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Finance ministry replaces Janata chairman in less than a year

Jamal Uddin Ahmed removed 11 months into his threeyear tenure; SM Mahfuzur Rahman appointed

STAR BUSINESS REPORT

Janata Bank, it seems, is always in damage control mode. If it is not in the news for loan delinquencies, it is for something else.

And yesterday, the state-owned bank found itself in another delicate situation: the finance ministry yesterday removed its chairman, Jamal Uddin Ahmed, due to his alleged influence in sanctioning loans violating the banking norms.

The decision comes as the government looks to nurse the embattled lender to health after years of financial irregularities and scams.

Ahmed, a former director of the Bangladesh Bank, was appointed chairman in August last year.

Now, 11 months into his three-year tenure he finds himself withdrawn from the post after one-too-many allegations against him, at least four high officials of the bank told The Daily Star yesterday on condition

of anonymity due to sensitivity of the



A h m e d allegedly wielded his influence to sanction a good number of large

instance, officials of the exchange foreign

division of the lender's corporate branch have reportedly refused to sanction a large loan as per the instruction given by Ahmed recently. The branch was operated by the lender's

administration section of Dhaka North, but Ahmed transferred it to Dhaka South to have more influence over its decision-making, the officials said. He even reportedly instructed the human

resource department of the bank to transfer the mid-level officials by ignoring the human resource management of the lender.

Also, he started to handle the clients of the state lender bypassing the management, which is a dreadful violation of the banking norms, the officials said.

Ahmed had indulged in similar behaviour as a director of the central bank, said a good number of the Bangladesh Bank officials. He allegedly visited the offices of mid-level officials of the central bank to do the bidding for some corporate groups.

Ahmed did not respond to The Daily Star's repeated request for comments.

Contacted, Md Abdus Salam Azad, managing director of Janata Bank, said the lender had already got the ministry's instruction to remove Ahmed. He declined to comment further on the matter.

The Daily Star has been unable to independently verify the allegations brought against Ahmed.

SM Mahfuzur Rahman, vice-chancellor of BGMEA University of Fashion & Technology, was appointed as chairman of the board and the central bank also gave a no-objection certificate to the ministry's decision yesterday, Azad said.

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Two projects for the poor see their allocations slashed

REJAUL KARIM BYRON

Irregularities and apathy have become a permanent feature of project implementation in Bangladesh, thanks to which no infrastructure is ever ready on

The delays mean, the costs are invariably raised -- and this has become commonplace in the country.

But yesterday, the unusual happened: the government slashed the allocation for two projects that were meant to help the poor.

One of the projects is designed to serve 600,000 poorest mothers and benefit 2.7 million poor people in 43 upazilas in four districts -- Gaibandha, Kurigram, Lalmonirhat and Nilphamari.

The project initiated a cash benefits programme for the poorest mothers and pregnant women in 2015 in exchange for their participation in activities to improve their children's nutrition and cognitive development.

It is expected to benefit 10 per cent of the poorest households across 43 of poor upazilas with high child malnutrition rates.

Now, the allocation for the project has been slashed 19 per cent to Tk 1,980 crore, largely because the main financier, the World Bank, has withdrawn \$50 million owing to the slow implementation and failure to put in place a database of the beneficiaries, according to a

Income Support Programme for the Poorest Project >> Initiated in 2015 >> New Deadline: 2022 >> Allocation slashed **19**% >> New allocation: Tk **1,980**cr >>> Beneficiaries: **10**% poorest households in **43** poor upazilas >> Project extended as beneficiaries could not be identified **Amar Bari Amar Khamar Project** >> Initiated in 2009 >> New deadline: 2021 >> Allocation slashed **1.56**% >> New allocation: Tk **7,885**cr >>> Beneficiaries: **54.6** lakh poor people >> Project extended for pandemic and targeted groups did not receive funds as promised

planning ministry presentation.

The baseline work of the project has been completed.

But the beneficiaries could not be identified as household data with certain poverty score was not available from the Bangladesh Bureau of Statistics' National Household Database Project.

As a result, the beneficiaries

did not get the cash transfers, said the planning ministry briefing presented after the meeting of the Executive Committee of the National Economic Council

The tenure of the project has been expanded by two years. The project was due to complete in

The WB had committed \$300 million for the project. But it redirected \$50 million in December last year from the slow-moving project to its another project taken for the Rohingya people.

woman is supposed to get Tk 1,000 each of the four times they go through medical check-up.

They would get Tk 700 a month for 0-24 month-old babies and Tk 1,500 for every three months for 25-60 month-old babies.

Besides, pregnant women and lactating mothers would get Tk 700 each month if they attend workshops on child nutrition and improved education.

The project also aims to develop the capacity of local-level government to deliver safety net programmes.

Bangladesh has remarkable progress in reducing poverty over the past two decades. Yet, the country is among the

10 countries with the highest prevalence of malnutrition. About 31 per cent of children under the age of five are stunted. children from

bear a households disproportionate burden of stunted growth.

Ensuring nutrition prenatally and in the early years helps to maximise a child's brain development and growth and is critical to boosting the earnings capacity in the later years of life and to prevent the transmission of poverty across generations.

Bangladesh spends more than 14 per cent of its budget on more than 100 safety net programmes. But only a small portion of this budget supports programmes that aim to improve maternal Under the project, a pregnant and child nutrition and cognitive development, according to the

Bata Shoe sinks into losses for the first time in its 58-year stay in Bangladesh

Footwear giant Bata Shoe has incurred losses for the first time in Bangladesh as it missed the country's main shopping season after people's income was wiped out by the coronavirus pandemic.

The sales collapse of the shoes, a basic item, indicated the deep scar the pathogen has created for the economy and its people since the government revealed the country's first coronavirus cases on March 8.

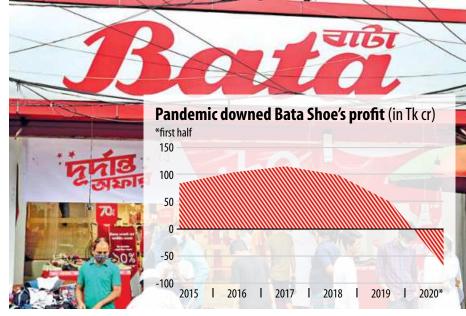
Earnings of 51 per cent households in the country plunged to zero while a massive 95 per cent people suffered losses in income due to the coronavirus outbreak, a recent study of Brac found. The ongoing flood has added another blow.

Bata's sales dropped 85.37 per cent to Tk 41.24 crore in the second quarter of 2020. Sales dropped 55.37 per cent to Tk 204.92 crore in the first half of the year.

Due to the collapse in sales, Bata Shoe sank into losses in the April-June period, giving up Tk 73.51 crore, whereas it had netted a profit of Tk 21.68 crore a year

Half-yearly loss stood at Tk 70.68 crore against a profit of Tk 26.14 crore year-on-

"As far as I know, this was the first time we fell into losses," said Hashim Reza,



company secretary of Bata Shoe.

About 25 per cent of Bata Shoe's business comes during the Eid festivals, according to the financial report of the company.

So, it ramped up stock three months before Eid-ul-Fitr, the largest religious festival in Muslim-majority Bangladesh.

The hope soon dashed after the government imposed a countrywide

lockdown on 26 March to contain the soaring cases of coronavirus infections.

By the time, the economy was partially opened on 31 May, the shopping season has gone. Eid-ul-Fitr was celebrated on 25

Though the government had allowed the limited opening of shops ahead of Eid-ul-Fitr, the turnout of the panicked people was

of the company in Dhaka, requesting The store normally posts revenue of Tk

30 lakh in Eid-ul-Fitr during normal times but it was Tk 2 lakh this year. The sales are rising centring Eid-ul-Azha,

which is only three days away, but it can't match the revenue stream recorded during normal times before the pandemic hit, he

The situation is slowly getting better compared with the previous months, Reza

"So, what happens after Eid-ul-Azha would indicate whether the situation is getting back to normal or not," he added.

Md Belal Ahmed, a customer, normally buys shoes for himself and his family members from Bata, local brand Apex or other branded shops. "But this year I decided not to buy any

branded shoe as the financial condition is not very sound," he said. Bata Shoe manufactures and sells

leather, rubber, plastic, canvas footwear, hosiery and accessories items. The reverse in fortune for the company,

a subsidiary of the Switzerland-based The Bata Company, came although it has become more optimistic about the country

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'When will our cash registers start ringing again?'

Clothing brands have little to cheer about this Eid too

MAHMUDUL HASAN

Sales at retail clothing stores in the capital are growing ahead of Eid, albeit at a snail's pace. Last Eid-ul-Fitr, people avoided shopping

"But this time, people are coming out of their houses but the sales are not that much," said Soumik Das, chief executive officer of Rang Bangladesh.

The brand has 24 stores in the big cities.

"Sometimes, we witness a good day with skyrocketing sales. But the next day it plunges to rock bottom and that is frustrating. Maybe this is called the 'new normal'," he said.

He blames people's economic hardship for the depressing sales.

"Many people are sitting at home after losing their jobs due to the pandemic. How will they buy clothes?" said Das.

Since the sales usually pick up in the last week before Eid-ul-Azha, the real picture is yet to be ascertained. However, he will be happy if he can make even half of last year's Eid sales.

we are in the middle of a pandemic," said Mohammad Ashraful Alam, chief executive officer of leading lifestyle brand Aarong. He projected that their sales in Eid-ul-Azha

would be 62 per cent to 65 per cent of what it

was during last year's festival. The brand's e-commerce segment is estimated to witness a sales rise of 250 per cent

month-on-month in July. The number of customers has increased in recent weeks as the stores have now been

permitted to stay open for longer hours, he

To ensure social distancing, the brand is now allowing a limited number of customers

to enter its stores based on capacity. "There are about 65,000 artisans who make our products. They would be left with no income if Aarong cannot make sales. Even in the pandemic, we went ahead with our store opening plan to save their livelihoods," Alam

On 25 July, Aarong opened a new 7,800 square feet store in Jessore, taking the total

"Our business is very good if you consider number of outlets of the brand to 21, in a days making a comeback. testament to its firm position despite the

Khalid Mahmood Khan, the co-founder of Kay Kraft and YOUNGKAY, is hopeful of good

"Restrictions have recently been relaxed

more so people are now going out after dusk and coming to stores. Even though sales are not what was expected, this change in people



is giving us a ray of light to this dark hour of the business.

However, there would be no quick recovery from the damage the virus caused to their

'Buyers need peace of mind at first and then they will think of splurging," Khan said. To lure in customers to Kay Kraft and YOUNGKAY's 24 stores, the brands are providing a flat 20 per cent discount on all

Many others are offering discounts as much as 80 per cent, all to attract buyers and vacate

warehouses But it all seems to be in vain.

According to industry insiders, most of the brands laid off many staff and halved salaries in a desperate attempt to survive.

It is the same scenario over at Banarasi Palli

Spreading from Mirpur 10 to 11 and housing about 130 shops, the Mecca of saree lovers has a heritage tracing back to India's 1947 partition.

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