

# Old Dhaka's small businesses demand speedy disbursement of stimulus funds

STAR BUSINESS REPORT

Businesses in Old Dhaka yesterday demanded speedy disbursement of the government-announced stimulus package for cottage, micro, small and medium enterprises (CMSMEs).

These entities, thousands of which are located in Old Dhaka, have been struggling to survive on being badly impacted amid the Covid-19 fallout.

The demand came at a virtual meeting organised by the Dhaka Chamber of Commerce and Industry (DCCI) on the current situation of Old Dhaka's businesses.

Some 13 million CMSMEs account for 25 per cent of Bangladesh's GDP and 35.5 per cent of total employment, said Shams Mahmud, the DCCI president, while moderating the event.

Their contribution to export earnings also range from 75 per cent to 80 per cent but the sector has been hit hard by the pandemic while banks are reluctant to disburse loans from the stimulus package.

The CMSMEs sometimes face challenges in access to finance, market linkage, product standardisation, modern technology and training and for a lack of skilled manpower, according to a statement from the DCCI.

Small entrepreneurs still want to pay VAT and tax but they want to avail instalment facility to cope with losses, said Mahmud. "Moreover, we need to find out alternative sources of financing besides banks," he said.

The DCCI plans to sit with the banks to try to figure out the procedures SMEs need to take to be eligible for bank loans from the stimulus package, informed Mahmud.

He also urged the government to announce 2021 as the year of the CMSMEs sector. "We want to come out of this situation. We need SME linked FDI policies to make CMSME



## KEY POINTS

- » Old Dhaka businesses call for speedy disbursement of bailout package
- » They want to pay VAT and taxes in instalments
- » They want to keep shops open till 8pm instead of 7pm
- » Their sales fell **35%** due to pandemic
- » Water logging and traffic congestion affect old Dhaka businesses
- » More than **13m** MSMEs contributing **25%** to GDP and **35.5%** to employment
- » MSMEs' contribution to export earnings is **75-80%**

sector grow further," he added.

Small enterprises come together to create a big conglomerate and large businesses are mostly dependent on SMEs, said Hossain Khaled, managing director of the Anwar Group of Industries.

"We have to create employment

opportunities as it is the main concern now in a country like Bangladesh. Due to the Covid-19 pandemic our sales have come down by 35 per cent, which will have negative ripple effects," he said.

Unbanked SMEs might not be able to benefit from the stimulus, which is a challenge,

he said. "We need to bring the unbanked entrepreneurs in the banking channel," he added.

Terming Old Dhaka the centre of business, he said reducing the cost of doing business was necessary for survival at this time. Making 25 per cent of the government's e-procurements

from CMSMEs should be made mandatory, he emphasised.

"Our manufacturing sector is by and large import based, Khaled said, underscoring the need for easing complex procedures of import.

During this crisis, SME Foundation now should be more active and Bangladesh Bank can introduce a refinancing scheme with a 1.5 per cent to 2 per cent interest rate for the SME sector, he said.

"We were not able to sell any product during this time of pandemic," said Md Alaaddin Malik, president of Local Garments Manufacturers Association.

"This sector has been hit hard. We are also not getting adequate support from banks to get loan from the stimulus package." Dyeing and embroidery traders are linked with this sector so they also need financial aid, he said.

Due to unbearable traffic congestion, Old Dhaka is losing customers day by day, he added, requesting to let shops remain open till 8:00pm instead of 7:00pm.

There are 120 industrial units in Keraniganj BSCIC industrial area and closures prompted many employees to go home, most of whom are yet to come back, said Hossain A Sikder, president of Dhaka Shilpa Malik Samity.

Some 80 per cent of export-oriented industrial units in the BSCIC area are closed due to a lack of demand, he said.

Moreover returnee migrants will put pressure on the existing unemployed workforce. At this time, financial support from the banks will help ease the crisis, he added.

Md Abdur Razzaque, president of Bangladesh Engineering Industry Owners' Association, requested the government to defer VAT and electricity bill payments for a year. This association represents 40,000 members.

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Another day of disappointment begins as day labourers continue to wait patiently lest they miss anyone seeking an extra pair of hands. It was just a handful of times over the past couple of months that they could earn a day's pay of Tk 400 to Tk 500. The photo was taken on DIT Road in the capital's Rampura recently.

SK ENAMUL HAQ

## NBR plans to install more luggage scanners at ports

SOHEL PARVEZ

The customs authority plans to install more luggage scanners at all air and land ports in a bid to curb smuggling and free travellers of the hassle of discretion-based checks at arrival and departure gates.

Initially, 10 luggage scanners and five human body scanners have been slated for purchase while eventually more will be installed to strengthen automated checkpoints and stem the flow of contraband, according to a senior official of the National Board of Revenue (NBR).

"We are considering installing scanners at all customs stations across the country," the official said, adding that the first 15 scanners would likely be bought within the current fiscal year.

Hazrat Shahjalal International Airport in Dhaka, Bangladesh's largest airport, handles around 20,000 travellers on a daily basis with just six luggage scanners while Shah Amanat International Airport in Chattogram



has only four scanners in operation.

Meanwhile Benapole Land Port, the country's most active land port, has two scanners and Osmani International Airport in Sylhet has one.

Related officials said once the new scanners were in place, luggage would be scanned for signs of suspicion before being taken for further examination if needed as opposed to

being manually searched.

Besides, the need to conduct body searches at these ports will decline following the installation of automated scanners at customs areas.

The new machinery will mainly be installed at the Dhaka, Chattogram and Sylhet airports, according to an official.

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## Number of e-GP tenders crosses 4 lakh

STAR BUSINESS REPORT

The number of tenders invited online in Bangladesh has gone past four lakh in an indication of the country's race towards digitalisation.

This is a landmark achievement of the electronic government procurement (e-GP) system introduced by the Central Procurement Technical Unit (CPTU) of the Implementation Monitoring and Evaluation Division, according to a press release. Prime Minister Sheikh Hasina rolled out the e-GP portal in 2011 as part of digitalising public services. Now, the total value of the tenders is Tk 410,000 crore.

E-GP is a web-based system, which encompasses the total procurement lifecycle and records all procurement activities. Its purpose is to maintain complete and up-to-date public procurement system activities of all public agencies as well as provide tender opportunities to all potential tenderers from Bangladesh and abroad.

In 2011, the online tendering was piloted in four large procuring agencies such as the Local Government Engineering Department, the Roads and Highways



Department, the Bangladesh Water Development Board and the Bangladesh Rural Electrification Board.

Building on the success of piloting, the CPTU started implementing the e-GP across the government procuring agencies from 2012.

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## AmCham to award TV, print journo for pandemic efforts

STAR BUSINESS REPORT

Journalists of national dailies and television broadcasting agencies who have put their own lives at risk to keep people informed amidst the ongoing coronavirus crisis will be recognised with an AmCham Frontline Journalism Award for their valiant efforts.

The American Chamber of Commerce in Bangladesh (AmCham) announced launching the award, a joint initiative of the non-profit organisation and Masthead PR, during a virtual conference held yesterday.

To win the award, journalists from national media houses, either print or television, will have to submit their generic or business reports related to the pandemic, which were published anytime between March 1 and August 31, 2020.

However, the reports must focus on either of two perspectives: the pandemic's impact on humanity and general livelihoods or its effect on the business sector. The deadline for submissions is September 6, 2020.

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## Int'l collaboration ensures quality of locally made medical gowns



From left, Workers producing safe gowns at the factory of Snowtex Group in Dhamrai. Gowns made using Japanese technology are being inspected.

JAGARAN CHAKMA

A local garment maker has started manufacturing medical gowns whose quality has been ensured through an international collaboration of public and private entities.

Over 3,000 of these gowns made by Snowtex Group were provided to frontline healthcare workers dealing with the Covid-19 pandemic in Dhaka, Cox's Bazar and Narsingdi yesterday by Japan International Cooperation Agency (Jica).

The collaboration came about under a project aimed at establishing a quality control system for personal protective equipment (PPE).

The Directorate General of Drug Administration (DGDA) is leading the technical working group to establish a quality control

system for PPE.

With global demand for PPE soaring amidst the pandemic, setting the standard was crucial for establishing the acceptability of the product and diversifying the country's exports.

This "technical working group" comprised representatives of World Health Organization, the Bangladesh University of Engineering and Technology, USAID, Jica and Japanese garment inspection company K2.

The group provided intensive monitoring and technical assistance for the gown's production in the past couple of months.

Running business in Bangladesh for over a decade, K2 was engaged by Jica to provide expertise, particularly in the area of physical inspection of PPE, and spearhead hands-on



PHOTO: COLLECTED

training with Snowtex Group.

The quality of the gowns, including the fabric used, is based on the DGDA's strict standards while the final products were inspected thoroughly using leading Japanese technology, said a Jica official.

The initiative will do well to promote the local economy, the official told The Daily Star.

Bangladesh is well known for its huge garment industry, which witnessed a large number of layoffs when the pandemic hit hard.

"I hope this will benefit all – not only health workers and garment factory workers but all the Bangladeshi people – in halting the spread of Covid-19," said Yuho Hayakawa, new chief representative of Jica Bangladesh.

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