

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.86%	▲ 1.79%	\$1,949.69	\$43.15	▼ 0.34%	▲ 0.18%	▼ 0.12%	▲ 2.07%	BUY TK 83.95	97.59	107.45	12.17
5104.65	8,756.91	(per ounce)	(per barrel)	38,845.82	23,360.30	2,497.71	3,338.09	SELL TK 84.95	101.39	111.25	12.79

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Stimulus loans for large borrowers quickened recovery: experts

Fund disbursement to complete by next month: BB

AKM ZAMIR UDDIN

As many as 2,062 large companies have received low-cost loans worth Tk 25,461 crore from the central bank's stimulus package for big borrowers in the industrial and service sectors.

Experts say the quick fund disbursement by the lenders has had a positive impact on the ongoing recovery process of the business sector, which had faced a major setback during the pandemic-induced lockdown.

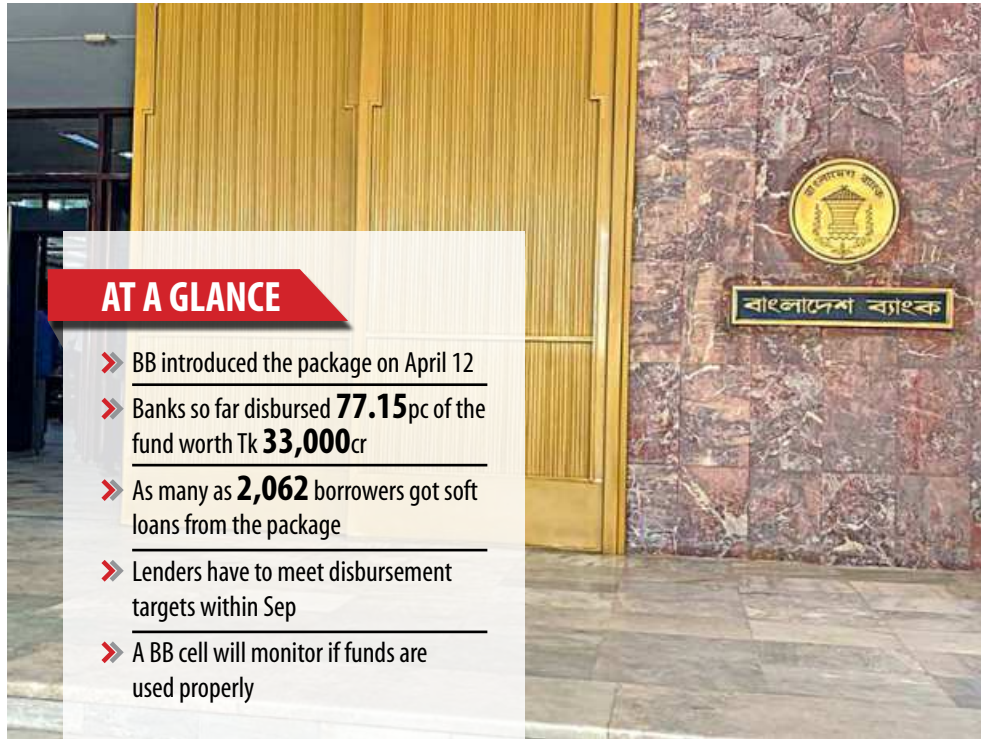
As of September 17, the disbursed fund accounted for 77.15 per cent of the Tk 33,000 crore stimulus package, according to data from the central bank.

"Nevertheless, the central bank should immediately carry out a study to confirm whether the companies are using the stimulus fund properly," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

"There is no doubt that the stimulus fund has brought a positive output for the economy. But we have to ensure whether the fund is being used correctly."

Banks were earlier asked to complete distributing the fund within this month but 18 of them are yet to fulfil their targets set by the central bank.

Against this backdrop, the central bank will stop the disbursements through the lenders which will fall short at the end of the month



AT A GLANCE

- ▶ BB introduced the package on April 12
- ▶ Banks so far disbursed 77.15pc of the fund worth Tk 33,000cr
- ▶ As many as 2,062 borrowers got soft loans from the package
- ▶ Lenders have to meet disbursement targets within Sep
- ▶ A BB cell will monitor if funds are used properly

and give the responsibility of giving out the remainder amounts to the banks who fared well, said Abu Farah Md Naser, an executive director of the Bangladesh Bank.

The central bank asked the 18 banks on Thursday to send a letter within three working days explaining the reasons behind their poor performance.

"Disbursement of the whole stimulus package will have to be completed within the next month at any cost in the interest of the quick recovery of the financial sector," Naser said.

The financial sector has recovered 60-70 per cent in

recent months and the rest is dependent on the proper implementation of the stimulus packages, said Mansur, also a former high official of the International Monetary Fund.

The garment sector received immense support from the stimulus fund and it may enjoy a full turnaround from the first quarter next year, he said.

The central bank can recruit a competent organisation to measure the package's impact in the financial sector, Mansur said.

The banking sector has been lacking corporate governance for years and large borrowers are mainly responsible for the financial health of some banks turning vulnerable, he said.

Naser said the central bank would conduct

TOP BORROWERS THAT RECEIVED FUNDS

(Stimulus package in large industries categories)
In crore Tk; As of Sep 17, 2020

COMPANY	AMOUNT	BANK
Biman Bangladesh Airlines	1,000	Sonali
Bangladesh Machine Tools Factory	115.70	Trust
City Sugar Industries	100	Brac and UCBL
Century Flour Mills	100	IBBL
S Alam Vegetable Oil	100	IBBL
S Alam Cold Rolled Steels	100	IBBL
Zaber & Zubair Fabrics	90	Agrani
Square Food and Beverage	75	Jamuna
Nice Spun Mills	60	Agrani
Shameem Composite Mills	50	Mercantile
Shinepukur Garments	45	Janata
Bextex Garments	45	Janata
New Dacca Industries	45	Janata
Escorp Apparels	45	Janata
Sonargaon Flour and Dal Mills	30	City
Walton Hi-Tech	25	Jamuna

SOURCE: BB

such a study following the disbursement of the fund.

Of the total distributed fund, lenders have given out Tk 20,057 crore as working capital and Tk 5,404 crore for the payment of garment workers' salaries.

The central bank is now supervising the fund disbursement through a special monitoring cell, which has started taking decisions to complete the distribution in a quick manner, Naser said.

The BB formed the stimulus package on April 12. Large borrowers of the two sectors -- industrial and service -- are each being allowed to avail a maximum of 30 per cent of what they had as working capital in December 2019.

Under the stimulus package, banks will get an interest subsidy of 4.5 per cent on the disbursed loans, which the end-users will avail at 9 per cent.

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17 may lose directorship for failing to hold minimum shares

AHSAN HABIB

Bangladesh Securities and Exchange Commission (BSEC) has decided to remove the directors who still do not hold at least 2 per cent shares of their listed companies although the regulator made it mandatory nine years ago.

As a result, 17 directors from 10 listed companies, namely Bangladesh General Insurance, Eastern Insurance, Fuwang Ceramic, Imam Button, Intech, Meghna Life, Mercantile Insurance, Provati Insurance, Purabi General Insurance and United Airways may be removed for noncompliance.

On November 22, 2011, the BSEC issued a circular making it mandatory for directors of listed companies to own at least 2 per cent shares individually and 30 per cent jointly.

Many directors did not follow the directive, prompting the regulator to come up with another circular in August last year, reminding them of their obligation.

As some directors continued to disregard the laws, the commission

FIRMS THAT WILL SEE DIRECTORS GO

- ▶ Bangladesh General Insurance
- ▶ Eastern Insurance
- ▶ Fu-Wang Ceramic
- ▶ Imam Button
- ▶ Intech
- ▶ Meghna Life
- ▶ Mercantile Insurance
- ▶ Provati Insurance
- ▶ Purabi General Insurance
- ▶ United Airways

issued an order on July 2 this year, giving the nonconforming directors 45 days to hold the minimum shares or face the music.

It ordered 61 directors of 22 listed companies to comply. Some of them have already obeyed the order but

many did not. So, the regulator is going to issue a notice by announcing the posts vacant very soon, according to a BSEC source.

Twenty-five of the directors have already purchased shares or were gifted the required number of shares to keep their post intact.

Eighteen directors left the board as they did not meet the requirement on the minimum shareholding. The rest 17 directors neither bought the shares to meet the quota nor left the board.

"We have seen a huge zeal among many directors to follow the order. But those who are not following the order would face the consequences as per laws," said Prof Shibli Rubayat Ul Islam, chairman of the BSEC, said recently.

"We will be tough about the noncompliant directors."

Some companies are trying to fulfil the requirement of holding 30 per cent shares jointly.

"We will consider if directors who have already started buying shares seek some time to meet the requirement."

READ MORE ON B3



SK ENAMUL HUQ

With shelves stocked to the brim with cosmetics, this shopkeeper emanates sheer determination, pegging his hopes on a return of customers and their fixation on luxury items, backed by the reopening of the economy. The photo was taken at Fortune Shopping Mall in the capital's Malibagh yesterday.

Govt serious about offloading shares of state banks: Kamal

REJAUUL KARIM BYRON and JAGARAN CHAKMA

The government has not discarded its plan to offload shares of several state-run banks, said Finance Minister AHM Mustafa Kamal.

"We are seriously thinking about it. We will offload some shares of Rupali Bank first. Then, the shares of other banks would be offloaded gradually," he told The Daily Star in an interview.

The decision to offload the shares of the state-run banks by September came at a meeting on February 9 as part of the government move to prop up the ailing bourses.

As per the plan, an additional 15.2 per cent shares of state-run Rupali Bank would be offloaded first under a secondary offering.

Rupali was listed with the stock exchanges in 1986, with 9.8 per cent of its shares now up for trade. A secondary offering is the sale of new or closely held shares by a company that has already made an initial public offering.

Bangladesh Development Bank is supposed to offload 25 per cent share and Janata and Agrani to offload 10 per cent to a maximum

25 per cent shares.

Kamal said some works have to be done before the plan is materialised fully.

"The balance sheets of the banks have to be prepared anew as per current market prices.



AHM Mustafa Kamal

The valuation of the assets has to be carried out to find out their exact worth and fix the price of the share accordingly," he said.

Kamal said the government will review the budget after the first quarter of the

fiscal year to find out the obstacles facing the implementation amid the coronavirus pandemic and take steps accordingly.

"Of course, no new thing will be introduced in the review. Every quarter, we review the

KAMAL OBSERVES

- ▶ Infrastructure development on track
- ▶ Plans to be revived to offload shares of state-owned banks
- ▶ Exact amount of assets of the banks would be calculated first
- ▶ Boosting gas production will attract investment
- ▶ Investment will pick up once pandemic is over
- ▶ Govt will see whether any black money was whitened due to the amnesty

budget as per laws and it is reflected in the following quarter."

The parliament passed the Tk 568,000-crore budget for the fiscal year 2020-21 on June 30, which, experts say, may prove difficult to implement amid the coronavirus pandemic.

Kamal has set an ambitious economic growth target of 8.2 per cent and focused on health sector development and economic recovery. He would face challenges to keep the budget deficit in check amid rising expenditure and dwindling revenue collection.

The overall budget deficit is Tk 190,000 crore, which is 6 per cent of the GDP. The revenue collection target is Tk 378,000 crore.

In the first month of the fiscal year, the National Board of Revenue could not show an impressive performance on revenue collection.

This prompted the government to borrow around Tk 20,000 crore from the banking system.

The progress of the annual development programme was not impressive either in the first two months of the fiscal year. Development expenditure fell 17.64 per

cent year-on-year in July and 10.18 per cent in August as activities are yet to pick up because of the lingering coronavirus pandemic.

"We have to explore opportunities during the pandemic. We have to be flexible. We will take all the necessary steps to utilise the opportunities," Kamal said.

According to the finance minister, the government has developed the necessary infrastructure to attract investment.

Gas will be increasingly available. The government is purchasing liquefied natural gas from the spot market for the first time in order to provide gas to industries.

"We are boosting our capacity to supply gas to heavy industries. Our infrastructure is okay. Once the Covid-19 is over, the investment would start flowing in."

The finance minister said some people criticised the government for reopening the economy, saying the situation would worsen.

The government had decided to resume economic activities while taking measures to contain the spread of the virus.

READ MORE ON B3



Ananta Ahmed, a faculty of the United States Green Building Council (USGBC), hands over the 'LEED Platinum Certificate' to MM Monirul Alam, CEO of Guardian Life Insurance Ltd, and M Mosharraf Hossain, chairman (in-charge) at Insurance Development and Regulatory Authority, at an event in Dhaka recently. The insurer received the certificate from the council in 'Interior design and construction' category for its eco-friendly head office in Gulshan. Tapan Chowdhury, sponsor and patron of Guardian Life, participated in the event through a digital platform.

Germany plans reform to avoid bankruptcy wave due to Covid-19

REUTERS, Berlin

Germany would relax insolvency rules under proposals set out on Saturday to help avert a wave of bankruptcies in Europe's biggest economy, provided companies hit by the coronavirus crisis have a robust business model.

Keen to avoid bankruptcies and mass layoffs, Chancellor Angela Merkel's government has launched a range of stimulus and relief measures as Germany braces for its biggest slump since World War Two, having shrunk by an unprecedented 9.7 per cent in the second quarter.

"Companies that can show creditors a realistic prospect of restructuring should be able to implement their concept outside insolvency proceedings," said Justice Minister Christine Lambrecht in a statement.

Under the draft reform, which would take effect at the start of 2021, the deadline for firms to file for insolvency would be extended to six from three weeks and authorities will apply more relaxed benchmarks when examining over-indebtedness.

The government has already taken steps such

as allowing firms in financial trouble due to the pandemic to delay filing for bankruptcy until the end of the year, extending an original deadline of the end of September.

Helped by these measures, the number of firms declaring insolvency in Germany fell 6.2 per cent to 9,006 in the first half of this year from the same period last year. Critics say suspending insolvencies delays, but does not prevent, the collapse of "zombie companies" artificially kept afloat.

However, defenders of insolvency protection steps say they have helped to spare Germany deeper economic contraction and prevent a spike in unemployment.



German Justice Minister Christine Lambrecht

Eye-watering problem: Indian optician's claim threatens nation's banks

REUTERS, Agra, India

When business evaporated at Gajendra Sharma's eyeglass shop a couple of miles from the Taj Mahal during India's strict COVID-19 lockdown, he was relieved to hear about a pandemic debt moratorium that would give him breathing room on his home loan.

Now, however, the 53-year-old optician's \$13,500 debt risks destabilising India's banks, authorities warn.

That is because a complaint he brought challenging the loan relief plan, grouped with those of other borrowers and now before the Supreme Court, could mean a \$27 billion hit to lenders - more than half their annual profits - that could shake the nation's financial system, the industry and regulators fear.

The battle, launched from Sharma's small shop in the northern city of Agra and now involving more than 120 lawyers, has the central bank and government struggling to defend what was meant to be a helping hand.

The problem, as the other borrowers see it, is that they must pay additional interest on their skipped repayments during the moratorium, which they call "interest-on-interest."

The borrowers - including a leading real estate industry group, power utilities, shopping malls and small businesses - says the scheme unfairly hits them even as many have been financially devastated by the pandemic, that the banks must forgive the interest and compound interest that accrued while their payments were suspended.

Sharma, a voluble man with a thick moustache and a crop of dark hair, says the six-month reprieve, which ended on Aug. 31, increased his debt load because of the extra interest. He is also paying monthly instalments on a \$21,700 business loan, for which he did not seek a moratorium.

"I realized this scheme was not to give us relief, but to give us more grief," he told Reuters in his shop, where idols of Hindu deities compete for space with Ray Ban and Prada sunglass displays.

After Prime Minister Narendra Modi's government imposed the world's strictest COVID-19 lockdown in March, Sharma saw no customers for months, though he had to keep paying his \$2,700 in monthly recurring costs.

Across this nation of 1.3 billion people, companies say they are struggling to keep up with their loans as the lockdown has choked business and consumer spending. The economy collapsed a record 23.9 per cent in the April-June quarter from a year earlier.

Now, even with the moratorium, "the interest-on-interest will result in winding up various real estate and other companies," said Utsav Trivedi, a lawyer representing one group of Sharma's fellow complainants.

In a typical case, a homeowner with 15 years remaining on a roughly \$40,000 loan would pay an additional \$6,000 in interest due to the moratorium, an extra 16 months' worth, explains SBI, India's top state-run bank.

Citing Sharma's case, the finance ministry last week ordered a panel to analyse the impact of withdrawing interest and the compounding levy.

The Supreme Court appears sympathetic to the borrowers on the extra interest.

During the most recent hearing on Sept. 10, Justice Ashok Bhushan said the court was "inclined to pass an order" that banks forgive the additional levies.

India's banks, too, are reeling from the pandemic, and the industry fears a major judicial setback, given that the court has previously overturned government decisions in ways that hit sectors from coal mining and telecommunications.

Banks already have bad loans of over \$120 billion, much of it on the books of state-run lenders, which dominate India's banking landscape, and the non-performing debt is set to surge in coming months. Any deterioration in their books would force the government, itself deeply indebted, to set aside billions of dollars to recapitalise the banks.

Combined annual profits at private banks and state-owned banks is some 3.2 trillion rupees (\$43 billion), "so a waiver of interest will be totally destabilising," said analyst Anil Gupta at credit rating agency ICRA.

The Reserve Bank of India told the court an "interest-free" moratorium would cut the sector's income by at least 2 trillion rupees (\$27 billion), or 1 per cent of India's GDP. "There would be huge consequences for the stability of the banking system," the central bank said.

The finance ministry told the court last month what waiving what it says is standard compound interest would be "against the basic canons of finance", adding it was crucial to protect the more than 1.9 billion deposit accounts that earn interest income.

The central bank and ministry did not respond to requests for comment.

Sharma, while performing his daily Hindu prayers, said he remains hopeful he will get relief.

"With faith in God I've thought of ways to come out of this muddle," he said about his case, which will next be heard on Sept. 28.



Gajendra Sharma, 53, an optician, poses inside his shop selling eye glasses in Agra, India recently.

China's commerce ministry issues rules on 'unreliable entities' list

REUTERS, Beijing

China's commerce ministry on Saturday issued rules on its proposed list of "unreliable entities," part of an intensifying rift with the United States, saying it will target foreign firms and individuals endangering China's sovereignty and security.

After President Donald Trump's administration imposed additional tariffs on Chinese goods and curbs on Huawei Technologies Co last year, China vowed to draw up a list aimed at punishing foreign firms deemed harmful to Chinese interests.

It has yet to publish the list.

The United States said on Friday it will ban WeChat and video-sharing app TikTok from US stores starting on Sunday night, a move that will block Americans from downloading the Chinese-owned platforms over concerns they pose a national security threat.

China's list will target foreign firms and individuals violating normal market transactions in China, interrupting deals with Chinese firms or taking discriminatory measures against Chinese firms, the ministry said.

In May, state-run tabloid Global Times reported the measures would target such U.S. companies as Apple Inc, Cisco Systems Inc, Qualcomm Inc, while suspending purchases of Boeing Co BA.N airplanes.

The ministry said the list will help "safeguard national sovereignty, security and development interests, maintain a fair and free international economic and trade order, and protect the legitimate rights and interests of Chinese enterprises, other organizations or individuals."

Authorities will set up a working mechanism and an office to help implement work related to the list, it added.

China will prohibit foreign firms listed as unreliable entities from engaging in import, export and investment in China, the ministry said.

Foreign firms could be removed from the list if they correct their behaviours and takes steps to eliminate the consequences of their actions, it said.

TikTok files complaint against Trump administration to try to block US ban

REUTERS

Popular video-sharing app TikTok has asked a US judge to block the Trump administration from enforcing a ban on the Chinese social media network, according to court documents filed late on Friday.

TikTok and its parent company, ByteDance Ltd., filed a complaint in a Washington federal court challenging the recent prohibitory moves by the Trump administration.

The US Commerce Department announced a ban on Friday blocking people in the United States from downloading Chinese-owned messaging app WeChat and TikTok starting Sept. 20.

The ban was being introduced for political reasons, TikTok and ByteDance alleged in their complaint. TikTok also said the ban would violate the company's First Amendment rights.

US President Donald Trump, who has been locked in a long-running trade dispute with China, issued an executive order on Aug. 6 that prohibited US transactions with the Chinese owners of messaging app WeChat and TikTok.

Both ByteDance and TikTok are seeking a "declaratory" judgment and an order "invalidating and preliminarily and permanently enjoining the Prohibitions and the August 6 order," according to the complaint.

The White House did not immediately respond when Reuters contacted it for comment early on Saturday.

TikTok, which has over 100 million users in the United States, said the ban would "irreversibly destroy the TikTok business in the US"

Fiscal fizzle saps US economic recovery, a possible boost to Biden

REUTERS

This week's economic data offers fresh hints that the US recovery will slow without new federal aid, a possible blow to President Donald Trump's reelection bid, especially since any new spending before the Nov. 3 presidential election seems unlikely.

A slowdown in US consumer spending in August provided the clearest evidence this week that as millions of Americans lost the extra unemployment benefits that had sustained their finances in the early months of the COVID-19 recession, they have begun to cut back.

In an economy where consumer spending accounts for two-thirds of the total output, less shopping means less overall growth.

The number of Americans filing new claims for unemployment dropped less than expected, and applications for the week before were revised up, suggesting the labor market recovery has plateaued. Meanwhile, a Fed survey released Friday showed

that American households were better off financially in July than they were in the first months of the crisis, in large part because of their access to government aid.

Other data this week indicate the recovery is ongoing in some parts of the economy.

US factory production increased for a fourth straight month in August, and confidence rose to a record among single-family homebuilders, who saw

a boost to demand from low interest rates and pandemic-fueled demand for homes suited to remote work.

Broad consumer sentiment also picked up in September, a report showed Friday. Democrats grew more upbeat about the economy's outlook while Republicans' enthusiasm dipped, but overall consumer optimism is still down compared with before the crisis.

Next week Federal Reserve

Chair Jerome Powell is scheduled to address lawmakers at three separate hearings, where he will undoubtedly make the same observation he has repeatedly made for months, including after this week's policymaking meeting: more stimulus "is likely to be needed" for the recovery to continue.

The House, controlled by Democrats, and the Senate, controlled by Republicans, are deadlocked on any stimulus bill, and there's little chance of it passing before the election.

Eventually, Congress will pass some pandemic relief, no matter who wins the presidential contest. But it's likely to be less under Trump, a Republican, than under Democratic presidential nominee Joe Biden.

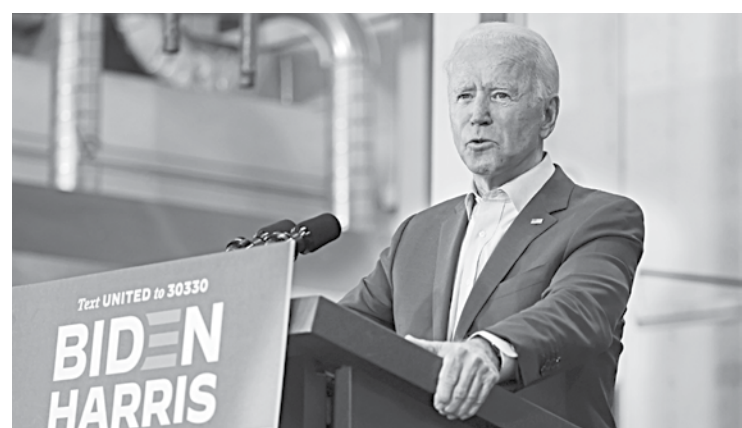
"If Trump wins and (Republicans) retain control of the Senate and the president says he wants more stimulus, Republicans will find a way to go along with that," said Eric Winograd, senior economist at AllianceBernstein. "If Biden wins, you would get bigger stimulus."

Goldman Sachs economists said they would likely boost their fourth-quarter GDP forecast if Biden wins and Democrats retake the US Senate, because Democrats would approve a spending package larger than the \$1 trillion Goldman has penciled in.

Despite overall concerns about the strength of the recovery, and millions out of work since the pandemic hit, a recent Reuters/Ipsos poll found that 45 per cent of US adults think Trump is the better candidate for rebuilding the economy. That's compared with 36 per cent who say Biden would be better.

But the same poll showed that likely voters were much more concerned about a candidate's ability to fight the coronavirus and restore trust in government, both issues on which voters gave Biden a lead.

COVID-19 has killed more than 197,000 in the United States since the pandemic began. New daily cases are now averaging about 40,000, about 60 per cent of the July peak.



Joe Biden



Sayem Sobhan, managing director of Bashundhara Group, and Md Arfan Ali, president and managing director of Bank Asia, pose during a signing ceremony of a syndicated term loan facility of Tk 700 crore for Bashundhara Industrial Complex Ltd, at Le Méridien Dhaka on Thursday. While Bank Asia is the lead arranger and agent of the syndicated deal, the other participatory banks are Dhaka Bank, First Security Islami Bank, Pubali Bank, Social Islami Bank and United Commercial Bank.

Phoenix Finance approves 6pc cash, 6pc stock dividends

STAR BUSINESS DESK
Phoenix Finance & Investments has recently approved 6 per cent cash and 6 per cent stock dividends for 2019. The shareholders of the company took the decision at its 25th annual general meeting held through a digital platform on Thursday. Azzur Rahman, chairman of the company, presided over the meeting. Directors Md Jamirul Islam, Dost Mohammad, Md Rafiqur Rahman and Rakibul Islam Khan, Independent Director Reshad Imam, Managing Director SM Intekhab Alam, Deputy Managing Director and Company Secretary Mohammad Sayduzzaman participated in the meeting.

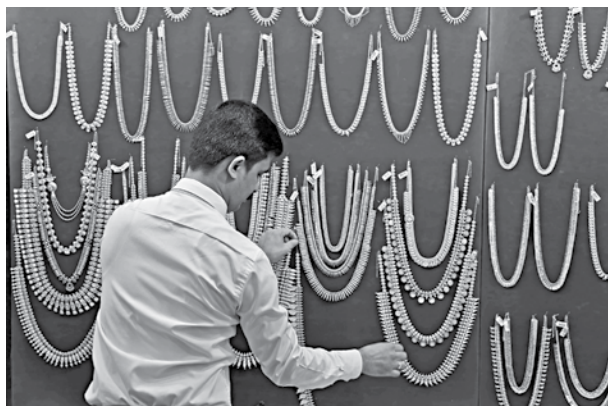
India to ask foreign firms to source more local materials for government projects

REUTERS, New Delhi
India will demand foreign firms use more locally produced materials when working on government-run projects, a government order said late on Friday. Indian authorities have been aggressively promoting Prime Minister Narendra Modi's flagship campaign of a self-reliant economy by urging domestic manufacturers to cut down on imports.

Indian gold dealers bank on festivals to bring back customers

REUTERS
Gold jewelers in India pinned hopes on an upcoming festival season, with dealers offering discounts for a fifth straight week to lure customers back to shops, as activity remained muted in Asian bullion hubs. In India, discounts eased to \$23 an ounce over official domestic prices, inclusive of 12.5 per cent import and 3 per cent sales levies, from last week's \$30. "Festival season is approaching. If prices remain stable, demand could start improving in coming weeks," said Mukesh Kothari, director at Mumbai-based dealer RiddiSiddhi Bullions. On Friday, domestic gold futures prices were around 51,500 rupees per 10 grams, on track for a 0.5 per cent gain for the week. Jewelers are waiting for a clear price trend

and could start building inventory early next month for festivals, said a Mumbai-based dealer with a bullion importing bank. In China, discounts eased slightly to \$44-\$48 an ounce from last week's \$45-\$50, with most purchases coming only from the investment side. "The physical market is unlikely to recover by end of this year," said Peter Fung, head of dealing at Wing Fung Precious Metals. China has been operating at discounts since February as the coronavirus pandemic hammered demand. Sales could pick up during the October holiday period, but will still be relatively lower year-on-year, said Samson Li, Hong Kong-based precious metals analyst at Refinitiv GFMS. Gold was sold at \$0.80-\$1.50 an ounce premium in Singapore. "Investors are likely on the sidelines hoping for lower prices," Vincent Tie, sales manager at Silver Bullion said, adding supply chains were still strained due to the pandemic. Japan saw premiums of \$0.30-\$0.50. Both buyers and sellers were active this week, a Tokyo-based trader said. In Bangladesh, domestic prices were hiked for a second time this week with the best quality gold priced at 76,458 taka (\$903.44) per Bhoori as a weaker domestic currency drove up import costs.



A salesman arranges gold ornaments, on a display board, inside a jewellery showroom during Akshaya Tritiya, a major gold buying festival, in Kochi, India.

US details up to \$14b in new aid for farmers

REUTERS, Chicago
The US Agriculture Department on Friday released details of a second round of COVID-19 aid for farmers, which will pay up to \$14 billion to growers of major crops such as corn, soybeans and wheat, as well as livestock, dairy and tobacco. President Donald Trump announced the assistance on Thursday night at a campaign rally in Wisconsin, a crucial battleground state. Farmers widely backed Trump in 2016. The aid follows a \$19 billion relief program announced in April to help US farmers cope with disruptions to the food supply chain and plummeting demand from restaurants during the pandemic. Less than \$10 billion has been paid out to date. "We listened to feedback received from farmers, ranchers and agricultural organizations about the impact of the pandemic on our nations' farms and ranches, and we developed a program to better meet the needs of those impacted," Agriculture Secretary Sonny Perdue said in a statement. The administration has been criticized for the \$28 billion spent over 2018 and 2019 to compensate farmers for lost sales during a tariff war with China. "Once again, the Trump administration is funneling too much money to farmers that do not need it and not enough to those that are facing economic ruin," said Scott Faber, senior vice president of government affairs at the Environmental Working Group. "The only plausible explanation is that this is just old-fashioned vote buying." The new aid package will largely be funded by the Commodity Credit Corp, a Depression-era program created to support farm income. Funds from the corporation do not need to be approved by Congress. The USDA also said that up to \$100 million in aid for tobacco farmers will come from the Coronavirus Aid, Relief, and

Economic Security Act. In North Carolina, the top tobacco-producing state, Republican Senator Thom Tillis, in a statement, thanked Trump and Perdue for helping farmers in his state. Tillis trails his Democratic challenger, former state Senator Cal Cunningham, who has also steadily outraised him in campaign donations. Based on the government's latest harvest projections, farmers could receive about 23 cents a bushel for corn, or \$3.427 billion, and 31 cents a bushel for soybeans, or \$1.337 billion, according to a Reuters analysis of figures from the USDA and the American Farm Bureau Federation. The program also allows farmers to apply for aid at \$15 per acre for major row crops

such as corn, soybeans and wheat. The USDA said that major row crops were eligible for the program because the national average price for them fell at least 5 per cent between mid-January and late July. Prices have rallied sharply since then, with a surge in buying from China pushing the soybean futures market Sv1 to its highest in more than two years. Corn Cv1 was trading at its highest in more than six months and wheat Wv1 recently hit a five-month top. The new plan adds nearly 100 specialty crops like honey, ginger and macadamia nuts. It also eases restrictions on aid for such crops that farmers said limited the benefits of the previous payment program.



A farmer's corn harvesting combine is seen at Eldon in the US.

New storm stirs in US Gulf as oil production recovers from Sally

REUTERS, Houston
A new Tropical Storm stirred on Friday in the Gulf of Mexico off the coast of Mexico as energy firms continued to reopened more offshore crude oil production shut just days earlier. Beta, the 23rd named storm of the Atlantic hurricane season, formed in the Bay of Campeche, about 280 miles (450 km) southeast of the Rio Grande River, with 40 miles (64 km) per hour winds. It was only the second time in history forecasters have taken to using the Greek alphabet for storm names, having exhausted names selected before the season began. The first year storms exceeded given names was 2005, when there were a record 27 named storms. Beta, which forecasters predicted could become a hurricane next week, is the third named storm in the US Gulf of Mexico in less than a month, following Laura and Sally. Hurricane Sally swept through the eastern Gulf and struck Alabama on Wednesday with winds of up to 105 miles per hour. Beta will approach the western coast of the US Gulf of Mexico over the next three days, moving northwest toward the south

Texas coast then turning northeast, the US National Hurricane Center said at 4 p.m. CDT (2100 GMT). Its winds could strengthen to 75 mph by Monday morning, a category one hurricane on the five step Saffir-Simpson Wind Scale, the NHC said. The storm took shape Friday as energy producers had nearly completed flying crews back to oil production platforms on the opposite end of the Gulf of Mexico. Energy firms reported 37 platforms remained unstaffed on Friday out of the 149 that initially had been evacuated for Hurricane Sally. That was down from 70 platforms unoccupied a day earlier. Oil output in the US offshore remained down 21 per cent of normal, or 396,554 barrels-per-day (bpd), at midday, offshore regulator Bureau of Safety and Environmental Enforcement (BSEE) said. Natural gas output from the offshore US Gulf also was down 16 per cent, or 435 million cubic feet per day (mmcf), BSEE said. Production in Gulf was shut because of the threat from Hurricane Sally. US Gulf of Mexico offshore oil production accounts for 17 per cent of total US crude oil production and 5 per cent of US dry natural gas production.

'Document verification system' to ensure financial discipline

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Muhammad Farooq, president of the ICAB, said all the companies registered with the Registrar of Joint Stock Companies and Firms (RJSC) must be audited by CA firms. "We have found that there is a big mismatch among the data of ICAB, NBR and RJSC in relation to the number of companies audited by practising members,

the number of annual returns submitted with RJSC and the number of corporate TIN holders, he said. Md Shabbir Ahmed, director at the Central Intelligence Cell at the NBR; Mohammed Forkan Uddin, vice president of the ICAB, and Md Humayun Kabir, member council and chairman of taxation and corporate laws committee, also spoke.

Stimulus loans for large borrowers quickened recovery: experts

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The banking regulator has also formed a refinance scheme of Tk 15,000 crore for the smooth implementation of the stimulus package, bringing huge relief to the cash-strapped banking sector. Under the refinance scheme, lenders will get funds in the form of working capital at 4 per cent interest from the BB. In order to receive funds from the refinance scheme, banks will have to give at least 50 per cent of each loan from their coffers. Borrowers now get funds at a low-cost due to the central bank's stimulus package, which has given a great boost to the financial sector, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank. Lenders are enjoying available liquid funds thanks to the efforts of the central bank, which injected a large amount of fund in many forms, especially the stimulus packages, he said. Private sector credit growth has been on the rise thanks to the implementation of the packages, said Rahman, also a former chairman of the Association of Bankers, Bangladesh, a forum of banks' chief executives. Year-on-year credit growth stood at 9.2 per cent in July, up 8.61 per cent from a month earlier. However, demand for loans is still lower than what was in the pre-Covid-19 period as they are yet to regain full confidence, said Rahman. Mansur said the financial sector would require more than one year to get back its full tempo. The service sector will not enjoy a full turnaround until a vaccine for the novel coronavirus is available for the people on a wide scale, he said. The export sector has almost attained 80-90 per cent of the recovery riding on the stimulus package, said Emranul Huq, managing director of Dhaka Bank. "We were initially afraid of the recession. But dark clouds are moving away from our skies, helping the banking sector get back its confidence as well," he said. A good number of borrowers have already started paying back their dues, playing a role in strengthening the financial health of banks, Huq said.

Steel makers want policy support for faster recovery

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Dealers and users are now failing to pay regularly for their previously purchased finished products either, Shahidullah said. In regards to the supply chain disruption, many countries with which letters of credit were opened for purchasing raw materials have been unable to meet Bangladesh's requirements and so new sources should be sought, according to the managing director. Shahidullah also urged the banking sector to come forward with an open mind to support the steel industry and for an extension on the existing five-year term loan scheme to 12 years to help reduce the burden of instalments. Although the country's steel sector is mostly import oriented for raw materials, tax barriers in the import process are too high, Shahidullah said, while underscoring the need to relax such barriers imposed by the National Board of Revenue. Abu Sayem Chowdhury, deputy managing director of Bayezid Steel, said the demand for steel from the private sector is very low as the companies affected by the pandemic are not going for new investments or new projects.

17 may lose directorship for failing to hold minimum shares

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If the directors have not begun the process to keep at least 30 per cent shares jointly, the regulator will take a tough measure, the chairman added. "This is a good initiative," said Prof Abu Ahmed, a stock market analyst. "When sponsors hold most shares, they work for the company with much interest. Otherwise, they don't care about the performance of the company." The order on the minimum shareholding should have been implemented much earlier, according to Ahmed. The strict policy of the commission has lifted the confidence of the investors, he said. "The initiative must continue. Then it would ensure discipline in the market." Investors also appreciated the BSEC move, saying it will help the commission gain acceptance among market intermediaries. In 2011, some 14 directors from four listed companies went to the High Court challenging the BSEC order on minimum shareholding. The court rejected the appeal.

Govt serious about offloading shares of state banks: Kamal

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"Ultimately, the decision of the government became fruitful as the economy is gradually rebounding and the pandemic situation is improving," Kamal said. "People are participating in the economy. So, I am hopeful that we will be able to achieve 8.2 per cent GDP growth." Kamal also talked about the amnesty given to whiten the black money. "If we don't see any progress regarding the amnesty, we will consider that there is no black money in the country," he said. The National Technical Advisory Committee formed to tackle the Covid-19 pandemic has advised the government to go for an advance payment in a bid to procure the Covid-19 vaccine quickly. "If a booking is not made, vaccines would not be available easily as demand would be high," said Kamal.

