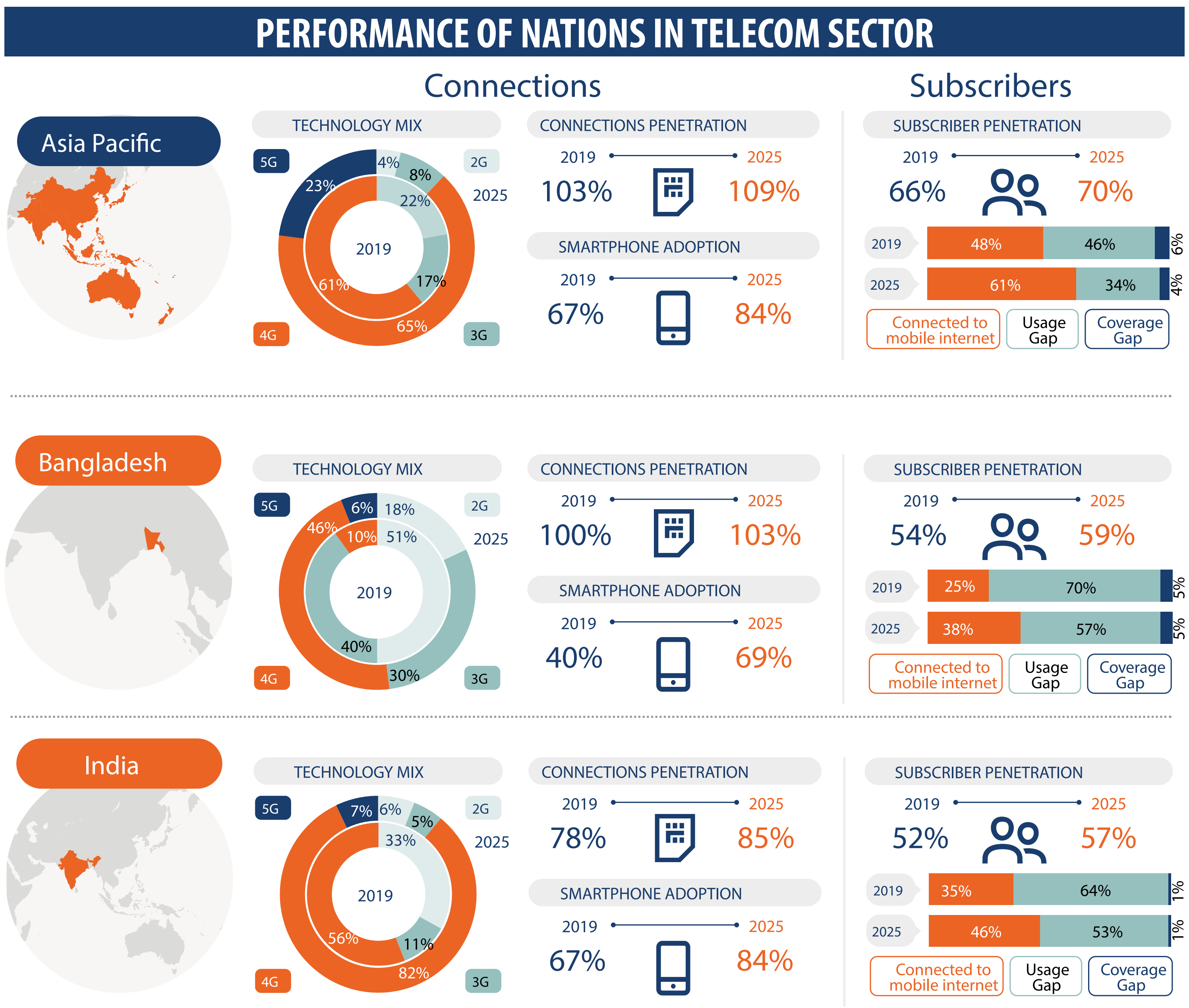
The 2G technology will become obsolete in most of the developed Asia Pacific countries within the next couple of years but till 2025, 18 per cent of Bangladesh's telecommunication customers will be "only" calling users requiring no data access.

The GSMA ran the study in recent years with numbers of 2019 and estimates of 2025.

According to the GSMA, at the end of 2019 about 54 per cent of people in Bangladesh were using mobile phones, of which 25 per cent had internet access.

They estimated that unique user numbers will reach 59 per cent by 2025 and of it 38 per cent will be internet users.

Bangladesh will get 25 million new internet



users in these five years, they said.

In 2025, of the total internet users of Bangladesh, only 6 per cent will use 5G while 4G will dominate the market having 46 per cent of the total data users. At that time 3G users will amount to 30 per cent and 18 per cent will still be connected to 2G.

However, at the end of 2019, only 10 per cent of internet users had 4G connections in this market, 40 per cent 3G and half of the mobile phone users just using it for calling purposes.

Apart from Bangladesh, Pakistan is the other country where 2G is still dominating the market. Bangladesh is also the worst in position when it comes to using smartphones, even worse than Pakistan.

Currently smartphone penetration in Bangladesh is only 40 per cent and it will reach 69 per cent after five years, reads the report. In Pakistan smartphone penetration is 46 per cent and it will grow up to 85 per cent by 2025.

Mobile penetration in Bangladesh already reached 100 per cent which is better than India (78 per cent) and Pakistan (76 per cent) and will be ahead of them even in 2025.

But other countries mentioned such as Indonesia, Australia, Japan, Malaysia, Singapore and South Korea are clearly ahead at this point. Ever some of those countries have 150 per cent penetration.

The last five countries mentioned formed a new platform – APAC 5G Forum – which will be leading in this region's 5G services and the report mentioned that there would be no 2G service in those countries in 2025 while 3G will exist only among around 1 per cent of mobile users.

Of that, the Australian and South Korean markets will dominate with 5G and the remaining three would capture a significant share.

Nine markets of this region have already launched commercial mobile 5G services and 12 others have officially announced plans to launch it and Bangladesh is nowhere with regard to that, reads the GSMA report.

READ MORE ON B3

Further ease of doing business needed to attract investment: experts

STAR BUSINESS REPORT

A favourable position on the World Bank's Ease of Doing Business Index is crucial for attracting new investments and maintaining old ones while constant policy changes will help generate more foreign direct investment, according to experts.

"To achieve the targets set by Prime Minister Sheikh Hasina, we must focus on investment," said Salman F Rahman, the premier's private industry and investment adviser.

Rahman made these comments while addressing a virtual meeting of the National Committee for Monitoring Implementation of Doing Business Reforms (NCMID), held yesterday.

At the meeting, chaired by Cabinet Secretary Khandker Anwarul Islam, faster digitalisation of the country took centre stage among discussions with key government bodies trading views on previously implemented and planned reforms aimed at improving Bangladesh's ranking in the World Bank index.

The 15-member NCMID is comprised of top representatives of various ministries, departments and agencies responsible for the implementation of policy reforms that could benefit the country's ease of doing business.

During the meeting, a presentation was delivered on behalf of Bangladesh Investment Development Authority (Bida).

The presentation highlighted some of the successful policy changes brought about by the organisation, their plans for future reforms and integration status of Bida's One Stop Service (OSS).

Rahman then urged the NCMID members to set individual targets for their respective agencies in a bid to ensure the speedy implementation of reforms outlined in Bida's Doing Business Action Plan.

To calculate a country's ease of doing business, the World Bank takes 10 factors into consideration. However, "contracting with the government" was recently added as another clause, said NCMID Chairman Cabinet Secretary Khandker Anwarul Islam.

"We discussed the Doing Business Action Plan at cabinet meetings. For all of us, it is a fundamental job and so, by using effective coordination we must ensure the progress of policy reforms," he added.

The prime minister has set a target to reach a double-digit ranking in the World Bank's Ease of Doing Business Index by 2021

The prime minister set a target to reach a double-digit ranking in the World Bank's Ease of Doing Business Index by 2021, said Bida Executive Chairman Md Sirazul Islam.

To do that though, the country would need to maintain and achieve changes to rules and regulations.

Besides, the speed at which G2B services are being integrated with Bida's One Stop Service must be accelerated as digital services are a driving force behind the development of a country's business climate.

"Reforms carried out within the specific parameters of the Doing Business Action Plan will stimulate broader reforms for Bangladesh's business environment," he added.

Bangladesh has reportedly seen a number of improvements in several ease of doing business indicators ahead of the World Bank's upcoming index for 2021.

Cabinet Secretary Khandker Anwarul Islam, who moderated the session, sought updates on planned reforms from committee members and provided instructions on how to take things forward.

Islam also discussed the government's ongoing initiatives to streamline the process for profit repatriation and closing down businesses.

Emphasising on digitalisation, the cabinet secretary proposed innovated measures for treasury payments and e-khatiyan while also urging for consumer-friendly measures to be taken for the distribution of natural gas.

Islam also asked the NCMID members to drive home such reforms by providing clear instructions to their respective agencies within the month and assured that they would have full support from the Cabinet Division in this regard.

Suggesting that the NCMID should meet every two months, the cabinet secretary scheduled the next meeting for the end of August.

The government formed the NCMID in September 2017.

The committee was tasked with monitoring the implementation progress of short, medium and long-term reform recommendations.

Among other responsibilities, the NCMID also provides guidance to various agencies on how to address challenges faced in the implementation process.

READ MORE ON B3

Ctg customs miss revenue target by Tk 16,445cr

MOHAMMAD SUMAN, *Ctg*

Chattogram Custom House has fallen short of its revenue target for fiscal 2019-20 by 28 per cent or Tk 16,445 crore.

According to the National Board of Revenue (NBR), the target was Tk 58,298 crore while Tk 41,853 crore was collected.

During the past seven years, the customs authority faced negative growth in revenue collection. In fiscal 2018-19, the customs collected Tk 43,577 crore, which is 4 per cent higher than that of fiscal 2019-20.

Customs officials cited the impact of the coronavirus pandemic and a reduction in the import of 100 types of goods as the reasons for missing the revenue collection target.

The goods include high-speed diesel, crude oil, re-conditioned car, cement clinkers, raw materials of iron, petroleum oil, electronics parts, ready-made ceramic, and various vehicles parts.

A total of 8.29 crore tonnes of goods worth Tk 394,734 crore were imported from different countries in fiscal 2019-20 whereas 7.87 crore tonnes of goods worth Tk 35,474 crore were imported in fiscal 2018-19.

Customs sources said facilitating industries with Custom Procedure Code benefit, the South Asian Free Trade Area facility and acceptance of deferred payments by government departments could also be blamed.

Besides weak monitoring for checking the import of goods through false declarations also caused a decrease in revenue earning, the sources added.

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BB asked to make wholesale changes to policies to pull in FDI

JAGARAN CHAKMA

The finance ministry has directed the Bangladesh Bank to make wholesale changes to the policies that could be considered systematic faults or dissuade foreign direct investment (FDI) in the post-coronavirus era.

In a letter to the central bank on June 23, the ministry asked it to take initiatives that would provide foreign investors with the scope to transfer profits back home or shift their operations to other countries without hassles.

Vietnam, India and Indonesia are all amending rules and regulations in the financial sector to create investment-friendly environments that will attract more FDIs.

Therefore, the BB should follow suit and bring in reforms after identifying the policies that deter foreign investors, the letter said.

It came as gross inflow of foreign direct investment to Bangladesh fell 13.8 per cent to $3.73 billion in the first 11 months of the last fiscal year, BB data showed. Net FDI dropped 19.04 per cent year-on-year to $1.97 billion.

How the Covid-19 outbreak has brought about radical changes to the global economy and diversification to investment policies were highlighted in the letter.

The pandemic has already created a situation where several industries and foreign investors have been forced to consider moving their operations away from China.

In light of the development, Bangladesh should try to grab this opportunity by creating an adequate business environment to lure investors.

In order to do so, first, the banking system needs to be simplified so that investors face fewer challenges, the finance ministry said.

During a meeting on June 8, Prime Minister Sheikh Hasina instructed banks to take necessary initiatives to ensure easy repatriation of profits for foreign investors.

FINANCE MINISTRY'S RECOMMENDATIONS TO BB

- Bring changes to existing rules and policies
- Identify barriers that foreign investors face
- Ensure easy repatriation of profits of foreign investors
- Help update Foreign Exchange Regulation Act, 1947
- Consult with stakeholders for ensuring an investment friendly environment

Bangladesh's currently stable political landscape, availability of skilled workers, ever-growing economy and ongoing infrastructure development are positive indicators for foreign investment, the ministry said.

Besides, non-resident Bangladeshis are now more interested in investing in various sectors, such as agriculture. However, it is often said that they face difficulties when repatriating their profits or try to withdraw matured saving schemes.

Meanwhile, a committee comprising officials from the financial institutions division and the central bank have prepared a Bangla version of the 'Foreign Exchange Regulation Act, 1947', which was uploaded on the former's website.

The initiative is aimed at providing concerned stakeholders with the scope to scrutinise the document and its clauses so that they could make recommendations on how to develop an investment-friendly environment in the country.

The finance ministry said that a draft copy of the revised rules and regulations is being prepared for approval by the cabinet with recommendations from the National Board of Revenue, the finance division, the foreign affairs and commerce ministries, the Bangladesh Economic Zones Authority, the Bangladesh Investment Development Authority, the Economic Relations Division, business organisations, and research firms.

If approved, the planned reforms would be placed before parliament for final approval in order to remove obstacles standing in the way of FDIs as soon as possible.

The letter also suggested that the central bank take necessary actions to establish an investment-friendly environment by removing legal and policy-related hurdles in the banking sector.

The BB already has various policies in place that promote cooperation with foreign investors, said BB spokesperson Md Serajul Islam.

"We have been directed by the higher authorities to execute all official formalities instantly to attract FDIs," he said.

Bangladesh has rules and regulations to attract FDI but bureaucratic complexities sometimes cause delays for foreign investors. These complexities should be removed, he said.

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