



## 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

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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.

## Farm mechanisation gets a big push from govt

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Beginning with Tk 150 crore for a three-year project to finance the purchase of equipment, namely power tillers, the government spent Tk 339 crore in a second project that ended in June 2019.

The government also provided Tk 200 crore last fiscal year as subsidy so that farmers can buy combine harvesters and reapers to harvest their crops timely.

Farmers got the subsidy to buy 1,240 combine harvesters, 500 reapers and 13 rice transplanters under the initiative, said agricultural officials.

And under the new project, the government will offer purchase support to farmers so that they can buy 51,300 units of machinery until June 2025 when the five-year project will end.

The initiative comes as farms have trouble planting and harvesting their crops timely for want of workers in the peak seasons for harvest and plantation.

The delay in plantation and harvest causes a loss in the yield of rice, said agriculturists.

Paddy is cultivated on 71 per cent of the total croplands of 1.54 crore hectares in the country, according to official data.

The average daily agricultural labour wage remains high during harvesting seasons of aman and boro rice crops, which account for more than 90 per cent of the total annual production, showed data by the Bangladesh Bureau of Statistics.

Farmers harvest most of their aman paddy during November and December and the principal crop boro during May and June.

The cost of production of farmers would reduce for the use of machines for harvesting and transplanting, said Agriculture Secretary Md Nasiruzzaman.

Farmers incur relatively high post-harvest losses for manual harvesting of potato and onion, which the use of potato digger and combine harvester would take care of.

"Thus, the overall production of crops will increase. The farmers' profitability will also increase."

Locally-manufactured agricultural machinery would be bought.

"We will sit with machine tools factory to see whether they can make and supply quality farm machinery," Nasiruzzaman said.

Under the project, the government also wants to train 9,000 mechanics and agricultural extension officials to provide support to farmers.

Apart from giving a boost to farm mechanisation, the government also gave the nod to a Tk 278 crore project to expand cultivation of improved varieties of oilseeds such as mustard, sunflower, soybeans and peanut and sesame.

This will be to increase coverage and production of oilseeds by up to 20 per cent from 7.20 lakh hectares and reduce input dependence.

Bangladesh spent Tk 5,500 crore to import oilseeds in fiscal 2018-19, which was 31 per cent higher year-on-year, showed Bangladesh Bank data.

The Ecnc brief said 40,000 demonstration plots would be set up apart from production and distribution of improved varieties of seeds of various crops including rice, jute and maize.

## Now City Bank into export factoring

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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.

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## 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 dependant 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 Hilfiger, 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](http://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!

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