

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	BUY TK	EUR	GBP	CNY
0.18%	0.03%	\$1,799.13	\$42.41	1.80%	0.87%	0.41%	0.83%	83.95	94.00	104.27	11.75
4,082.14	7,031.27	(per ounce)	(per barrel)	36,033.06	22,587.01	2,620.19	3,414.62	84.95	97.80	108.07	12.35

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Star BUSINESS

DHAKA WEDNESDAY JULY 15, 2020, ASHAR 31, 1427 B5 • starbusiness@thedailystar.net

An expansionary monetary policy or nothing

AKM ZAMIR UDDIN

At times of recession, it is all too tempting to axe jobs or go for pay cuts for self-preservation.

If all companies think this way, then it puts the economic locomotive that would pull the nation out of the crisis grind to a halt, and in fact, give rise to a chicken and egg situation.

It has a fierce reverse-hit to the industrial production as workers usually buy the majority of products from the market since they outnumber the other segments in society.

The demand for products declines due to the purchasing power of workers when they lose jobs or saw a salary cut.

Factory owners are finally forced to squeeze the production when goods are stuck in the market that contracts their profit further.

German philosopher Karl Marx

depicted the matter in his essay titled "Wage, Labour and Capital" in 1849.

The ongoing financial recession brought on by the coronavirus pandemic has also created the same consequence for the economy.

Bangladesh has never faced such an economic fallout, meaning the central bank in a tight spot as it draws up the monetary policy statement (MPS) for fiscal 2020-21.

The MPS is scheduled to be unveiled in the last week of July.

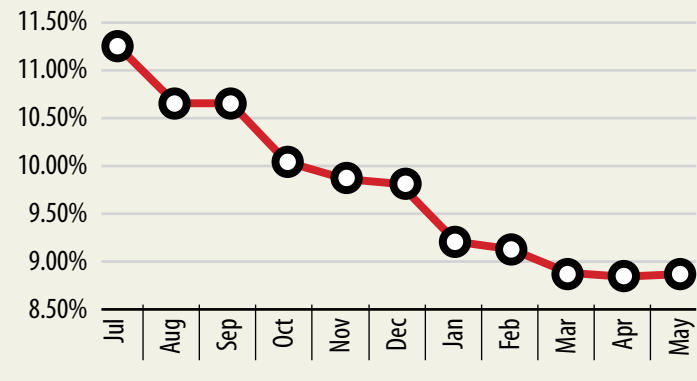
"We are in a difficult situation due to the twists and turns of the pandemic," said a central bank official.

Most likely, the Bangladesh Bank will take on an expansionary monetary policy stance that the other nations have already adopted, he said.

The new MPS should give all-out effort to boost the dwindling

PRIVATE SECTOR CREDIT GROWTH'S SLIDE LAST FISCAL YEAR

SOURCE: BB



demand, which has been hit hard by the financial meltdown.

The government has set a GDP growth target of 8.2 per cent and an inflationary target of 5.4 per cent for this fiscal year.

The central bank will try to achieve both the targets by implementing the new monetary policy, the official said.

Ensuring the target of the private sector credit growth is highly important for the next fiscal year as it will become a driving force in generating jobs and demand.

The credit growth stood at 8.86 per cent in May, which is much

lower than the target of 14.8 per cent for fiscal 2019-20.

Although the central bank has yet to release the data of the credit growth for June, the existing trend has given an indication that the BB is far away from the target.

The central bank will not set a target for the private sector credit growth that is lower than in the just-concluded fiscal year, in order to give a boost to the confidence of businesspeople.

"Setting private sector credit growth will not create anything. Rather, the central bank should give attention to implementing the stimulus packages properly to

revive the economy," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

The BB will have to inject a large amount of reserve money (RM), or high-powered money, into the financial market to address the ongoing crisis, he said.

The RM is the base level for money supply and it is also the high-powered component of the money supply. The broad money, which is multiple of RM, depends on the volume of the RM as well.

Both the government and the central bank have announced a number of stimulus packages involving more than Tk 103,117 crore, which is 3.7 per cent of the country's gross domestic product, to help industries, exporters, farmers and SMEs ride out the crisis.

The majority of stimulus packages will be implemented by the central bank.

"This has added extra pressure for the central bank and banks as the government has taken little fiscal measures to mitigate the recession," said Mansur, a former senior official of the International Monetary Fund.

In addition, the government has set a borrowing target of Tk 84,980 crore from the banking source for the current fiscal year.

READ MORE ON B3

E-invoices will now work as proof of VAT payment

Online VAT payment kicks off tomorrow

SOHEL PARVEZ

Electronic invoices would now be accepted as acknowledgement receipts for value-added tax payment to the treasury, as the National Board of Revenue edges closer to ensuring online payment of the indirect tax, the biggest source of revenue for the state.

The revenue authority said electronic notifications generated through the Integrated VAT Administration System (IVAS) software would be acceptable if those invoices, date of payment, codes of commissionerates and the amount paid match with the online system of the Office of the Controller General of Accounts (CGA).

The move will relieve businesses from visiting banks to deposit VAT to the public exchequer.

"They will be able to clear tax from anywhere. This will reduce their time and expenses," said the NBR in a notice issued on Monday.

The notification came just ahead of the launch of the e-payment facility for VAT tomorrow.

The NBR is going to open the scope for businesses to deposit the indirect tax, paid by consumers at the ultimate end, electronically -- a facility envisaged as part of the goal to fully automate the VAT system.

The government took the VAT automation initiative in 2013 to implement the VAT and Supplementary Duty Act 2012 to reduce the cost of businesses, improve compliance and increase revenue collection to enhance the capacity to finance its development and other expenditures.

Bangladesh has the lowest tax-GDP ratio, a measure of a country's capacity to fund its own expenses, in South Asia.

Since the launch of the Tk 690 crore VAT Online Project (VOP), the NBR could open online VAT registration facility and online submission of VAT returns or monthly transaction statements since October last year -- three months after the new VAT law came into effect from July.

So far, Tk 238 crore out of the total estimated cost of Tk 690 crore for the VAT improvement project has been spent. And a large chunk of the money is likely to remain unspent.

"The opening of e-payment for VAT is going to be a big step forward," said Kazi Mostafizur Rahman, director of the VOP. Initially, account holders of HSBC, Prime and Midland Bank will be able to pay VAT electronically and account holders of two more banks -- Islamic Bank and Bank Asia -- will be able to do the job by the end of this month.

The Bangladesh Bank suggested these banks kick off the e-payment initiative as they are connected with the real-time gross settlement system, a funds transfer system that allows for the instantaneous transfer of money.

"We are trying to bring all banks onboard within August," he said.

Earlier, the VOP succeeded in conducting a mock-test of electronic payments of some firms through HSBC and Midland Bank. The payments were small but the results were positive.

A VAT commissioner seeking to remain unnamed said it may take time for the e-payment facility to be fully operational. "But it will have a positive impact on businesses," the official added.

Businesses have to go to banks either with cash or cheque to deposit VAT, said Md Arshed Ali, convener of the research wing of VAT Professional Forum.

"They have to stay in queue to do the job. The e-payment will provide convenience."

All banks should be brought under the e-payment system so that businesses with accounts at any financial institution could avail the opportunity, Ali said.

The initiative to open the electronic payment for VAT option for businesses follows the rollout of the online return filing window for 150,000 VAT-registered firms in October. The responses were initially very low. But the number of online return filers has risen over time to nearly 40,000 now.

The VOP is working to start some modules this month and two more modules including VAT refund, appeal and arrears in August to complete all the functional requirement before the expiry of the project, which got extended owing to a deferral of implementation of the VAT law by the government, Rahman said.

Decent development spending amid extenuating circumstances

REJAUl KARIM BYRON and MD FAZLUl RAHMAN

Sometimes, one just needs to resign to reality.

Bangladesh's development expenditure fell to a 27-year low in the just-concluded fiscal year.

But, unlike in previous years, a sense of indignation over yet another lacklustre implementation of the annual development programme seems misplaced this time.

Development activities almost halted after the government was forced to implement a countrywide shutdown from March 26 to rein in the rising cases of coronavirus infections, causing ADP implementation to virtually collapse in the following two months, when spending typically heats up to show a flattering result for the full year.

ADP expenditure fell 38.79 per

cent to Tk 16,581 crore in May and 40.27 per cent to Tk 8,136 crore in April.

But implementation was ramped up in June when the government lifted the shutdown. About Tk 45,579 crore was spent last month, down 3.13 per cent year-on-year.

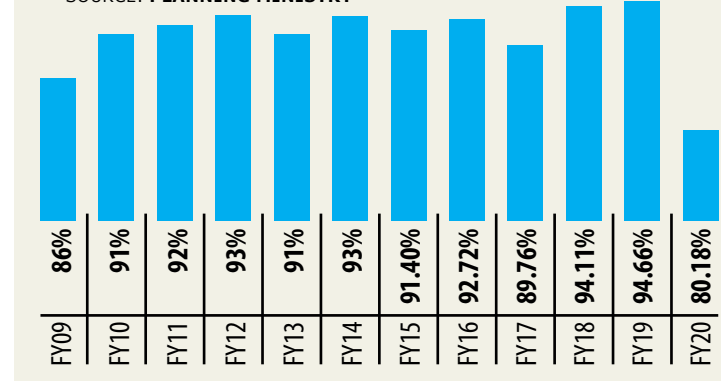
Subsequently, the ministries and divisions ended up spending Tk 161,000 crore in fiscal 2019-20, which was 80.18 per cent of the total allocation, said a senior official of the Implementation Monitoring Evaluation Division (IMED) of the planning ministry.

This was the lowest ADP implementation rate since fiscal 1993-94 and the second-lowest since the 1980s, for which official statistics were available immediately.

The previous lowest was recorded in fiscal 1992-93 when

ADP implementation over the decade

SOURCE: PLANNING MINISTRY



the government managed to spend 80 per cent of the allocation, according to the Bangladesh Economic Review 2004.

Only twice in the last four decades, Bangladesh's ADP execution was below 90 per cent.

The lower ADP implementation rate was expected given the extraordinary situation brought on by the pandemic, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

What surprised him was that it was still a respectable 80 per cent. "It could have been much lower."

ADP implementation rate was 45.08 per cent in the first 11 months of the fiscal year and there had been little work in April and May.

"The figure rose significantly on the back of the implementation in June. This is surprising," Mansur said.

The IMED data is not prepared based on the actual work done. Rather, it is prepared on the disbursement of the funds, he added.

Expenditure for the large projects had been almost on hold from March, let alone small projects, said Zahid Hussain, a former lead economist of the World Bank Dhaka office.

"So, the slowdown has been expected."

READ MORE ON B2

Star's initiative to reassure jittery youths in pandemic world

STAR BUSINESS REPORT

The Daily Star is set to host the Youth Skills Summit today on the World Youth Skills Day, to explore ways to harness Bangladesh's enviable dividend demographic.

More than 60 speakers comprising industry leaders, entrepreneurs and young aspirants representing different fields will partake in the virtual event.

This year, the day -- which was designated by the United Nations in 2014 with the view to creating a dialogue on the importance of technical, vocational education and training for the youth in securing gainful employment and living up to their potential -- has added importance.

READ MORE ON B2



Farm mechanisation gets a big push from govt

Takes up Tk 3,020 crore project to subsidise agro machinery purchase by farmers

SOHEL PARVEZ and REJAUl KARIM BYRON

The government yesterday approved a Tk 3,020 crore project -- the biggest ever scheme for farm sector -- to provide price support to farmers in purchasing agricultural machinery.

The aim is to enable them to timely plant and harvest crops by getting rid of worries over the availability of farm workers.

Farmers throughout the country will get subsidies to buy agricultural machinery, namely combine harvester, rice transplanter, power thresher, drier, power weeder, power sprayer, potato digger and maize sheller, to reduce production cost and post-harvest losses.

Food producers in haors in the northeastern and southern coastal regions will be able to buy the farm machinery by paying only 30 per cent of the prices of the items. The government will pay the rest 70 per cent from the state coffers.



TITU DAS

Growers in the remaining areas will have to pay half the price of the farm equipment and the government will bear the remaining cost.

The objective is to speed up mechanised planting and

harvesting, 99 per cent of which are still done manually owing to the sluggish pace of mechanisation in these two major operations.

"We are giving importance to expand mechanisation throughout the country," said Planning Minister

MA Mannan after the meeting of the Executive Committee of the National Economic Council (Ecnec) at the planning ministry yesterday.

The government aims to reduce post-harvest losses of crops, including the main crop rice, by up to 15 per cent, save 50 per cent time in cultivation time and cut costs by 20 per cent, according to a brief of the Ecnec meeting.

Mannan quoted Prime Minister Sheikh Hasina as saying at the meeting that local entrepreneurs were making agricultural equipment and quality product makers should be encouraged to facilitate domestic industrialisation and job creation.

This is the third project that the government has undertaken since 2009 to provide subsidy to farmers to buy agricultural machinery to facilitate mechanised cultivation.

READ MORE ON B3



Mohammad Yakub Ali, an executive vice president of Islami Bank Bangladesh, opens the bank's sub-branch in Bolirhat in Chattogram on June 12.



Syed Waseque Md Ali, managing director of First Security Islami Bank, opens a sub-branch of the bank on Pragati Sarani in Dhaka through a digital platform from its head office in Dhaka yesterday.

Chinese trade sees surprise bounce as virus recovery picks up

AFP, Beijing

Chinese trade enjoyed surprise growth in June as the world slowly emerges from economy-strangling lockdowns, though officials warned of headwinds for recovery owing to the spread of the pandemic.

The figures come days before the release of data expected to show the world's number two economy returned to growth in the second quarter following a contraction in the first three months of the year.

The 2.7-per cent growth in imports was the first since December and much better than the nine-per cent contraction forecast in a Bloomberg News poll, while exports also beat expectations by rising 0.5 per cent. In May, imports had collapsed 16.7 per cent and exports retreated 3.3 per cent.

Customs spokesman Li Kuiwen told reporters Tuesday that imports and exports showed "signs of recovery and stability" in the second quarter and that China was "forging ahead" with efforts to ensure stability in areas

such as employment, foreign trade, and investment.

But he cautioned the external environment is "more grim and complicated" now, with COVID-19 plunging the global economy into a deep recession and international trade and investment experiencing sharp contractions.

In the first half, exports dropped 6.2 per cent on-year while imports fell 7.1 per cent, official data showed, reflecting the hit from the pandemic, which first surfaced in central China.

Star's initiative to reassure jittery youths in pandemic world

FROM PAGE B1

The global coronavirus pandemic has led to closures of educational and training institutions and job cuts, leaving the youth in a state of soul-destroying suspense about their careers and future. And for this year's university graduates, it is a particularly stressful time.

The summit, therefore, intends to enlighten the youth about the job

market during this difficult time and to guide them about the skills needed to remain employable in the post-pandemic world.

The daylong event, which starts at 10 am, will feature 14 panel discussions, where experts will talk about different industries, starting from tech and business to arts and culture. The experts will guide the young attendees about the career

prospects for different skillsets.

The event will be live on The Daily Star's Facebook page (<http://facebook.com/dailystarnews>) from 9 am onwards.

The event is in association with SBK Tech Ventures, Shah Cement and Mountain Dew. Star Youth, 10 Minute School and Youth Opportunities are the youth engagement partners of the summit.

98.6pc poor severely affected

FROM PAGE B4

Since the outbreak of the epidemic, both government and private sector people have come forward with various types of help for the poor and vulnerable, she said.

Such programmes include the distribution of cash, food and cooked food, she said.

It is noted that in the pre-pandemic situation, 91.6 per cent of the respondents used to take three meals a day, and the remaining used to take two meals a day.

Though most of the respondents used to have three meals a day, during the general holiday, 95 per cent to 100 per cent of the respondents of different divisions faced problems to maintain three meals a day.

In all divisions, poor people mainly suffered from a shortage of sufficient food and a severe lack of nutritious food. Nearly 87 per cent of poor people faced hardship to manage adequate food, the study also found.

The poor in Rangpur region suffered the most from the food crisis, and Rajshahi region suffered the most from the nutritious food crisis.

Low-income families are in the food supply problem, which has exposed their families to nutritional and health risks.

In the last three months, the health risks of Covid-19 could be minimised by maintaining social distance, wearing masks and following some basic hygiene at home and outside.

It was found that all respondents of

the study knew about the coronavirus.

The study recommended that various government initiatives to support the poor should be made available to the poor people in urgent need of food.

The transfers of money, including various social protection benefits, should be sent regularly to the beneficiaries through mobile financial services. It also suggested ensuring supply of nutritional food for children.

Various stimulus packages announced by the government for micro, small and medium enterprises and informal sector enterprises should be implemented immediately. This would ensure livelihood opportunities for many poor people working in these enterprises.

Decent development spending amid extenuating circumstances

FROM PAGE 1

Because of the highly contagious disease, people were not keen to return to work, particularly in the construction sector, he said.

The slowing trend of development spending may continue in the current fiscal year as well since the cases of coronavirus infections have been on the rise.

It is also uncertain when the pandemic would peter out, not just in Bangladesh but in also most of the world.

Bangladesh is the 17th worst-affected country in the world in terms of the number of cases.

Some 3,163 people tested positive for COVID-19 in the last 24 hours, said the Directorate General of Health Services yesterday. This took the coronavirus caseload to 190,057 and the death toll to 2,424.


The uncertainty around the health crisis prompted the government to divert funds to meet the immediate needs for propping up the economy that was caving under the burden of

the global pandemic.

The ADP for the new fiscal year is Tk 205,145 crore, up only 6.33 per cent from last year's revised development budget.


Health, agriculture and employment creation have given priority while allocating resources for the ADP.

A critical element will be the utilisation of foreign aid through faster-paced ADP project implementation with good governance, said the Centre for Policy Dialogue recently.



নিয়মিত পৌর কর পরিশোধ করুন

“চট্টগ্রাম সিটি কর্পোরেশন সম্পর্কিত যেকোন ধরনের অভিযোগ/পরামর্শ জানাতে ১৬১০৪-এ কল করুন”



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শেখ হাসিনার মূলমন্ত্র

Government of the People's Republic of Bangladesh
Chattogram City Corporation
Tigerpass, Batali Hill, Chattogram
www.ccc.org.bd

Memo No. 46.11.1600.002.03.20.100136

Date: 12/07/2020

e-Tender Notice-Elect/2019-20/15

This is an online tender where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.

The fees for downloading the e-Tender documents of following packages from the National e-GP System Portal have to be deposited online through any registered bank branches up to **26-07-2020 at 12.00.**

Sl No.	Package No.	Name of works	Tender ID	Last date & time of selling documents	Last date & time of submission documents
1.	EELSWK00701	Supply & installation of passenger lift at Madarbari City Corporation Islamabad Apartment Building No. 4.	478633	26-07-2020 12.00	26-07-2020 14.00
2.	EEMSSP00111	Supplying & fitting fixing of various emergency electrical goods under Central Zone-4.	478637	26-07-2020 12.00	26-07-2020 14.00

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (<http://www.eprocure.gov.bd>).

Engr. Jhulan Kumar Das
Superintending Engineer (Elect.)
Addl-charge
Chattogram City Corporation

CCC/PRD-91/2020
GD-1133

Government of the People's Republic of Bangladesh
Bangladesh Police
Police Headquarters, Dhaka

Invitation for Local Tender

Memo No. 44.01.0000.024.02.004.2020/2007

Date: 13 July, 2020

Sealed tenders are hereby invited from the manufacturers/suppliers/local agents in their official letterhead pad for purchase of the following items for Bangladesh Police. Manufacturers/suppliers/local agents must read and fill up the tender documents cautiously, so that the offered package complies with the tender documents. Conditional or alternative offer shall not be evaluated.

1.	Ministry/Division	Ministry of Home Affairs.			
2.	Agency	Bangladesh Police, Police Headquarters, Dhaka.			
3.	Head of procuring entity name	Inspector General, Bangladesh Police.			
4.	Invitation for	Purchase of goods (Automobile spare parts).			
5.	Invitation Reference No.	Memo No. 44.01.0000.024.02.004.2020/02 (2020-2021) FY.			
6.	Date	13 July, 2020.			
KEY INFORMATION					
7.	Procurement method	Open Tendering Method (OTM).			
FUNDING INFORMATION					
8.	Budget and source of fund	GOB (Revenue).			
PARTICULAR INFORMATION					
9.	Tender Package No.	Package 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 & 12.			
10.	Tender package name	Supply of automobile spare parts.			
11.	Tender publication date	15 July, 2020.			
12.	Tender last selling date	12 August, 2020.			
13.	Tender closing date and time	13 August, 2020 at 12.00pm.			
14.	Tender opening date and time	13 August, 2020 at 12.30pm.			
15.	Name & address of the office(s)	Police Headquarters, Phoenix Road, Fulbaria, Dhaka-1000.			
	Selling tender document	MT & Workshop Section, Police Headquarters, Dhaka.			
	Receiving tender document	AIG (MT & Workshop), 4th Floor, NCCOM Building, Police Headquarters, Dhaka.			
	Opening tender document	AIG (MT & Workshop), 4th Floor, NCCOM Building, Police Headquarters, Dhaka.			
16.	Place/date/time of pre-tender meeting (optional)	29 July, 2020 at 15.00pm, 5th Floor, NCCOM Building, Police Headquarters, Dhaka.			
17.	Eligibility of tenderer	(i) Up-to-date trade licence (ii) Up-to-date income tax clearance certificate (iii) Up-to-date VAT registration certificate (iv) Other documents described in the tender document (Must be submitted).			
18.	Brief description of goods	Automobile spare parts.			
	Package	Description of spare parts/goods	Price of tender document	Tender security amount in (BDT)	Completion time
	(1)	Spare Parts of Mitsubishi Pajero Jeep, L-300 Microbus, L-200 Pick-up, Fuso Rosa Minibus. (Lot 1 to 5)	1000/-	5,00,000/-	For the financial year (2020-2021) & till next supplier will be selected as per tender contract.
	(2)	Nissan Patrol Jeep, Mitsubishi Pajero Jeep (Patrol), Daihatsu Terios Jeep & Mitsubishi Out Lander Jeep. (Lot 1 to 5)	1000/-	5,00,000/-	
	(3)	Spare Parts of Toyota V8 Land Cruiser Jeep, Fortuner Jeep, Hi-Ace Microbus, Hi-lux Pick-up, Dyna Truck. (Lot 1 to 5)	1000/-	5,00,000/-	
	(4)	Spare Parts of Nissan Civilian Minibus, Urban Microbus, Nissan Pick-up, Isuzu Ambulance, Isuzu Truck, Isuzu Pick-up & Ford Pick-up. (Lot 1 to 5)	1000/-	2,00,000/-	
	(5)	Spare Parts of Mitsubishi Galant Car, Lancer Car, Xpander Car, Toyota GL1 Car, Proton Car, Nissan Car & Hyundai Sonata Car. (Lot 1 to 5)	1000/-	2,00,000/-	
	(6)	Spare Parts of Tata Truck, Bus, Water & Fuel Tanker and Ashok Leyland Truck. (Lot 1 to 4)	1000/-	5,00,000/-	
	(7)	Spare Parts of Fork Lift, Wrecker and Riot Van/Water Canon. (Lot 1 to 5)	1000/-	2,00,000/-	
	(8)	Spare Parts of Yuejin Truck, Eicher Jumbo Truck, Taima Truck/Tanker, Kamaz Truck, Hyundai/veco Garbage & Sewerage Van. (Lot 1 to 5)	1000/-	2,00,000/-	
	(9)	Tyre & Battery. (Lot 1 to 2)	1000/-	5,00,000/-	
	(10)	Servicing & Vulcanizing, Welding, Tailoring, Electric & Auto Electric, Painting Goods & Items. (Lot 1 to 5)	1000/-	2,00,000/-	
	(11)	Spare Parts of Armored Personnel Carrier (APC) & Crowd Control Vehicle. (Lot 1 to 5)	1000/-	10,00,000/-	
	(12)	Spare Parts of Motorcycle. (Lot 1 to 5)	1000/-	2,00,000/-	
PROCURING ENTITY DETAILS					
19.	Name of official inviting tender	Mohammad Abdullah Al Mamun.			
20.	Designation of the official inviting tender	AIG (MT & Workshop), Bangladesh Police.			
21.	Address of official inviting tender	AIG (MT & Workshop), Bangladesh Police, Police Headquarters, Dhaka.			
22.	Contact details of official inviting tender	Tel: 9564779, Email: aigm_t_w@police.gov.bd			
23.	Important conditions:				
a.	Bangladesh Police will sign a framework agreement with successful tenderer(s) for supply of goods. Purchase order will depend on the demand of FPU Mission and PHQ's MT & Workshop Section as well as the availability of budget.				
b.	Tendered will be evaluated on item basis.				
c.	Other terms and conditions are mentioned in tender documents.				
d.	The procuring entity reserves the right to reject all tenders or annul the tender proceeding any time without causing any reason.				
e.	If it is not possible to receive or open the tender on the schedule date for any unavoidable circumstance, the same will be received/opened on the next working date at the same time and same venue.				
f.	The procurement will be performed according to the Public Procurement Act-2006 & Public Procurement Regulation-2008.				



Bank Asia re-elects vice chairman

STAR BUSINESS DESK
Mohd Safwan Choudhury has recently been re-elected as vice chairman of Bank Asia.

The election took place at the 432nd meeting of the board of directors of the private commercial bank, according to a statement.

An eminent industrialist, Choudhury is a former president of the Sylhet Chamber of Commerce and Industry.

He is the managing director of M Ahmed Tea & Lands Co, Phulbari Tea Estates, M Ahmed Cold Storage, Premier Dyeing & Calendering, and M Ahmed Food & Spices.

Choudhury served as the chairman of the Bangladesh Tea Association.

He is also the president of FIVDB, a non-government organisation providing primary education to underprivileged children.

US deficit soars to record amid pandemic relief payments

AFP, Washington

Massive government rescue payments to help businesses and households survive the economic hit from the coronavirus drove a record surge in the US deficit last month, the Treasury Department said Monday.

"Driven by the impact of the COVID-19 outbreak and government response, the deficit for June 2020 was \$864 billion, compared to \$8 billion in June 2019," Treasury said in its monthly report statement.

That was well past the previous record of \$234 billion set in

February 2009 at the start of the global financial crisis. With outlays in June surging to \$1.1 trillion and receipts falling, the funding gap in the first nine months of the current fiscal year soared 267 per cent compared to a year earlier, hitting \$2.74 trillion, Treasury said.

More than half of this increase was due to a \$511 billion increase in Small Business Administration budget outlays, primarily for the Paycheck Protection Program (PPP).

The payments were part of the unprecedented \$2.2 trillion CARES Act, which provided aid

for businesses of all sizes as well as direct payment to US taxpayers and expanded unemployment benefits.

The weekly payments of \$600 to help the millions laid off as the economy shut down have so far amounted to \$171 billion. Given the crisis caused by the pandemic, the exploding deficit came as no surprise. Treasury in May announced it was planning to borrow a record \$3 trillion in the April-June period to fund the relief programs.

And the department said Monday that further cash expenditures "for loan forgiveness under PPP will occur in subsequent months."

"In June 2019, US government spending was just \$342 billion, and the deficit for the October 2018-June 2019 period was only \$747 billion, Treasury said. Meanwhile, the administration is working with Congress on a new aid program that would likely extend some of the jobless benefits, but inevitably would add to the deficit.

"Everybody agrees that it was the proper role of government to provide income support and enhanced unemployment compensation to people impaired by the shutdowns and the pandemic," said Mickey Levy of Berenberg Capital Markets.

An expansionary monetary policy or nothing

FROM PAGE B1

The government should borrow more from the central bank to give a room to the private sector, Mansur said.

The central bank had fixed 12 per cent RM target and 13 per cent broad money for fiscal 2019-20. Both the targets may be widened to a large extent for this fiscal year.

Inflation will not increase alarmingly in the days to come in the wake of the demand fall. But the food inflation may go up as the ongoing floods have already washed out many paddy fields, Mansur said.

"The price of the staple is maintaining an upward trend. So, the government should

immediately take an initiative to import one million to two million tonnes of rice in order to control inflation."

There is uncertainty about when the global economy will make a turnaround, so the central bank should focus on the local economy.

The industries dedicated to manufacturing goods for the local market should be given importance. The SME sector will play a crucial role in boosting the economy where a large number of workers are employed.

If SMEs get back its tempo, the economy will be able to enjoy its momentum.

But Zahid Hussain, a former lead economist at the World Bank's

Dhaka office, said lenders would not feel encouraged to give out loans to the SME sector at 9 per cent.

Banks will make little profit against their SME lending as the operational cost is high, he said.

The central bank should rethink about the interest rate cap on all lending products as operational cost and risk vary based on the characteristics of different sectors, he said.

Hussain also criticised the government, saying it had almost completed all the tasks of the central bank while unveiling the budget for fiscal 2020-21.

The targets on inflation, GDP and credit to the public sector are

usually set by the government during the budget sessions.

But this time, it also unveiled a credit growth target for the private sector, which is highly unusual, he said.

As per the medium-term macroeconomic policy statement of the government, the credit growth in the private sector was set at 16.7 per cent.

"If all works are done by the finance division, then the central bank will have nothing to do," Hussain said.

The BB may not follow the target set by the finance division, said a central banker requesting anonymity to speak candidly on the matter.

Now City Bank into export factoring

FROM PAGE B4

Founded in 2015, PrimaDollar is a global trade financier headquartered in the UK. At present, they have 12 offices across the globe.

"The exporters will be able to receive the payment of their deferred exports on sight basis," Sheikh Mohammad Maroof, additional managing director of City Bank, told The Daily Star yesterday.

"Exporters will receive over 90 per cent of the payment as soon as they submit their

papers on shipment to the bank," he said.

"As a result, the exporter has no risk. Rather PrimaDollar will take this risk on behalf of the foreign buyers," he added.

He said these deferred payments generally take more than 120 days. But now the local exporters will get money quickly, which will help them move towards new production.

"Moreover, they will be able to buy raw materials quickly, accept new orders, pay their employees timely," he said.

Initially, this service will be available to garment and textile exporters. However, if buyers purchase anything alongside garment and textile products, they will also get it.

"This solution is secure, faster and cost effective and will help to shorten the cash cycle of the exporters," he added.

For the fintech technology, City Bank will be able to provide a comprehensive solution to the exporters with the help of PrimaDollar's real-time communication,

global underwriting and leading online platform, the bank said in a statement.

"With the real time online solution of PrimaDollar, City Bank will be able to offer the solutions to the exporters 24/7," said the bank, which facilitates annual exports of around \$1.8 billion.

Maroof and Munawar Uddin, country lead for Bangladesh at PrimaDollar, signed the agreement on behalf of their respective organisations at the bank's head office in Dhaka recently.

Advertisorial

5 SIMPLE WAYS PLM HELPS FASHION AND APPAREL BUSINESSES REACT TO MARKETPLACE SHIFTS AND PREPARE FOR THE FUTURE!

DISCOVER 5 SIMPLE STEPS THAT EMPOWER FASHION AND APPAREL BUSINESSES TO PREPARE FOR THE FUTURE

Over the course of the COVID-19 pandemic, many industries and the businesses within them have seen fast, fundamental changes to the way they work. This accelerated shift toward digital technologies that enable remote working and has inspired business leaders to re-think how to operate efficiently, effectively and profitably.

Bangladesh's economy has been hit badly due to COVID 19 because Remittance and RMG Export have fallen as it is dependable upon global economy and its impact. As gradually the lockdown is easing and life is going back to normal, but with massive behavioral change like social distancing and wearing mask etc, life will not be the same as before. Similarly, business is evolving and the way of conducting a business has changed. Digital Transformation and High-Speed Internet is leveraging business.

Product Lifecycle Management (PLM) is a must-have backbone technology that drives all product-related activities from concept to retail for brands, retailers, original design manufacturers (ODMs) and original equipment manufacturers (OEMs). PLM technology drives growth in the global marketplace, streamlines operations, reduces costs and speeds time to market while boosting product innovation.

How Product Lifecycle Management (PLM) Benefits your business

There are several steps businesses have to consider when resuming work:

1. Loss of time and reorganization of products

Companies have to accept that annual sales time has been shortened by one or even two months due to the Coronavirus epidemic. In this context, will the original product plan meet future demand? When you have a rolling product flow system and lack an in-depth view of every stage of product management, it is easy to make extreme decisions in the adjustment of inventory and stock keeping.

Centric PLM™ adapts to different models and patterns of product development and management, as well as different channels and different organizational structures. The system features a product development calendar management module in the execution stage, which allows you to visually manage and track your management plan, its progress level, and preemptive risk controls in each stage in the development process. The PLM system aims to provide timely, accurate, and insightful information to support the resumption and reorganization of production. It also allows intuitive control of product cost in order to optimize profits, reduce waste, monitor quality, and strengthen performance as the state of the coronavirus epidemic improves.

2. Financial strain and adjustments to the production and sales cycles

Enterprise revenues have dropped significantly, but companies have experienced little change in costs and expenses. In order to ensure the effective use of limited corporate funds, many companies have changed their original R&D and production mode into an intensive, "smaller-scale, greater frequency" supply mode. This eases financial pressure and improves inventory efficiency, and this poses great challenges to the prediction and management of supply levels.

Centric PLM can collect historical product development data and integrate it with the



distribution system, compare data based on product sales performance, and uses big data analytics to accurately predict which of the most-frequently used raw materials, patterns, colors, or processes will become the most popular, providing data support for accurate prediction and material storage.

Centric's range of innovative Mobile Apps

collects real-time trend information and market information, effectively interacting with products under development and guiding the development process. The range of collaborative digital boards also supports the adjusting of planning structure and sourcing strategy to maximize product value.

3. Stagnation of R&D due to lack of raw materials and virtual product sampling and evaluation

Upstream and downstream industrial chains and factories have not resumed normal operations, resulting in a shortage of raw materials and stagnation of product R&D, which prevents resulting in production and sales teams becoming unable to predict and prepare production schedules in advance.

In 2018, Centric PLM enabled the application, production, review, and coordination of 3D virtual samples. At present, this system is now being widely used around the world, and not only alleviates impacts on production schedules caused by existing downtimes and shortages of raw materials, but also significantly reduces time costs, labor



costs, raw material costs, and other expenses. This enables very rapid iterations in the design and fit process, and the evaluation of more new designs before the product hits the market.

4. Lack of resumption plan or considered informatized coordination plans from suppliers

Business coordination not only enables improvements in the efficiency of enterprise process, but also integrates high-quality resources from different fields. This enables companies to meet demands for product diversification, and the degree of coordination depends on the level of understanding between the suppliers.

With its supplier management module, Centric PLM regularly posts suppliers' KPIs in terms of qualifications, quality, cost, and delivery dates, which gives enterprises and suppliers a clear insight into suppliers' strengths and weaknesses. The accuracy of the data in different business flow is critical for coordinating information between enterprises, suppliers, and manufacturers. Centric PLM information can thoroughly address issues of obsolescence, inaccuracy, and the challenge of coordinating multiple information sources. During the collaboration process, opinions can be exchanged and reviewed in real-time on the online chat platform, and the status of any deliveries can be tracked and displayed on the platform.

5. Businesses must safeguard themselves and think in terms of brand & product strength

During the Coronavirus epidemic, many companies have explored different sales channels, such as online applets, live streaming sales, and other channels, all to resolve issues of inventory and make up for lost sales. During this challenging period, some brands have found new sales channels, so it's necessary to examine the results of channel distribution. Is product demand identical both online and offline?

By conducting enterprise and product knowledge base management, Centric PLM helps enterprises build long-term core competences based on product patterns, processes, materials, colors, and other features. It also enables the sharing and reuse of knowledge, which allows companies to redefine their brand strengths in terms of product conception, design, and research and development, as well as tap into new sales channels.

ABOUT CENTRIC SOFTWARE

Centric Software is from Silicon Valley having offices in trend capitals around the globe working to facilitate and accelerate retail, fashion houses, footwears, luxury outdoor and consumers goods industry with Digital Transformation.

Centric's expansion into Bangladesh builds on the company's rapid growth in Asia, with the opening of offices in Shanghai in 2014, Tokyo in 2016, Hong Kong in 2017 and Seoul in 2019. Centric Software has 80+ customers in the Asia-Pacific region, including major manufacturers such as MAS Holdings, Brandix, Hirdaramani, GAP Inc., Uniqlo, Calvin Klein, Tommy Hilfifer, PVH, Louis Vuitton, Under Armour, Regina Miracle and VT Garment.

Noweid Hussain, Sales Director in Centric Software, Bangladesh. He has tons of experience under his belt. He has more than 9 years experiences in garment technology industry, with BA Hons (UK), PGD, MBA (UK) and implemented production systems over 30 manufacturers in Sir Lanka, India & Bangladesh. His local industry knowledge and experience gives him the advantage and makes him the best fit. He with Centric Software has massive plans to help and grow the companies in Bangladesh.

Learn more about Centric PLM: www.centricssoftware.com

Want to see Centric PLM in action? Schedule a demo and see for yourself how you could make your brand more successful!

Contact us for 11 live demo: **Noweid Hussain | Sales Director**

Email: noweidhussain@centricssoftware.com, **Mobile/ WhatsApp: +880 1784-653687**



98.6pc poor severely affected by Covid-19

Finds a study by Right to Food Bangladesh

JAGARAN CHAKMA

The Covid-19 pandemic has severely affected 98.6 per cent of the poor, who have seen a decline in income, loss of jobs, the closing of shops and business activities and even a complete halt of income, a study finds.

Although the country is facing economic hardship, only a few respondents of the survey have changed their occupations, which implies that it is not easy to get new jobs.

The study on the 'Impacts of Covid-19 on food-intake and nutrition of poor people: a rapid appraisal' was conducted by the Right to Food Bangladesh, a platform of food security campaigners. Poor people have also been suffering from insufficient food supply, according to the study.

Nearly 87 per cent of the poor have been facing hardship to arrange adequate food and nutritious food supplies. Even 5 per cent of the poor lived on one meal a day during the countrywide shutdown in April and May.

The shortage of food is relatively high in Mymensingh and Sylhet compared to other divisions. The nutritional status of the poor, especially children, pregnant women and lactating mothers, is at stake now.

Half of the poor received some forms of assistance -- dry food, cash, or cooked food -- from the government or private sector.

"The government should expand support to the poor, encourage the private sector to come forward with more related programmes," said Prof Dr Qazi Kholiqzaman Ahmad, chairman of the platform.

"During the pandemic, we have noted

PEOPLE SURVEYED: Rickshaw-pullers, van drivers, scooter and taxi drivers, transport workers, small shopkeepers, roadside vendors, barbers, beauty parlour workers and garbage collectors

FINDINGS OF THE SURVEY

- 98.6% of the poor severely affected by pandemic
- They witness income decline, job loss, closure of shops and businesses
- Only a few respondents changed occupations, meaning it's not easy to get new work
- 87% of the poor facing problems in managing adequate food
- 5% poor live on one meal a day
- Shortage of food is higher in Mymensingh and Sylhet divisions
- Children, pregnant women and lactating mothers facing nutrition shortage



how important it is to have a law for ensuring the right to food," said Ahmad, also chairman of the Palli Karma-Sahayak Foundation (PKSF).

The principal aim of this quick appraisal was to understand the situation of livelihoods, food consumption and the nutritional status of the poor people living in different parts of Bangladesh as a result of the Covid-19 pandemic, he said.

The study also wanted to explore the awareness status of poor people amid the health risks of coronavirus. With these objectives, a short survey was conducted among 834 poor people from 37 districts, covering all divisions.

Rickshaw and van drivers, scooter and taxi drivers, transport workers, small shopkeepers, road or pavement vendors, barbers, beauty parlour workers, garbage collectors, part-time

housemaids, workers in small workshops, street vendors, individual or commercial drivers, freight workers, carpenters, e-commerce delivery workers and agricultural workers were included in the study.

Many of these workers mostly get paid daily, so they survive one day at a time. The survey also included some respondents from jobless people like beggars, street children and physically challenged people.

To control the spread of coronavirus, the government announced a general holiday of all economic and social activities in late March and it continued for more than a month.

Although businesses opened on a limited scale in early May, the economic activities have remained at a sub-optimal level, according to the study.

Those who changed the occupation have mostly become day labourers and agricultural labourers as it is relatively easy to start working with. About 70 per cent took these new occupations for survival.

However, the agriculture workers were able to manage works during the pandemic as the period of general holiday was the harvesting time of boro, the major rice crop of Bangladesh.

The coronavirus-induced livelihood losses have caused damage to the income of poor people, said Nazneen Ahmed, senior research fellow of Bangladesh Institute of Development Studies, who led the study.

"As these people have minimal savings or no savings at all, a downturn in their income is bound to have extended negative impacts on their food intake and nutritional status."

READ MORE ON B2

DSE board spots irregularities in bourse's HR operations

AHSAN HABIB

The board of directors of the Dhaka Stock Exchange (DSE) has reported irregularities in posting and paying employees at the bourse that have ultimately increased costs amid decreased output.

It has also been reported that a canteen, with the only beneficiaries being stock brokers, is operational at the Motijheel office with subsidies even though the bourse's office has been shifted to Nikunja.

On June 2, the DSE board formed a five-member committee responsible for submitting a human resource assessment of the bourse to realise redundancy costs.

A report was submitted to the board during a meeting held on Monday.

"The DSE is wasting money by carrying a huge number of employees even though there is no need. However, there is a lack of manpower in some important departments," said a member of the committee, preferring

anonymity.

And so, the bourse has seen lower output though it depends on FDR interest to run operations, he added.

The main tasks for many staff members are identical and some workers have become redundant as there are 35 personnel under an electrical engineer, said the report.

The team found that 142 staff members in HR were more than necessary and deserve a thorough evaluation to justify the workforce.

On the contrary, there were huge tasks in the over-the-counter department.

Besides, the main task of product and market development of the DSE got negligible attention.

"Some C-suite executives [chief financial officer, chief technical officer, etc] were appointed contractually and they turned into permanent positions later even though their benefits remained higher," said the committee member, who is also a DSE director, adding that this issue arose due to nepotism.



PROBE BODY'S RECOMMENDATIONS

- Review the procedure of making officials permanent
- Verify the appointment procedure of all employees
- Assess job description of each employee
- Close the DSE's Motijheel office soon
- Rent out the Motijheel office
- Form an audit committee to identify value addition of existing workforce

Normally, these posts are filled on a contractual basis in financial institutions, he added.

C-level positions are given on a contractual basis at the DSE. The board decided in 2014 to convert those contractual positions to permanent ones without a proper agenda or analysis and feasibility study, the report said.

Accordingly, the same board recruited the CFO and CTO as regular employees with a new pay scale which was even higher than that of previous contractual positions.

The report also added that the DSE's interests were not protected in the process of turning the positions in question into

permanent ones, which is also tantamount to discrimination for other employees of the exchange.

"It also violated the service rules, though it was modified to facilitate the decision," he said.

According to the DSE report, the bourse has its own security department, where permanent security guards are available, yet same care services are contracted and outsourced, which indicates redundancy and needs proper justification.

To analyse the redundancy and irregularity issues, the committee said each division of the DSE needs to be audited thoroughly, properly and separately through special audits with specific charters to identify value addition in terms of the respective roles of the existing workforce.

It recommend the verification of the appointment procedures of all employees to see if there are any abnormal practices of nepotism within the DSE.

The committee was formed with five board members, including the DSE's managing director.

Now City Bank into export factoring

STAR BUSINESS REPORT

City Bank has recently launched a fintech-based export factoring solution that helps exporters get paid as soon as the goods are shipped.

The new method is a form of payment guarantee for exporters. It is expected to reduce the woes of local producers during this time of the coronavirus pandemic when they are increasingly facing deferred payments from importers.

The country's exporters currently have to undertake sales contracts without payment guarantees from foreign importers. As a result, exporters face the risk of payment defaults by importers.

The export factoring solution, a novel concept in Bangladesh, will help exporters avail payments from 20 days to a few months faster than what current practices allow.

After Bangladesh Bank issued guidelines on export factoring, Eastern Bank was the first lender in Bangladesh to introduce it. However, City Bank claimed to be the first bank which has a fintech-based solution.

The costs by exporters against payment undertaking or payment risk coverage and interest with relevant charges for early payment shall not exceed a six-month London Interbank Offer Rate (LIBOR) plus 3.50 per cent annually, according to the central bank notice.

City Bank has recently signed a memorandum of understanding with PrimaDollar to facilitate customers of the bank who are involved in foreign trade on deferred sales contract terms.

READ MORE ON B3



Benapole customs suspend three officials for tax evasion links

OUR CORRESPONDENT, Benapole

Benapole Custom House has suspended three customs officials and cancelled licences of two clearing and forwarding agents for their alleged involvement in tax evasion worth Tk 30 lakh.

The customs officials are Nashedul Islam, revenue officer; Shahidullah Ibn Noman and Asaduzzaman Asad, assistant revenue officers, and the C&F agents are Medina Enterprise and Mahibi Enterprise, said Benapole Customs Commissioner Belal Hossain Chowdhury.

The C&F agents released the goods of Alhamdulillah Enterprise, although Chowdhury and Additional Commissioner Neyamul Islam ordered to stop the import, as they got a tip-off that the Dhaka-based importer is trying to evade tax through misinvoicing.

The four trucks of Alhamdulillah Enterprise were supposed to carry 665 packages of motor parts and other products from India.

The C&F agents secretly delivered the consignment with the connivance of the revenue officers, said Chowdhury.

Beza's one-stop service defies pandemic jitters

OSS Centre continues to provide 19 services the whole time

JAGARAN CHAKMA

Although the coronavirus pandemic is a major obstacle for carrying out regular activities in both the public and private sectors, Beza's One-Stop Service (OSS) Centre alleviated the situation by providing easy access to information, application processing and other services to investors at home and abroad.

The Bangladesh Economic Zones Authority, or Beza, also considers this facility as a means to improve the ease of doing business in the country.

The OSS Centre offers 125 services, of which 37 will be delivered by Beza within the yearend while the remaining 88 will be provided by other departments concerned through the OSS.

Out of the 37 services designated to Beza, the organisation is providing 19 through an online platform. However, the 106 other OSS services are delivered manually.

Ever since the OSS was first launched in October last year with an aim to improve the ease of doing business in Bangladesh, the centre has helped its clients secure a total of 49 project clearances, 6,219 import permits, 1,184 export permits, 386 visa recommendations, 136 work permits, and 11 trade licences, according to a senior official of the OSS Centre.

MAJOR SERVICES GIVEN BY BEZA ONLINE PLATFORM (Oct 2019 to June 2020)

	BANGLADESH ECONOMIC ZONES AUTHORITY
Project clearances:	49
Import permits:	6,219
Export permits:	1,184
Visa recommendations:	386
Work permits:	136
Trade licences:	11

"With just a few clicks, investors can now get as many as 19 major approvals from the OSS online platform, which is a good example of how to ensure public safety amid the pandemic," he said.

However, the remaining 18 services to be

delivered by Beza will be added to the digital platform by the end of the year. The services in question were set to be added by September but the process has been delayed by the Covid-19 outbreak.

Previously, for a potential entrepreneur to carry out the formalities needed to start a business had to pinball from one desk to the other at numerous government offices.

This meant that starting a business in Bangladesh was a painstakingly time-consuming and expensive task, requiring the approval of 16 applications at most.

But in a bid to streamline the process, Beza plans to provide all 125 of these services under 27 categories by September 30 on the OSS portal launched in October last year.

The initiative is a part of the government's target to pull in \$20 billion in foreign direct investment at Bangladesh's economic zones by 2030.

By ensuring the quick delivery of its services without having to jump through all the bureaucratic hoops, the centre has made the use of speed money redundant, the OSS official said.

For example, the issuance of visas for business purposes typically necessitates communication between the foreign and domestic embassies, ministries and a tremendous amount of

paperwork.

Now, foreign investors can use the OSS platform to inform Beza beforehand and secure visas upon arrival.

Meanwhile, getting work permits usually requires the applicant to physically deal with a number of government offices. But now, interested individuals can avail the permit from Beza through the OSS.

Accessing bonded warehouse facilities, such as duty-free imports of raw materials needed for future export-oriented production, previously took up to a whole year but thanks to the OSS platform, it now takes around a month.

Earlier, Beza Executive Chairman Paban Chowdhury said the OSS will create a welcoming environment for investors so that their first impressions about Bangladesh will be positive.

He also said that the OSS Centre is a great benefit for investors as the services it provides will only increase from here on and will remove any potential hassles an investor could face when completing certain formalities.

However, some departments of the OSS Centre are yet to introduce an online platform for their respective services and so, it will take Beza some more time to process those applications, Chowdhury added.