

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
1.50%	1.44%	\$1,912.21	\$41.78	38,034.14	23,360.30	2,485.71	3,316.94	83.95	98.61	107.85	12.21	
5012.12	8,597.43	(per ounce)	(per barrel)					BUY TK	84.95	102.41	111.65	12.83

www.sibld.com

CallCenter
16491
serving you 24/7

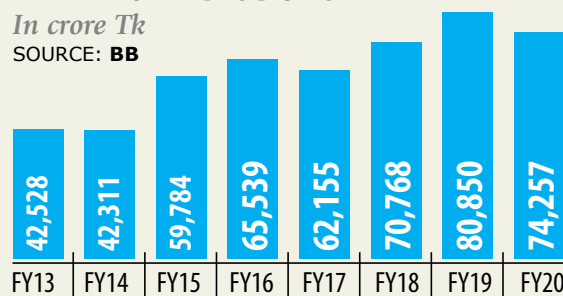
SIBL
SIBL
SIBL

Star BUSINESS

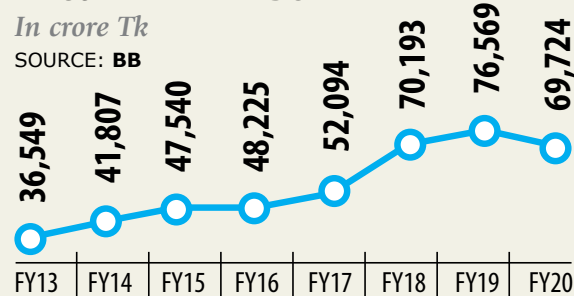
DHAKA TUESDAY SEPTEMBER 22, 2020, ASHWIN 7, 1427 BS • starbusiness@thedailystar.net

Term loans shrink as industries weaken

TERM LOAN DISBURSEMENT



RECOVERY TRENDS



AKM ZAMIR UDDIN

Disbursement of industrial term loans contracted 8.15 per cent year-on-year to Tk 74,257 crore in the last fiscal year due to the economic meltdown brought on by the coronavirus pandemic.

The dismal figure exposed the stagnation of the country's industrial sector has been confronting, prompting experts to call on the central bank to take immediate measures to boost the industrial sector by providing term loans to businesses.

A term loan is a credit from a bank for a specific amount that has a specified repayment schedule. The minimum repayment period is more than a year and it carries either a fixed

or floating interest rate.

Businesses often take the loan to set up new industrial plants or expand the existing ones, thus contributing to the economy.

The term loan disbursement has started to face a major blow when the country embraced the lockdown in the last week of March to contain the coronavirus pandemic.

Term loans given out by banks stood at Tk 12,132 crore in the last quarter of FY20, down 45.43 per cent from a year ago, according to data from the central bank.

The recovery of term loans also registered negative growth for the first time in recent years because of the eroding capacity of businesses to repay.

Lenders recovered term loans worth Tk 69,724 crore in FY20, in contrast to Tk 76,569 crore a year ago.

However, defaulted term loans did not face any escalation thanks to the

central bank's initiative that allowed loan moratorium facility to borrowers from January to September this year.

Thanks to the payment holiday, borrowers' credit rating will not be downgraded even if they fail to pay instalments.

Defaulted term loans stood at Tk 32,380 crore as of June this year, down from 19.14 per cent year-on-year.

"The overall disbursement situation of the term loan is not unexpected given the ongoing financial meltdown," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

The central bank should immediately take a set of policies to revive the term loan disbursement, he said.

The central bank may extend the ongoing loan moratorium facility for another three months to December.

"But this will not give any solution to expediting the term loan disbursement. The facility for the affected businesses may be extended by a year," said Mansur, also a former high official of the International Monetary Fund.

READ MORE ON B3

SR Group accused of evading Tk 18cr VAT

STAR BUSINESS REPORT

Two restaurants owned by SR Group have evaded value-added tax of more than Tk 18 crore by concealing sales records of Tk 200 crore, the VAT Intelligence Directorate said in a statement yesterday.

The VAT Intelligence Directorate, an office under the National Board of Revenue, uncovered the tax-dodging after it went through commercial records and documents it seized during a raid at the group's head office in the capital's Nikunja 1 last week.

The VAT detectives uncovered that SR Group is evading a huge amount of VAT by hiding the actual sales of the two restaurants: Food Village Ltd located on the Dhaka-Rangpur highway in Bogura's Sherpur and Food Village Plus, which is located on the same highway in Hatikumul in Sirajganj.

Food Village Plus reported sales of Tk 23.1 crore from February 2017 to July 2020 and it paid Tk 2.52 crore in VAT against the sales, according to the Sirajganj VAT Circle.

But the documents showed that the actual sales were Tk 123.30 crore. This meant Food Village Plus has evaded a VAT of Tk 9.44 crore.

READ MORE ON B3

Nine apparel exporters in a tight spot as German retailer yet to clear dues

REFAYET ULLAH MIRDHA

Nine small and medium-sized garment factories are in big trouble as a German retailer is not paying them on the pretext of being hit by the coronavirus pandemic although the buyer received the goods before the crisis began.

Colloseum bought t-shirts, polo shirts and sweaters worth \$15 lakh from the Bangladeshi suppliers between December

last year and February this year through its Hong Kong vendor Asia Today Ltd.

The suppliers are Kappa Fashion Wear, Base Fashion Wear, Dynasty Sweater (BD), Bakhrabad Knitting Industries, Anzir Apparels, IRIS Fashions, Gramtech Knit Dyeing & Garment Industries Ltd, Seo Wan Bangladesh and Disney Sweater.

The German retailer owes a few lakh dollars to some buying houses as well.

READ MORE ON B2

COLLOSEUM OWES NINE LOCAL GARMENT SUPPLIERS

Shipment value in \$

Kappa Fashion Wear	Base Fashions	Anzir Apparels
152,938.96	566,919.95	214,483.50
Seo Wan Bangladesh	Dynasty Sweater	Iris Fashions
83,137	16,453.80	140,949.60
Disney Sweater	Bakhrabad Knitting Industries	Gramtech Knit Dyeing Finishing
21,054	66,923.23	38,262

BB eases payment rules to boost onion import

STAR BUSINESS REPORT

The central bank yesterday allowed onion importers to open letters of credit by using the 90-day deferred payment tool as part of efforts to help them import the kitchen staple easily.

The deferred payment will be applicable under the buyer's and supplier's credit, according to a central bank notice.

Deferred payment is a loan arrangement in which the borrower is allowed to start

making payments at some specified time in the future. It is often used in retail settings where a person buys and receives an item with a commitment to begin making payments at a future date.

The buyer's credit is a short-term loan facility extended to an importer by an overseas lender such as a bank or financial institution to finance the purchase of capital goods, services, and other big-ticket items.

READ MORE ON B3

dbi CERAMICS

dbiceramics.com

dbiceramics

01713656565

VIRTUAL



HONOURING BUSINESS LEADERS DURING PANDEMIC

CALL FOR NOMINATIONS

THE CATEGORIES ARE:

1. BUSINESS PERSON OF THE YEAR 2019
2. OUTSTANDING WOMAN IN BUSINESS OF THE YEAR 2019
3. ENTERPRISE OF THE YEAR 2019
4. BEST FINANCIAL INSTITUTION OF THE YEAR 2019
5. YOUNG BUSINESS PERSON OF THE YEAR 2019

The Daily Star and DHL have decided to hold their prestigious Business Award in the midst of the pandemic because we want to honour business leaders who, in spite of tremendous challenges and complying fully with health guidelines, are keeping the wheels of the economy running and thereby serving the nation and the people.

LAST DATE FOR SUBMITTING NOMINATIONS IS OCTOBER 10, 2020.

***ALL PREVIOUS WINNERS ARE NOW ELIGIBLE FOR NOMINATIONS ALSO.**

For further details & nomination submission please log on to our website:

www.dhl.com.bd/bba. You can also submit nominations via e-mail to: bbawards@dhl.com

BBA Secretariat: Molly Capita Center, 5th floor, 76, Bir Uttam Mir Shawkat Road Gulshan1, Dhaka 1212, Bangladesh: +88(02) 55668101 (Ext- 46007) Contact Person : Mirza Reshad Ahmed.

Mahbubur Rahman, chairman of National Housing Finance and Investments, presides over the company's 21st annual general meeting on Sunday through a digital platform. The company approved 10 per cent cash dividend for 2019. Syed Altaf Hossain, vice chairman, and Md Khalilur Rahman, managing director, were present.



NATIONAL HOUSING FINANCE AND INVESTMENTS

Judge halts WeChat download ban in US-China tech battle

AFP, New York
A US judge on Sunday blocked the government's ban on WeChat downloads, hours before it was due to take effect in an ongoing technology and espionage battle between Washington and Beijing. The Trump administration had ordered a ban on downloads of the messaging platform WeChat as well as hugely popular video-sharing app TikTok, both owned by Chinese companies. Both bans have now been suspended. A California court ruling said it granted a "motion for a nationwide injunction against the implementation" of the government order on WeChat, with the judge citing concerns over free speech. The order would have slowed WeChat down and made it unusable in the United States for video chats with family and friends, according to experts. Owned by technology giant Tencent, WeChat has around 19 million active daily users in the United States. When contacted by AFP, Tencent declined to comment on the ruling. The ruling "is a short-term relief for the plaintiffs, who wanted to

be sure that the app was not shut down tonight," said Carl Tobias, a law professor at the University of Richmond. If the government appeals and wins, the plaintiffs can appeal that decision. "The plaintiffs wanted to just buy time," Tobias said. "It may be very soon that the president is no longer the president." As President Donald Trump

seeks a breakthrough with voters to win a second term in the November 3 election, he has increasingly put national security and his aggressive stance toward China at the center of his campaign. He regularly accuses Democratic opponent Joe Biden of weakness toward Beijing. The president said Saturday that he had approved a deal allowing Silicon Valley giant Oracle to become data partner for TikTok to

avert a shutdown of that app. The deal, announced by the companies, includes Walmart as a commercial partner and would create a new US company named TikTok Global. TikTok -- owned by China's ByteDance -- confirmed the Oracle agreement, which came as companies raced against the Sunday deadline. The US Department of Commerce on Saturday announced it was postponing the ban on TikTok downloads until September 27, due to "recent positive developments." Commerce Secretary Wilbur Ross on Friday accused China of using the two apps "to threaten the national security, foreign policy, and the economy of the US." "WeChat is "mostly used by Chinese visiting or working here or by Chinese-Americans staying in touch with their relatives," said William Reinsch of the Center for Strategic and International Studies in Washington. That includes several hundred thousand Chinese students in the United States, who use it for daily online conversations. Trump has often claimed, without providing evidence, that TikTok and WeChat are collecting user data for Beijing.



REUTERS
The messenger app WeChat is seen among US and China flags in this illustration picture.

Nine apparel exporters in a tight spot as German retailer yet to clear dues

FROM PAGE B1
The retailer is not making the payment despite being served with legal notices. It, however, is purchasing goods from Bangladesh in another name, several suppliers say. "We were ready to settle at 50 per cent payment. But there are no responses from the buyer," said Ahmed F Rahman, chairman of Fatullah-based Kappa Fashions Wear. Many buyers have offered a deferred payment to suppliers following consensus. However, Colloseum did not give any timeframe when it would be able to make the payment, said Rahman. The entrepreneur has been supplying t-shirts and polo shirts to the retailer for the last five years. Rahman exports \$10 million worth of garment items every year and 5 per cent of the consignment goes to the stores of Colloseum. Rahman, who started garment business in 2006 and employs 1,000 workers, said he is in trouble now. In another blow, the central bank will accuse them of money-laundering if the payment is not realised on time, he said. Another supplier Md Ehterab Hossain sold \$5.66 lakh worth of t-shirts and polo shirts, the highest amount among the nine suppliers. A consignment involving \$96,000 was brought back from the Chattogram port's store after paying Tk 2 lakh in demurrage in the last moment. "Because of the nonpayment, I have been facing a lot of difficulties to run my factory," said Hossain, managing director of Gazipur-based Base Fashion Wears Ltd, which employs 1,000 workers. "Colloseum received the goods but is not making the payment. This is not right in the business relationship," he said. Mohammad Hatem, vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association, said the association has received complaints against Colloseum from its members. "I will send emails to the buyer serving show-cause notice soon," he said. Many local suppliers have been facing similar problems related to payment but the nine suppliers shipped goods to the buyer before the crisis unfolded, he said.

He said small and medium-sized garment factories are suffering the most from such a situation because their financial ability is not as strong as the bigger units. "Buyers are not paying them on time while banks are not cooperating because of the fallout from the pandemic." KI Hossain, president of the Bangladesh Garment Buying House Association, said many buying houses are facing the challenge of non-payment. Sales in western countries are returning to normalcy with the reopening of stores. So, retailers and brands should honour their purchase orders accordingly, he said. Every supplier should know about their retailers and brands before supplying goods, he said. "Many retailers and brands may take advantage of the situation, accept the shipment from suppliers and may not pay timely." Asia Today, the German embassy in Dhaka and the head office of Colloseum did not reply to email messages requesting for comments. Colloseum, the Oberhausen-based group of companies, mainly consists of the non-operating holding company FIRST Retail AG, the operating Fashion FC Club GmbH and UFB Germany GmbH. A vertical fast-fashion retailer for young and price-conscious women with a total of 1,450 employees and a turnover of approximately 80 million euros, it has been declared insolvent and sold to Schulz Fashion GmbH, according to the website of Acxit Recovery Management. Acxit Recovery Management acted as the exclusive merger and acquisition adviser to Fashion FC and the preliminary insolvency administration. The new owner would take over 104 of the 136 stores operated as of July 1. The overall difficult industry environment, frequent changes in management as well as an unfinished, initiated restructuring process in combination with the severe cutbacks in the retail sector caused by the coronavirus pandemic forced FIRST Retail and Fashion FC to file for insolvency on March 30, 2020, said Acxit Recovery Management. Some German media outlets also published reports about the development.

ECB wants to cut reporting burden for banks

REUTERS, Frankfurt
The European Central Bank wants to simplify reporting requirements for banks, it said on Monday, responding to the industry's long standing criticism that supervision is unnecessarily cumbersome and expensive. The European Union's banking industry spends around 4 billion euros a year on reporting and lenders often

complain that duplication, unnecessary detail and inefficient collection formats make this cost unacceptably high. Insisting that it wants improve how banks report and not what they report, the ECB called for standardized reporting templates and formats, a central data collection point, the removal of duplications, standardized definitions, and improved data sharing between authorities.

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার অধীক্ষকের কার্যালয় সিলেট শহীদ শামসুদ্দিন আহমদ হাসপাতাল, সিলেট	
দরপত্র বিজ্ঞপ্তি	
০১	মন্ত্রণালয়/বিভাগ
০২	সংগ্রাহক/স্বত্বাধিকারীর নাম
০৩	অর্থায়নের উৎস
০৪	আহবানকৃত দরপত্রের স্মারক নম্বর ও তারিখ
০৫	দরপত্রের নাম/কাজের বিবরণ
০৬	সংগ্রাহক/স্বত্বাধিকারীর জেলা
০৭	ক্রয় প্রক্রিয়া
০৮	দরপত্রদাতার যোগ্যতা
০৯	দরপত্র তফসীলের মূল্য (অফেরতযোগ্য)
১০	বায়নার টাকা
১১	দরপত্র তফসীল বিক্রয়, দর প্রস্তাব গ্রহণকারী প্রতিষ্ঠানের নাম ও ঠিকানা
১২	দরপত্র তফসীল দাখিলের কার্যালয়
১৩	দরপত্র তফসীল বিক্রয়ের শেষ তারিখ ও সময়
১৪	দরপত্র খোলার দপ্তরের নাম ও ঠিকানা
১৫	দরপত্র দাখিলের তারিখ ও সময়
১৬	দরপত্র বাস্তব খোলার তারিখ ও সময়
১৭	দরপত্র সংক্রান্ত তথ্যাদি
১৮	দরপত্রের মেয়াদ

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Office of the Executive Engineer
District: Naogaon
www.lged.gov.bd

Memo No. 46.02.6400.07.000.002.19-1841
Date: 21/09/2020 খ্রীষ্টাব্দ
০৬/০৬/১৪২৭ বঙ্গাব্দ

Corrigendum of Tender Notice No. 06/2020-2021 e-GP, One Stage Two Envelop Tendering Method (OSTETM)

Following amendments has been made to the Tender Notice No. 06/2020-2021 vide Memo No.: 46.02.6400.07.000.001.20-1546, Date: 19/08/2020.

SI No.	Description of Work, Package No.	Original			Amended		
		Last selling date and time	Closing date and time	Opening date and time	Last selling date and time	Closing date and time	Opening date and time
01	Package No. CIB-Nao-W-117, Tender ID No. 480843.	22 Sep/20 (17:00pm)	23 Sep/20 (16:00pm)	23 Sep/20 (16:00pm)	04 Oct/20 (17:00pm)	05 Oct/20 (16:00pm)	05 Oct/20 (16:00pm)
02	Package No. CIB-Nao-W-17, Tender ID No. 480829	22 Sep/20 (17:00pm)	23 Sep/20 (16:00pm)	23 Sep/20 (16:00pm)	04 Oct/20 (17:00pm)	05 Oct/20 (16:00pm)	05 Oct/20 (16:00pm)

This Notice of Corrigendum will be treated as a part & parcel of the tender documents. All other terms and conditions will be remained unchanged.

Md. Maksudul Alam
Executive Engineer
Ph: 0741-62416
E-mail: xen.naogaon@lged.gov.bd

GD-1498

Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon, Sher-e-Bangla Nagar
Administrative Area, Dhaka 1207, Bangladesh

No. BSEC/MSI/2020-981/114
2nd September, 2020

Order

Whereas the Bangladesh Securities and Exchange Commission deems it fit that in the interest of investors or securities markets, direction should be issued to all persons/entities concerned who are directly or indirectly related to or associated with the securities market or the investors in securities in any manner, to refrain from the following activities:

- Using name (or any of its derivative) of BSEC, DSE or CSE with the profile or page of individual or group in any forms including social media;
- Using logo of BSEC, DSE or CSE with the profile or page of individual or group in any forms including social media;
- Spreading any prediction or price forecasting or undisclosed information in any forms including social media;

Now, therefore, in exercise of the power conferred by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Bangladesh Securities and Exchange Commission hereby directs all persons concerned who are directly or indirectly related to or associated with the securities market or the investors in securities in any manner, to refrain from the abovementioned activities and practices. Contravention of this directive shall attract appropriate penal provisions of the securities laws and ডিজিটাল নিরাপত্তা আইন, ২০১৮.

By order of the Bangladesh Securities and Exchange Commission

Professor Shibli Rubayat-Ul-Islam
Chairman

GD-1490

HSBC, StanChart shares fall to 22-year lows on reports of illicit money flows

REUTERS, Hong Kong/London
HSBC's shares in Hong Kong and Standard Chartered's in London fell on Monday to their lowest since at least 1998 after media reports that they and other banks, including Barclays and Deutsche Bank, moved large sums of allegedly illicit funds over nearly two decades despite red flags about the origins of the money.

StanChart said in a statement it took its "responsibility to fight financial crime extremely seriously and have invested substantially in our compliance programmes".
Barclays said it believes it has complied with "all its legal and regulatory obligations, including in relation to US sanctions."

London-headquartered HSBC and StanChart, among other global banks, have paid billions of dollars in fines in recent years for violating US sanctions on Iran and anti-money laundering rules.
The files contained information about more than \$2 trillion worth of transactions between 1999 and 2017, which were flagged by internal compliance departments of financial institutions as suspicious.

FinCEN. HSBC and StanChart were among the five banks that appeared most often in the documents, the ICIJ reported.
"It confirms what we already knew - that there are huge numbers of SARs being filed with relatively low numbers of cases brought through to prosecution," said Eitelka Bogardi, a Hong Kong-based financial services regulatory partner at law firm Norton Rose Fulbright.



HSBC and Standard Chartered Bank headquarters are seen in Hong Kong.

LafargeHolcim joins UN's 1.5°C rise limit commitment

STAR BUSINESS DESK
LafargeHolcim yesterday said to have aligned its science-based emission reduction targets with a 1.5°C trajectory of the United Nations.

The "Business Ambition for 1.5°C: Our Only Future" is a communications and advocacy campaign of the United Nations Global Compact.

It calls for businesses to step up and do their part in limiting global temperature rise to 1.5°C in response to the global climate crisis, and in the lead up to the upcoming UN Climate Action Summit.

Over 75 CEOs are said to have committed to the 1.5°C pledge as of 2019.

The companies represent 26 countries with 2.10 million employees, as well as a wide range of 22 sectors.

They include telecommunications (16 per cent), chemicals (9 per cent), construction & materials (9 per cent), pharmaceuticals and biotechnology (7 per cent), financial services (7 per cent) and electronic and electrical equipment (7 per cent).

"I believe in building a world that works for people and the planet. That's why we are reinventing how the world builds today to make it greener with low-carbon and circular solutions," said Jan Jenisch, CEO of LafargeHolcim.

"I will not stop pushing the boundaries to lead the way in green construction."

In a statement, LafargeHolcim said this commitment was built on its construction solutions such as ECOPact, its "green concrete".

In its 2030 goals, the company aims to lower carbon dioxide intensity to 475 kg per tonne of its cementitious material and reduce its transportation and fuel-related emissions by 20 per cent.

SR Group accused of evading Tk 18cr VAT

FROM PAGE B1
As the VAT was not paid on time, the company will have to pay an additional Tk 4.07 crore in interest under the VAT Act.

The company reported its sales at Food Village were Tk 23.88 crore from February 2017 to June 2020 and it paid Tk 2.51 crore in VAT against the transactions. However, the VAT detectives uncovered that the actual sales were Tk 122.22 crore.

It dodged Tk 8.93 crore in VAT. It would have to pay another Tk 3.99 crore in interest.

The government has been deprived of VAT of Tk 26.43 crore from these two restaurants as sales information of around Tk 200 crore was concealed in a dishonest way, Moinul Khan, director-general of the VAT Intelligence, told The Daily Star yesterday.

"They are collecting this money from the people, saying that they will deposit it to the government. It is a kind of embezzlement of the people's money."

VAT detectives also seized the records of the group's The Great Kabab Factory, Sung Food Garden and SR Travel during the raid, which was led by deputy directors Nazmunahar Kaiser and Ferdousi Mahbub.

"Our sales are not that much the VAT Intelligence is saying," said Asaduzzaman, group general manager at SR Group. He said if the authorities can present evidences during hearing in favour of the sales claimed, the group will pay VAT accordingly.

"But if it is said before hearing that we evaded VAT, it tarnishes our image," he said.

'Free money' for banks as investors pile into fractured gold market

REUTERS, London

Banks are making huge profits from gold as investors flood into a market fractured by the coronavirus crisis.

The world's largest 50 investment banks are on track to double their income from precious metals this year to around \$2.5 billion, most of it from gold, Coalition, a banking consultancy, told Reuters.

"\$1.2 billion was the earnings pool last year. This year we already crossed that number," said Coalition research director Amrit Shahani.

The juicy rewards, which have not previously been reported, mark a stunning reversal of fortune for bullion banks. In March, some had to wipe hundreds of millions of dollars off their trading books as the global pandemic snarled the supply of gold bars. That disruption sowed the seeds for the current bonanza.

Stung by the losses, many big banks lowered their trading limits on the Comex exchange CME.O in New York, the biggest gold futures market, creating a lack of liquidity that pushed

prices there above prices in London, the main hub for trading physical gold, and elsewhere.

The divergence created a lucrative opportunity for banks who have the infrastructure to buy metal outside the United States and deliver it to New York to profit on the difference, especially during a pandemic, when investor demand has pushed gold prices XAU= to record levels of around \$2,000 an ounce.

Reduced trading by large banks also drove prices of later-dated futures far above near-dated ones -- an opportunity for those with gold to sell it forward for more than enough money to cover the cost of storage and capital.

The confluence of events has created a boom in profits on Comex, 13 sources at banks, brokers and funds told Reuters.

"It's free money," said an executive at one of the largest bullion-trading banks.

Even banks that reduced activity on Comex are making more money there than before, industry players said, none of whom was authorised to

prices there above prices in London, the main hub for trading physical gold, and elsewhere.

The divergence created a lucrative opportunity for banks who have the infrastructure to buy metal outside the United States and deliver it to New York to profit on the difference, especially during a pandemic, when investor demand has pushed gold prices XAU= to record levels of around \$2,000 an ounce.

Reduced trading by large banks also drove prices of later-dated futures far above near-dated ones -- an opportunity for those with gold to sell it forward for more than enough money to cover the cost of storage and capital.

The confluence of events has created a boom in profits on Comex, 13 sources at banks, brokers and funds told Reuters.

"It's free money," said an executive at one of the largest bullion-trading banks.

Even banks that reduced activity on Comex are making more money there than before, industry players said, none of whom was authorised to

prices there above prices in London, the main hub for trading physical gold, and elsewhere.

Stocks nosedive for third straight day

FROM PAGE B4
The market is on the right path but a few junk stocks are overvalued, so the investors need to be careful, according to a stock broker.

If an investor falls in hot water and incurs losses after investing in junk stocks, then it will negatively impact the market, he said, adding that the regulator should be cautious about this and focus on promoting companies that perform well.

Turnover, a major indicator for the market, dropped 11 per cent to Tk 977.58 crore yesterday at the Dhaka bourse.

Of the total 355 traded stocks, 82 advanced, 259 declined and 14 were unchanged, according to DSE data.

The DSE's turnover list was topped by DBH, which traded shares worth Tk 26.63 crore, followed by Beximco, Rupali Insurance, Beximco Pharmaceuticals, and Purabi General Insurance.

ICB Employees Mutual Fund topped the gainers' list with a 10 per cent increase followed by SEMI IBBL Fund, ICB Third NRB, VAML Fund, and Miracle Industries.

Provati Insurance shed the most, plunging 10 per cent followed by Peoples Insurance, Republic Insurance, Agrani Insurance and Shyampur Sugar Mills.

The Chattogram bourse also witnessed a reduction in its benchmark index.

The CSXC, the benchmark index of the Chittagong Stock Exchange, dropped 126 points, or 1.44 per cent, to 8,597.43.

Of the total 286 stocks, 85 rose, 184 fell and 17 remained unchanged.

Don't impose duty on raw jute exports

FROM PAGE B4
On August 27, raw jute exporters had criticised the proposal in a meeting of the National Jute Sector Coordination Committee, chaired by Jute Minister Golam Dastagir Gazi.

But the association, along with the Shippers' Council of Bangladesh (SCB), has again requested the government to discard any such plan during a press conference, held at Hotel Purbani International in Dhaka yesterday.

The shutdown of state jute mills has created a surplus of jute in the market, according to a statement signed by Sheikh Syed Ali, chairman of the BJA, and Md Rezaul Karim, chairman of SCB and former BJA chairman.

The Department of Jute has reduced its jute production target by nearly 9 per cent for the current fiscal year to 84.14 lakh bales due to floods whereas the annual domestic demand is 55 lakh bales, the BJA said in a statement.

Annually, the closed government

mills used to consume 13 lakh bales of jute, which will be available for use for local millers this year, it said.

Moreover, instead of paying for purchases made earlier, the closed mills returned their stored jute to their suppliers, which is also now available in the market, the BJA added.

Jute exports have decreased drastically from 28-30 lakh bales in 1984 to 8-9 lakh bales last year and it will fall further this year as many foreign jute mills closed their doors due to a lack of raw jute, the association said.

The association acquires jute from farmers and sorts those out in separate grades as per the requirement of foreign buyers. Over one lakh people work in the industry in different districts, including Dhaka, Narayanganj, Mymensingh and Khulna.

"All these people will become jobless and we will lose the export market if the duty on raw jute

shipments is imposed now."

A vested quarter is now trying to stop export of raw jute, it added.

Businesses involved in the sector will have to face huge losses if they cannot export their stored raw jute and sell those in the local market.

So, the government should not stop or impose any duty on raw jute exports now for the sake of the industry, the association said.

They also wanted the government to take necessary steps to bring back the exporters who left the sector because of the losses caused by the gradual closure of foreign markets.

They proposed the inclusion of the raw jute exporters in a list of industrial sectors eligible to get financial assistance from the stimulus package announced by the prime minister following the Covid-19 outbreak in March.

The association also sought for export subsidy against shipments of raw jute.

BB eases payment rules to boost onion import

FROM PAGE B1

The importer, to whom the loan is issued, is the buyer of goods, while the exporter is the seller.

The supplier's credit is a trade credit provided by the supplier itself. It is a sale on credit basis. Import on deferred or usance basis is the example of a supplier's credit.

The credit has to be secured by a payment guarantee from the buyer's bank.

The deferred payment for onion importers will be effective until December this year.

On September 17, the central bank instructed banks to keep the margin on the opening of LCs for onions at a minimum level. Bangladesh Bank said the price of onion is on an upward trend at local markets following the price hike of the key cooking ingredient in international markets.

Prices shot up between Tk 100 and Tk 120 per kg last week after India announced halting onion export to Bangladesh. Just a week earlier it was Tk 40 and Tk 50 per kg.

Yesterday, the local variety was selling at Tk 80 to Tk 90, up 47.83 per cent from a week ago. Imported onions sold for Tk 55 to Tk 70, up 31.58 per cent from last week, data from the state-run Trading Corporation of Bangladesh showed.

Table with 2 columns: S.No and Details. Contains government orders regarding jute exports, onion imports, and other trade regulations.

Term loans shrink as industries weaken

FROM PAGE B1
Businesses should be allowed to pay only their interest amount for the next year. Then, they will start paying back the principal, he said.

According to the economist, this is not the time to expand business; rather manufacturers and traders should give their all-out efforts to protect existing enterprises from the financial meltdown.

"But we can't be sitting idle. A long-term roadmap should be formulated in the quickest possible time as job creation is largely dependent on the proper implementation of loans," he said.

The downward trend of term loans will not stop this year. However, the disbursement would get a turnaround from the beginning of 2021 if a second wave of the coronavirus infection

could be avoided.
Bankers should prepare to restructure their existing term loans so the businesses hit hard by the recession get breathing space, Mansur said.

"The country's GDP growth is still in a contracted situation. So, time-befitting policies will help get back the growth momentum when the pandemic is brought under control," he said.

The central bank has helped businesses by giving out working capital in the form of soft loans, playing a great role in speeding up the recovery, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

Bangladesh's investment has been in a stagnant situation, so there is no scope to fast-track the term loan

disbursement overnight, he said.
The entrepreneurs in the medical and pharmaceutical sectors, however, applied for term loans as their businesses have not faced debacle because of the pandemic.

Both the central bank and lenders should cater to businesses so that the recovery of the economy takes place smoothly, Rahman added.

Md Arfan Ali, managing director of Bank Asia, said lenders should extend cooperation to restructure existing term loans.

The readymade garment sector, which received a large portion of term loans, has already made a comeback on the back of the central bank's stimulus package, he said.

"If the recovery persists, the term loan disbursement will get its tempo in the months ahead," Ali said.

Stocks nosedive for third straight day

STAR BUSINESS REPORT

Stocks in the premier bourse witnessed a drop for the third consecutive day following a steady rise for over a week.

DSEX, the benchmark index of the Dhaka Stock Exchange, shed 76 points, or 1.50 per cent, yesterday to stand at 5,012.12.

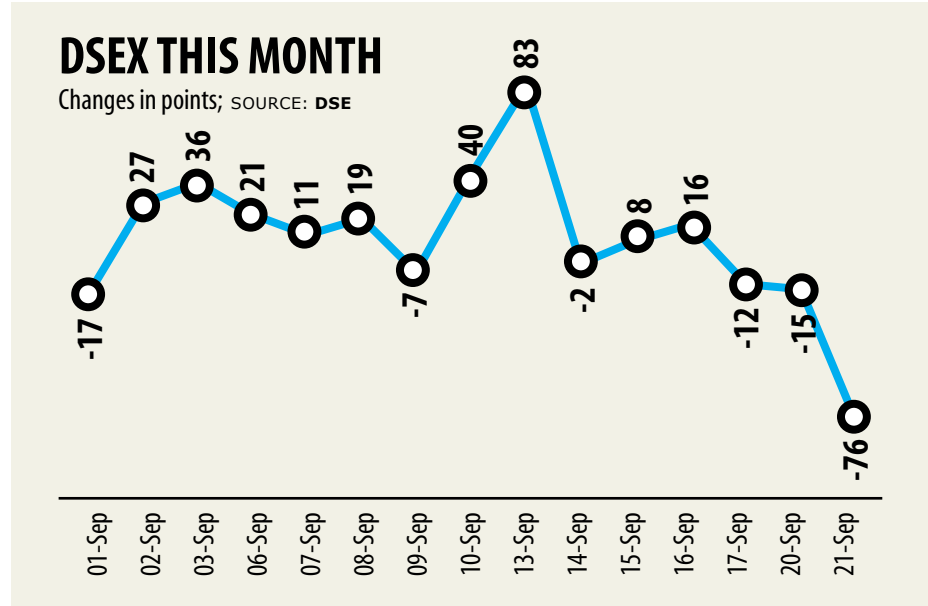
"But corrections are the beauty of a good stock market," according to a merchant banker.

The index underwent corrections in the last few days, not long after the market had risen to a sustainable position, he said.

DSEX rose by 152 points during September 10-16 but dropped 103 points in the last three days, as per DSE data.

When the market declines, it gives certain people the chance to invest more money and therefore should be seen as an investment opportunity, the merchant banker added.

READ MORE ON B3



When being a mode of entertainment comes to an end, televisions nowadays make their way to recycling shops where they are stripped and broken down to basics before being recast to start life anew in another form and sold. The photo was taken at Basila in Dhaka recently.

PALASH KHAN

BSEC orders special audit of Fareast Islami Life Insurance

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission (BSEC) has appointed a chartered accountancy firm to conduct a special audit of Fareast Islami Life Insurance to find irregularities in the insurer's financial reports between 2016-18.

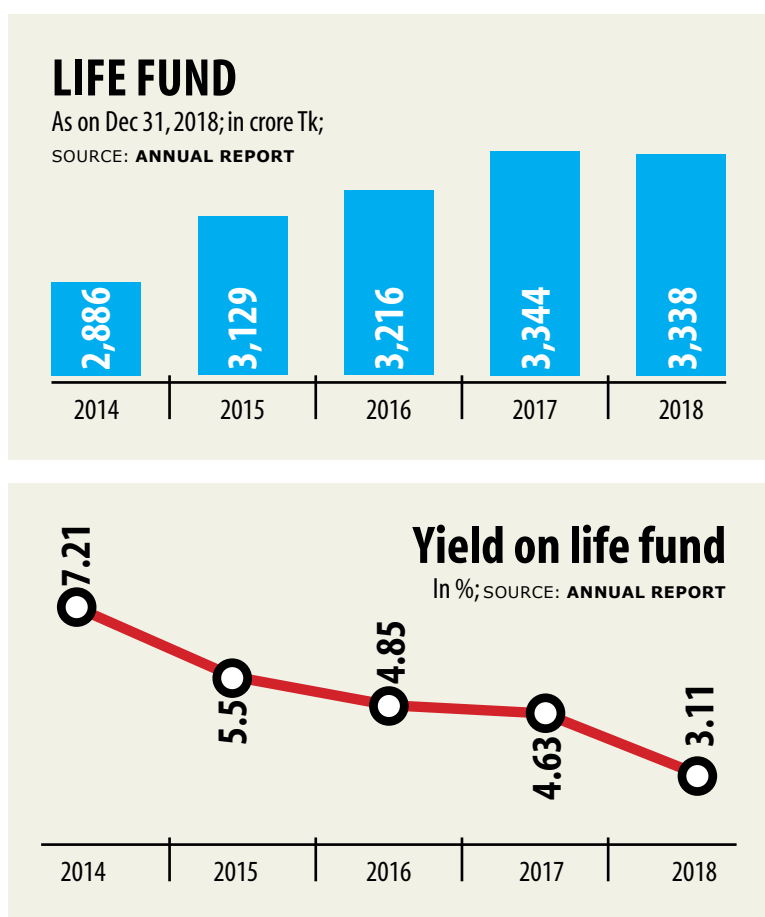
The stock market regular has given A Wahab & Co, one of the oldest and reputed accountancy firms in the country, two months to complete the audit.

Fareast Islami Life's financial reports for 2018 were audited by Mahfel Huq & Co, which made no qualification, adverse or disclaimer opinion in its report.

"However, we found some irregularities and there are huge allegations against the company on not paying claims," said a senior official of the BSEC preferring anonymity.

"And so, we want to see whether the company is doing its activities in the right manner," he added.

Having made its trading debut with the country's bourses in 2005, Fareast Islami Life's first year and renewal premium income has been on the decline since 2016.



The third generation insurer's premium income shrank by about 3.9 per cent from Tk 302 crore in 2016 to Tk 290 crore in 2018.

During the same period, the number of first year and renewal policies dropped around 25 per cent from 235,761 to 176,740, according to the company's annual report for 2018.

And with paid-up capital of Tk 74 crore, Fareast Islami Life's dividend yield has also fallen over the years.

The yield stood at 3.16 per cent in 2018 while it was 3.50, 5.17, and 6.24 per cent respectively in the preceding years.

Fareast Islami Life also witnessed a significant decline in its revenue from life insurance policies between July-September 2019, when it fell by Tk 128 crore. It had dropped by Tk 24 crore during the corresponding period of the previous year.

Sponsors hold 32.56 per cent of the company's shares while institutional investors account for 42 per cent and the remainder is owned by general investors.

The insurers stocks were last traded at Tk 48.50 per share.

Don't impose duty on raw jute exports

Businesses urge govt

STAR BUSINESS DESK

The Bangladesh Jute Association (BJA) yesterday urged the government to not impose any duty on raw jute exports as the country currently has a surplus of the fibrous material to meet the local demand following the recent closure of 25 state jute mills.

The association made this call as

the government has been mulling the imposition of duties, citing a fall in jute production and a rise in domestic prices due to the ongoing coronavirus pandemic and countrywide floods.

On the other hand, jute millers have demanded a ban on exports or the imposition of a \$250 per tonne duty on jute shipments this year.

READ MORE ON B3



Sheikh Syed Ali, chairman of Bangladesh Jute Association, and Md Rezaul Karim, chairman of Shippers' Council of Bangladesh, attend a press meet at Hotel Purbani International in Dhaka yesterday.

BANGLADESH JUTE ASSOCIATION

Light engineering sector needs skilled workforce, policy support

Says Md Abdur Razzaque, president of Bangladesh Engineering Industry Owners Association

JAGARAN CHAKMA

Prime Minister Sheikh Hasina in January announced light engineering as the "product of the year" in an attempt to bring special attention to the sector so that it increases the country's foreign exchange reserves through the export of various goods.

Afterwards, the industries ministry decided to set up light engineering industrial parks in Dhaka, Narayanganj, Jashore, Bogura and Narsingdi to reach the growing domestic sector to its full potential.

Firms in the sector are now providing support to the industrial, agricultural and construction sectors by manufacturing a wide range of spare parts, castings, moulds and dices, oil and gas pipeline fittings and light machinery, said Md Abdur Razzaque, president of Bangladesh Engineering Industry Owners Association (BEIOA).

Various electrical products such as sockets,

cables and electrical fans are manufactured by the light engineering sector with domestic suppliers accounting for 48 to 52 per cent of the country's demand, which was previously met through imports.

The market size for light engineering equipment and spare parts was about Tk 26,000 crore in 2019, he said, adding that this value stood at Tk 20,000 crore a decade ago.

The Business Promotion Council, operating under the commerce ministry, estimates that local light engineering industries produce 3,815 types of machinery, spares and accessories.

An assessment by Bangladesh Investment Development Authority said more than 90 per cent of light engineering industries sell their wares locally.

It lists the sector as an important area for investment owing to its potential in both domestic and foreign markets.

A number of light engineering products are also exported directly and via subcontracts. These include spare parts for paper and cement mills, bicycle light fittings, construction equipment, cast iron articles, carbon rods and automobile spares.

Referring to the Export Promotion Bureau's data, Razzaque said the emerging sector accounts for about 1.5 per cent of Bangladesh's export basket.

Besides, modernisation is taking place in the sector as the use of computerised machinery is expanding gradually, helping increase productivity and quality in the process, he added.

The sector needs trainers to help develop a skilled workforce alongside policy support



Md Abdur Razzaque

from the government in order to flourish as its growth has been very sluggish in absence of investment.

"The sector's potential is immense but has remained untapped for years because of lack of government support," Razzaque said.

"Our mechanics, with no academic qualification, can manufacture almost everything due to their ability to learn quickly, which can only be improved with training."

Light engineering is considered the mother of all sectors as it provides technical support for various industries.

And so, if this sector does well, other industries are benefitted too since they can get spare parts or machinery at reasonable prices,

he said, adding that there was scope to bring small-scale foreign direct investment for the industry.

Challenges faced by the Sector
Razzaque alleged that a 15 per cent VAT and advance income tax imposed by the National Board of Revenue since fiscal 2018-19 were barring the sector's growth.

"The 2012 VAT Act is a curse for light engineering as companies have to provide VAT on their products when they supply capital machinery to the industries," he said.

Light engineering companies also have to pay VAT on machine repairs, which was made mandatory just two years ago.

However, import tariffs are not levied on capital machinery aside from a 1 per cent nominal export duty charge, Razzaque added.

Local manufacturers provide capital machineries for big industries while paying a 10 per cent supplementary duty on top of the 15 per cent VAT.

"We spoke with the NBR several times to address the issue but we are yet to get any solution," he said.

According to Razzaque, while the prime minister wanted the local light engineering industry to grow, state mechanisms were pushing it towards destruction.

Diversification in the light engineering sector depends on effective policy support, public-private partnerships, technical and business information, innovation and sustainable development of technology and related products, experts said at the inaugural ceremony of the industrial parks.

Capacity development of industries, research and development facilities and

Capacity development of industries, research and development facilities and removal of other barriers are needed if the industry is to flourish

removal of other barriers are also needed if the industry is to flourish.

Razzaque also said light engineering contributes around 2.2 per cent of the GDP.

However, the sector has been suffering from a lack of top-end technology, financial support, skills development and infrastructure, which in turn was eating away the sector's competitiveness.

Regarding the latest initiative, Razzaque hopes that the Ministry of Industries would help utilise the sector's growing potential.

Meanwhile, a light engineering training institute will be established to provide the industrial parks with a skilled workforce.

Moreover, initiatives will be taken to increase skills of indigenous manpower at the training institute with the help of world-class instructors and technologies, he said while lauding the ministry's efforts towards developing the sector.

While the prime minister wanted the local light engineering industry to grow, state mechanisms were pushing it towards destruction