

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
0.96%	0.67%	\$1,926.10	\$46.00	0.59%	0.03%	0.66%	1.30%	83.95	98.17	109.32	11.95
4,827.57	8,297.86	(per ounce)	(per barrel)	39,073.92	23,290.86	2,542.08	3,329.74	BUY TK	SELL TK	84.95	101.97

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## US seeks list of apparel brands that cancelled orders

REFAYET ULLAH MIRDHA

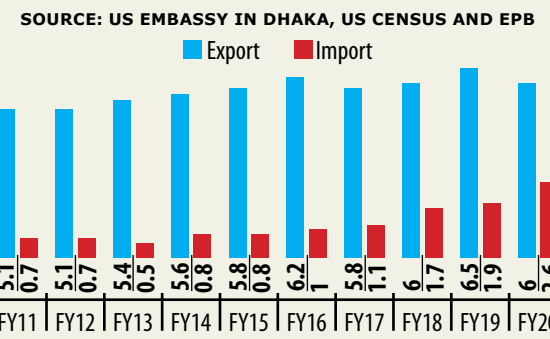
The US Trade Representative (USTR), the chief trade negotiator for the Trump administration, has sought a list of retailers that cancelled work orders with Bangladeshi firms due to the ongoing coronavirus pandemic.

After securing the list, the US government is expected to urge the retailers to accept their shipments of previously cancelled work orders.

A senior official of the USTR expressed his organisation's willingness to carry out this initiative during a virtual meeting of the Trade and Investment Cooperation Forum Agreement (TICFA) Council with Bangladesh's representatives on Tuesday.

The fifth round of meeting under TICFA, which was signed in November 2013 in a bid to create a platform for two countries to negotiate trade and investment, was held in Dhaka in March.

## Bangladesh's exports to and imports from the US over the decade (in \$b)



A considerable number of work orders for garment items totalling \$3.2 billion have either been cancelled, deferred or withheld at various seaports as retailers in the US are reluctant to accept deliveries amid the current economic uncertainty, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

However, the international buyers who did not cancel or defer their work orders are demanding unusual payment terms.

For instance, most of the retailers complete payment within 90 days after placing an order as per the contract outlined in the letter of credit. Now, buyers have asked for up to 180-210 days to complete their payment.

Since many local garment manufacturers are giving in to these demands in a bid to keep their operations afloat amid the economic maelstrom, the sector has run into a liquidity shortage and numerous workers have lost their jobs in the process.

During the meeting, Bangladesh said that US investors could help set up manufacturing plants for coronavirus vaccines as it would make the highly sought-after drug more affordable and available for the country.

"We need a lot more foreign direct investment to spur on our country's development," said Commerce Secretary Md Jafar Uddin, who led the Bangladesh delegation.

Christopher Wilson, an assistant USTR representative for South and Central Asia, led the US delegation.

Entrepreneurs from the US are the largest investors in Bangladesh, with the heaviest investments being made in the country's energy sector.

But now, Bangladesh is seeking more American investment in the pharmaceutical sector, which has grown rapidly over the years.

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Construction on the country's first metro rail project has resumed in full swing. Most physical work of all projects under Dhaka Mass Transit Company, which is responsible for building and maintaining the metro rail network in Dhaka and its adjacent areas, had remained halted since March 26 when the government declared a general shutdown for the pandemic. At that time, physical work of MRT-6, running from Uttara Third Phase to Motijheel, was ongoing. The photo was taken at Kazi Nazrul Islam Avenue yesterday.



SK ENAMUL HAQ

## Once a high-flyer, Appollo Ispat is now standing on cliff's edge



AHSAN HABIB

Rani Marka Dheutin (corrugated iron sheets) once ruled the roost in rural Bangladesh.

Now, in a puzzling turn of events, its producer Appollo Ispat Complex is on the verge of closure after a sponsor director

allegedly embezzled money while a senior employee passed secret information of the company to its competitor.

It has already become a junk stock on the Dhaka Stock Exchange (DSE) as it fell into losses. The situation is so bad that the company now plans to ask for a bailout from the government and relief from banks to stay afloat.

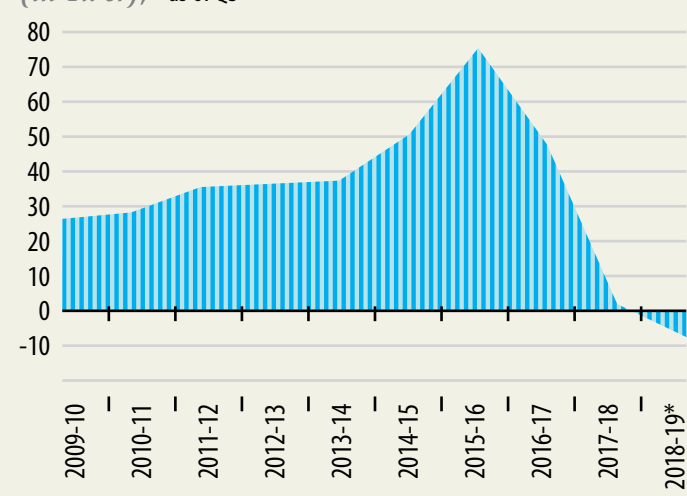
"If the government extends a bailout package and we get a relief from banks for a few years to pay back loans, the company might become a profitable concern again," said Evana F Mohammad, a director of the company.

The company has not asked the money from the government yet, she said.

Appollo Ispat, led by Deen

### Appollo Ispat's profits cratered in recent years

(in Tk cr); \*as of Q3



Mohammad, chairman of the company, was the pioneer in CI sheet business in Bangladesh.

Incorporated in 1994, it started the commercial journey by establishing a modern and sophisticated continuous galvanising line in 1997.

To meet growing demand, it set up another continuous galvanising line in 2002 and a cold-rolled manufacturing unit in 2005.

Appollo Ispat has a plant over 16.8 acres of land at Shimrail under Narayanganj district to manufacture CI sheets.

It also produces cold-rolled coil, galvanised plain sheet, corrugated galvanised iron and galvanising sheet from the imported hot-rolled coil.

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## Yet another round of low-cost funds on the cards for garment exporters

REJAUJ KARIM BYRON and REFAYET ULLAH MIRDHA

The government may consider another stimulus package for garment exporters such that they can pay workers' wages of August, said Finance Minister AHM Mustafa Kamal yesterday.

"I received a letter from the garment manufacturers and exporters for another stimulus package," the minister said at a meeting at his secretariat in Dhaka.

Kamal, however, said it was difficult

for him to take such a decision because the issue of giving the stimulus package to the exporters depends on the consent of the prime minister.

On the eve of Bangladesh embarking on a nationwide shutdown on 26 March, the government announced a Tk 5,000-crore special package to pay the wages and allowances of export-oriented industries' workers for three months starting from April.

As the fund was later found to be

inadequate, the government released another Tk 2,500 crore from the bailout package rolled out for the large industries affected by the pandemic.

Banks disbursed the amount directly to the workers' bank accounts or mobile financial service accounts. The interest-free loan carried a 2 per cent service charge.

Then on 22 June, the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and

Exporters Association (BKMEA), whose members generate most of the export receipts, jointly wrote to Kamal seeking continuation of low-cost loans for three more months to September.

Garment factory owners are in deep worry about carrying out various activities, the future of the industry and how to pay wages to the workers, said the joint letter, which was also sent to the prime minister's principal secretary.

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## Kotha app spreads wings to Sri Lanka

MAHMUDUL HASAN

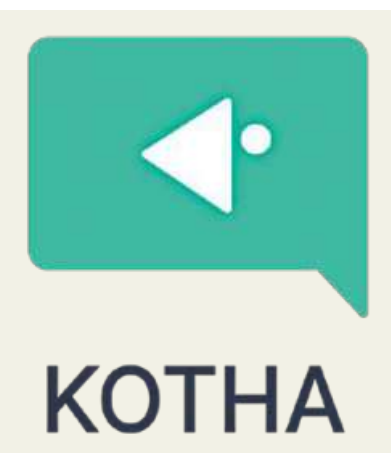
Kotha, Bangladesh's maiden social and lifestyle app, is set to embark on a glorious maiden voyage from the Bay of Bengal to Indian Ocean's island Sri Lanka as part of the company's ambitions to be a continental superpower as a social networking service provider.

It has finalised a deal with Sri Lankan Next Day Technologies to establish a joint venture company to run the app in the moniker of Kotha and the contract will be signed in September.

"This is a proud moment for Bangladesh as for the first time a homegrown social media and lifestyle app will now be available in another country," Mahboob Zaman, chairman of Kotha Technologies Limited, told The Daily Star yesterday.

Created by a team of Bangladeshi developers, software engineers and data scientists, Kotha has the mind-boggling capability to send messages, make voice calls, order grocery and food, stream music and movies and buy tickets, along with other functionalities.

It is similar to South Korea's



Kakaotalk, China's WeChat and the Philippines' Tantan.

The beta version of the Kotha app was rolled out on 12 February for both Android and iOS and has so far been downloaded about 1.5 lakh times.

"To me, Kotha is our Facebook, our PayPal, Netflix, Twitter and WhatsApp," said Zunaid Ahmed Palak, state minister for ICT, at the app's launch.

Another country has expressed interest in Kotha, according to Zaman. "So we want to spread our app to different countries, particularly in

Asia," he added.

Kotha will have the Sri Lankan languages and customised to suit local preference. Kotha Apps & Technologies, which was initiated in 2015, will provide the full technology support for the Sri Lankan tie-up.

"As it is a joint venture, it will not only brighten the image of the country but we will also get a share of the profit," said Tashfin Delwar, chief executive officer of Kotha Technologies.

The Sri Lankan company, for now, has an e-commerce business and has a partnership with Dialog Axiata, a telecom company with a subscriber base of about 14 million. It also has a partnership with a top Sri Lankan mobile financial service provider.

"So, thousands of Sri Lankan users will be benefited from the platform."

The server of the app will also be controlled by Kotha Technology.

Delwar said Kotha in Sri Lanka will have the same features that are in the app in Bangladesh: chat, post, feeds, free calls, stickers, lifestyle contents.

The joint venture latter will partner with different Sri Lankan entities to provide smooth service in payment and different lifestyle products and services.

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## Like banks, NBFIs can now maintain loan status until Sep

MD FAZLUR RAHMAN

The central bank has pushed back the deadline for loan status classification by non-bank financial institutions to 30 September, giving more breathing room to borrowers struggling to stay afloat because of the lengthy pandemic.

In March, taking into account the economic devastation triggered by the pandemic, the Bangladesh Bank eased rules on classifying loans, lease and

advances for both banks and NBFIs, ordering them not to downgrade any loans up to June.

The deadline for banks was later extended to 30 September as the central bank forecast the economy would be enshrouded by the coronavirus-induced gloom for longer than it had imagined earlier.

Yesterday, BB extended the deadline for the 34 NBFIs as well.

Because of the coronavirus, borrowers are not being able to run

their normal operations, the central bank said in a notice.

It ordered NBFIs to consider all instalments against long and short-term loans, leases and advances deferred between 1 January and 30 September.

The instalment size and numbers would have to be re-fixed in October, BB said.

The tenure of the loans would be rescheduled by pushing back the repayment period in line with the number of instalments that would remain unpaid until 30 September.

The central bank also ordered the NBFIs to refrain from charging any penalty or additional fees or commissions for the January-September period.

Banks and NBFIs will have to maintain the same credit status of a borrower as on 30 January until the new deadline.

"It is a positive move," said Arif Khan, chief executive officer of IDLC Finance, one of the top NBFIs in Bangladesh.

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### NBFIs' total default loans (in Tk cr)

SOURCE: BB

