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DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.07%	▲ 0.04%	\$1,806.10	\$42.96	▲ 0.05%	▲ 1.59%	▲ 1.1%	▼ 1.56%	BUY TK 83.95	94.48	104.44	11.76
4,079.07	7,034.24	(per ounce)	(per barrel)	36,051.81	22,945.50	2,648.90	3,361.30	SELL TK 84.95	98.28	108.24	12.37

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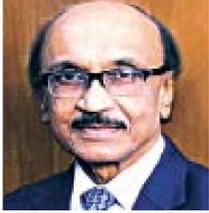
BUSINESS

DHAKA THURSDAY JULY 16, 2020, SRABAN 1, 1427 BS • starbusiness@thedailystar.net

Kabir reappointed BB governor after much ado

STAR BUSINESS REPORT

The government yesterday finally reappointed Fazle Kabir as the governor of the central bank for two more years as it looks for an old hand to steer the financial sector during its most challenging period yet.



Fazle Kabir

Kabir, who originally took charge on March 19, 2016, saw his tenure end on July 3, a day before he turned 65 years of age. As per the Bangladesh Bank Order, 1972 an cannot hold the post beyond that age.

Given the economic challenges thrown up by the global coronavirus pandemic, the government was not keen on bringing in a fresh face.

So, it proceeded to amend the laws to make way for the former finance secretary to stay on beyond the 65-year age limit, in what was an unprecedented move.

Although the cabinet approved the amendment to the Bangladesh Bank Order on time, the bill was not placed in parliament during the budget session. The parliament passed the amended bill on July 9.

He would now be able to helm the position until July 3, 2022, when he would be past 67 years of age, the financial institutions division said in a notice.

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Tk 40,000cr low-priority projects to be pushed back

REJAUUL KARIM BYRON

The government has decided to put a hold on the implementation of low-priority development projects involving Tk 40,000 crore to free up funds for the productive sectors amid widening revenue shortfall.

The amount accounts for about 20 per cent of the Tk 205,145 crore annual development programme (ADP) for the current fiscal year.

Fund disbursement for the low-priority projects would be postponed for now, said the finance division in a circular last week.

The government is being forced to delay the execution of the low-priority projects amid the drastic fall in revenue collection caused by the coronavirus pandemic and as part of its belt-tightening measures.

The finance division has formulated

criteria for the ministries to identify the low-priority projects.

The criteria would render a project low-priority if it is slow-moving, has completion deadline for six to seven years and is construction-related. If these projects are pushed back by six months or a year, it would not cause much problem for the country, said an official of the finance ministry.

The projects under the ADP have been categorised as high, medium and low-priority to ensure the best use of limited resources, the finance division circular said.

The implementation of the high-priority projects would continue as usual.

If the use of funds for a medium-priority project is deemed very necessary, the ministries and division would spend money under their consideration.

65,040 crore that can be categorised as low-priority ones.

But there are some projects in the low-priority category that would be completed by the current fiscal year or are foreign-funded. This sub-group of projects would not be put on hold.

So, low-priority projects involving at least Tk 40,000 crore would be halted for the time being.

The projects under the health and agriculture sectors, the two most priority areas for the government in its fight against the pandemic, would be out of the purview of the latest move.

The revenue target for the National Board of Revenue was Tk 300,500 crore in the revised budget of last fiscal year. The final figure is not available yet but officials hinted that they might be able to earn Tk 220,000 crore to Tk 222,000 crore at the end.

Because of the lower-than-expected revenue growth, the government has set a higher bank borrowing target of Tk 84,980 crore for the new fiscal year.

In the revised budget for FY20, the bank borrowing goal was Tk 82,000 crore. However, the government took Tk 72,246 crore from the banking sector at the end, still 109 per cent higher than the original budget target of Tk 47,364 crore.

However, avoidable expenses must be ensured, it said.

The finance division has been working on the issue for long and has now identified projects involving Tk

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Acquire skills while at home during pandemic

HR personnel tell Youth Skills Summit 2020

STAR BUSINESS REPORT

Technological adaptability, skills on new technologies and a positive attitude should be the key focus areas for preparation for the job market in the post-pandemic era, said several human resource management officials yesterday.

The recruiting process will change for the pandemic because employers in many cases will carry it out online, said Fahim Mashroor, co-founder and chief executive officer of bdjobs.com.

But the employers will have to ensure that productivity does not fall, neither for online recruitment nor for working from home.

"It is challenging, so re-orientation is needed," he said in a session of the Youth Skills Summit 2020, jointly organised by The Daily Star in association with SBK Tech Ventures marking World Youth Skills Day.

Thanks to the adoption of digitalisation in business processes, employees should have the skills and adaptability to advanced technology, so training is necessary, Mashroor added.

During the session, titled "Preparing for a post-pandemic job market", Zulfiqar Hussain, CEO of Grow and Excel, said several formal sector employers announced layoffs during the pandemic.

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GP profit slips amid Covid-19 fallout

STAR BUSINESS REPORT

Grameenphone's net profit tumbled 23.87 per cent year-on-year in the second quarter of 2020 because of the ongoing Covid-19 crisis.

The largest mobile phone operator of Bangladesh took home Tk 726.55 crore in profit after taxes in April-June, down from Tk 955.28 crore in the same period a year ago.

This had been the lowest single-quarter net profit for GP in recent times. It witnessed 8.2 per cent year-on-year revenue decrease in the second quarter to Tk 3,306.9 crore.

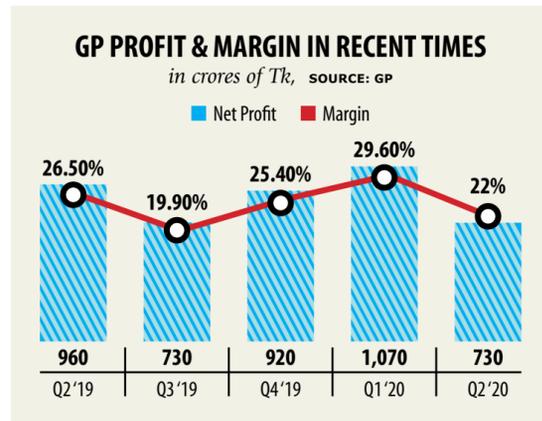
"The second quarter of 2020 had been challenging for Grameenphone as we experienced an overall slowdown of the economy due to the general holidays," said Jens Becker, chief financial officer of the operator, in a press release.

For the past four months, the operator has been experiencing the impact of an unprecedented global pandemic, which has compelled it to drastically change the way it worked and served customers.

"In addition to Covid-19, we have experienced impact from challenging weather and regulatory scenario, all of which combined has driven us to degrowth in our performance compared to last year," said Yasir Azman, chief executive officer of GP.

"While we have had our fair share of struggles, as an essential service, we prioritised in ensuring uninterrupted services for our customers across the country."

The fall in earnings impacted the earnings per share: it stood at Tk 5.38 in the quarter, down from Tk 7.07 in the same period last year.



GP recommended 130 per cent interim cash dividend for 2020 and the shareholders as of the record date of August 5 will be entitled to it.

The stocks of the largest-listed company in the country traded 0.92 per cent higher at Tk 241.30 on the Dhaka Stock Exchange yesterday.

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Clear salary, Eid bonus by July 25

State minister urges employers of 42 sectors

STAR BUSINESS REPORT

The government yesterday asked the employers of 42 different industrial, production, manufacturing, trade and services sectors to clear the payment of salaries and Eid festival bonus by July 25.

Begum Monnujan Sufian, state minister for labour and employment, yesterday made the call as the Eid-ul-Azha is scheduled to be held July 31 or August 1.

Sufian said this after a meeting with the leaders of Sramik Karmachari Oikyo Parishad (SKOP), the highest body of

labour unions, at Srama Bhaban in Dhaka. The workers mostly go to their village homes to celebrate the Eid-ul-Azha. But many factory owners either do not want to pay the salary and bonus or delay in clearing the payments.

The union leaders asked the owners to pay salary and bonuses well ahead of Eid so that they can go home safely.

Both Sufian and union leaders also asked the factory owners not to terminate the workers from their jobs and to pay the arrears. Currently, the country's workforce is employed under 42 different sectors,

for which the government-appointed minimum wage board fixes wages and allowances after a legal periodical review.

The SKOP leaders also urged the factory owners to reopen the shut units so that the workers can get back their jobs.

On reviewing the decision on jute mills' closure, Sufian said the government has no plan to review the decision, said Md Akterul Islam, information and public relations officer of the labour and employment ministry, after the meeting.

The deadline of July 25 has been set for all formal and informal sectors like hotels,

textile, transport, garment and so on, said Fazlul Hoque Montu, SKOP president.

"We demanded the salary for July also as Eid is going to be held at the end of this month," he told The Daily Star over the phone after the meeting.

SKOP also demanded no termination of workers from their jobs and no shut down of factories.

During the last Eid-ul-Fitr, most of the employers paid the workers 50 per cent of their basic salary as Eid bonus before the festival and another 50 per cent after the festival.

Shops now pinning all hopes on Eid-ul-Azha

SOHEL PARVEZ

It has been two months since shops have been keeping their doors open to greet shoppers and register some sales.

But the revenue stream was insignificant in the first month as two-thirds of the month fell in the government-declared shutdown, which aimed at reining in the spread of the rogue coronavirus.

The government lifted the restriction on mass movement at the beginning of June to bring the economy back from the verge of collapse, protect incomes and curb job losses. Subsequently, people's mobility increased.

Dhaka now sees a return of traffic jam or long queue of vehicles at signal points. People are trying to adapt to the new normal in these abnormal days amid the rising number of infections and a higher death toll.

Shops also see an improvement in

customer turnout.

Even after that, sales have been below the pre-pandemic level as consumer spending has still been mostly limited to essentials.

A section of people does not have enough money to spend because of job and income loss, said Delowar Hossain Babu, general secretary of the Eastern Plaza Shop Owners Association, one of the oldest shopping centres in the capital city.

"We see some sales of mobile handsets and cosmetics. Clothes and footwear sales have been dull. As weddings and other social festivals have almost been put on hold, the sales of saris and other items have been very weak," he added.

Bangladesh has more than two million wholesale and retail shops and Dhaka city is home to 2.4 lakh of them, according to the National Association of Shop Owners of Bangladesh (NASOB) and the



Though Dhaka city now sees a return of traffic jam, sales in shops like this have been below the pre-pandemic level.

Dhaka Metropolitan Shop Owners Association.

Retail and wholesale trades are an important pillar of Bangladesh's \$300-billion economy. It accounted for 13.92 per cent of the GDP at 2005-06 prices, Bangladesh Bureau of Statistics data showed.

"We were the second customer at a footwear store we went to this afternoon," said Apurba Saha, who accompanied his friend yesterday to buy footwear and clothes.

Saha, who also has a stake in a fabric store in Gausia market, said the presence of customers increased but that sales are not enough for many shops even to clear monthly rent, staff salary and other bills.

"It can't be said that a lot has changed. Improvement has been very slow," said Azharul Hoque Azad, managing director of traditional clothing brand Sadakalo, adding that sales in some of the stores are too

meagre to even realise electricity bills.

To withstand the crisis, many operators are offering discounts and giving increased thrust on boosting sales online -- an area entrepreneurs have not explored much before the outbreak of the coronavirus.

The majority of consumers are still fond of shopping in a brick-and-mortar store and not too tech-savvy. "The extent of the crisis is such that it will not be possible to get rid of it. We are increasing our adaptability to make a turnaround," said Khalid Mahmood Khan, a director of Kay Kraft.

Owing to the slump in turnout of shoppers, the local fashion house improved its Facebook page to assist customers and took initiatives to revamp its web portal to equip itself to face the new reality and recover the sales lost from the brick-and-mortar stores.

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