

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.38%	▲ 0.40%	\$1,838.98 (per ounce)	\$44.79 (per barrel)	▲ 1.37%	▲ 0.73%	▲ 0.05%	▲ 0.20%	BUY TK 83.95	84.87	105.22	11.78
4,085.79	7,044.91			37,930.33	22,884.22	2,629.45	3,320.89	SELL TK 84.95	98.67	109.02	12.39

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Star BUSINESS

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Revenue collection did not stutter badly last fiscal year as feared

REJAUUL KARIM BYRON

The two-and-a-half-month-long countrywide general shutdown was supposed to cause a massive dent to the state's coffers as the economic locomotive was effectively chained to its track in the station.

Turns out, the damage was not sweeping: revenue collection in the just-concluded fiscal year dropped 2.26 per cent.

Although this is first-ever negative growth in Bangladesh's history, when viewed against the backdrop of the pandemic, which had put the economy in a state of

induced coma for essentially a quarter, the figure seems rather remarkable.

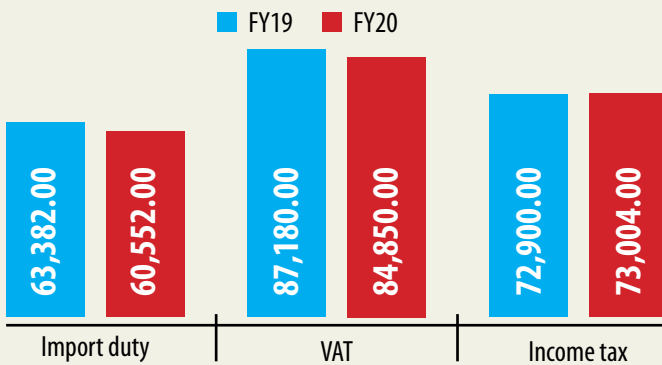
In fiscal 2019-20, the National Board of Revenue (NBR) managed to earn Tk 218,406 crore, according to its provisional estimates.

The amount fell short of the target by 27.3 per cent, making it the ninth consecutive year that the NBR missed both actual and revised collection goals set by the government to finance its overall fiscal plans.

Bangladesh recorded 13.2 per cent revenue growth in the last five years.

No spectacular implosion of revenue generation in FY20 as previously feared (in Tk cr)

SOURCE: NBR



Value-added tax (VAT), the biggest source of revenue for the state coffers, dipped 2.67 per cent to Tk 87,180 crore.

Customs duty fell about 4.5 per cent to Tk 63,382 crore in fiscal 2019-20 on the back of a crash in imports.

Receipts from income tax were

the only positive thing in the last fiscal year: it was up 0.14 per cent to Tk 73,004 crore.

The NBR missed the import duty target by 28.95 per cent, VAT by 21.87 per cent and income and travel taxes by 31.57 per cent from the revised collection goal.

"The economic downturn

caused by the pandemic was the main but not the only reason," Zahid Hussain, a former lead economist of the World Bank office in Dhaka.

The pandemic caused income losses for the poor, the middle-class and the rich alike.

The poor and the low-income groups had to adjust their expenditures because they have little savings to draw from.

Even those whose income was not hit cut back on expenditures because they restricted themselves to staying at home.

Overall, private consumption expenditure was hit badly leading to the fall in VAT collection.

The functioning of the NBR was also disrupted during a period when tax collection usually reaches its peak in any fiscal year -- the last quarter, according to the economist.

However, revenue collection was weak even before the pandemic arrived on the shores of Bangladesh.

READ MORE ON B2

The future of lending is here. And it is thanks to City Bank and bKash.

AKM ZAMIR UDDIN

City Bank and bKash are possibly on to revolutionising the lending landscape in Bangladesh after the two yesterday announced rolling out digital lending on a pilot basis.

A select group of bKash users will now be able to get a loan of up to Tk 10,000 collateral-free on an instant.

To take a loan, banks require consumers to visit a branch, open an account first and then start the cumbersome process of applying for the loan. And there is no surety that the loan would be sanctioned.

Often, applications get rejected for a minor glitch in the form or documents provided, meaning the customer have to return to the branch and go through the entire cycle all over again.

But the digital lending model that harnesses the power of technology, loan seekers no longer need to under a completely physical process to procure a loan. The whole process is presence-less and paperless and the service delivery cashless. And all this is done in just a few minutes.

The lending model is immensely popular in neighbouring India, and the Bangladesh Bank has warmed to the idea as it stands to expedite the financial inclusion agenda in the country.

In Bangladesh, people are often compelled to take loans from informal sources at high interest rates to meet emergency needs -- such as health crisis or financial loss caused by natural disasters -- or even to engage in small trade.

In many cases, people find it difficult to fulfil the terms and conditions set for availing the loans.

Due to the high cost and onerous terms and conditions, unbanked people find it difficult to repay those loans and are in turn overburdened with even higher debt.

But this initiative by City and bKash will help clients sweep aside the roadblocks.

Upon successful completion of the pilot, the product would be rolled out on a wider scale.

"The journey of this digital loan starts with the idea of how we can deliver money on an urgent basis to the right people with more convenience so that they can use it according to their needs," said Mashrur Arefin, managing director of City Bank.

Many people in the country, especially the small traders, often need money on an emergency basis.

"We hope that our experimental initiative will be successful. We are always trying to get closer to the customers," he said, adding that a good number of African nations have already introduced this component of the digital financial service.

The credit ceiling may be increased if the ongoing pilot project is completed successfully, he said.

The digital loan project of City Bank exemplifies how banks can bring new and creative services to improve the lives of the common people, said Kamal Quadir, chief executive officer of bKash.

It broadens the scope of financial inclusion by using bKash's platform and leveraging its robust customer base, he said.

"We believe the collateral-free, instant digital loan will bring transformative impact among marginalised people, micro entrepreneurs and students to meet their emergency personal or business needs," Quadir added.

Under the project, customers will have to pay back the loan within three months by way of three equal monthly instalments (EMI). The EMI will be deducted automatically from the user's bKash account on fixed due dates.

The user will also be able to pay the EMI before their due dates and save money as the bank will associate early repayment with lower interest costs.

Interest on the loan will be charged on a daily basis.

READ MORE ON B2

Project implementation delays draw PM's ire

STAR BUSINESS REPORT

Prime Minister Sheikh Hasina expressed serious disappointment over delays in the implementation of development projects, which are often designed without proper planning or feasibility studies.

Her latest displeasure was aimed at two projects that were taken up in 2013 and 2017 respectively. They were up for revision at the meeting of the Executive Committee of the National Economic Council (Ecnc) yesterday.

The projects are: Widening and Improvement of Khulna Shipyard Road (1st revised) project and the Land Acquisition for Road widening of Nangalbandh-Minar Bari part of Langalbandh-Kaikartek-Nabiganj district highway (1st revised) project.

"The prime minister has expressed deep disappointment. We are trying to find out why projects are being delayed. There is a lack of coordination," Planning

Minister MA Mannan told reporters after the meeting.

The Khulna Shipyard Road Widening and Development Project was taken in 2013 at an estimated cost of Tk 98.91 crore. The cost has now gone up more than two times to Tk 259.21 crore.

The Khulna Development Authority is the implementing agency of the project, which has been initiated by the housing and public works ministry.

According to the project document, the cost of land acquisition rose as the district administrator fixed the price of 6.277 acres of land and properties at 1.5 times higher under previous rules and 1.026 acres at 3 times higher after the publishing of the gazette.

The design of the road has also changed. The road submerges by one foot to two feet during rainy seasons and tides for the last four to five years, the document said.

READ MORE ON B3

Khulna Shipyard Road Widening & Development project

- Taken in Jul'13 at cost of Tk 98.91 cr
- Cost now goes up to Tk 259.21 cr
- New deadline Dec'22
- Implementing agency: Khulna Development Authority

Road widening from Langalbandh to Minarbari project

- Project taken in Feb'17 for Tk 121.57 cr
- Cost now goes up to Tk 260.41 cr
- New deadline Dec'21
- Implementing agency: roads and highways department

BB's helping hand towards cottage, micro and small firms

STAR BUSINESS REPORT

Bangladesh Bank yesterday relaxed loan classification and provisioning for the cottage, micro and small businesses under the small and medium enterprise (SME) sector as part of its efforts to revive the economy.

From now on, continuous, demand and term loans of the three arenas will be considered to be of the substandard category under the classified loans if the borrowers fail to pay back the fund within a timeframe of six months to less than 18 months.

A substandard loan had earlier been

those that had not been paid by borrowers within three months to less than nine months.

A loan will be treated in the doubtful category if clients do not pay back any instalment of the loan within the timeframe ranging from 18 months to less than 30 months. The previous tenure for doubtful loans was between nine months and less than 12 months.

If clients do not pay any instalment of a loan for 30 months or beyond, the entire fund will become bad or go under loss category of classified loans. Bad loans had earlier been those against which clients had not paid any instalment for 12 months and

above.

Lenders will be allowed to keep provisioning against 5 per cent of their sub-standard category of classified loans to the cottage, micro and small borrowers against the previous ratio of 20 per cent.

For doubtful category loans, banks will have to ensure provisioning against 20 per cent of it against the previous ratio of 50 per cent.

The central bank, however, kept unchanged the provisioning ratio for bad category loans as lenders have to continue to keep 100 per cent provisioning for the loans.

Banks consider a client to be under the cottage arena when he/she borrows less

than Tk 10 lakh from lenders, as micro from Tk 10 lakh to less than Tk 75 lakh and as small businesses from Tk 75 lakh to Tk 15 crore in the SME sector.

The latest initiative will help lenders lower provisioning compared with that in previous times, which will encourage them to give out more loans to the SME sector.

The majority of banks now show a reluctant attitude as the central bank has imposed a 9 per cent cap on all lending products since April 1.

The regulator of the banking sector has repeatedly asked lenders to speed up their loan disbursement to the SME sector, but they hardly bothered.

Digital Bangladesh held back by service delivery bottlenecks: Robi CEO

MUHAMMAD ZAHIDUL ISLAM

There is a very big gap between the reality and vision declared by the government on digitalisation as a huge number of bottlenecks lie behind service delivery processes, said a top executive of a Bangladeshi mobile carrier yesterday.

The number of fourth-generation (4G) service users is not more than 21 per cent in Bangladesh as of June, Mahtab Uddin Ahmed, chief executive officer of Robi, told a panel discussion organised by the Groupe Speciale Mobile Association (GSMA).

Meanwhile, the coverage has reached 80 per cent of the country and smartphone penetration is about 40 per cent, he said at the session where a "Mobile Economy Asia Pacific 2020" report was placed for discussion.

Synchronisation needs to be brought in with the political vision of Digital Bangladesh and the policies to get the maximum benefit out of it, he said.

"We remain in the past in lots of parameters, though the country has a huge opportunity and the government has a very clear vision."

READ MORE ON B2

Tech platforms solving the problem of Qurbani amid pandemic

MAHMUDUL HASAN

Panic gripped Sultana Ahmed of the capital's Mohakhali DOHS the moment she learnt that live slaughtering and meat processing of cattle was barred in her neighbourhood this Eid-ul-Azha to minimise coronavirus transmission.

A devout Muslim, she never missed this ritual in her life and was getting worked up about how she would manage this year.

But her fears were assuaged when she stumbled upon a Facebook page by the name of Tarzan Box that was providing complete Qurbani service.

That establishment was only dealing with cows and she sacrifices one cow and two goats every year to accommodate the names of all her family members. She was again fretting about where would manage the goats.

But she breathed a sigh of relief when she received a text message on Monday evening from food delivery platform HungryNaki informing of its latest product: goat for

Qurbani.

HungryNaki is providing the option of both farm-to-doorstep and farm-to-table.

Ahmed wasted no time in ordering two 18-25 kg goats with the platform complete with processing. "It is a handy service. I hope it lives up to my expectations," she said.

One can take a good look at the goat before buying it through a live video call,

said AD Ahmad, chief executive officer of HungryNaki.

The weight of the goat will be measured and the price will be determined in front of the customers in the video call.

"We have received a tremendous response from customers. Because people now don't want to go outside and our services are designed to reduce the hassle of the customers," he said.

On the total weight of the goat, customers have to pay Tk 550 per kilogramme and another Tk 1,200 for Eid day delivery after processing or Tk 1,000 for delivery on the second or third day of Eid.

The platform launched the service on July 15 and it has so far received upwards of 400 orders for goats. Of the orders, more than 80 per cent have sought the full Qurbani service.

The full Qurbani service is not new in Bangladesh as meat processor Bengal Meat has been providing it for more than five years.

READ MORE ON B3

BB makes lending easier to foreign companies

STAR BUSINESS REPORT

Banks and non-bank financial institutions have been allowed to give out local currency loans to foreign companies against overseas guarantees without taking prior approval from the central bank.

The central bank eased the rule yesterday given the ongoing coronavirus pandemic, according to a notice. The new rule will be in force until June 30, 2021.

The rule relaxation aims at facilitating easy access to loans against external guarantees, a central bank official said. No fees will be payable against the guarantees.

The central bank would have to be informed immediately in case of encashment of guarantees due to the payment default by borrowers.

Permission from the central bank will be required in case of payment abroad of the amount encashed by lenders.

Fears in India as Kuwait looks to cap migrant worker numbers

REUTERS, Kochi/New Delhi/Amman

With no job or savings, Indian electrician Shibhu Clemance had hoped to return to work in Kuwait - until he learned of a proposal to drastically cut back on migrants in the country.

The 38-year-old, who lost his job in February due to the coronavirus pandemic, is among more than a million Indians in Kuwait, the largest expat group in the Gulf country of 4.4 million.

But after the coronavirus hit oil prices and local jobs, the country is considering new limits that could force about 800,000 to leave and slash their remittances - a crucial lifeline for families back home.

The proposal is in a new bill that would cut the total number of migrant workers in the country by 40 per cent and require that the number of Indians should not exceed 15 per cent of the Kuwaiti population.

"I came to the Gulf and toiled hard to provide a better life for my children. The COVID-19 crisis and now the new Kuwait law have shattered my dreams," Clemance told the Thomson Reuters Foundation by phone from the coastal city of Mangaf.

Before he lost his job in February, he sent 40,000 Indian rupees (\$530) to his wife and two children who live in a cramped house in the southern Indian state of Kerala with his in-laws and six other relatives.

Without a home of his own in Kerala and with little hope of finding work in a state that has been receiving India's largest influx of returning migrants, Clemance fears going back

to his family.

The government has yet to approve the bill, but the prime minister said last month he wants to cut the expat population of about 3 million.

Assembly Speaker Marzouq Al-Ghanem has proposed a gradual reduction in foreign workers, starting with a 5 per cent cut in numbers and indicated the country needed fewer low-skilled migrants.

Parliament will finalise the bill before the current session ends in October, before sending it to the government for approval.

Indians working in Kuwait sent home almost \$4.6 billion in 2017, about 6.7 per cent of the country's total incoming remittances that year, according to World Bank data.

But a global recession in the wake of COVID-19 has decimated jobs and slashed cash flows. The World Bank estimates remittances to India will drop by 23 per cent from \$83 billion last year to \$64 billion this year.

For Litty Shibhu, Clemance's wife, managing the household and taking care of her large family without the monthly transfer from Kuwait has been tough.

"We are in real trouble since the money stopped coming ... Every day Shibhu calls me and shares his sorrows. I'm planning to sell my gold to help him," the 29-year-old said.

"We will virtually be on the street if my husband is compelled to return. I can't even sleep thinking about this." Her concerns are echoed throughout the southern state of Kerala, which has the largest number of people working in the Gulf at about two million, according to a



Migrant workers and their families, who had left during a lockdown, walk at a platform after they returned from their home state of Uttar Pradesh in India.

2018 migration survey by the Centre for Development Studies.

State data shows 70 per cent of the Indians in Kuwait are from Kerala.

Since the 1960s, remittances from the Gulf have been the backbone of Kerala's economy, making up nearly 20 per cent of the state's gross domestic product, according to the survey.

If Kuwait passes the bill, it could further overwhelm Kerala at a time when it has been scrambling to reintegrate nearly half a million people returning from overseas and other Indian states, migration experts say.

Srudaya Rajan, a member of the Ministry of Overseas Indian Affairs' research unit on international migration, said the expat bill was a knee-jerk reaction that would fizzle

out after the COVID-19 pandemic.

"Even if Kuwait means business it will not have a huge impact on expatriates since most of them concentrate on the 3D jobs dirty, dangerous and demeaning," he said.

"These are categories that local nationals are unlikely to step in and take." A spokesman for India's foreign ministry said it was monitoring developments in Kuwait and the foreign ministers of both countries had discussed the bill.

Robert Mogielnicki, resident scholar at the Arab Gulf States Institute in Washington, D.C., said the impact on remittances would depend on when and how Kuwait enforces the expat quota.

"We're talking about a tremendous demographic transformation. What

is clear is that that's not going to happen overnight," he said.

He said Kuwait had historically been slow to enact economic reforms, but the current pressures had brought a sense of urgency.

Last month, the Indian government created a database of the skills and experience of returning migrants to help fill jobs in Indian and foreign companies.

Kerala has already devised a plan for the reintegration of incomers, said Hari Krishnan Nampoothiri, chief of NORKA-Roots, a state government agency for the welfare of expats and returnees.

It includes upgrading skills to help people migrate again in the future, a financial scheme of up to 3 million rupees (\$40,000) so they can start their own businesses, subsidised loans and mentoring camps.

Yet Vinoy Wilson, a father of three who works as a department store supervisor in Kuwait, had little hope of finding a job in India that would pay enough to fund his children's education and repay the money he borrowed for a new home in Kerala.

Although his salary was slashed by 25 per cent a few months ago, the 40-year-old said it was still enough to cover monthly expenses and send money back home to his mother-in-law.

He said he worried that he would be among the first low-skilled workers to be packed off, meaning he would have to sell his "dream" home.

"I don't know where I will go if I lose my job. I have loans that I can't repay without a steady income," he said.

Eurozone equities rise as EU leaders push for rescue deal

AFP, London

Eurozone stock markets pushed higher Monday as EU leaders laboured to pin down a 750-billion-euro (\$860-billion) coronavirus rescue package for the battered region.

The euro hit a four-month dollar peak of \$1.1468, before paring its gains. Frankfurt equities rose 1.0 percent and Paris added 0.5 percent.

Outside the eurozone, London lost 0.5 percent.

Wall Street was mixed as investors awaited congressional debate on another round of stimulus spending and major earnings releases later in the week.

Sentiment was hit by contrasting developments regarding the coronavirus pandemic.

A spike in new COVID-19 infections forced fresh containment measures - notably in Australia, Hong Kong and the United States - and fuelled fears about the stuttering economic recovery.

Meanwhile, two studies offered fresh hope of a potential vaccine, which is the only development that would provide safety to people and allow economies to operate normally.

Revenue collection last fiscal year did not stutter badly as feared

FROM PAGE B1

Economic growth was slowing because of weak investments and exports before the pandemic.

The new VAT law created a lot of confusion and the amendments made closed most of the revenue increasing features of the law, which was passed in 2012.

"Progress on automation of tax administration stalled from the very beginning of fiscal 2019-20. None of these helped revenue mobilisation," Hussain said.

Bangladesh has one of the lowest tax-GDP ratios in the world.

The outlook for the current fiscal year is not that bright.

"A large revenue shortfall relative to the budget target is almost inevitable. Much will depend on the pace of economic recovery, which, in turn, will depend on the trajectory of the virus," Hussain said.

While presenting the budget on June 11, Finance Minister AHM Mustafa Kamal talked about reforms in tax revenue management.

"We have begun implementing the reforms from this year. However, I could not finish them successfully due to the outbreak of coronavirus in the second half of the fiscal year. I would like to continue all these reforms in the coming fiscal year."

The government has given the NBR, which brings about 85 per cent of the revenue for the country, the target to generate Tk 330,000 crore this fiscal year.

Digital Bangladesh held back by service delivery bottlenecks: Robi CEO

FROM PAGE B1

Responding to a query from the audience, Ahmed said it was not possible for Robi under the current regulations to serve like Indian carrier Jio, which has changed the whole telecom ecosystem of the vast neighbouring country.

Jio is holding a unified licence in India, which is prohibited in Bangladesh, as a result of which it can build its own towers, lay its optical cables as required and is not bound to connect with carriers like interconnection exchanges or international gateway operators.

"Multi-layered licences are one of the big challenges in Bangladesh with higher spectrum charge with low return and highest taxes in the world."

Without changing the landscape of the licensing policy, telecom services of the country will not improve, he said.

"We also can cut down the service cost if mobile carriers can build their own infrastructure," Ahmed added.

Bangladesh does not even have the solid foundation to launch 5G services, said Jeanette

Whyte, head of public policy for Asia Pacific region of the GSMA, while moderating the event.

Highlights of the "Mobile Economy Asia Pacific 2020" report before the panel discussion also mentioned that the gender gap in telecom service usage was huge in South Asia.

Across the Asia Pacific region, the mobile industry stepped up to the Covid-19 challenge, highlighting the need for a robust digital ecosystem.

The pandemic has had a significant impact on the regional economy as well as on the digital ecosystem, they added.

One area affected is 5G, which is at a crucial early stage and at the cusp of scaling across regions.

With Covid-19 impacting both deployments and uptake, it forecasted a 20 per cent drop in 5G connections in 2020 compared to previous expectations.

Meanwhile, 60 per cent of the region's population was currently without access to mobile internet and the pandemic has

highlighted how detrimental the digital divide is, particularly in times of crisis.

With 700 million new mobile internet users expected by 2025, cooperation between the mobile industry and policymakers will prove crucial in ensuring digital resilience and reliable connectivity in the long term.

According to the report, Bangladesh's mobile telecom market was still dominated by the second generation (2G) services while scenarios in other Asia Pacific countries are quite different, predominated by 4G services.

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

By 2025, Bangladesh will be a data-driven market where 4G services will dominate with a 46 per cent share, reads the report published recently.

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

Indian ship with transshipment goods reaches Ctg port

FROM PAGE B4

Dhaka and Delhi signed a memorandum of understanding on the use of the Chattogram and Mongla ports in 2015, following years of persuasion from India.

Subsequently, the countries signed an agreement in 2018 and a standard operating procedure (SoP) during Prime Minister Sheikh Hasina's visit to India in October last year.

According to the SoP, goods reaching Chattogram and Mongla sea ports would be carried by four road, rail, and water routes to Agartala (Tripura) via Akhaura; Dawki (Meghalaya) via Tamabil; Sutarkandi (Assam) via Sheola, and Srimantpur (Tripura) via Bibirbazar.

Bangladesh fails to tap global PPE market for lack of testing labs

FROM PAGE B4

The garment sector's contribution in exports amounted to some 85 per cent but other sectors are failing to perform well although they are getting the incentive every year, he said.

The government is going to establish three state-of-the-art technology centers and one design and technology centre for Bangladeshi manufacturing sectors which would work on the adoption and diffusion of modern technology to raise productivity.

For this purpose, Bangladesh Economic Zones Authority (Beza) and Bangladesh Hi-Tech Park Authority (BHTPA) have allotted two plots in favour of the EC4J Project to establish the technology centres.

The EC4J project officials yesterday signed the relevant agreements with Beza and the BHTPA for establishing the technical centres.

The setting up of job-oriented training centres will fulfill the skills gaps in different sectors, said

Commerce Minister Tipu Munshi.

He said exports of the leather and leather goods sector were nearing \$1 billion as the tanneries had been shifting to a new estate in Savar.

This initiative of the government will mainly supply technical knowhow and skilled manpower, which will enable local exporters into becoming more competitive globally, said Zunaid Ahmed Palak, state minister for ICT Division.

For instance, some 20 lakh refrigerators are sold in Bangladesh in a year but many companies cannot go for producing this electronic home appliance because of a lack of skilled and trained people.

These technical centres will produce the skilled manpower and convey other technical knowledge in ICT business and hardware issues, he said.

The technical centre inside Bangabandhu High Tech Park will also facilitate the creation of manpower for producing semiconductors and biotechnology and health technology

products, he said.

Md Obaidul Azam, director of the EC4J project, said apart from plastic goods, IT products and light engineering, leather and leather goods and footwear design would be focused in another technical centre for which the government has already selected a place in Gazipur.

The project objective is to contribute to export diversification and generate more and better jobs in targeted sectors. In line with this objective, the ministry of commerce is implementing the EC4J project with funding support from World Bank.

The project will support private sector companies in these targeted sectors to address some key constraints they face in accessing export markets, enhancing productivity, improving environmental, social and quality standards, and collective infrastructure facilities.

Md Jafar Uddin, commerce secretary, and Paban Chowdhury, executive director of Beza, also spoke.

The future of lending is here. And it is thanks to City Bank and bKash.

FROM PAGE B1

That means in case of early settlement, the interest will be charged based on the number of days the loan has been taken for and not for the whole three months.

In addition, users will be notified through a text message and app notifications before every due date for EMI. City Bank will closely monitor users' loan payment behaviour to determine whether they will be eligible for loans in the future.

To avail the loan under the pilot initiative, eligible users will need to click the "Loan" icon on the bKash app and enter the desired loan

amount, which has to be within a limit approved by City Bank.

Users will have to give consent to sharing their KYC information that they have already made available to bKash with City Bank.

After successfully entering the bKash PIN, the loan amount will be instantly disbursed into the user's bKash account.

Ant Group, Chinese e-commerce giant Alibaba's payments arm, will be the technology partner undertaking credit assessment on potential borrowers for this project.

The company, which has a 20 per cent stake in bKash, offers advanced

AI-based credit assessment facilities for digital loans offered in different countries, including China, India and the Philippines.

An automated credit scoring system will give an instant decision on whether a user of bKash has qualified for the loan.

The system will read the previous financial bKash transactions -- deposits, withdrawals, mobile recharge and so on -- carried out by a user of the mobile financial service provider.

This means City Bank will give loans to client based on their past financial track record with bKash.

Government of the People's Republic of Bangladesh
Ministry of Road Transport and Bridges
Bridges Division
Bangladesh Bridge Authority
Setu Bhaban, Banani
New Airport Road
Dhaka, Bangladesh

Memo No. 50.01.0000.691.38.003.20-469 Date: 21.07.2020

Name of the work: Construction of Bridge of at 17th km Kochua-Betagi-PatuaKhali-Lohalia-Kalaya Road (Z8052) (At Pairakunju Ferryghat) Over Paira River

Ref: (i) Prequalification Document issued on 21/06/2020

Addendum-1

This Addendum is issued against the Prequalification Document issued on 21/06/2020 for the "Construction of Bridge at 17th km Kochua-Betagi-PatuaKhali-Lohalia-Kalaya Road (Z8052) (At Pairakunju Ferryghat) Over Paira River". This Addendum shall become an integral part of the Pre-qualification Document.

Sl No.	Reference	To be replaced	Replaced with/inserts/status
1.	Section 4, Clause 7	The project will be implemented under EPC mode where the Contractor will be responsible for the design, manufacture, construction and commissioning of the Bridge Project with the approach roads, toll plaza, building services and electronic control systems. The Contract will be based on the FIDIC's Conditions of Contract for EPC Turnkey Projects (Silver Book) First Edition, 1999 version, supplemented/amended with Particular Conditions	The project will be implemented under Design-Build form of Contract where the Contractor will be responsible for the design and construction of the Bridge Project with the approach roads, toll plaza, building services and electronic control systems. The Contract will be based on the FIDIC Conditions of Contract for Plant & Design Build (Yellow) Second Edition, 2017 version, supplemented/amended with Particular Conditions
2.	PQ Notice Sl No. 17	Date: August 12, Time: During office hours	Date: September 02, Time: During office hours
3.	PQ Notice Sl No. 18 (ITA 30.2)(e) (c)	c) Date: August 13, 2020; Time: 03:30pm DO NOT OPEN BEFORE 03:30pm on 13/08/2020	c) Date: September 03, 2020; Time: 03:30pm DO NOT OPEN BEFORE 03:30pm on 03/09/2020
4.	ADS Clauses References ITA-14.1(b)	Requirements for other Partner(s) "Other Partner shall have minimum experience of construction of one multi-span pre-stressed concrete girder bridge during last 10 (ten) years; years counting backward from IFB"	Requirements for other Partner(s) ITA-14.1(b) "Other Partner shall have minimum experience of construction of one multi-span pre-stressed concrete girder bridge during last 10 (ten) years; years counting backward from IFB. However, for designer as JV partner this requirement is not mandatory but design experience of similar project is required"
	ITA-15.1 (a)	25%	ITA-15.1(a) 25%*
	ITA-15.1 (b)	25%	ITA-15.1(b) 25%*
	ITA-15.1 (c)	25%	ITA-15.1(c) 25%*
Note*: This requirement is not mandatory for the joint venture partner who will carry out only design work of the proposed project.			
5.	ITA 31.1, PQ Notice Sl No. 18	Time & Date: at 12:00pm, August 13, 2020	Time & Date: at 12:00pm, September 03, 2020
6.	ITA 33.2, PQ Notice Sl No. 19	Time & Date: August 13, 2020; 03:30pm	Time & Date: September 03, 2020; 03:30pm
7.	ITA 14.1 (a)	The minimum of years of general experience of the Applicant in construction works as Prime Contractor or Subcontractor shall be minimum 05 (five) years; years counting backward from the date of publication of IFP.	The minimum of years of general experience of the Applicant in construction/design works as Prime Contractor or Subcontractor shall be minimum 05 (five) years; years counting backward from the date of publication of IFP.

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GD-1175



Md Arfan Ali, president and managing director of Bank Asia, exchanges the signed documents of a deal with Anil Kapoor, head of Asia Pacific and South Asia of MoneyGram, to offer remittance services in Bangladesh from more than 200 countries of the world.

Marks & Spencer says 950 jobs under threat

AFP, London
British clothing-to-food retailer Marks & Spencer could axe up to 950 management and administrative jobs to counter slumping profits and sales in the face of the coronavirus outbreak, it said Monday.
The high-street stalwart, which had already been suffering from fierce online competition from the likes of US giant Amazon, has seen its troubles compounded by the COVID-19 lockdown that shuttered shops nationwide.
The enforced closures, which sought to halt the spread of the killer disease, were imposed on March 23 and lasted almost three months for non-essential stores.
M&S had in May revealed that annual net profit slumped by almost 50 percent, booked a sizeable charge for the coronavirus outbreak, and added it would slash costs.
The company added on Monday that

the latest proposed cutbacks were part of its transformation plan.
"M&S is now proposing to implement these changes and create a new retail management structure that is fit for the future -- removing role duplication, providing clearer leadership accountabilities and freeing up its retail teams to focus more on the customer," it said in a statement.
"The proposed changes would affect 950 roles across central support functions in field and central operations and property and store management. "In Britain, the coronavirus outbreak, in tandem with a tough retail climate, has sparked the demise of several well-known high-street names and the loss of thousands of jobs.
Earlier this month, pharmacy giant Boots and department store group John Lewis said they would together axe at least 5,300 jobs, despite government efforts to safeguard employment.

Book compiling customs tariff published

STAR BUSINESS REPORT
A compilation of import tariffs and other rates of tax has been published for the fiscal year 2020-21 to allow firms to take decision while bringing in a product.
From the book titled Bangladesh Customs Tariff, one can get the idea about the rate of customs duty, supplementary duty (SD), value added tax, advance income tax and other tariffs for the current fiscal year beginning from July 1.
Apart from providing info on specific rate of tariffs and taxes, businesses can also get idea on total tax incidence on an import item for the current fiscal. The book also informs readers about the items, which face export duty.
Mohammed Ruhul Amin, an official of the National Board of Revenue, compiled the book published by Liton Publication.

Tech platforms solving the problem of Qurbani amid pandemic

FROM PAGE B1
"But, our service is unique for the fact that if customers think that cooking goat meat will be a huge hassle for them, we also have arrangements to do it with our own experienced cooks," said Ibrahim Bin Mohiuddin, co-founder and deputy CEO of the platform.
Orders can be placed for a minimum of 2 kg of Shahi Rezala for Tk 1,000 and a maximum of 10 kg for Tk 5,000.
As of yesterday, HungryNaki received cooking orders for upwards 400kg of goat meat.
Not only HungryNaki, many tech-based platforms -- from ride-hailing service providers to fresh vegetable home delivery providers -- are betting big on the Eid cattle business this time given the extraordinary circumstance under which the festival would be celebrated this year.
Popular ride-hailing service provider Pathao has recently entered the cattle business.
"As cities imposed partial restriction on makeshift cattle markets and open slaughter for the risk of contracting the lethal disease, we came to provide the service to our customers who are facing problem with their Qurbani," Hussain Elius, co-founder and CEO of Pathao, told The Daily Star.
Cows would not be delivered to customers to avert health risk and only meat of the purchased cows would be

brought to the customer's doorsteps after processing it in a hygienic way.
"Demand for cows priced below one lakh taka is high," Elius said.
Haatbazaar.com.bd, a new online site focusing on delivering fresh vegetables to the customers, has already received 20 orders for cows and goats in just two days.
"We are getting an unbelievable response from the customers. We are bringing the cattle from small farmers from Netrakona and Munshiganj, who nurture their cattle by feeding them grass in the open fields," said Meheyed Hasan Rony, founder of the platform.
The full Qurbani service was the "new phenomenon" for the Eid cattle market, said Sharfuiddin Ahmed Chowdhury, head of sales, marketing and distribution of Bengal Meat.
"Over 90 per cent of our customers are availing the meat processing service," he said.
Online grocery shop Khaas Food has also come forward on cattle trading with processing services.
Thousands of people throng the cattle market. It is almost impossible to look around for cattle while maintaining social distancing, said the platform on its Facebook page.
Meanwhile, customers can easily view cows in its online market and order one, it added.

Volvo forecasts 'strong second-half recovery'

AFP, Stockholm
Swedish auto maker Volvo forecast Tuesday a strong rebound in the second half of 2020, after the coronavirus hit its results in the first six months of the year.
With sales falling by 14 percent from January through June, Volvo, which is owned by the Chinese car maker Geely, said it was poised to bounce back after gaining market share in China, the United States, and Europe. The company nonetheless posted a first half net loss of 1.17 billion kroner (114 million euros, \$130 million), compared with a net profit of 3.4 billion kroner for the same period a year earlier.
"The downturn we saw in the first half is a temporary one," a statement quoted chief executive Hakan Samuelsson as saying. "We expect to see a strong recovery in the second half of the year."

China's e-payments giant Ant Group nears mammoth IPO

AFP, Shanghai
Ant Group, the online payments giant affiliated to Chinese e-commerce leader Alibaba, said Monday it had taken the first steps toward a blockbuster dual listing in Shanghai and Hong Kong that could be among the biggest in years.
The IPO by Ant Group -- whose Alipay platform dominates the country's thriving e-commerce market -- also would mark a major step forward in a Chinese government initiative to get its big domestic tech companies to list their shares at home instead of abroad.
A company announcement said the shares will be listed on the Stock Exchange of Hong Kong and on a Nasdaq-styled tech board called STAR that was set up on the Shanghai Stock Exchange last year.
The announcement did not give any details on the timing or size of the issue, saying only that Ant Group had "commenced the process" for launching an eventual listing.
But the company, based like Alibaba Group in the eastern city of Hangzhou, was valued at around \$150 billion in its most recent round of fund-raising.
It is seeking a valuation of at least \$200 billion, Bloomberg news agency reported, citing unidentified sources.
The statement quoted Eric Jing, Executive Chairman of Ant Group, as lauding the

STAR market for allowing global investors access to companies such as his, and giving Chinese tech titans wider access to world capital markets.
"We are thrilled to have the opportunity to play a part in this development," Jing said.
"Becoming a public company will enhance transparency to our stakeholders, including customers, business partners, employees, shareholders and regulators.
"Alibaba itself has been listed in the US since 2014, but last year raised billions more in a second listing in Hong Kong.
And last month Alibaba's Chinese rival JD.com raised almost \$4 billion in an initial public offering in Hong Kong that was the world's second-biggest of the year.
Tech analysts say Ant Group controls more than half of China's huge mobile-payments sector, which it fiercely contests with Chinese rival Tencent.
Ant Group -- spun off from Alibaba years ago -- has expanded recently into lending, wealth management, travel and a range of other services, and this year changed its name to Ant Group from the previously Ant Financial Services Group to reflect its expanded portfolio.
It generated \$2 billion in profit in the most recent quarter, Bloomberg said, basing that on calculations made from Alibaba figures.

Project implementation delays draw PM's ire

FROM PAGE B1
The road works as a protection bank to guard the city. So, during the designing, the consultant took into account the highest flood level.
The proposed road would be elevated by three feet to four feet more compared with the current road.
The subsoil condition of Khulna is not good, according to the document. To improve the bearing capacity of the subsoil, more pavements, bridges, culverts, drains, footpaths and retaining walls have been added.
The cost has gone up as the expenditure has been estimated on the basis on rate scheduling.
If the road is built, it would ensure a safe and congestion-free traffic movement in the city. The Ecneec yesterday extended the deadline of the project to December 2022.
The road widening from Langalbandh to Minarbari project on the Langalbandh-Kaikertek-Nabiganj district highway under the

Bandar upazila of Narayanganj aims at offering safety and time- and cost-efficient road communications.
The roads and highways department is the implementing agency.
When the project was first approved in February 2017, the government estimated the cost at Tk 121.57 crore. Now, the cost has gone up to Tk 260.42 crore.
Under the first revision, the deadline has been pushed to December 2021. The main component of the project is to acquire 8.84 acres of land.
The cost of the project has gone up Tk 96.44 crore because of the increase in the price of land and compensation in line with the latest land acquisition law. The amount of land has remained the same, according to the project document.
Another Tk 42.30 crore has been included in the project in probable additional expenditure for land acquisition and compensation.
In total, the Ecneec approved six

projects with an outlay of about Tk 1,137 crore. Of the sum, Tk 1,028 crore will come from the government and Tk 108.30 crore from foreign sources as project assistance.
The other projects are Intensification of crops in the greater Mymensingh region project involving Tk 123.66 crore, Re-excavation of Titus River and Homna upazilas in Cumilla at a cost of Tk 76.25 crore; Protection of Jamuna River's Right Bank from erosion at Goghat, Khanbari and surrounding areas of Sadar and Sundarganj upazilas of Gaibandha project involving Tk 401.79 crore; and Char Development and Settlement Project-Bridging (Additional Financing) (BWDB part) with Tk 263.67 crore.
Both the prime minister and the planning minister joined the meeting with Ganobhaban through a videoconference, while other Ecneec members were connected from NEC Bhaban, reported UNB.



Mohammed Almas Shimul, additional managing director of GPH Ispat Ltd, hands over 1,000 units of oxygen cylinders to Mohammad Ilyas Hossain, district commissioner of Chattogram, at a programme. The steel manufacturer donated the cylinders to resolve the oxygen crisis of government hospitals in the port city.

Prime Bank, Computer Samity join hands to finance SMEs in ICT sector

FROM PAGE B4
The partnership between BCS and Prime Bank will help facilitate the development of a business ecosystem where thousands of micro, small and medium enterprises (MSMEs) from the ICT industry, who are members of the trade association, can flourish.
Besides, Prime Bank is the only bank in Bangladesh to have formed

financial alliances with key trade associations in the ICT and ITES fields, according to Ahmed.
He also said the move will be a big boost for the country's booming ICT/ITES industry as eligible BCS members can now avail collateral-free loans of up to Tk 50 lakh alongside other tailor-made financing solutions.
BCS President Munir said that the IT sector has created around 60,000

opportunities for direct employment and is trying to develop skilled manpower.
Conducted by Nazmul Karim Chowdhury, head of brand and communication at Prime Bank, the programme was also addressed by Md Javedur Rahman Shaheen, vice president of BCS, and Syed M Omar Tayub, head of MSME Banking at the bank.

Real economic impact can't be assessed for inadequate Covid-19 tests: experts

FROM PAGE B4
"If the tests are not done, we cannot say the real impact in our economy and business," said Abul Kasem Khan, chairperson of the Business Initiative Leading Development (BUILT).
"So we cannot take right decisions both for the domestic and international markets," Khan also said.
He suggested the government cut the budgetary allocation in the non-essential projects under the annual development programmes to save costs during the pandemic.
Echoing the views of Khan, Ahsan H Mansur, executive director of the Policy Research Institute, said the Covid-19 testing was not managed well.
But recently, there are some good signs in the economy. For instance, the export of garment items is rebounding. The export earning was better in June compared with April and May, he said.
"We need to think about employment generation and skills in the recovery stage from the pandemic shock," said Nazeen Ahmed, senior research fellow at the Bangladesh Institute of Development Studies.
"The supply side was dealt a blow

as China was also affected by the pandemic. Bangladesh is heavily dependent on China for raw materials for industries," said Azizul Islam, additional secretary to the finance ministry.
"The measures which have been taken so far for coping up with the impacts of pandemic on economy are halfhearted. Lack of coordination and corruption took place in different measures," said Selim Raihan, executive director of South Asian Network on Economic Modeling.
However, some good initiatives were taken by the government to address the fallouts of the pandemic.
For instance, transfer of Tk 2,500 to each of five million families and disbursement of bailout package to cottage, small and medium enterprises were some good initiatives, he said.
But the progress of disbursement of money from Tk 20,000 crore meant for cottage, micro, small and medium enterprises is very slow, he said.
The real inflow of work orders from the international garment retailers and brands could be understood from September onwards, said Asif Ibrahim, director of Bangladesh Garment Manufacturers and Exporters Association.

Before the spread of the coronavirus, the macro economy was stable as the reserve was good and inflation was under control, said Shamsul Alam, member of the General Economics Division of the Planning Commission.
Labour productivity has increased in Bangladesh in a big way, he said, adding that the quality of labour reflects the quality of life improvement. Recovery from the pandemic is largely dependent on external demand, he said.
A lot of reforms have taken place in Bangladesh. For instance, over the last 48 years no government reformed the quota system in the public services but this government did.
The government also reformed the bank interest rate and the revenue systems and corruption cases have been handled with an iron hand.
"I am never worried about the World Bank and International Monetary Fund's projections," Alam also said.
Mohammad Sirazul Islam, executive director of Bangladesh Investment Development Authority, said the government body has been working to make the One Stop Service Centre more functional.



NCC Bank Managing Director and CEO Mosleh Uddin Ahmed opens a sub-branch of the bank through video conference at Chawkbazar in Cumilla yesterday.

Govt move to use surplus funds of state-run firms to spook stock investors: analysts

AHSAN HABIB
The government's decision to use the surplus funds of state-run companies, including listed ones, is eroding investor confidence as the move will reduce profits of the companies, according to market analysts.

"We received a lot of selling orders from foreign investors after the government had passed the bill," said a top official of a leading brokerage house that handles a huge amount of foreign investment in the stock market.

In January, the government passed a bill aimed at bringing a total of Tk 218,839 crore held by state-owned enterprises as surplus funds to the national exchequer for use in various development projects.

Among the state-run companies, the 18 that are listed have a combined Tk 16,236 crore surplus fund, most of which is kept at banks as fixed deposit receipts (FDRs).

However, foreign clients who invested in state-run firms are irked by the sudden development with many having decided to reclaim their stakes in the companies, the official said.

In fiscal 2019-20, foreign investors pulled out Tk 1,399 crore in financing from the stock market, making it the largest

withdrawal of funding in any given year, according to data from the Dhaka Stock Exchange.

The government's decision, among others, to utilise surplus funds also affects local investors, he said.

The official also gave the example of the recent tussle between Grameenphone and the Bangladesh Telecommunication Regulatory Commission (BTRC), saying this kind of development puts a negative impact on the market.

The BTRC claimed Tk 12,580 crore from the country's leading mobile network provider as dues.

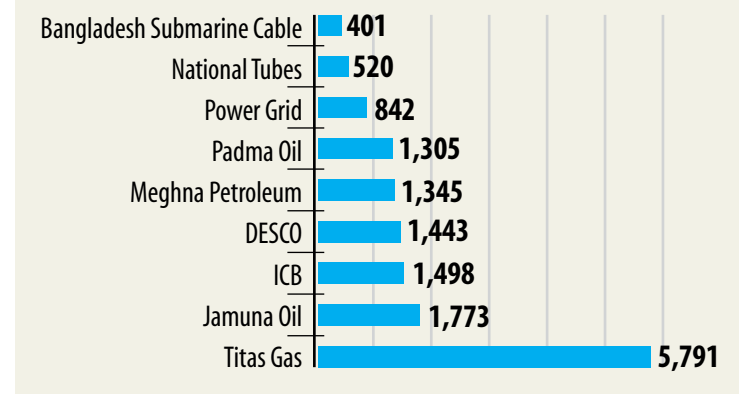
Grameenphone, the sole listed mobile operator, was legally compelled to pay a portion of the amount so far.

The telecom regulator also declared the company as significant market power which narrowed its scope for business, the official said.

"If the government takes away the surplus funds of listed state-run companies, then profits for those companies will take a dive as their interest income will decrease," said a top official of a merchant bank preferring anonymity.

Therefore, it would impact the share price of those companies and subsequently, the overall stock

Surplus funds of top 10 state-run companies (in Tk cr); SOURCE: DSE



market. Besides, it has been observed that listed state-run companies are already under pressure to sell more shares, he added.

"This is not the first time that sudden policy intervention from the government has hit the earnings of both listed companies and the market," he said, using Titas Gas Transmission and Distribution Company as an example.

In 2015, the energy regulator slashed the distribution charges of Titas Gas, a listed company that had a substantial amount of foreign investment at the time.

As a result, the state-run gas utility

company lost more than Tk 3,000 crore in market value in the five-month lead up to February 2016.

"We were so disappointed as we had to incur losses. After that, we didn't keep any state-run companies in our portfolio, not even on our watch list," he said.

Sudden policy changes are not beneficial for the stock market; moreover, the government has now passed a bill to take money from listed state-run companies that will seriously dampen the investor confidence, the merchant banker added.

The decision to reallocate those funds will have a negative

impact on the stock market since investors finance companies after seeing if said company's FDR breeds huge profits, said Ali Xahangir, chief executive officer of Amarstock.com, a stock market analysis based online portal.

"This is not legal also because investors have a right to the money," Xahangir added.

Meanwhile, a top official of the Bangladesh Securities and Exchange Commission preferring anonymity said no government agency has informed the organisation of the decision to utilise surplus funds of listed state-run companies.

However, since the government did indeed pass the bill, they may access the funds, which could be taken in the form of an advance, he said.

"There is no way to use the listed companies' funds without paying them interest," he added.

The listed state-run companies are: Titas Gas, Usmania Glass, Atlas, Eastern Cables, National Tubes, Renwick Jasneswar, DESCO, Eastern Lubricants, Jamuna Oil, Meghna Petroleum, Padma Oil, Power Grid, Bangladesh Shipping Corporation, Bangladesh Submarine Cable, Shyampur Sugar, Zeal Bangla, Rupali Bank and Investment Corporation of Bangladesh.

Bangladesh fails to tap global PPE market for lack of testing labs

Says Salman F Rahman

STAR BUSINESS REPORT

Local suppliers are incapable of exploiting the full global potential of personal protective equipment (PPE) and face mask markets through exports for a lack of international-standard testing facilities in the local laboratories, said Salman F Rahman, adviser to the prime minister on private industry and investment, yesterday.

"We are trying to create testing facilities soon so that the local manufacturers can export the PPEs and masks in a high volume to grab the global market which has emerged," he said.

"We are in talks with some international testing companies for conducting tests locally."

The government is currently working to conduct tests of the exportable PPEs and masks under the industries ministry's accreditation body, since it has international recognition.

"If we can make our own accreditation body functional, soon we can export the PPEs and masks easily on a massive scale to the international markets," Rahman also said.

Bangladesh produces face masks of level 1 and 2 as per World Health Organization standards. But masks of level 3 and 4 need to be produced as their demand is high in international markets.

"Laboratory tests are a must for exporting the PPEs, masks and gowns of level 3 and 4. So we are trying to set up the testing facilities soon," said Rahman.

He was addressing a virtual meeting organised by the commerce ministry marking the signing of agreements for establishing two technical centres under an Export Competitiveness for Jobs (EC4J) Project.

The coronavirus pandemic has created a market for PPEs, masks, gowns, medical textiles and isolation fabrics worldwide worth a few billions of dollars.

Some local garment manufacturing companies have already started exporting those as demand has soared worldwide.

The adviser was critical of the fact that only the garments sector has been expanding exports every year whereas some other sectors were failing to do so despite receiving cash incentives from the government.

READ MORE ON B2

Indian ship with transshipment goods reaches Ctg port

MOHAMMAD SUMAN, Ctg

The first ship under the trial run of transshipment of Indian goods to its north-eastern states through Bangladesh berthed at Chattogram port yesterday.

The ship—MV Shejyoti—arrived at the outer anchorage on Monday night and started offloading goods at New Mooring Container Terminal 1 at around 2pm yesterday, said Anamul Haque, director for transport at the port.

The ship left Haldia Port in Kolkata on July 16 with 160 TEUs (twenty-foot equivalent units) of goods.

Four TEUs carrying iron and pulse will be transported to Tripura and Assam of India through Akhaura-Agartala land port and Bangladeshi importers brought the rest 156 TEUs for Bangladesh market.

"There are about 100 tonnes of iron and pulse in four containers. These containers will enter India in four lorries from Chattogram port via Akhaura land port," Yakub Sujan Bhuiyan, managing director of Mango Line Ltd and agent of the ship, told The Daily Star.

But he could not confirm when the goods would leave Chattogram port.

"Customs taxation and unloading activities at the port are being hampered due to the rain. It will leave for Akhaura-Agartala land port any time after customs clearance."

The customs authorities have formed a three-member team to ensure safe journey of the containers to the Indian border from the port by road, said Shariful Hasan, joint commissioner of Chattogram Custom House.

Chattogram Custom House will collect seven types of tariffs on Indian goods, as per a letter sent from the foreign affairs



The ship -- MV Shejyoti that is carrying Indian goods for its north-eastern states -- arrived at the outer anchorage of Chattogram port Monday night and berthed at a jetty yesterday.

ministry of Bangladesh to the High Commission of India in Dhaka on July 5.

The charges include Tk 30 for document processing per consignment, Tk 20 per tonne of goods for transshipment, Tk 100 per tonne as security charge, Tk 50 per tonne as escort charge, Tk 100 for other

administrative charges, and Tk 254 per container for scanning. Electric lock and seal fees will be charged as per rules.

The irons in the containers belong to SM Corporation, which will be transported to Jirania in West Tripura and the two other containers of pulse will be transported

by Jain Traders to Karimganj in Assam, according to the shipment documents.

Based on the outcome of the trial run, full-fledged transshipment of Indian goods will start through Bangladesh, according to officials.

READ MORE ON B2

Real economic impact can't be assessed for inadequate Covid-19 tests: experts

STAR BUSINESS REPORT

The business community in Bangladesh has been facing difficulties in taking investment decision because of inadequate testing facilities for detecting coronavirus infections, experts said yesterday.

In absence of adequate testing, the real magnitude of the impact cannot be measured, for which local businesses cannot move fast, they said.

Businesses across the world are opening up gradually as they could take decision based on the detection of actual number of patients. For instance, 600,000 tests are being conducted in the US every day whereas in Bangladesh it is only 12,000.

Exporters, businessmen, economists and researchers shared the thoughts at a webinar on 'Macroeconomic adjustments to the Covid-19 pandemic: considerations for Bangladesh', jointly organised by Oxford Policy Management (OPM) and Policy Exchange yesterday.

Josh Chipman, OPM country manager, gave the welcome remarks while the keynote was presented by Stevan Lee, principal economist. Masrur Reaz, chairman of the Policy Exchange, moderated the discussion.

The keynote paper is based on a dynamic macroeconomic model developed by a team of researchers from Oxford University and Oxford Policy Management that helps to look forward through the pandemic to gauge the medium-term impact and paths to recovery.

The study highlights that recovery depends on how the public finances are restored to sustainability.

Just raising taxes and cutting spending makes for a slow recovery. Tax systems are narrowly based and plagued by 'leakages' and exemptions, which distort private investment and drag down growth.

Fragile systems for delivering public services mean that cuts in investment and productive recurrent spending make things worse, according to a statement from the Policy Exchange.

READ MORE ON B3



Displays had to be propped up with plastic crates at the Chaktai-Khatunganj wholesale market in Chattogram as traders tried to get on with their day amidst flooding caused by incessant rains in the past two days. The photo was taken around noon yesterday.

RAJIB RAHMAN

Prime Bank, Computer Samity join hands to finance SMEs in ICT sector

STAR BUSINESS REPORT

Bangladesh's ICT sector will play an important role in diversifying the country's export basket in the coming days, according to Salman F Rahman, the prime minister's private industry and investment adviser.

"The ICT industry will also push forward the fourth industrial revolution in Bangladesh. Besides, the sector has already begun to adopt the revolution amid the Covid-19 pandemic," he said.

Rahman made these comments during a virtual ceremony held yesterday, where the Bangladesh Computer Samity (BCS) and Prime Bank signed a memorandum of understanding (MoU) on their 'Prime Bank-BCS Alliance to Facilitate MSME Financing to ICT Industry' initiative.

Rahel Ahmed, managing director and chief executive officer of Prime Bank, and BCS President Md Shahidul-Munir then launched the alliance aimed at providing financial solutions to ICT companies.

The move comes as part of the

government's plan to stimulate the growth of small and medium enterprises that create a considerable amount of employment opportunities and put a positive impact on the economy.



Similar support will be extended to the freelancing sector as it has shown potential for gain, Rahman said.

In regards to the IT industry, Rahman said that around 95 per cent of the country's IT entrepreneurs fall under the SME category.

According to the prime minister's adviser, Bangladesh Bank will announce another Tk 2,000 crore package, from which BCS members in the SME sector can avail loans.

However, Rahman urged the BCS to

ensure that its members do not fail to continue their businesses or become defaulters in the process.

Rahman also showed appreciation for the management at Prime Bank and their continued support for the promising sector, which will contribute to employment generation in the future.

Prime Bank CEO Ahmed said that the lender has provided support for various sectors over the past 25 years but is now giving importance to SMEs, including those in the IT industry.

Ahmed also informed that in the last month or so, Prime Bank has disbursed Tk 5 crore from the previously announced stimulus package as loans for SMEs.

"The ICT hardware and accessories industry holds immense potential to become a game changer for Bangladesh's economy. We are so proud that we have been able to form partnerships with key trade associations in the field of ICT and Information Technology Enabled Services (ITES)," said Ahmed.

READ MORE ON B3