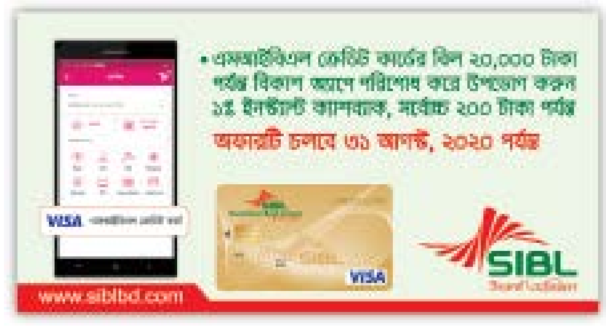
STOCKS		COMMODITIES		ASIAN MARKETS			
DSEX	CSCX	Gold ▲	Oil ▲	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.39%	▲ 0.41%	$1,938.00	$43.59	▼ 0.51%	▼ 0.16%	▼ 0.14%	▲ 0.26%
4,145.38	7,152.47	(per ounce)	(per barrel)	37,934.73	22,715.85	2,575.79	3,205.23

CURRENCIES — STANDARD CHARTERED BANK

	USD	EUR	GBP	CNY
BUY TK	83.95	97.04	106.70	11.76
SELL TK	84.95	100.84	110.50	12.37



Star BUSINESS

DHAKA TUESDAY JULY 28, 2020, *SRABAN 13, 1427 BS* ● starbusiness@thedailystar.net

Fish farmers Tk 220 crore poorer for flood

Sohel Parvez

A deluge of missed calls greeted me as I glanced over my phone in late afternoon on Saturday. They were all from the same unknown number.

Puzzled and perturbed, I called back the number only to be accosted by a muffled, indecipherable voice.

I cut off the line and before long, the phone began ringing. I answered and once again, the voice of the caller was not clear enough for me to understand a word he was uttering. I informed him about the problem and hung up.

But he kept calling for the next few minutes and I let the phone ring.

Five hours later, at about 9 pm, I got a call from a fish farmer, Md Kalu Mia from Bishwanath of northeast district Sylhet, with whom I had spoken to earlier in the day about the effect of the flood on his farm.

The 55-year-old called to inform that a modest fish farmer Azizur Rahman tried to contact me to share his nightmare, hoping I could offer him some help.

"He lost all his investment because of the flood," Mia said.

And that's when I could those incessant phone calls made sense to me: Rahman was desperate. Without further ado, I called back the 26-year-old farmer, who could not sound more crestfallen.

"All my savings have gone. I am totally penniless. It's all finished," said the broken voice.

Over the past three years, he saved up Tk 3 lakh, which he invested to rent five ponds in his locality to grow fingerlings from the spawn of carp fishes.

He would sell the juveniles to carp producers, a venture he hoped would change his fortunes for the better.

SHEIKH NASIR

A fish farm in Bishwambarpur upazila in Sunamganj is inundated with water thanks to flash flood. The aquaculture farmer could not save the fingerlings despite fencing the pond with net. The photo was taken recently.

When the torrent of water burst into his ponds, which were enclosed with nets, there were 10 lakh fingerlings. Now there are none.

"All my efforts and labour have now been washed away. I am a poor man and I now have nothing to start over with," said Rahman, one of the worst victims of the repeated flood that began hitting the country towards the end of last month.

The onrush of water from upstream for heavy rainfall has vanished the distinction between rivers, static wetlands and ponds in many areas in the north and central regions of the country, ruining hopes and aspirations of tens of thousands of farmers producing crops livestock and fish.

The agriculture ministry recently estimated that the first spell of flood destroyed Tk 350 crore crops of food producers.

And as of 26 July, the Department of Fisheries (DoF) estimated Tk 220 crore of losses of freshwater aquaculture farmers, who provided 56 per cent of the total 43 lakh tonnes of fish produced in fiscal 2017-18.

Over the last two decades, aquaculture expanded on a massive scale and pulled more than 20 lakh people out of poverty between 2000 and 2010, according to a study by the International Food Policy Research Institute (IFPRI) last year and DoF.

The agriculture ministry recently estimated that the first spell of flood destroyed Tk 350 crore worth of crops of food producers.

While the plants that were damaged in the fields could not be recovered, the fishes that escaped the ponds amid the outgushing of water would not be lost ultimately.

"These fishes will be in the open water bodies. Hence, there will be no loss from the national perspective. It is only the aquaculture farmers who will have to bear the losses themselves," said DoF Deputy Director Aquaculture Serajur Rahman.

DoF data showed that nearly 30,000 farmers, having 35,000 fish farms, were affected by the flood as of July 25.

And the number of losers and the amount of losses of growers are racing ahead every day as major rivers are flowing above the danger level, submerging districts in the northwest, northeast, central Bangladesh.

A large number of farmers there grow fish for livelihood.

Until 25 July, the water level in rivers in 18 districts was flowing above the danger level submerging low-lying areas, according to the special flood situation report by the disaster management and relief ministry.

"This is the first time in my 20 years of farming that floodwater came and washed away my entire investment," said Nawshad Ali, a farmer from Sylhet's Bishwanath, a flood affect sub-district.

Ali has a 14-bigha pond that he enclosed with a net. The net was of no use against the might of the cascading water.

"There was such a rush of water," he said, adding that Tk 600,000 worth of fish might have gone out of the pond.

Badal Chandra, a farmer from Dewanganj of northern district Jamalpur, had a different experience to share.

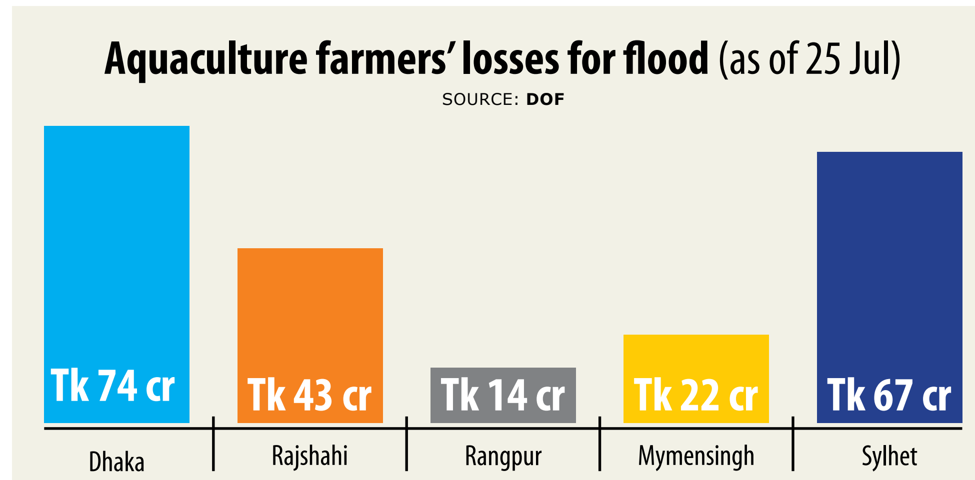
The grown-up carps escaped his pond as the rising water level narrowed the height of the more than five-foot net he used around the enclosure to protect his farm.

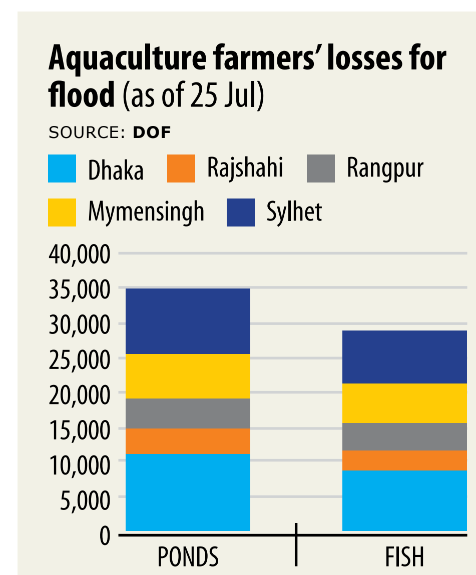
A large number of grown-up fish have jumped over the net.

"It really is a very worrying situation. The tide comes suddenly, so we have to remain alert day and night," said Chandra, who lives on the bank of the Jamuna river.

Ariful Islam, a fish farmer at Nageshwari of the northern bordering district Kurigram, said the repeated flood has not only affected his farms but also dampened the prospect of selling fingerlings as no farmer wanted to invest amid the risk of flood.

READ MORE ON B2





Bonus disbursement not up to the mark

Garment sector acts as saving grace

Refayet Ullah Mirdha

The owners of many companies in Bangladesh's 42 various industrial, manufacturing and service sectors failed to provide their workers with festival bonuses for Eid-ul-Azha by yesterday, the stipulated deadline to disburse the annual allowance.

During a meeting last week, featuring government officials, union leaders and factory owners, it was decided that the Eid bonuses for workers of 42 different sectors would be disbursed by 27 July while at least 50 per cent their salaries for the month would be paid on 30 July.

The meeting also reached the consensus that employees should be urged to remain near their workplaces over the three-day Islamic celebration in a bid to prevent the spread of coronavirus.

"It is true that not all of the factories and companies could pay the bonus in a timely manner. However, the majority of them did keep to their commitments," said Fazlul Haque Montoo, president of Sramik Karmachari Okiya Parishad (SKOP), the country's top trade union.

Besides, there are many micro, small and medium-scale firms that are financially incapable of disbursing bonuses at the moment due to the coronavirus fallout, said Montoo, who was present at the meeting chaired by Begum Monnujan Sufian, the state minister for labour and employment.

Some of the remaining organisations could pay the bonuses within the next two or three days, he said.

Meanwhile, the progress of bonus disbursement in the garment sector seems adequate so far as about 74 per cent of the factories have released the fund in a timely manner.

Certain small-scale garment factories could face difficulty in disbursing festival bonuses as well as salaries as in previous years, said Sirajul Islam Rony, a former representative for employees on the minimum wage board for garment workers.

"We expect the remaining 26 per cent to pay the allowance within the next two to three days," said Khan Monirul Alam Shuvo, chairman of the PR Standing committee of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The majority of the knitwear factories have disbursed bonuses in line with in mutual understanding between the workers and management, said Mohammad Hatem, vice president of the Bangladesh Knitwear Manufacturers and Exporters Association.

As of yesterday, there were no untoward incidents reported in regards to not paying bonuses.

"That indicates that the payment rate was high yesterday," Hatem told The Daily Star over the phone.

Shibnath Roy, inspector general of the Department of Inspection for Factories and Establishments (DIFE), endorsed Hatem's comments.

READ MORE ON B2

Reckitt Benckiser profits off people's heightened hygiene habits amid pandemic

Ahsan Habib

Reckitt Benckiser Bangladesh witnessed robust growth in sales and profits in the pandemic-ravaged first half of 2020 on the back of higher sales of hygiene products.

Profits of the local subsidiary of the Anglo-Dutch multinational consumer goods soared 54.28 per cent to Tk 27.17 crore in the first half.

Between January and June, sales grew 28.87 per cent year-on-year to Tk 258.57 crore.

"Our profits and sales grew in the quarter as the demand of some of our products were high," said Md Nazmul Arefin, company secretary of Reckitt Benckiser Bangladesh.

Reckitt Benckiser, which got listed in the Dhaka Stock Exchange in 1987, joined the group of the multinational companies listed with the DSE that made a profit despite the pandemic.

British American Tobacco's profit grew a whopping 69 per cent in the second quarter of 2020 on the back of lower operating costs.

Indian fast-moving consumer goods company Marico Bangladesh's net profit increased by 17 per cent to Tk 99.66 crore in the April-June quarter.

Reckitt Benckiser's earnings per share, subsequently, rose 54.26 per cent to Tk 57.51 in the first half and 53.39 per cent to Tk 33.47 in the second quarter.

The news though failed to cheer the market. The company's stock traded 2.34 per cent lower at Tk 3,572 yesterday.

"Stock investors knew that Reckitt Benckiser's profitability is higher during the pandemic because the multinational company's top-selling products are hygiene-related," said a top official of a leading stockbroker.

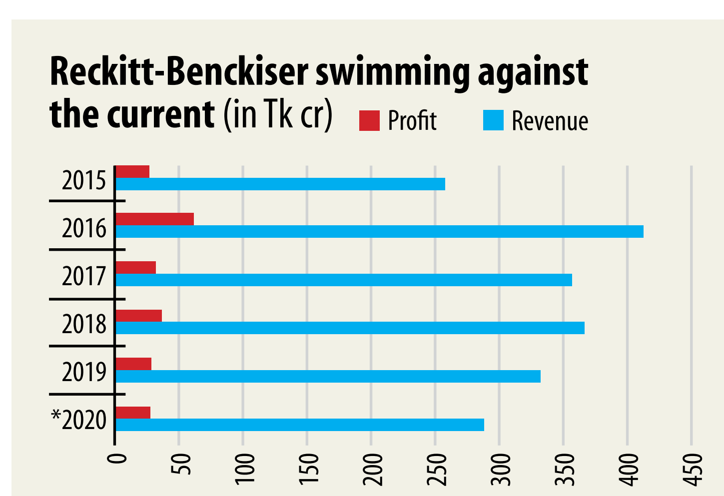
Incorporated in Bangladesh in 1961, the company is engaged in manufacturing and marketing household and toiletries sanitisation products, pharmaceuticals and food products.

Its brands include Finish, Lysol, Veet, Dettol, Air Wick, Durex, Mortein, Strepsils, Woolite, Vanish and Harpic. In Bangladesh, the most popular product of Reckitt Benckiser was soap and Dettol.

In 2019, Reckitt Benckiser widened its market shares in the bar soap category and is holding the top position in the toilet cleaner category.

Owing to the pandemic, the company sees quite a few short-term challenges, such as supply chain disruptions, the volatility of international trade and currencies markets, general economic downturn across the world and Bangladesh impacting consumer confidence and affecting consumption patterns.

READ MORE ON B2



Indian transhipped goods to pay Tk 2 a tonne in road fee

Rejaul Karim Byron

Dhaka has decided to charge Tk 2 per tonne per kilometre in road usage fees for Indian goods that would be transshipped using Bangladesh's territory, officials said.

New Delhi has not consented to the proposal of the communications ministry of Bangladesh yet and has rather requested Dhaka to slash the rates.

The road fee issue surfaced as India's first-ever trial run of transshipment of goods to its north-eastern states through the Chattogram port and Akhaura land port completed this month.

A vessel called MV Sejuti left Kolkata on 14 July and reached Chattogram sea-port on 21 July.

Its cargo of lentils and rods were loaded on four trailer trucks. The trailers carrying the goods reached Akhaura land port the following day. The goods were then loaded into Indian trailers that carried them further inland.

MV Sejuti contained goods weighing 160 TEUs (twenty-foot equivalent units). Four TEUs carrying iron and pulse were transported to Tripura and Assam and Bangladeshi importers brought the rest.

Chattogram Custom House collected seven types of tariffs on Indian goods.

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.

Road fees were not be charged for the trial run.

One or two more consignments would make a trip to India's north-eastern states this year using Bangladeshi soil on a trial run before full-fledged transshipment begins.

After the trial run, officials from two sides would sit to finalise the road fee, said a shipping ministry official.

The transshipment is being carried out using Bangladeshi vehicles, both on riverways and road network. The trial was supposed to start in March but got delayed due to the pandemic.

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

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 seaports 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.

READ MORE ON B2

S ALAM GROUP

S Alam Group has donated 50 pieces of high flow nasal cannula to 6 hospitals for the treatment of Covid-19 affected patients of the country. Barrister Biplob Barua, prime minister's special assistant; Md Akiz Uddin, personal secretary to the chairman of S Alam Group; Tanveer Ahmad, member of S Alam family and director of Islami Bank Bangladesh Ltd; Farhad Uddin Hasan Chowdhury, registrar; Aktar, director of Dhaka Medical College and Hospital; Md Abul Hasnat Joarder, director of Bangabandhu Sheikh Mujib Medical University; Brigadier General Kazi Md Rashid-Un-Nabi, director; and Md Alimuzzaman Khan of Sir Salimullah Medical College Hospital; Md Shahadat Hossain, vice principal of Shaheed Suhrawardy Medical College and Hospital; AKM Sarwarul Alam, director of Kuwait Bangladesh Friendship Government Hospital; Monjurul Haque, assistant professor of Mugda Medical College and Hospital, took part in the hand over programme on July 26.

Gold hits record high as US-China ties worsen

REUTERS, *Tokyo*

Gold hit an all-time high on Monday as tit-for-tat consulate closures in China and the United States rattled investors, boosting the allure of safe haven assets, although sentiment was mixed with tech gains supporting some Asian stocks.

MSCI's ex-Japan Asia-Pacific index rose 1.3 per cent as Taiwan's TSMC, Asia's third-largest company by market capitalisation, rose almost 10 per cent.

The chipmaker's gains boosted other tech stocks in the region and came after rival Intel signalled it may give up manufacturing its own components due to delays in new 7 nanometer chip technology.

Also soothing sentiment, Chinese shares eked out gains after big falls late last week, with CSI300 index rising 0.5 per cent.

S&P500 futures were last up 0.4 per cent in choppy trade while Japan's Nikkei fell 0.5 per cent, resuming trade after a long weekend and catching up with falls in global shares late last week. Global shares had lost steam last week after Washington ordered China's consulate in Houston to close, prompting Beijing to react in kind by closing the U.S. consulate in Chengdu.

U.S. Secretary of State Mike Pompeo took fresh aim at China last week, saying Washington and its allies must use "more creative and assertive ways" to press the Chinese Communist Party to change its ways.

"U.S. President (Donald) Trump used to say China's President Xi Jinping is a great leader. But now Pompeo's wording is becoming so aggressive that markets are starting to worry about further escalation," said Norihiro Fujito, chief investment strategist at Mitsubishi Securities.

Gold rose 1.0 per cent to a record high of $1,920.9 per ounce , surpassing a peak touched in September 2011, as Sino-U.S. tensions boosted the allure of safe haven assets, especially those not tied to any specific country.

The yellow metal is also helped by aggressive monetary easing adopted by many central banks around the world since the pandemic plunged the global economy into a recession.

Global prospects dim for China's tech champions as great powers clash

REUTERS, *Shanghai*

Huawei Technologies' founder Ren Zhengfei's global ambitions are marked in bricks and mortar at a new company campus in southern China, where the buildings are replicas from European cities.

Zhang Yiming, founder of ByteDance, the operator of short video app TikTok, has plastered his Beijing headquarters with posters including a cover of former Google CEO Eric Schmidt's book "How Google Works", and has long said he will build a global firm that can compete with U.S. tech giants.

But the two companies which best exemplify China's ambitions to challenge U.S. tech dominance are now stymied by strains in relations between China and countries including the United States, India, Australia and Britain.

Chinese companies with world-beating technology -- including drone-maker DJI, artificial intelligence firms Megvii, SenseTime and iFlytek, surveillance camera vendor Hikvision and e-commerce conglomerate Alibaba Group -- are also among those losing access to markets.

Smaller companies are being forced to re-think too.

"What we are experiencing now is unprecedented," said a Chinese startup founder who has operations in the United States and India but asked not to be identified as he is now considering walking away. "My entrepreneurial spirit has been dampened due to all this, let alone global ambitions." It's a big shift from even a year ago, when the U.S.-led trade war with China and security concerns about Huawei were having little impact on most Chinese tech champions.

SenseTime and Megvii, backed by U.S. investors, were eyeing big IPOs. ByteDance's TikTok unit was enjoying unfettered global growth. Alibaba was touting the global prospects for its cloud business, and DJI was consolidating domination of the drone business.

But then came new U.S. sanctions against Chinese tech firms last October, prompted in part by repression of the Muslim Uighur population in the Western province of Xinjiang.

U.S. President Donald Trump has ratcheted up anti-China rhetoric as he seeks re-election and Chinese President Xi Jinping has taken a tough line. Tensions have also risen between Beijing and other countries over new security laws passed for Hong Kong, and a border skirmish with Indian troops led to an India government ban on 59 Chinese apps.

Now China's top tech players are having contracts cancelled, products banned and investments blocked, with more restrictions on the horizon.

ByteDance could be forced to sell TikTok as Washington considers following India in banning the short video app, a global product that analysts say is worth at least $20 billion.

Huawei is set to lose billions of dollars a year in revenue from bans on its network equipment, and more countries could follow the United States, Britain and others in blocking the company's gear.

The U.S. Interior Department has grounded the privately held DJI's fleet and halted additional purchases because of data security risks, and more restrictions could be in the offing.

Pandemic turns Europe's retail sector on its head as shoppers stay close to home

REUTERS, *Lisbon*

City centre shops and malls may have lost their lustre during the COVID-19 pandemic, but as lockdowns ease across Europe many stores in and around residential areas stand to benefit as consumers remain reluctant to venture far from home.

While retail sales appear to be rebounding - surging 17.8 per cent in the euro zone in May and approaching pre-lockdown levels in Britain in June - shoppers are increasingly staying local, leaving Europe's most renowned shopping districts from London's West End to Berlin's Kurfürstendamm struggling in the absence of office workers and tourists.

On Germany's main shopping streets in Hamburg, Cologne and Berlin, footfall in June was as much as 50 per cent lower than a year earlier, according to the German Retail Federation, while in London's West End it was down 75 per cent, according to the New West End Company, an association of retailers and landlords in the area.

Many consumers have shifted to buying goods online, but they are also heading out to shops in residential areas and 46 per cent of consumers across Europe aim to shop more locally in the long term than they did before the pandemic, data from Ernst & Young shows.

The trend could mean a significant shift in earnings patterns for major European retail landlords such as Unibail-Rodamco-Westfield, Klepierre, and Carmila with their mix of city centre and suburban shopping malls.

Germany's ECE operates nearly 200 shopping centres across Europe and told Reuters that centres in areas with a local customer base are approaching pre-lockdown footfall levels - whereas city-centre locations were serving just two thirds of their usual customer base.

In Britain, shoppers are buying local not just for convenience goods, but other items such as clothes which they would usually buy on a day out in the centre of town, said Jonathan de Mello of retail consultancy Harper Dennis Hobbes. "People are being very careful about where and how many times they shop," he said.

Half of Britons in a YouGov survey of 1,032 people said they would now feel uncomfortable visiting an enclosed retail space like a shopping mall.

"What was once a fabulous shopping experience at a central location is now actually just a place full of risk," said Andrew Cosgrove, global consumer lead analyst at Ernst & Young.

At retail locations in central London and bigger UK cities footfall between 14 June and 12 July was between 69.2 per cent and 75 per cent lower than the same period last year, according to analytics firm Springboard.

Local high streets in smaller towns saw a 42.1 per cent drop and suburban outer London a drop of 40 per cent - around a third better than central London fared, if still a substantial loss on last year.

The loss of city centre business has already prompted big retailers to retrench, notably in Britain where Marks & Spencer and John Lewis among others have announced store closures and hefty lay-offs.

Some smaller retail chains that were struggling before the pandemic have collapsed, while mall operator Intu Properties, owner of Manchester's Trafford Centre and already battling high debt, was forced to bring in administrators.

In France, Denmark, Germany, Finland, Norway, Sweden and the UK at least 40 per cent of people are visiting physical stores less, according to Ernst & Young - and only 20-35 per cent are ordering more online, not enough to make up the shortfall. A recent rebound in sales as lockdowns have eased has also not been as robust as retailers might have hoped for.

Springboard estimates that in the week beginning July 6, overall footfall at retailers across continental Europe remained around a fifth below the same week a year ago, and 40 per cent lower in the UK, according to data shared with Reuters.

Fashion and footwear are the hardest-hit retailers, with spring and, in some countries, summer collections gone to waste in lockdown. Clothing and footwear sales surged 70 per cent in Britain in June from May but remained 35 per cent below pre-pandemic levels, data released on Friday showed.

In countries like Spain and Portugal still facing partial or regional lockdowns, due to localised coronavirus outbreaks, movement around retail and recreation spaces such as shopping centres as well as restaurants and cafes remains 20 per cent below pre-lockdown levels, Google mobility data shows.

REUTERS/FILE

A store worker walks with an equipment, amid the spread of the coronavirus disease in Oxford Street in London, Britain.

Fish farmers Tk 220 crore poorer for flood

FROM PAGE B1

"My investment has been stuck as I cannot sell the juvenile fishes," he said.

Bishwanath's Kalu Mia had a similar account.

"Now we are in a state of idleness. The flood has not only eaten up part of my investment but also affected the sales of fingerlings," said Mia, who grows fingerlings from the spawn of carp fishes.

What's worse, they had to spend more on spawns this year as the transport costs had escalated for the coronavirus-induced countrywide general shutdown.

Mia went on to urge the government for support for fish growers such that they can bounce back from the losses stemming from the pandemic, the recent cyclone Amphan and the ongoing flood.

Contacted, Fisheries and Livestock Secretary Rawnak Mahmud said fisheries officers are advising farmers to collect nets to build fences around their farms for protection.

"We are monitoring the damages done by floods by fisheries officials. I have no record so far that fish farms have been washed away," he said, adding that the government would take care of the farmers if they suffered losses for the unusual situation.

The government is working to provide relief to the affected areas.

"But the issue of losses of fish farmers has not arisen on a large scale anywhere. That is why we are to yet to think about the matter."

On providing support to cyclone Amphan-affected farmers, the MoFL secretary said they have tried to provide input support to the growers.

The DoF prepared a list of farmers affected by the cyclone and has submitted it to the ministry of fisheries and livestock (MoFL).

The MoFL is trying to ensure that the affected aquaculture farmers can get access to funds from the Tk 5,000 crore-stimulus package announced by the Bangladesh Bank earlier in April for growers to help them recover from the pandemic-induced economic shock.

Funds from the package would come at 4 per cent interest.

The DoF estimated that more than 39,000 farmers suffered nearly Tk 400 crore in losses thanks to the cyclone Amphan in May. Kurigram's farmer Islam and Sylhet's Ali said easy access to the low-cost loans would enable them to reinvest and recover from the outsize damages.

While the central bank has issued a notice for flood-affected farmers, including crop and livestock producers, Bishwanath's fish farmer Rahman has no idea how to avail the loan facility.

"I do not understand this (loans from the bank). I do not know where to go and how to proceed," said the flood-affected farmer over the phone on Saturday night.

Alibaba, Jack Ma summoned by Indian court on former employee's complaint

REUTERS, *New Delhi*

An Indian court has summoned Alibaba and its founder Jack Ma in a case in which a former employee in India says he was wrongfully fired after objecting to what he saw as censorship and fake news on company apps, documents seen by Reuters showed.

The case comes weeks after India cited security concerns in banning Alibaba's UC News, UC Browser and 57 other Chinese apps after a clash between the two countries' forces on their border.

Following the ban, which China has criticized, India sought written answers from all affected companies, including whether they censored content or acted for any foreign government.

In court filings dated July 20 and previously not reported, the former employee of Alibaba's UC Web, Pushpandra Singh Parmar, alleges the company used to censor content seen as unfavourable to China and its apps UC Browser and UC News showcased false news "to cause social and political turmoil".

Bonus disbursement not up to the mark

FROM PAGE B1

His field level officers have been monitoring the progress of bonus payment.

"We have so far seen good progress in disbursements," Roy told The Daily Star without going into specifics on the percentage of bonus paid.

"However, it is our expectation that all management will complete disbursements within the next two or three days," Roy said, adding that by the end of the final day of Eid, only two to three small factories might have failed to pay bonuses, which is a yearly occurrence.

Reckitt Benckiser profits off people's heightened hygiene habits amid pandemic

FROM PAGE B1

Sourcing of raw materials has been a problem because of the global lockdown but the company has had a stock of enough raw materials to produce products for Bangladesh, Arefin said.

"We maintain a level of stock in our company all the time," he told The Daily Star.

Like others, Reckitt Benckiser faced challenges to market products during the pandemic-induced shutdown. However, it managed to keep the supply smooth, Arefin said. The huge demand for hygiene products may peter out once an effective virus to treat the virus is available, the company secretary said.

"However, some people have become used to using hygiene products and they would continue to do so."

Making home ownership viable

FROM PAGE B4

In response to the assault of covid-19, our Prime Minister showed her sagacity in promptly announcing a stimulus package to support the economy. Soon, there were demands from different trade bodies and associations, seeking fiscal support for their respective sectors.

I will not comment on matters relating to other sectors but I will qualify my views relating to the real estate industry. I am totally against providing any kind of financial support, be it in the form of interest waivers or new loans on low interest rates to inept developers who have run into financial distress on account of their own greed and incompetence.

This will only give a wrong signal that it is okay to be irresponsible and incompetent because you would eventually get bailed out. These are the developers who created havoc in the industry by offering very high rates to landowners and sign innumerable deals without any regard to the financial viability of the projects.

Bailing them out would be harmful to the real estate sector. These shoddy developers also bring untold misery to the unsuspecting buyers who get lured in by fancy advertising and colourful brochures only to find that with any turbulence in the market, the developer has indefinitely delayed the completion of the project, or in some cases, abandoned it completely.

Such malpractice gives the entire industry a bad name and destroys the buyers' confidence.

The objective of the government's policies should be to make the market strong and vibrant. Not to bail out non-performing developers. Policies should be directed at making home ownership affordable and investment in housing to be a financially lucrative proposition.

There is an old proverb, 'you can't have your cake and eat it too'. This applies to our policy makers when it comes to housing. Do you want to make it possible for the maximum number of people to own homes and the housing industry to prosper, or do you want to maximize government revenue by imposing direct and indirect taxes that makes home ownership unaffordable? You cannot have it both ways.

The writer is the chairman of bti Holdings Ltd

China to fast-track construction of its economic zone in Ctg

FROM PAGE B4

Basically, Chinese investors are interested in Bangladesh as they want to take advantage of the country's competitiveness in global trade, such as its eligibility for low tariffs, he said.

"We should introduce long-term policies so that investors can take initiatives about investment. This is also needed to attract foreign direct investment," Chowdhury noted.

He said foreign investors have no question regarding the existing policies in Bangladesh but they want those to be stable.

The policy stability issues, including those on taxes and custom duties, were pointed out by a visiting Chinese delegation in November 2019. They stated to be happy with the existing rules and regulations for businesses.

Policy stability was needed to help investors prepare their business plan and avoid uncertainties as the world's second-largest economy looked to broaden its footprint in Bangladesh through investments and relocating factories, they said.

Indian transhipped goods to pay Tk 2 a tonne in road fee

FROM PAGE B1

KOLKATA-ASHUGANJ-AKHAURA RIVER ROUTE

India's long-cherished idea of transhipment became a reality on 19 June 2016, when trucks carrying Indian goods reached Tripura from Ashuganj port under the river protocol.

Much has not progressed, however, as only 17 consignments went to Tripura through Akhaura from the Ashuganj river port because the proposed inland container port in Ashuganj and the four-lane road project from Ashuganj to Akhaura has not completed yet.

In 2016, three consignments were delivered under the arrangements, carrying 4,030 tonnes of products. Bangladesh earned Tk 11.80 lakh in fees.

The following year, 1,600 tonnes of goods went to Tripura and Tk 4.92 lakh was earned.

In 2018, 6,642 tonnes of goods were transported to Tripura and 4,500 tonnes the following year. So far this year, 3,000 tonnes were ferried, allowing Bangladesh to earn Tk 19 lakh, Tk 5 lakh and Tk 2.5 lakh respectively.

The government has undertaken a project to build the river port and four-lane road network with financing from India. The project is being delayed by the complexities related to land acquisition.

India has provided three lines of credit worth $7.5 billion to Bangladesh, and a majority of the money is meant to develop the infrastructure needed for the connectivity through Bangladesh.

LankaBangla™ FINANCE

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
(UN-AUDITED)
AS AT AND FOR THE HALF-YEAR ENDED 30 JUNE 2020

LANKABANGLA FINANCE LIMITED
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Separate Balance Sheet

As at 30 June 2020

	Amount in Taka	
	30.06.2020	31.12.2019
PROPERTY AND ASSETS		
Cash	**462,257,432**	**877,497,557**
Cash in hand (including foreign currencies)	719,728	539,748
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	461,537,705	876,957,809
Balance with other banks and financial institutions	**5,438,654,539**	**7,011,942,991**
Inside Bangladesh	5,438,654,539	7,011,942,991
Outside Bangladesh	-	-
Money at call and short notice	-	-
Investment	**2,992,662,245**	**2,393,868,418**
Government securities	685,415,729	-
Other investments	2,307,246,516	2,393,868,418
Leases, loans and advances	**57,429,015,000**	**60,662,461,499**
Loans, cash credit and overdraft etc.	57,429,015,000	60,662,461,499
Bills discounted and purchased	-	-
Fixed assets including land, building, furniture and fixtures	**1,671,129,028**	**1,762,461,900**
Other assets	**6,379,239,556**	**6,473,187,859**
Non-Banking assets	-	-
TOTAL PROPERTY AND ASSETS	**74,372,957,800**	**79,181,420,224**
LIABILITY AND SHAREHOLDERS' EQUITY		
Liabilities		
Borrowings from Bangladesh Bank, other banks and financial institutions	**13,819,189,885**	**15,613,095,652**
Deposits and other accounts	**43,174,714,026**	**46,894,962,510**
Current deposits and other accounts	-	-
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	43,034,599,300	46,750,813,434
Bearer certificate of deposits	-	-
Other deposits	140,114,726	144,149,076
Other liabilities	**7,279,100,848**	**6,655,430,108**
TOTAL LIABILITIES	**64,273,004,759**	**69,163,488,270**
Shareholders' Equity	**10,099,953,041**	**10,017,931,954**
Paid up capital	5,131,796,410	5,131,796,410
Statutory reserve	1,799,133,657	1,762,635,872
Retained earnings	2,262,509,404	2,116,518,264
Revaluation reserve for investment in subsidiaries	906,513,570	1,006,981,408
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**74,372,957,800**	**79,181,420,224**
Net asset value per share-(NAV)	**19.68**	**19.52**
OFF-BALANCE SHEET ITEMS		
CONTINGENT LIBILITIES		
Acceptances and endorsements	-	-
Letter of guarantee	-	-
Irrevocable letters of credit	-	-
Bill for collection	-	-
Other contingent liabilities	-	-
TOTAL CONTINGENT LIBILITIES	-	-
OTHER COMMITMENTS		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	1,208,950,000	1,694,989,350
TOTAL OTHER COMMITMENTS	**1,208,950,000**	**1,694,989,350**
TOTAL OFF BALANCE SHEET ITEMS	**1,208,950,000**	**1,694,989,350**

sd/- Director sd/- Director sd/- Managing Director sd/- Company Secretary sd/- Chief Financial Officer

27 JULY 2020

Separate Profit and Loss Account

For the period ended 30 June 2020

	Amount in Taka			
Operating Income	YTD June 2020	YTD June 2019	Apr-Jun 2020	Apr-Jun 2019
Interest income	3,979,693,281	4,640,964,176	1,930,494,659	2,365,075,037
Less : Interest expenses on deposits & borrowings	3,075,924,357	3,426,868,151	1,486,806,029	1,740,014,564
Net interest income	**903,768,924**	**1,214,096,025**	**443,688,630**	**625,060,473**
Income from investment	60,375,936	201,920,539	27,770,458	34,054,235
Commission, exchange and brokerage income	-	-	-	-
Other operational income	217,564,298	291,385,653	83,833,513	148,650,336
Total operating income	**1,181,709,158**	**1,707,402,217**	**555,292,601**	**807,765,045**
Operating Expenses				
Salary and allowances	458,911,204	503,020,027	219,146,107	253,678,736
Rent, taxes, insurance, electricity etc.	15,767,383	20,701,449	8,866,697	9,495,073
Legal and professional fees	9,480,785	7,240,020	5,498,487	5,599,938
Postage, stamp, telecommunication etc.	8,719,260	9,941,923	4,100,046	5,501,498
Stationery, printing, advertisement	11,271,587	16,727,654	7,057,535	10,485,628
Managing director's salary and allowance	7,738,123	7,738,123	3,869,521	3,869,521
Director fees and expenses	-	312,800	-	193,200
Audit fees	316,250	316,250	158,125	158,125
Repairs, maintenance and depreciation	143,022,714	155,316,642	69,602,481	72,079,758
Other expenses	142,775,332	182,497,920	58,535,501	109,041,714
Total operating expenses	**798,002,638**	**903,812,807**	**376,834,500**	**470,103,192**
Net Operating Income	**383,706,521**	**803,589,410**	**178,458,101**	**337,661,853**
Provisions for loans, investments and other assets	**154,522,044**	**349,186,030**	**68,018,891**	**126,322,175**
Provisions for leases and loans	(103,020,850)	300,162,431	(25,034,840)	118,068,486
Provision for diminution in value of investments	257,542,894	49,023,599	93,053,731	-
General provision for other assets	-	-	-	8,253,689
Profit before tax and reserve	**229,184,476**	**454,403,380**	**110,439,210**	**211,339,677**
Provision for tax	**46,695,552**	**61,823,182**	**27,545,814**	**29,774,625**
Current tax	46,695,552	61,823,182	27,545,814	29,774,625
Deferred tax	-	-	-	-
Net profit after tax	**182,488,925**	**392,580,198**	**82,893,396**	**181,565,052**
Appropriations	**36,497,785**	**78,516,040**	**16,578,679**	**36,313,010**
Statutory reserve	36,497,785	78,516,040	16,578,679	36,313,010
General reserve	-	-	-	-
Retained surplus	**145,991,140**	**314,064,159**	**66,314,717**	**145,252,042**
Earnings Per Share- (EPS) (Resated 2019)	**0.36**	**0.76**	**0.16**	**0.35**

sd/- Director sd/- Director sd/- Managing Director sd/- Company Secretary sd/- Chief Financial Officer

27 JULY 2020

Separate Statement of Cash Flows

For the period ended 30 June 2020

	Amount in Taka	
	YTD June 2020	YTD June 2019
A) Cash flows from operating activities		
Interest received	3,979,956,196	4,697,001,956
Interest paid	(3,202,168,711)	(3,320,494,168)
Dividend received	13,147,518	43,162,800
Fees and commission received	136,870,907	197,100,772
Income from investment	40,033,266	41,680,143
Cash paid to employees (including directors)	(431,204,530)	(457,330,845)
Cash paid to suppliers	(45,817,167)	(38,622,751)
Income taxes paid	(27,400,480)	(42,979,325)
Received from other operating activities	80,318,138	94,219,150
Paid for other operating activities	(152,797,421)	(251,925,118)
Cash generated from operating activities before changes in operating assets and liabilities	**390,937,716**	**961,812,615**
Increase/(decrease) in operating assets & liabilities:		
Loans and advances to customers	3,378,049,314	(1,911,677,945)
Other assets	18,850,121	(40,671,146)
Deposits from customers	(3,720,248,484)	(1,910,557,128)
Other liabilities	372,069,701	(287,217,844)
Total Increase/(decrease) in operating assets & liabilities	**48,720,652**	**(4,150,124,064)**
Net cash flows from /(used in) operating activities	**439,658,367**	**(3,188,311,449)**
B) Cash flows from investing activities		
Investment in securities	78,373,672	77,948,028
Net proceeds/(payments) for sale/ purchase of Treasury bills	(674,005,600)	-
Purchase of fixed assets	(43,036,015)	(112,115,874)
Sales proceeds of fixed assets	3,172,459	83,400
Investment in discretionary corporate fund	8,248,230	(204,272,515)
Investment in subordinated bond	-	(800,000,000)
Net cash flows from /(used in) investing activities	**(627,247,254)**	**(1,038,356,961)**
C) Cash flows from financing activities		
Receipt of term loan, overdraft and REPO	(1,736,995,256)	3,613,128,752
Payment of lease liabilities-Vehicles	(2,201,464)	(1,959,971)
Payment of lease liabilities-Office premises	(61,663,382)	(53,352,718)
Dividend paid	(77,849)	(682,679,793)
Net cash flows from/(used in) financing activities	**(1,800,937,951)**	**2,875,136,271**
D) Net increase/(decrease) in cash & cash equivalents	**(1,988,526,838)**	**(1,351,532,139)**
E) Effect of exchange rates on cash and cash equivalents	**(1,739)**	**702**
F) Cash and cash equivalents at the beginning of the period	**7,889,440,548**	**7,708,339,668**
G) Cash and cash equivalents at the end of the period	**5,900,911,971**	**6,356,808,230**
*** Closing cash and cash-equivalents**		
Cash in hand (including foreign currencies)	719,728	454,695
Balance with Bangladesh Bank and its agent bank (s)	461,537,705	1,002,759,207
Balance with other banks and financial institutions	5,438,654,539	5,353,594,328
	5,900,911,971	**6,356,808,230**
Net Operating Cash Flows Per Share - (NOCFPS) (Resated 2019)	**0.86**	**(6.21)**

sd/- Director sd/- Director sd/- Managing Director sd/- Company Secretary sd/- Chief Financial Officer

27 JULY 2020

Separate Statement of Changes in Equity

For the period ended 30 June 2020

Particulars	Share Capital	Share money deposit for right issue	Statutory Reserve	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 01 January 2020	**5,131,796,410**	-	**1,762,635,872**	**1,006,981,408**	**2,116,518,264**	**10,017,931,954**
Items involved in changes in equity						
Net profit for the year	-	-	-	-	182,488,925	182,488,925
Appropriation to statutory reserve	-	-	36,497,785	-	(36,497,785)	-
Increase/(decrease) in revaluation reserve	-	-	-	(100,467,838)	-	(100,467,838)
Balance as at 30 June 2020	**5,131,796,410**	-	**1,799,133,657**	**906,513,570**	**2,262,509,404**	**10,099,953,041**
Balance as at 01 January 2019	**5,131,796,410**	-	**1,615,433,348**	**1,292,216,603**	**2,297,477,627**	**10,336,923,987**
Items involved in changes in equity						
Net profit for the year	-	-	-	-	392,580,198	392,580,198
Appropriation to statutory reserve	-	-	78,516,040	-	(78,516,040)	-
Increase/(decrease) in revaluation reserve	-	-	-	(135,899,836)	-	(135,899,836)
Cash dividend (15%)	-	-	-	-	(769,769,462)	(769,769,462)
Balance as at 30 June 2019	**5,131,796,410**	-	**1,693,949,387**	**1,156,316,768**	**1,841,772,324**	**9,823,834,888**

27 JULY 2020 sd/- Director sd/- Director sd/- Managing Director sd/- Company Secretary sd/- Chief Financial Officer

Consolidated Balance Sheet

As at 30 June 2020

	Amount in Taka	
PROPERTY AND ASSETS	30.06.2020	31.12.2019
Cash	**462,597,754**	**877,735,689**
Cash in hand (including foreign currencies)	1,060,050	777,880
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	461,537,705	876,957,809
Balance with other banks and financial institutions	**6,900,517,567**	**8,332,124,314**
Inside Bangladesh	6,900,517,567	8,332,124,314
Outside Bangladesh	-	-
Money at call and short notice	-	-
Investment	**5,969,432,008**	**5,392,515,912**
Government securities	685,415,729	-
Other investments	5,284,016,279	5,392,515,912
Leases, loans and advances	**61,166,661,460**	**65,117,083,059**
Loans, cash credit and overdraft etc.	61,166,661,460	65,117,083,059
Bills discounted and purchased	-	-
Fixed assets including land, building, furniture and fixtures	**2,739,525,744**	**2,861,198,566**
Other assets	**1,837,483,281**	**1,782,294,566**
Non-Banking assets	-	-
TOTAL PROPERTY AND ASSETS	**79,076,217,814**	**84,362,952,106**
LIABILITY AND SHAREHOLDERS' EQUITY		
Liabilities		
Borrowings from Bangladesh Bank, other banks and financial institutions	**16,418,616,145**	**18,672,238,771**
Deposits and other accounts	**43,073,724,026**	**46,894,962,510**
Current deposits and other accounts etc.	-	-
Bills payable	-	-
Saving bank deposit	-	-
Term deposits	42,933,609,300	46,750,813,434
Bearer certificate of deposits	-	-
Other deposits	140,114,726	144,149,076
Other liabilities	**9,855,908,479**	**9,140,721,458**
TOTAL LIABILITIES	**69,348,248,650**	**74,707,922,739**
Shareholders' Equity	**9,558,807,344**	**9,482,329,484**
Paid up capital	5,131,796,410	5,131,796,410
Share premium	1,090,888,800	1,090,888,800
Statutory reserve	1,799,133,657	1,762,635,872
General reserve	45,359,669	49,919,671
Retained earnings	1,491,628,808	1,447,088,731
Non controlling interest	**169,161,820**	**172,699,883**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**79,076,217,814**	**84,362,952,106**
Net asset value per share- (NAV)	**18.63**	**18.48**
OFF-BALANCE SHEET ITEMS		
CONTINGENT LIBILITIES		
Acceptances and endorsements	-	-
Letter of guarantee	-	-
Irrevocable letters of credit	-	-
Bill for collection	-	-
Other contingent liabilities	-	-
TOTAL CONTINGENT LIBILITIES	-	-
OTHER COMMITMENTS		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	1,208,950,000	1,694,989,350
TOTAL OTHER COMMITMENTS	**1,208,950,000**	**1,694,989,350**
TOTAL OFF BALANCE SHEET ITEMS	**1,208,950,000**	**1,694,989,350**

sd/- Director sd/- Director sd/- Managing Director sd/- Company Secretary sd/- Chief Financial Officer

27 JULY 2020

Consolidated Profit and Loss Account

For the period ended 30 June 2020

	Amount in Taka			
Operating Income	YTD June 2020	YTD June 2019	Apr-Jun 2020	Apr-Jun 2019
Interest income	4,217,099,745	5,026,524,690	2,037,995,882	2,598,090,100
Less : Interest expenses on deposits & borrowings	3,235,360,748	3,636,881,712	1,551,339,966	1,837,179,105
Net interest income	**981,738,998**	**1,389,642,978**	**486,655,916**	**760,910,995**
Income from investment	80,685,485	125,296,133	27,699,157	47,244,764
Commission, exchange and brokerage income	109,436,593	280,378,585	7,811,714	82,845,382
Other operational income	304,026,545	402,289,292	109,607,906	205,985,855
Total operating income	**1,475,887,621**	**2,197,606,988**	**631,774,693**	**1,096,986,996**
Operating Expenses				
Salary and allowances	646,105,795	776,829,605	289,191,755	361,354,867
Rent, taxes, insurance, electricity etc.	21,563,154	36,161,026	11,060,353	17,263,112
Legal and professional fees	9,944,910	9,105,420	5,596,237	6,647,988
Postage, stamp, telecommunication etc.	10,609,675	13,340,138	5,017,583	7,199,133
Stationery, printing, advertisement	13,972,418	24,266,637	7,871,941	14,557,475
Managing director's salary and allowance	7,738,123	7,738,123	3,869,521	3,869,521
Director fees and expenses	551,100	1,095,950	524,700	593,400
Audit fees	399,636	399,624	205,568	159,562
Repairs, maintenance and depreciation	186,369,750	207,063,040	89,195,637	97,844,947
Other expenses	244,442,447	331,314,950	94,588,138	194,045,295
Total operating expenses	**1,141,697,008**	**1,407,314,512**	**507,121,433**	**703,535,300**
Net Operating Income	**334,190,613**	**790,292,476**	**124,653,260**	**393,451,697**
Provisions for loans, investments and other assets	**195,301,566**	**397,771,996**	**90,384,796**	**126,706,758**
Provisions for leases and loans	(103,020,850)	300,162,431	(25,034,840)	118,068,486
Provision for margin loan	-	53,859,565	(7,701,191)	(1,471,294)
Provision for diminution in value of investments	298,322,416	43,750,000	123,120,827	10,109,566
General provision for other assets	-	-	-	-
Profit before tax and reserve	**138,889,047**	**392,520,479**	**34,268,464**	**266,744,938**
Provision for tax	**65,949,250**	**129,609,733**	**30,039,273**	**59,000,123**
Current tax	65,364,577	127,451,750	29,454,600	56,842,140
Deferred tax	584,673	2,157,983	584,673	2,157,983
Net profit after tax	**72,939,797**	**262,910,746**	**4,229,192**	**207,744,816**
Attributed to				
Shareholders of the Company	76,477,861	258,100,528	6,403,561	205,306,043
Non-controlling interest	(3,538,064)	4,810,218	(2,174,369)	2,438,773
	72,939,797	**262,910,746**	**4,229,192**	**207,744,816**
Appropriations	**31,937,783**	**78,516,040**	**16,578,679**	**36,313,010**
Statutory reserve	36,497,785	78,516,040	16,578,679	36,313,010
General reserve	(4,560,002)	-	-	-
Retained surplus	**44,540,078**	**179,584,488**	**(10,175,119)**	**168,993,033**
Earnings Per Share- (EPS) (Resated 2019)	**0.15**	**0.50**	**0.01**	**0.40**

sd/- Director sd/- Director sd/- Managing Director sd/- Company Secretary sd/- Chief Financial Officer

27 JULY 2020

Consolidated Statement of Cash Flows

For the period ended 30 June 2020

	Amount in Taka	
	YTD June 2020	YTD June 2019
A) Cash flows from operating activities		
Interest received	4,220,870,464	5,083,134,454
Interest paid	(3,360,690,902)	(3,558,706,947)
Dividend received	49,490,598	95,341,516
Fees and commission received	252,892,391	489,440,792
Income from investment	35,758,973	50,703,297
Cash paid to employees (including directors)	(624,148,873)	(748,924,113)
Cash paid to suppliers	(58,584,882)	(64,767,069)
Income taxes paid	(57,548,587)	(106,238,413)
Received from other operating activities	158,419,143	191,293,018
Paid for other operating activities	(245,144,144)	(402,845,393)
Cash generated from operating activities before changes in operating assets and liabilities	**371,314,181**	**1,028,431,140**
Increase/(decrease) in operating assets & liabilities:		
Loans and advances to customers	4,094,453,005	(1,886,221,025)
Other assets	(15,096,321)	(3,766,436)
Deposits from customers	(3,821,238,484)	(1,911,099,974)
Other liabilities	405,853,192	(622,070,851)
Total increase/(decrease) in operating assets & liabilities	**663,971,392**	**(4,423,158,286)**
Net cash flows from /(used in) operating activities	**1,035,285,573**	**(3,394,727,146)**
B) Cash flows from investing activities		
Investment in securities	130,251,403	134,995,816
Net proceeds/(payments) for sale/ purchase of Treasury bills	(674,005,600)	-
Purchase of fixed assets	(45,918,823)	(146,195,334)
Sales proceeds of fixed assets	3,234,655	3,379,375
Investment in Subordinated bond	(21,751,769)	(204,272,515)
Investment in Discretionary corporate fund	-	(800,000,000)
Net cash flows from /(used in) investing activities	**(608,190,135)**	**(1,012,092,658)**
C) Cash flows from financing activities		
Receipt of term loan, overdraft and REPO	(2,180,685,487)	3,597,995,477
Payment of lease liabilities-Vehicles	(7,795,404)	(4,648,274)
Payment of lease liabilities-Office premises	(85,279,640)	(77,471,234)
Dividend paid	(77,850)	(686,540,926)
Net cash flows from/(used in) financing activities	**(2,273,838,381)**	**2,829,335,043**
D) Net increase/(decrease) in cash & cash equivalents	**(1,846,742,942)**	**(1,577,484,761)**
E) Effect of exchange rates on cash and cash equivalents	**(1,739)**	**702**
E) Cash and cash equivalents at the beginning of the period	**9,209,860,003**	**9,433,305,313**
F) Cash and cash equivalents at the end of the period	**7,363,115,322**	**7,855,821,253**
*** Closing cash and cash-equivalents**		
Cash in hand (including foreign currencies)	1,060,050	979,978
Balance with Bangladesh Bank and its agent bank (s)	461,537,705	1,002,759,207
Balance with other banks and financial institutions	6,900,517,567	6,852,082,068
	7,363,115,322	**7,855,821,253**
Net Operating Cash Flows Per Share - (NOCFPS) (Resated 2019)	**2.02**	**(6.62)**

sd/- Director sd/- Director sd/- Managing Director sd/- Company Secretary sd/- Chief Financial Officer

27 JULY 2020

Consolidated Statement of Changes in Equity

For the period ended 30 June 2020 — Amount in Taka

Particulars	Equity attributable to the shareholders of the Company						Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Statutory Reserve	General Reserve	Retained Earnings	Total		
Balance as at 01 January 2020	**5,131,796,410**	**1,090,888,800**	**1,762,635,872**	**49,919,671**	**1,447,088,731**	**9,482,329,484**	**172,699,883**	**9,655,029,367**
Items Involved in Changes in Equity								
Net profit for the period	-	-	-	-	76,477,861	76,477,861	(3,538,064)	72,939,797
Appropriation to statutory reserve	-	-	36,497,785	-	(36,497,785)	-	-	-
Appropriation to general reserve	-	-	-	(4,560,002)	4,560,002	-	-	-
Balance as at 30 June 2020	**5,131,796,410**	**1,090,888,800**	**1,799,133,657**	**45,359,669**	**1,491,628,808**	**9,558,807,344**	**169,161,820**	**9,727,969,164**
Balance as at 01 January 2019	**5,131,796,410**	**1,090,888,800**	**1,615,433,347**	**53,048,686**	**1,932,047,440**	**9,823,214,683**	**111,243,608**	**9,934,458,291**
Items Involved in Changes in Equity								
Changes in non-controlling interest	-	-	-	-	(46,219,601)	(46,219,601)	46,219,601	-
Net profit for the period	-	-	-	-	258,100,528	258,100,528	4,810,218	262,910,746
Appropriation to statutory reserve	-	-	78,516,040	-	(78,516,040)	-	-	-
Appropriation to general reserve	-	-	-	-	-	-	-	-
Dividend								
Cash dividend (15%)	-	-	-	-	(769,769,462)	(769,769,462)	(4,637,745)	(774,407,207)
Balance as at 30 June 2019	**5,131,796,410**	**1,090,888,800**	**1,693,949,387**	**53,048,686**	**1,295,642,866**	**9,265,326,148**	**157,635,682**	**9,422,961,830**

27 JULY 2020 sd/- Director sd/- Director sd/- Managing Director sd/- Company Secretary sd/- Chief Financial Officer

The above financial statements are available in the website of the Company at: www.lankabangla.com

LBC Media hoping people's binge-watching habit amid pandemic would stay on

MAHMUDUL HASAN

One of the beneficiaries from this unprecedented spell of being cooped up at home has been the online media streaming platforms as people all on a sudden have a gulf of free time in hand.

And one business is betting big that this trend will continue once the rogue coronavirus has been extinguished. That company is LBC Media Entertainment Company, a business associate of Agrani Holdings Group.

From next week, LBC subscribers would be able to view the content of popular Indian streaming platform Eros Now, which offers Bollywood, Punjabi, Hindi, Tamil, Telugu, Bangla, Marathi, Kannada, Malayalam, Bhojpuri full movies and Indian music in over 140 countries.

This comes after its partnership with Kolkata-based Addatimes, which develops original web series, short and feature films and video songs in Bangla, two months back.

More than 50,000 subscribers in Bangladesh have watched Addatimes content since LBC signed the deal, according to Nusrat Jahan, head of marketing at LBC Media.

"LBC is the first Bangladeshi company that distributes global streaming services to the country's customers," she said, adding that the number of streaming partners will increase soon.

The local pioneering video streaming platform is also focused on making Bangla content as it has already made three television dramas, which would soon be uploaded on its streaming partners' platform.

"After Eid, we are going to make a Bangla web series," Jahan said.

Customers can subscribe to LBC's video streaming service by way of its app or website and make payments through bKash or bank cards.

And for credit cardholders of Standard Chartered, a sweet deal awaits them: they will enjoy 14-month viewership by availing a 12-month subscription package and also enjoy double reward points.

Media consumption patterns, which were already evolving, are now changing faster than ever, said Tawfique Imam, head of Standard Chartered's credit card, personal loan and corporate partnerships.

"We are continuing to build an ecosystem of products and services that caters to the digital lifestyle of our customers with curated experiences," he said in a press release.

The partnership with Standard Chartered will enhance the opportunity of reaching out to a bigger audience in delivering video-on-demand service across the country, said Omar Faruque, head of the LBC's operation and sales.

"Our group has over the years, earned the reputation of rapidly developing strategic business environments with a strong understanding of local culture," he added.

The deals are all in line with the group's plans to dominate the business of content distribution through telecommunications, the internet, set-top boxes and TVs.

Other than LBC, housebound Bangladeshi viewers have the option of global streaming platforms such as Netflix, Amazon Prime, ZEE5, Malaysia-based iflix and Bioscope of Grameenphone.

All the platforms have already drawn a large number of viewers in Bangladesh amidst the pandemic.

This has left the taxmen over at the National Board of Revenue in a state of pickle.

To subscribe to the foreign streaming platforms, customers have to pay the subscription fees in foreign currency, for which they have to endorse dollars against credit cards to make digital payments.

The state coffer was being deprived of a 15 per cent value-added tax applicable on the subscription fees, according to an NBR official.

However, some bank officials confirmed to The Daily Star last month that they were taking the 15 per cent VAT against digital subscription fees as per the Bangladesh Bank's guidance.

"Last year, we collected the VAT from Facebook, Google and Youtube. This year we made a comprehensive list of such companies including Netflix and Amazon Prime," Md Mahiul Islam, head of retail banking at Brac Bank, told The Daily Star.

> *Credit cardholders of Standard Chartered will enjoy 14-month viewership by availing a 12-month subscription package and also get double reward points*

China to fast-track construction of its economic zone in Ctg

JAGARAN CHAKMA

China has finally decided to speed up the development of the dedicated Chinese Economic and Industrial Zone (CEIZ) in Chattogram mainly to benefit from the competitive advantage Bangladesh enjoys in global trade.

Prime Minister Sheikh Hasina had offered creation of the zone during her visit to China in 2014.

In 2015, the Executive Committee of the National Economic Council had given approval for CEIZ to be set up exclusively for Chinese investors on 774.25 acres of land in Anwara upazila.

A CEIZ Development Company was also formed by the zone's designated developer, China Harbour Engineering Company, and Bangladesh Economic Zones Authority (Beza) to run the CEIZ.

In order to get the zone prepared for prospective businesses, the Bangladesh government would provide Tk 420.37 crore while China Harbour $100 million.

But there had been little progress on bringing to life this first specialised government-to-government economic zone.

However, earlier this month, China Harbour wrote to Beza urgently seeking the signing of a deal which would allow them to start work on the CEIZ.

China Harbour said the $100 million was ready to be brought in while it had got businesses interested through promotional activities and follow ups based on Bangladesh's favourable investment environment and global reputation of its parent company, China Communications Construction Company (CCCC).

Over 60 enterprises have expressed their willingness to invest nearly $280 million to set up businesses in CEIZ and wanted to take 40 per cent of the land of the zone through sub-lease.

China Harbour has already obtained all necessary approvals regarding the investment from the CCCC and China's Ministry of Commerce and the National Development and Reform Commission.

The designs have been finalised and China Harbour is ready to start work on infrastructure development, for which they are pushing the government, according to Jiang Wei, project representative of CEIZ.

"We will focus on four sectors for investment in the zone -- logistics, manufacturing, chemical and readymade garment," he said.

The zone has access to water transportation and is suitable for export-oriented industries due to its proximity to the Chattogram port, Bangladesh's largest sea port.

"The CEIZ will be able to eventually attract more than $1 billion in foreign investment, create 60,000 to 90,000 new jobs, directly or indirectly, and ultimately boost industrialisation and develop the economy of the surrounding Chattogram district," the company said.

BY THE NUMBERS

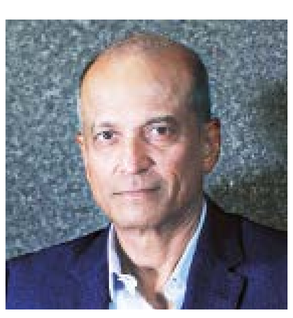
- CEIZ will be set up on **774.25** acres in Chattogram
- Project cost: Tk **1,200**cr
- It may fetch $**1**b in investment
- May create **60,000-90,000** direct/indirect jobs
- Over **60** enterprises have shown interest to set up factories

Pointing out that the global economy, including that of Bangladesh, has been hit hard by the Covid-19 pandemic, it said the rapid development of CEIZ would contribute to the recovery of Bangladesh's economy and deepen economic ties between the two countries.

Speaking to The Daily Star, Paban Chowdhury, executive chairman of Beza, said the Chinese side was very keen on rapid implementation of the zone for setting up factories and start manufacturing.

READ MORE ON B2

Making home ownership viable



ARSHI HAIDER

Home ownership is an instinctive human need but will remain a cherished dream for most Bangladeshis as aspirations alone are not enough to sell houses.

Home ownership and similar investments in real estate need to be a viable economic proposition.

A pragmatic government policy is needed to ensure a robust housing sector for the country that will in turn, help materialise the dream to own a home for as many people as possible.

In 2019, the Real Estate and Housing Association of Bangladesh (REHAB) began various new projects that, once complete, would provide 12,000 apartments for general use in Dhaka.

However, for a city with roughly 15 million inhabitants and a GDP of $170 billion, a meagre 12,000 units being launched in a calendar year are pitiful.

Compare this statistic to Mumbai, which has a population of 20 million and GDP of $450 billion, but saw 79,810 apartments handed over in 2019.

Even Bengaluru, which has a population of 11.8m and GDP of $210 billion, had 33,772 new apartments unveiled in the same period.

I have intentionally not brought into reference the statistics of the more developed countries so that we may compare apples to apples instead of oranges.

After all, India and Bangladesh have a more or less similar nominal per capita GDP and are ranked closely in the Human Development Index (HDI).

I am incredibly proud of the progress Bangladesh has made in almost all sectors amid the last two terms of the present government.

Our economic fundamentals have a sound footing. The GDP growth, foreign exchange reserves, debt as a percentage of GDP have all been very strong but this is all the more reason to ponder why our real estate industry is performing so poorly.

> *A pragmatic government policy is needed to ensure a robust housing sector that will in turn, help materialise the dream to own a home for as many people as possible*

DHAKA
Population: **15**m
GDP: $**170**b
New flats launched in 2019: **12,000**

MUMBAI
Population: **20**m
GDP: $**450**b
New flats in 2019: **79,810**

BENGALURU
Population: **11.8**m
GDP: $**210**b
New flats in 2019: **33,772**

The real estate industry is generally considered to be the backbone of a nation's economy. The Geneva UN Charter is a non-legally binding document that aims to ensure that member states provide decent, adequate, affordable and healthy housing for all its citizens.

In light of the above, has enough been done for the housing industry of Bangladesh?

Our housing sector accounts for 8 per cent of the national GDP. A significant contribution indeed but it is trailing way behind when compared to neighbours India, where it contributes 15 per cent.

The point I am trying to make here is that this is a very important sector which is not being managed properly.

The first thing to understand is that the industry is not benefitted by desperate price cuts from developers. In a highly competitive market like ours, where developers work with paper thin margins, discounts and price cuts can only be accommodated by cutting corners.

Price reduction also harms those who have already purchased their homes at previously higher prices. This creates negativity among investors and the outcome is a downward spiral due to a lack of confidence in the market.

The end result is lower economic activity which also affects the country's GDP growth due to a lesser number of new projects being launched and home ownership remaining a distant dream for the masses.

It is paradoxical that when apartment prices start rising, the sales volume also increases. This proves that the market is very much sentiment driven.

Buyers fall into two broad categories. The aspiring home owner and the prospective investor. Let me analyse the situation from both perspectives.

There are many self-proclaimed experts who constantly criticise developers for only building homesteads for the wealthy. What they fail to comprehend is that the developer will build only where there is a demand.

It is up to the government to make policies that creates demand from any particular socio economic group. Looking at it from a middle-income person's perspective, owning an apartment in metropolitan Dhaka is beyond affordability.

The average middle-income person spends about 30 to 40 per cent of his monthly salary on rent. He can only afford to pay the same amount towards his monthly EMI if he is to buy an apartment.

Assuming that he wishes to own an apartment of similar standards to the one he presently rents, he can only borrow up to a maximum of 50 per cent of the value of the new apartment.

> *When developers are forced to issue price reductions and discounts on account of a dull market, it affects the investors very badly. Nobody wants to invest in an asset that depreciates*

The other 50 per cent of the price must be arranged from his own sources as his share of the equity. This is unaffordable for a vast majority of middle-income people and therefore puts to rest their dreams of home ownership.

In countries where a large segment of ordinary people own homes, it is usual to pay only 10 per cent of a property's value as the buyer's equity and the rest in housing loans through EMIs, which would be about the same as the rent the buyer would otherwise be paying.

Of course, this is possible because the economy in those countries is far stronger and hence, the buyer's affordability is higher as well.

We may not be able to bring home ownership within the means of all people but with the right policies, the market could be expanded to make home ownership possible for many more people.

From a prospective investor's viewpoint, buying an apartment in metropolitan Dhaka is not a very attractive proposition either. The ratio of rent to price is very low (between 3 to 4 per cent) whereas the home loan interest is 9 per cent.

This means that if he is to service the debt on the purchase of an apartment from rental income, he has to also put up a very big percentage of the price of the apartment as his share of the equity.

Over the years, unless there is a good appreciation to the value of his apartment, his investment will not be very lucrative. When developers are forced to issue price reductions and discounts on account of a dull market, it affects the investors very badly. Nobody wants to invest in an asset that depreciates.

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