



Berger Paints Bangladesh Ltd's Managing Director Rupali Chowdhury presides over the 47th annual general meeting of the company organised through a digital platform. Chairman of the Board Gerald K Adams along with directors Anil Bhalla, Jean-Claude Loutreuil, Anis A Khan, Masud Khan, Rishma Kaur, Kanwardip Singh Dhingra, Sunil Sharma, Parveen Mahmud, Abdul Khalek, Chief Financial Officer Sazzad Rahim Chowdhury also took part in the meeting. The company announced 295 per cent cash dividend for 2019-20.

MTB launches MRewardz Online to reward its credit cardholders

STAR BUSINESS DESK

Mutual Trust Bank has recently launched a state-of-the-art digital platform named MRewardz Online, which will enable the bank's credit cardholders to explore numerous redemption offers and avail different rewards, both locally and internationally.

The credit cardholders can redeem MRewardz points through the portal—mrewardz.mutualtrustbank.com—instantly, anywhere and anytime, the bank said in a statement yesterday.

With MRewardz Online, they will be able to book air tickets and hotel rooms, rent a car, shop online, pay credit card bills and get gift cards/vouchers in addition to availing free online registration, enhanced security with one-time pin for each redemption, confirmation SMS and email for each redemption.

The customers' health and safety being the bank's top-most priority during the Covid-19 pandemic, the bank has moved a step closer to offering utmost convenience

to its existing and potential customers through the launch of MRewardz Online.

The credit cardholders will no longer need to visit the branches or call the contact centre for placing any redemption request.

The MRewardz portal is a one-stop solution for the credit cardholders to redeem their MRewardz points and gain the desired reward/s instantly. They can easily activate their accounts with their Client ID.

A comprehensive loyalty programme, MRewardz, was launched by MTB in 2018 for its credit cardholders with locally redeemable options, according to the statement. With a view to offering ultimate convenience to its credit cardholders, the bank has launched MRewardz Online with thousands of redemption options across the world.

The most salient feature of MRewardz Online is that no manual intervention will be required to get the desired reward and the benefits can be availed from the comfort of the home. MTB credit cardholders will earn reward points on all POS and online transactions.

Standard Bank holds 28th EGM

STAR BUSINESS DESK

Standard Bank organised its 28th extraordinary general meeting on July 30 through a digital platform.

Kazi Akram Uddin Ahmed, chairman of the bank and former president of the Federation of Bangladesh Chambers of Commerce and Industry, presided over the meeting, the bank said in a statement yesterday.

Vice Chairman Md Zahedul Hoque, Directors Kamal Mostafa Chowdhury, Ashok Kumar Saha, Ferozur Rahman, Md Monzur Alam, SAM Hossain, Mohammed Shamsul Alam, Mohammed Abdul Aziz, Ferdous Ali Khan, Mohd Yousuf Chowdhury, Kazi Khuram Ahmed, Md Abul Hossain, Najmul Huq Chaudhury and Md Nazmus Salehin took part in the event.

Managing Director and CEO Khondoker Rashed Maqsood, Additional Managing Director Md Tariqul Azam, Deputy Managing Director Md Motaleb Hossain and a large number of shareholders of the bank also joined the event.

Acting Group Company Secretary Md Ali Reza conducted the meeting, according to the statement.

The bank also organised its 21st annual general meeting on the day. The financial institution approved 5 per cent stock and 5 per cent cash dividends for the year 2019.

Standard Bank was established as a public limited company on May 11, 1999 under the Companies Act, 1994.



Is the pandemic bringing down the curtains on independent bookstores and publishers?

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Meanwhile, the publishing sector's annual turnover would be about Tk 10,000 to Tk 12,000 crore, he said.

Many publishers and booksellers are facing difficulties in paying their employees regularly while about 10 per cent of the country's libraries have closed their doors for good as a result of the situation, Paul added.

ACPAB President Ahmed said that educational institutions and cultural events generate a good amount of revenue for publishers.

"However, all educational and cultural activities have been shut due to the pandemic," he said.

Private schools usually buy a good number of books but this year, there is no demand from them, said Md Alauddin Sarker, the publication officer of Bishwa Sahitya Kendra (BSK).

The popular institution marked a 39 per cent drop in sales year-on-year to about Tk 140,000 in the January-June period of this year, according to Sarker.

Numerous publishers said they printed an increased number of books in expectation of higher demand from readers and various institutions this year owing to celebration of birth centenary of Father of the Nation, Bangabandhu Sheikh Mujibur Rahman.

The pandemic has affected that celebration to a large extent, to say the least.

"It was a potential year for us. Various events would have taken place had things been normal," Ahmed said.

DESPERATE ATTEMPTS TO KEEP SALES UP: ONLINE EMERGES AS HUGE SUPPORT

To recover from the lack of receipts, many retailers are now seeking to boost their online sales, although most publishers are ill-prepared in regards to the online market.

As a result, online bookstores such as Rokomari have emerged as a great support as many readers chose to buy digitally from marketplaces to prevent infection by maintaining social distancing.

Overall sales through the digital platforms have surged 30 per cent in June-July when compared with the figures from a year earlier, said Mahmudul Hasan Sohag, chairman of Rokomari. However, online sales account for just 10-20 per cent of the overall book market, he said.

Therefore, the increased demand for home deliveries through e-commerce platforms did not translate into providing enough revenue for publishers to narrow their losses from offline sales.

So, if online sales are combined with offline sales, book sales have dropped significantly, he said.

"Online platforms usher hope. But it appears that the demand for creative books will remain low unless the overall economy sees a boost," he added.

Jakir Hossain, deputy manager of Prothoma Prokashan, said his company is exploring all the possible ways to reach out to readers and increase sales.

Mahrukh Mohiuddin, managing director of University Press, said publishers in India switched to the e-book and audiobook formats quickly to adapt to the situation.

"But we could not do that at a fast pace," she said, adding that University Press has increased its focus on making books available in electronic formats.

Since profits have declined, publishers will have to accept the reality of how low the revenue is and pay attention to minimising the costs for the next couple of months and stay afloat, Mohiuddin said.

"However, it will be really tough for many publishers who genuinely work with small capital," she said, adding that the pandemic is yet to cost many more jobs.

Md Afzal Hossain, the proprietor of Anindya Prokash, said the publisher could not pay their employees' salaries for March and April.

"A lot of our funds have been stuck at book shops," he said, adding that he is owed Tk 10 lakh in arrears by various book stores in certain markets of Dhaka.

"On the one hand, no one is paying our dues. On the other, we cannot deliver books outside Dhaka," he added.

GOVT AGENCIES NEED TO BUY BOOKS

The publishing sector's troubles are not going to go away any time soon, according to Mazharul Islam, chief executive of Anyaprokash.

"Because, the middle-class people are the main readers and they have been seriously affected by the pandemic."

Various countries, including neighbouring India, provide a lot of support for Bangladesh's publishing industry. Italy has declared the creative sector as essential while Indonesia provides a lot of government support.

"But we do not get any support from our government," said Islam, now the president of the capital branch of the Bangladesh Publishers & Book Sellers Association (BPBSA).

In an appeal to the prime minister in April, the 26,000-member association demanded that the budget for book purchases for libraries under the cultural affairs ministry be increased 20-fold from its present value.

The BPBSA had also said the budget for book purchases by the state government of West Bengal has is 10 times higher than Bangladesh's budget.

The government's annual budget to buy books for two agencies -- the Public Library and Jatiy Grantha Kendra -- is about Tk 3 crore, which is a very negligible amount, according to ACPAB President Ahmed.

The publishing sector will be able to withstand the crisis if the government

buys books from mainstream publishers. In which case, no grant is needed, he added.

M Badrul Arefin, secretary of the ministry of cultural affairs, said the ministry would look into the plight of the country's publishers and booksellers.

YET, THE FIGHT CONTINUES

With store sales declining and many readers preferring to get books delivered to their doorsteps, several sellers have shifted their focus to online sales and home delivery.

Batighar, a chain book shop, is working to open an online retail platform for its products, said the company's proprietor, Dipankar Das.

"We would have established an online store two years later but now, we are doing this as fast as possible because of the current circumstances."

Das also informed that the company's sales began to pick up back in June. However, those who operate on a small scale are in serious trouble. A number of them are on the verge of closure.

"Many things would become clear when the pandemic is over. I am afraid we may not see many publishers at next year's Boi Mela," Das added.

The downturn in sales forced them to consider shutting down for good, said Razia Rahman, chief executive of another book shop named Dipanpur.

The organisation pulled back from its decision though following requests from well-wishers. The company also received some grants from the government and the International Publishers Association to try and sail through the bad weather.

However, she is uncertain how far the business can continue.

"Expenses cannot be managed without book sales. The business of books is challenging and coronavirus has made things worse," said the chief executive of Dipanpur, named in memory of slain publisher Faisal Arefin Dipan.

As the book store was closed until the nationwide lockdown had ended, Dipanpur tried to manage its expenses by catering food for doctors.

Nalonda's Jewel said he wants to continue as a publisher and is trying to establish an online portal.

He also said he wanted to keep his physical store and requested the space owner to cut the monthly rent by nearly half. However, the owner did not pay heed to the request, forcing Nalonda to close down permanently.

On 5 August, a 'To-Let' sign was seen hanging over gates to the place that was known as Nalonda just until last month. Just beside this location sits Kabita Café, a book store-cum-coffee shop. The Kabita Cafe reopened on 5 August after more than four months in the hope that readers and literature enthusiasts will soon return. But that now seems unlikely.

The question hounding banks: how to solve a conundrum like SME loan?

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CMSMEs are sprawled around the country and hence, a huge distribution network with adequate manpower is required to reach, onboard, assess and monitor borrowers. This makes it costlier to finance them compared with corporate entities.

As per the ABB's calculations, lenders have to count at least 10.62 per cent interest rate on CMSME loans considering the weighted average cost on deposits, operating costs, minimum credit loss costs and general provisioning.

Banks must add 4 to 5 per cent to the calculation if they want to enjoy profits from SME loans.

With this backdrop, the ABB urged the Bangladesh Bank to rethink the interest rate cap on lending products, with the exception of credit cards, in the interest of the SME sector.

Banks have requested BB to allow them to set at least a 14 per cent interest on SME loans.

"In such a scenario, if the 9 per cent is not lifted for SME lending, banks will be forced to cease lending to these entities, which ultimately will slow the growth of private sector credit, and hence, will affect the desired GDP growth," ABB said.

With reduced credit flow from banks, SMEs will eventually look for alternate financing arrangements from costly sources like microfinance institutions that charge rates upwards of 20 per cent or turn to loan sharks, the informal 'Mohajon' type users.

More than 10,000 employees who are engaging with the SME programme operated by banks may face unemployment if lenders do not pursue these loans, ABB said. Banks will have to count their losses if they give out loans to the SME sector with a 9 per cent interest rate, said Syed Abdul Momen, head of SMEs at Brac Bank.

"We will be forced to scale down our SME credit programme in the days ahead if the existing interest rate cap persists," he said.

For instance, banks usually appoint one or two relationship managers (RM) to disburse a corporate loan of Tk 100 crore, but they have to deploy more than 30 RMs to distribute the same amount of loans to the CMSME sector, he said.

Therefore, it will be highly difficult to run the SME operation following the implementation of the 9 per cent interest cap.

The central bank has also introduced a Tk 20,000 crore stimulus package for the CMSME sector so that the small borrowers can tackle the ongoing economic fallout.

The package has to be implemented by banks but they will get 50 per cent of the fund disbursed to the borrowers from BB.

As per the guidelines of the stimulus package, CMSMEs can take working capital at 9 per cent interest. Of the interest, 4 per cent will be borne by the borrowers and 5 per cent by the government.

However, banks are showing reluctance to make effective disbursements from the stimulus package as BB asked the lenders to disburse a maximum of 30 per cent of their existing working capital.

Besides, lenders are allowed to give out at a maximum of 20 per cent of their credit ceiling set by the central bank under the stimulus package to the trading sector.

Another official of a private bank said that nearly 65 per cent of SME loans have gone to the trading sector.

"This has created a roadblock for banks to use the stimulus package despite the central bank instruction to implement all credit packages, which have been formed to mitigate the recession, by August."

The central bank should address the issues immediately as SMEs account for 20 per cent of the GDP, he added.

The sector also provides 80 per cent of the total industrial employment and 25 per cent of the country's labour force.



Reshadur Rahman, chairman of Dhaka Bank, presides over the 25th annual general meeting of the bank organised through a digital platform yesterday. Emranul Huq, managing director and CEO, was also present. The bank declared 5 per cent cash and 5 per cent stock dividends for 2019.



One Bank Managing Director M Fakhru Alam and Country-Lead of PrimaDollar Operations Ltd Munawar Uddin exchange the signed documents of a deal at a programme recently to facilitate factoring for exporters in Bangladesh.