



MIDAS FINANCING

Chairman of MIDAS Financing Mohammed Nasir Uddin Choudhury presides over the 24th annual general meeting of the company organised through a digital platform on August 25. Members of the Board Rokia A Rahman, M Hafizuddin Khan, Abdul Karim, Nazneen Sultana, Ali Imam Majumder, Md Shahedul Alam, Md Shamsul Alam, Ghulam Rahman, AKM Kamruzzaman, Managing Director Mustafizur Rahman and General Manager Tanvir Hasan took also took part in the event. The company announced 2.5 per cent stock and 2.5 per cent cash dividends for 2019.

## Kanti Kumar Saha, new CEO of Lankan Alliance Finance

STAR BUSINESS DESK

Kanti Kumar Saha has recently been appointed as the new chief executive officer of Lankan Alliance Finance with effect from August 12.

He replaced Romesh Elapata, the financial institution said in a statement yesterday.

"Lankan Alliance is set now to deliver customised financial solutions and new products under the leadership of the new CEO Kanti Kumar Saha," said Jowher Rizvi, chairman of Lankan Alliance Finance.

Saha is bringing in his valuable experience in corporate and investment banking and the best practices from global financial institutions, Rizvi said.

Before joining Lankan Alliance Finance, Saha in his 29-year-long career has represented the board in the capacity of managing director and CEO of NDB Capital, the investment banking arm of National Development Bank PLC of Sri Lanka.

Saha was the director and head of global corporate banking at Citibank NA Bangladesh, senior relationship manager for corporate banking at Standard Chartered and also served Prime Bank as deputy managing director and chief business officer.

He completed his Bachelor's and Master's in economics from Dhaka University and also earned a postgraduate management degree from Nottingham Trent University, UK.

Established in 2018, Lankan Alliance Finance is a joint venture non-banking financial institution (NBFI) with multinational collaboration, licensed by Bangladesh Bank.



Kanti Kumar Saha

## Kotha app spreads wings to Sri Lanka

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Despite its designs to spread its wings, Kotha's main focus remains in targeting the Bangladeshi population.

"Indian government has banned many Chinese apps, including TikTok, and they now want to build a local app to replace them. In many countries around the world, people are preferring local tech platforms," Delwar said.

Kotha is constantly reviewing the recommendation of the users and able to provide more customised service for local mobile tech giants like Facebook and others.

"We are a local entity and we know best what the people of this country want," he added.

For instance, Kotha on 14 April launched a virtual hospital -- HelloDoc -- where patients can consult doctors through video conferencing and have certain medical tests done at home to

help the country fight coronavirus.

It also added a feature where users can see hospital information such as the availability of ICU beds in a hospital.

Bangladeshi customers are generating a lot of data now by using different digital services and this will soon turn into a minefield, said Zaman, a renowned technology entrepreneur and managing director of DataSoft Systems Bangladesh.

Every year, different social media platforms like Facebook and Google are earning thousands of crores of taka from Bangladesh through users' data and that helps the brands connect with their customers as well, Delwar said.

If a locally developed platform gets the popularity, the data will be protected and save thousands of crores taka from flying out of the country.

"Certainly, data will be the next

currency and if we have access to the data, people will experience a drastic change in their lives," said Zaman, also a former president of Bangladesh Association of Software and Information Services.

On data protection, Delwar said protecting user data is vital and so far, Kotha has handled it dextrously.

Kotha is also planning to introduce a new feature where a business account can be opened and it will help build local professional networking and selling products.

Small and medium entrepreneurs can sell their products through the app, he added.

Besides, there will be a digital marketplace in the app where content creators can sell their digital products and services.

To facilitate the service, Kotha is signing a deal with local mobile financial service provider bKash over payment integrating next week.

## US seeks list of apparel brands that cancelled orders

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"If US investors set up vaccine manufacturing plants in Bangladesh, it might be a timely decision because the demand for it is very high right now," Uddin said after the meeting.

The Bangladesh team also demanded more American investment in non-coronavirus-related pharmaceutical industries.

"We told the US to invest in contract-manufacturing of medicine so that they can produce various pharmaceutical products here and later ship some back home," Uddin added.

Investing in Bangladesh's pharmaceutical industry could indeed be lucrative for foreign investors as the country is eligible to produce patented drugs cheaply without securing a licence until 1 January 2033.

This is due to a decision made by the World Trade Organisation under the Trade-Related Intellectual Property Rights (TRIP) agreement.

Thanks to this facility, the local pharmaceutical industry has thrived, meeting 98 per cent of the domestic demand.

As a result, many local drug makers are now exporting their products to nearly 150 destinations, including the US, Canada, the UK and the EU.

In fiscal 2019-20, Bangladesh's pharmaceutical exports grew by 4.5 per cent year-on-year to \$136 million, according to data from the Export Promotion Bureau (EPB).

Bangladesh could also be a prime location for American companies to relocate to as many Japanese and Chinese firms are moving to the country due to its trade privileges and competitive production costs.

In a virtual presentation during the meeting, the Bangladesh Investment Development Authority detailed the country's initiative to launch One-Stop Service centres that would help both

local and international investors.

The issue of reinstating the Generalised System of Preferences (GSP) for certain Bangladeshi products bound for US markets was also raised.

Under the facility, Bangladeshi goods such as dry fish, tobacco and ceramics would enjoy duty-free access.

Before the country's GSP status was suspended, Bangladesh shipped products worth \$24 million to the US each year under the preferential trade treatment.

The current GSP scheme's tenure will come to an end in December either way, the US delegation said.

Therefore, Bangladesh could apply to the USTR for renewal of its GSP status when the next phase comes, according to a statement from the commerce ministry yesterday.

The US government suspended Bangladesh's GSP status back in June 2013, citing poor labour rights and working conditions following the nation's deadliest industrial accident, the collapse of Rana Plaza, in April that year.

About 1,138 workers in the commercial complex were killed while 2,500 were left severely injured.

After that, the US government outlined 16 terms and conditions to be fulfilled by its Bangladeshi counterparts before the country could regain its GSP facility.

Bangladesh has achieved the conditions, which mainly relate to improving labour rights, workplace safety and remediation of garment factories by the Accord and the Alliance.

The country has since applied twice for the reinstatement of its GSP status but the USTR is yet to give the all-clear as a lot more improvements to the country's labour laws need to be made.

"Nonetheless, we are hopeful that the US will consider our appeal items

this time as Bangladesh has already fulfilled all the conditions," Uddin said.

Locally made apparel items should also be given duty-free access to the US even though it does not provide this scope for any other country other than a few African nations under the African Growth and Opportunity Act.

Bangladesh imports tonnes of cotton from the US each year and so, these garment products should get the duty-free facility, he added.

During the meeting, the US delegation demanded cotton imported from the US be not fumigated upon arrival as it had already gone through the process before being shipped.

Double fumigation deteriorates the cotton's quality and also causes a delay in the manufacturing process.

The double fumigation method was introduced in the 1950s, during Ayub Khan's tenure as leader of East Pakistan, now known as Bangladesh, to prevent bollworm attacks.

The US is Bangladesh's single largest export destination but about 95 per cent of all exports to the nation are garment products.

As many as 97 per cent of the goods of Bangladeshi origin had enjoyed duty-free access to US markets due to the country's classification as an LDC.

Under the LDC category, Bangladesh products still get tax-free entry to several other destinations, as per the decision taken during the Hong Kong Ministerial Meeting of the WTO in 2005.

However, the country's main export item, garment, was not included in the 97 per cent package even back then.

Garment exports account for 95 per cent of Bangladesh's overall shipments to the US.

With the existing regulations, Bangladeshi apparel items are subject to 15.6 per cent upon arrival in the US.

## Wage growth drops further though economy reopens

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Inflation was 5.53 per cent in July and price spikes hit construction workers and fishermen hard as their wage growth was way below the rate of inflation.

Growth of income of construction workers slowed to 4.12 per cent in July from 4.24 per cent in the previous month as builders and contractors were slowly resuming their activities.

For fishermen, wages grew 4.87 per cent in July, one basis point lower than that in the previous month.

However, income of workers in the

manufacturing sector did not drop much compared to the construction workers and fishermen, according to the WRI.

The BBS said wages of manufacturing and farm labourers grew at a slower pace in July than in June but the rate of growth was higher than inflation.

Production workers' wage increased 7.09 per cent in July, down from 7.23 per cent a month ago. In July, wage growth of farm workers slowed to 6.15 per cent from 6.18 per cent in June, showed BBS data.

The state agency paints the grim picture of wage growth at a time when independent research organisations estimate that the coronavirus-induced crisis pushed a large number of people into poverty.

A recently survey by the Power and Participation Research Centre and BRAC Institute for Governance and Development showed that income of the poor remained 42 per cent below the pre-pandemic levels although the economy reopened in June. And 17 per cent of the poor households were still out of work in June, it said.

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

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As the company was logging higher profits, it went public in 2013 to raise Tk 220 crore at a premium of Tk 12.

A premium on stocks is defined as the number of extra money investors are ready to pay for the purchase of shares over the par value.

Appollo Ispat raised the funds to repay bank loans amounting to Tk 153 crore and establish a new galvanising plant with the rest of the money.

It introduced 60,000-tonne capacity advanced radiant tube furnace technology-based galvanising plant in April 2018 and the plant was expected to fetch half of the sales volume.

In Bangladesh, CI sheet and galvanised plain sheets are used for 81 per cent roofing and 42 per cent fencing in households in rural and semi-urban areas.

Thanks to higher demand, Appollo Ispat booked higher profits and a better rate of return and turnover until the 2015-16 financial year.

Evana blamed the wrongdoing of one director, Md Sirajul Haque, also a sponsor, for the fall of the company.

"He sold our land without informing the company. He sold 13 truck-loaded finished goods and ran away with the money."

Haque shifted Tk 250 crore out of the company, she said, adding that they had filed a case against the person, who has fled to Canada.

A top official of Appollo Ispat passed the company's confidential information to a major competitor as he was a relative of the company's chairman, Evana said.

"We fell behind in competition," she

said.

The company has short-term loans of Tk 235 crore and Tk 70 crore in long-term loans as on 30 June 30 2018, according to DSE data.

Deen Mohammad lent Tk 152 crore in a personal loan to Appollo Ispat so that it does not become a loan defaulter.

Evana also sold more than 90,000 shares of City Bank to reschedule loans.

Every company has its ups and downs but it does not mean that the company has no potential, she said. "Don't we deserve a chance to revive the company?"

The company, which got listed in 2013, needs Tk 700 crore to Tk 800 crore to make a comeback, according to Evana.

Deen Mohammad's family had planned to wind up the business because of the trouble. "But my father loves it like a child and doesn't want to close it," she added.

Appollo Ispat's factory and raw materials are now being used by Jalalabad Steel to manufacture its products.

The Credit Rating Agency of Bangladesh has assigned the BBB3 rating to Appollo Ispat based on audited financial statements of the company up to 2019.

Companies rated in this category have adequate capacity to meet financial commitments but are more susceptible to adverse economic conditions or changing circumstances, according to a top official of a credit rating agency.

Stock investors are still puzzled how the well-performing, popular company became a loss-making venture.

Appollo Ispat's shares closed at Tk 5.50 on the Dhaka bourse yesterday, up 7.8 per cent from the previous day.

## 34pc garment workers sole earners of households

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Twenty-six per cent of women said that they were the only household earner compared to 60 per cent of their male counterparts.

Of the 66 per cent that reported having some form of financial assistance at home, 91 per cent said they had one other earner while 9 per cent reported having two and just 1 per cent had three or more.

As for the additional earners, 73 per cent of the female respondents said that the other wage earner was their spouse while the figure was 57 per cent in the case of male respondents.

The surveys being conducted by the Sanem and the MFO are part of a project titled Garment Worker Diaries, which collect regular, credible data on the work hours, income, expenses, and financial tool use of workers in the global apparel and textile supply chain in producing countries.

The project began in 2016 when Microfinance Opportunities, a global non-profit, in collaboration with local research firms in Bangladesh, India and Cambodia, collected data from 180 women in each country.

The goal of the project is to collect and disseminate Diaries data in five producing countries by 2021. It is expected that the data will result in a major improvement in the transparency of global supply chains.

The respondents were asked about the wages and work hours of other earners in the household in July.

The findings in July saw a continued drop in unemployment, increased work hours, and a narrowing of earning gap between women and men.

According to the findings, 96 per cent of other household earners went to work.

The median work hours for other household earners was 239. The median salary of the other household earners was Tk 10,000, up from Tk 9,000 in June.

The median salary for women was Tk 10,000 compared to Tk 9,000 for men, according to the press release.

## Food office to assess stock of rice, paddy to tame rising prices

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The food office is yet to find anyone holding a large stock of grain, Khanum said.

"We also want to see if large companies are packaging rice in larger quantity and reducing supply in the market. We are analysing where we need to intervene," she said, adding that the government would import after analysing the situation and to bring in discipline in the market.

Millers and traders earlier said crop losses for cyclone Amphan, recurrent floods and apprehensions over low yields of aman paddy for late plantation and food shortages for the coronavirus pandemic are fuelling rumours among growers, traders and millers that the supply of the food grain will become tight in the coming months.

And these factors are encouraging paddy to be stocked up and released slowly, said millers and traders.

Agriculture ministry recently estimated that flood damaged 32,000 hectares of Aus paddy crop and nearly 71,000 hectares of Aman paddy.

Farmers were harvesting paddy during the current Aus harvesting season. The decision on the amount of import will be taken based on the prospect of Aman, Khanum said.

As part of the preparation, the food ministry also asked its field office to furnish information on the requirement for rice for distribution among poor people under the social safety net and other public food distribution programme between

September and November this year.

Khanum said they need nearly 900,000 tonnes of rice for distribution for three months.

She said the government might consider allowing the private sector to import rice if needed.

KM Layek Ali, general secretary of the Bangladesh Auto, Major and Husking Mills Association, welcomed the government move to assess the stock of foodgrains.

"We millers do not have that much stock. If there is a surplus, it is necessary to see who is holding that. The point is that the quality of grains deteriorated because of bad weather during the harvesting season except for the haor region."

This stock assessment is necessary to see whether there is any surplus or shortage, he added.

A section of traders increase the prices whenever the stock of food grain at public warehouses decline, said Ghulam Rahman, president of the Consumers Association of Bangladesh.

The government should be increasing public stock by reducing import duty and increasing supply in the market through open market sales and other social safety net schemes.

At the same time, it should ensure punishment to wrongdoers.

"The spike in prices is not expected at this time when many people have lost jobs and seen reduced income. Many self-employed have become jobless," he added.