

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
0.14%	0.19%	\$1,856.30	\$41.92	37,388.66	23,204.62	2,472.28	3,219.42	83.95	96.57	106.04	12.09	
4,971.61	8,506.69	(per ounce)	(per barrel)					BUY TK	84.95	100.37	109.84	12.71

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Stimulus packages fuelling private credit growth

AKM ZAMIR UDDIN

Private sector credit growth extended its gains for the second straight month in August driven by loans given under the stimulus packages aimed at reviving the economy.

The year-on-year credit growth stood at 9.36 per cent in August, up 9.20 per cent from a month earlier, according to data from the central bank.

Credit growth had decreased in the two years to April before increasing in May and declining once again in June. It started an upward trend in July, a sign of the steady recovery process of the country's economy.

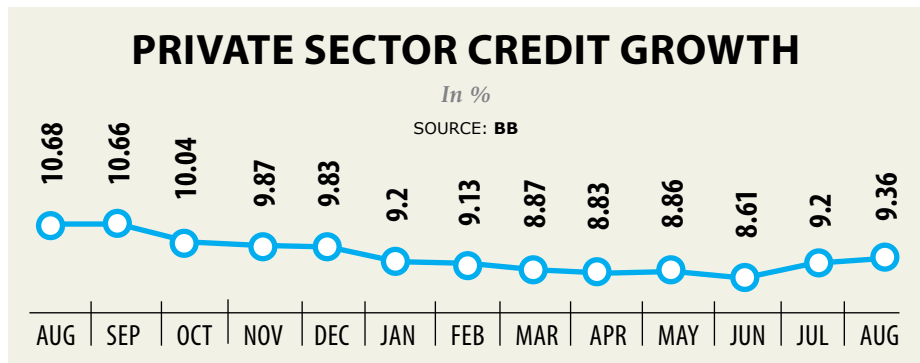
The outstanding loans in the private sector stood at Tk 11,01,676 crore as of August in contrast to Tk 10,95,202 crore in the previous month.

"The implementation of various stimulus packages has given a boost to the country's private sector credit growth," said MA Halim Chowdhury, managing director of Pubali Bank.

Banks have so far disbursed 80 per

AT A GLANCE

- » Credit growth has been on the rise for the last two months
- » The trend may continue in the months ahead
- » Stimulus packages helped boost the growth
- » The ongoing recovery process put positive impact
- » Credit demand from infrastructural, health, textile and food sectors is rising
- » Banks are still facing excess liquidity despite the growth



cent of the Tk 33,000 crore that has been allocated for the large industries and service sector under the central bank's stimulus package. But the implementation of the stimulus packages for small and medium enterprises (SMEs) and the farm sector has yet to reach a satisfactory level.

Banks are now trying to expedite the loan disbursement in the two sectors as the central bank is emphasising on the issue, Chowdhury said.

Lenders have been sitting on excess liquidity for the

last couple of months as the central bank has injected funds into the market in different forms to revive the economy, said Emaranul Huq, managing director of Dhaka Bank.

In addition, credit demand from the private sector is yet to reach a strong position as had been in the pre-Covid-19 period, he said.

Despite that, banks are looking for avenues for investment to keep the wheel of their profitability moving, he said.

Activities in some areas of the private sector have recently picked up, in a very positive development for the financial sector. Companies from steel, cement, health and food sectors now apply for fresh loans, which are gradually widening the loan books of banks, Huq said.

The construction of the mega infrastructural projects has resumed, putting a positive impact on credit growth. "The credit-deposit ratio in my bank

declined to 81 per cent during the lockdown period. But the ratio now stands at 84 per cent," said Huq.

But banks are still cautious in giving out loans to the sectors that have been affected by the recession as they believe the repayment could be hampered, he said.

He acknowledged that the implementation process of the stimulus package for the SME sector had achieved less than what was expected.

Profit of a large number of SMEs is mainly dependent on two large religious festivals: Eid-ul-Fitr and Eid-ul-Azha. But this year the festivals were celebrated amidst the pandemic when the economy was struggling to survive.

Against this backdrop, the production of the industries faced a major setback as people cut their spending massively to protect themselves from financial hardship, Huq said.

READ MORE ON B3

Entrepreneurship support fund awaits a boost

STAR BUSINESS REPORT

The central bank has amended its entrepreneurship support fund (ESF) guidelines for food-processing, agriculture and ICT sectors to make them more entrepreneur-friendly.

Yesterday it published a complete ESF guideline and ones on the expression of interest (EOI) forms.

It also sought applications from entrepreneurs who want to secure loans from the fund for the initiatives in the food-processing, agriculture and ICT sectors.

The new guideline defines a woman entrepreneur as someone who owns at least 51 per cent share in an entity and would head the project as the managing director.

Costs ranging from Tk 0.80 crore to Tk 5 crore would be considered for loans from the ESF fund in case of food processing and agro-based projects. It would be a maximum Tk 12 crore for machinery-intensive projects.



For women-led projects, the lower limit of the project cost would be Tk 0.5 crore.

Entrepreneurs would have to invest 51 per cent of the project cost as equity and the rest 49 per cent would come from the ESF in the form of term loans, according to the Entrepreneurship Support Fund (ESF) Guideline 2018 (Amended).

READ MORE ON B3

Tax collection rebounds in August

SOHEL PARVEZ

Revenue collection rebounded in August after remaining downbeat for four months since April, thanks to recovery in business and economic activities that buoyed overall receipts.

Provisional data from the National Board of Revenue (NBR) showed that collection grew in all areas, with imports driving the rebound followed by value added tax (VAT) and income tax.

In August, taxmen collected Tk 15,406 crore, a rise by 7.85 per cent from the same month a year ago.

Despite August's recovery, overall collection was nearly the same when comparing the July-August period year-on-year.

It has edged up marginally to Tk 30,163 crore from Tk 30,113 crore, data from the NBR showed.

"It is good to see that revenue collection is regaining pace owing to revival of economic activities. Collection will be on the upward if there is no crisis in the coming days," said Md Anwar Hossain, director general (research and statistics) of the NBR.

Revenue collection slumped in April as business and economic

activities collapsed after the government declared a general holiday and shutdown to slow the spread of the Covid-19 pandemic in the country.

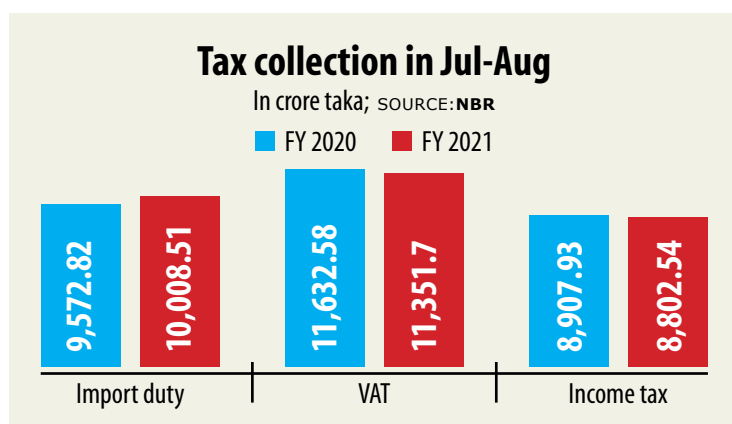
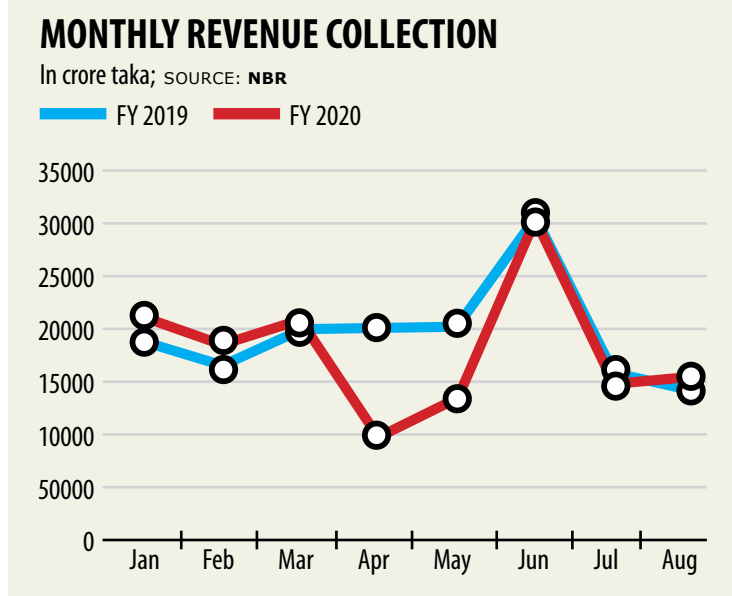
Collection improved in the later months as businesses gradually reopened.

However, overall tax receipts continued to remain in the

negative and the NBR posted negative growth last fiscal year which ended in June, for the first time since the nation gained independence.

In July, tax collection declined 6.7 per cent from that in the same period a year ago.

The NBR data showed that collection of taxes from import



and export activities soared 16.87 per cent year-on-year to Tk 4,992 crore in August from the same period a year ago.

The VAT collection from domestic economic activities grew 5 per cent year-on-year to Tk 5,731 crore in August from that in the same month the previous year.

Income and travel tax also increased in August.

However, income tax and VAT receipts remained below last year's collections of the July-August period.

Collection of customs duty had been in the upward in the July-

August period compared to the same period a year ago, showed the NBR data.

For the current fiscal year, the government assigned the NBR to collect Tk 330,000 crore to finance the budget.

And the latest collection fell short of the target for the first two months of the fiscal year 2020-21.

Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue, said the shortfall of revenue collection would be a major constraint for the government.

READ MORE ON B3

MFI to get more money to lend under stimulus package

STAR BUSINESS REPORT

Microfinance institutions (MFIs) will receive more funds from banks under the government's Tk 3,000-crore stimulus package for distribution among the pandemic-hit clients after the central bank raised the ceiling on the loans they can secure from commercial lenders.

On April 20, Bangladesh Bank unveiled the refinance scheme for low-income professionals, marginal farmers and micro-enterprises to keep them afloat.

Marginal businesses and farmers with no access to banks and non-bank financial institutions will be allowed to get loans from the revolving fund.

At the time, the central bank had said a bank could lend up to 30 per cent of last three years' average loan to an MFI or 2 per cent of the Tk 3,000 crore stimulus package, or whichever was lower.

But yesterday the central bank raised the ceiling from 2 per cent to 5 per cent, according to a circular.

Under the package, the BB will initially provide the fund to banks at 1 per cent interest, which they will lend to MFIs at 3.5 per cent interest. The MFIs will be allowed to charge a maximum of 9 per cent interest to borrowers.

Small businesses like roadside tea stalls can get loans, the highest amount of which would be Tk 75,000. If the small businesses are owned by more than five persons, the loan ceiling would go up to Tk 3 lakh.

The loans must be paid back within a year.

But MFIs will be allowed to disburse loans ranging from Tk 10 lakh to Tk 30 lakh to micro-enterprises and their repayment duration would be two years.

The duration of the revolving scheme is three years and the volume of the fund will be widened if required, said the BB notice in April.

Only 1 in 1,960 small firms got soft loans from govt's revamp funds

Finds survey that focused mainly on light engineering sector

STAR BUSINESS REPORT

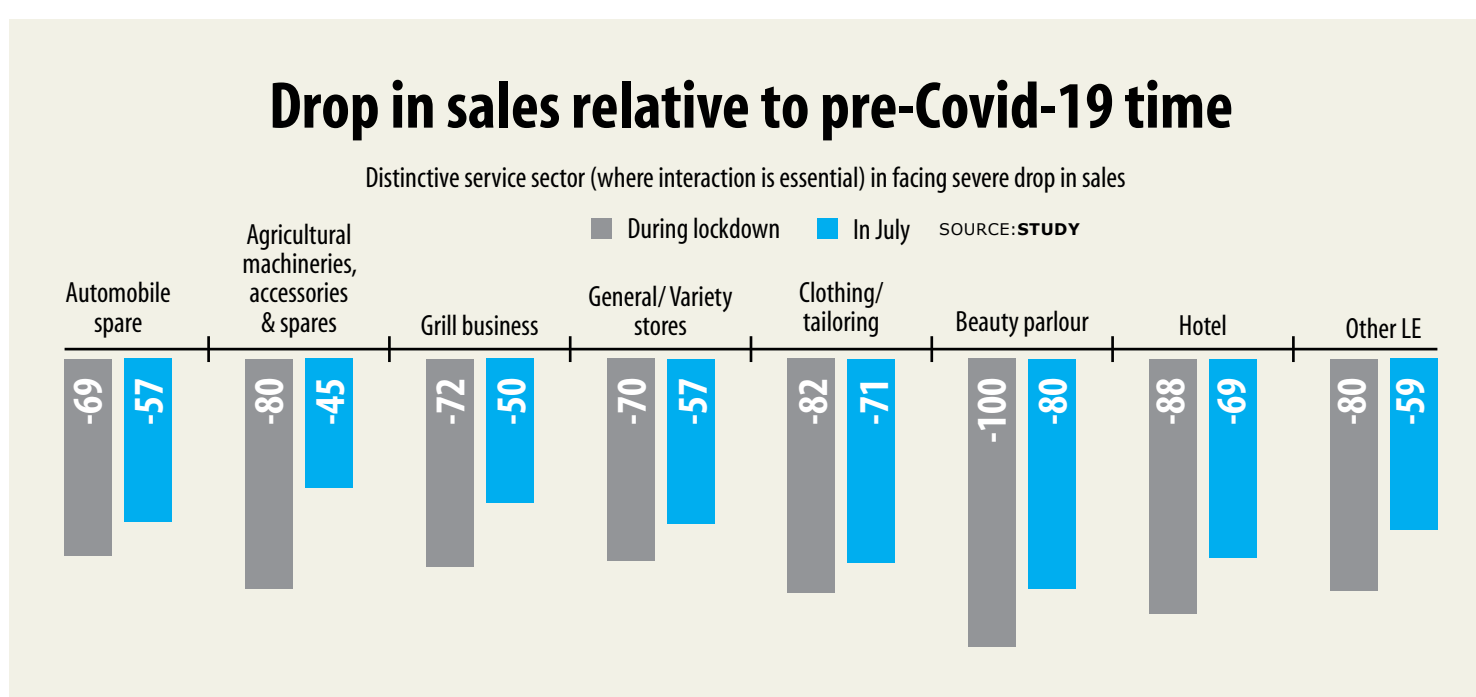
Just a single firm out of 1,960 pandemic-hit cottage, micro and small enterprises mainly in the light engineering sector has received the soft loan from the stimulus package, according to a study.

The disclosure painted a bleak picture as they suffered the most because of the coronavirus pandemic. At the same time, they would also be at the front during the recovery process.

In order to enable them to make a comeback, the government has announced a Tk 20,000-crore stimulus package for the CMSME sector.

However, most of the enterprises could not avail the money from the fund because of stringent conditions, a lack of information, a lack of cooperation from banks and small portfolios of the enterprises, according to the study by the Brac Institute of Governance and Development (BIGD).

The study found that 1,226, or 63 per cent out of 1,960 surveyed enterprises know about the stimulus package. Three per cent of the



enterprises applied for the support. But 1,000, or 54 per cent of the firms do not know how to apply.

The rapid response research based on telephone interviews styled "The effects of Covid-19 on small firms: evidence from large-scale surveys of owners and employees" was conducted by Asad Islam, an economics professor at the Monash University, and Atiya Rahman, a senior research associate at the BIGD.

The participants, which included enterprises involved in producing automobile spares, agriculture machinery, accessories as well as general stores, hotels, beauty parlours and tailors, were interviewed between July 14 and July 23.

The researchers presented the findings at a virtual meeting yesterday.

The survey found 60.71 per cent of the enterprises were open in July while 69.13 per cent were closed during the lockdown, which began on March 26 and continued until May 31 before the gradual lifting of restrictions from June.

READ MORE ON B3

Some 3,500 US companies sue over Trump-imposed Chinese tariffs

REUTERS, Washington

About 3,500 US companies, including Tesla Inc, Ford Motor Co, Target Corp, Walgreen Co and Home Depot have sued the Trump administration in the last two weeks over the imposition of tariffs on more than \$300 billion (£235.35 billion) in Chinese-made goods.

The suits, filed in the US Court of International Trade, named US Trade Representative Robert Lighthizer and the Customs and Border Protection agency and challenge what they call the unlawful escalation of the US trade war with China through the imposition of a third and fourth round of tariffs.

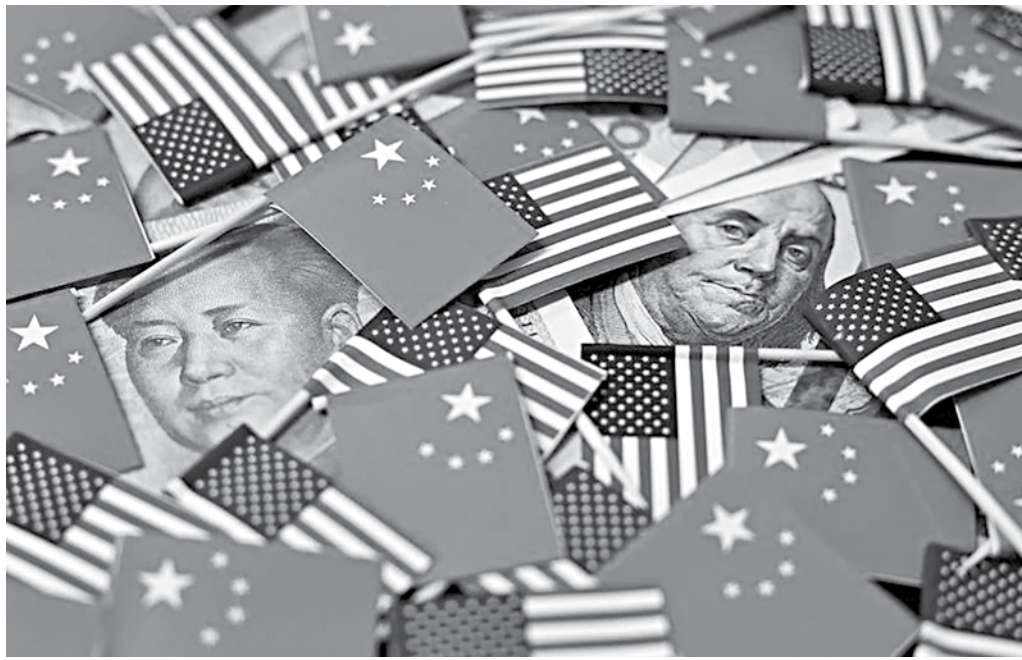
The legal challenges from a wide variety of companies argue the Trump administration failed to impose tariffs within a required 12-month period and did not comply with administrative procedures.

The companies challenge the administration's "unbounded and unlimited trade war impacting billions of dollars in goods imported from the People's Republic of China by importers in the United States," according to a suit filed by auto parts manufacturer Dana Corp.

The suits challenge tariffs in two separate groups known as List 3 and List 4A. List 3 includes 25 per cent tariffs on about \$200 billion in imports, while List 4A included 7.5 per cent tariffs on \$120 billion in goods.

One suit argues the administration cannot expand tariffs to other Chinese imports "for reasons untethered to the unfair intellectual property policies and practices it originally investigated."

Companies filing suit include heavy truck manufacturer Volvo Group North America, US auto parts retailer Pep Boys, clothing company Ralph Lauren, Sysco Corp, guitar manufacturer Gibson Brands, Lenovo's US unit, Dole Packaged



A US dollar banknote featuring American founding father Benjamin Franklin and a China's yuan banknote featuring late Chinese chairman Mao Zedong are seen among US and Chinese flags in this illustration picture.

Foods, a unit of Itochu Corp and golf equipment manufacturer Callaway Golf Co.

Home Depot's suit noted it faces tariffs on bamboo flooring, cordless drills and many other Chinese-made products. Walgreen, a unit of the Walgreen Boots Alliance, said it is paying higher tariffs on products like "seasonal novelties; party, first aid, and office supplies; and household essentials."

Lighthizer's office did not immediately

respond to requests for comment.

On Sept. 15, the World Trade Organization found the United States breached global trading rules by imposing multibillion-dollar tariffs in Trump's trade war with China.

The Trump administration says tariffs on Chinese goods were justified because China was stealing intellectual property and forcing U.S. companies to transfer technology for access to China's markets.

Sri Lanka seeks fresh currency swap facility, deferment of debt payments from India

REUTERS, Mumbai

Sri Lankan Prime Minister Mahinda Rajapaksa sought an additional currency swap facility and deferment of debt payments from India during an online bilateral summit with Prime Minister Narendra Modi on Saturday, Indian officials said.

Sri Lanka owes about \$960 million to India and earlier this year India agreed to a \$400 million currency swap facility for Sri Lanka until November 2022.

"An additional request for a bilateral currency swap arrangement worth around \$1 billion by the Sri Lankan side remains under discussion," said the Indian foreign ministry in a statement.

Modi told his Sri Lankan counterpart that under the country's "Neighbourhood First" policy, India will continue to "give special priority to relations between the two countries", said the officials.

Sri Lanka, located off the southern tip of India, has become an arena of competing influence between India and China, which has built ports, power stations and highways as part of President Xi Jinping's signature "Belt and Road Initiative", designed to boost trade and transport links across Asia.

But the terms of some of these projects have drawn

domestic criticism in Sri Lanka and opened the way for countries such as India, the United States and Japan to rebuild ties in the Indian Ocean country that lies near key shipping lanes.

Rajapaksa, who won a general election last year after promising to pull the country out of its deepest economic slump, has to service mounting external debt amidst the coronavirus pandemic.

He told Modi that the Sri Lankan government's policies will facilitate deeper economic and strategic cooperation between the two countries.



Sri Lanka's Prime Minister Mahinda Rajapaksa

RBI to hold rates as inflation rises, even in recession: economists

REUTERS, Bengaluru

The Reserve Bank of India will keep rates on hold until early next year in a delicate balancing act between curbing high inflation and lifting the economy from its worst recession on record, a Reuters poll of economists showed.

August inflation, at 6.69 per cent, held above the top end of the RBI's medium-term target range of 2-6 per cent for the fifth consecutive month amid supply disruptions, while coronavirus infections spread in India at the fastest pace anywhere in the world.

The central bank held its main repo rate at 4.0 per cent at its meeting last month and said it would keep policy accommodative to support an economy which nosedived 23.9 per cent last quarter, the weakest performance on record.

All 66 respondents expected no change at the Sept 29-Oct 1 meeting and the consensus showed rates would remain on hold in December, according to the poll which was conducted over the last few days.

That compared with a quarter-point cut in the fourth quarter predicted a month ago.

The Monetary Policy Committee (MPC) is then forecast to cut its repo rate by 25 basis points to 3.75 per cent in the January-March quarter, holding until at least the end of the next fiscal year.

"The current stagflation conditions are



A woman walks past the Reserve Bank of India head office in Mumbai.

putting the MPC in a difficult position. Disrupted supply chains caused by irregular lockdowns will keep inflation elevated," said Hugo Erken, head of International economics at Rabobank,

referring to a state of persistent inflation but with no growth.

"Given the inflation mandate of the RBI, the risk of high inflation becoming entangled in high inflation expectations

and policy credibility, we feel the RBI will keep the status quo."

The economy, which was already weakening before the pandemic struck, is expected to mark its first full-year contraction since 1979 this year as millions are left unemployed in the world's second most populous country.

That suggests more support is needed despite \$266 billion of announced government stimulus and a cumulative 115 basis points worth of RBI rate cuts since late March.

"While the system is awash with liquidity currently and real interest rates negative, there are no takers for these cheap funds just yet," said Prakash Sakpal, senior Asia economist at ING Financial Markets.

"Bank lending growth remains on a steady downward path. Therefore, any additional easing isn't going to be of any use."

But one-third of economists, or 22 of 65, predicted the RBI will ease again in December, including three who expected a 50 basis point cut.

A further eight of 31 who provided forecasts through early 2022 expect at least one rate hike during that period, underscoring an uncertain outlook for the economy.

When asked to rate the RBI's response to the pandemic, about 90 per cent of economists, or 49 of 56, said it was about right.

Tyler Technologies says clients reported suspicious logins after hack

REUTERS, San Francisco

Software vendor Tyler Technologies said Saturday that some of its customers have reported suspicious logins in the days since Tyler warned that it had been hacked with ransomware.

In a post on its website and an email to customers, which include many US counties and cities, Tyler said it had "received reports of several suspicious logins to client systems."

The company, which had said Wednesday that the hack appeared confined to its internal network, on Saturday urged clients to reset passwords that Tyler staff would use to access customer versions of its software.

Tyler provides a wide range of software to local governments, including programs to dispatch police in emergencies and to display local information, including election results. Those programs do not tabulate the votes themselves.

Tyler said it is cooperating with the FBI, which has declined to comment. It declined to say which customers had detected improper logins or when those suspected intrusions occurred.

A great number of criminals use ransomware to encrypt a target's files and demand payment, and many city departments have been forced to pay thousands or even millions of dollars in the past few years.

Because many counties run elections, the Department of Homeland Security has warned generally that ransomware that strikes them could disrupt voting, or use that threat to extort more money.

In addition, some major criminal groups and countries have used ransomware as a distraction while they remove data or destroy it. The Department of Homeland Security did not immediately return a message seeking comment.

UK's Johnson should rip up Brexit divorce deal, think-tank says

REUTERS, London

An influential pro-hard Brexit think-tank urged Prime Minister Boris Johnson to tear up his divorce deal with the European Union on Saturday, saying it would still allow the bloc too much power in Britain.

Johnson's government has sought

this month to pass laws that could override parts of Britain's EU exit treaty that it signed in January, despite a warning from Brussels that doing so would wreck their future relationship.

But the Centre for Brexit Policy said this did not go far enough because the Withdrawal Agreement allowed Brussels ongoing influence in Britain

over such issues as the law and state aid.

To boost British leverage, the group says the government should also threaten to impose punitive terms on those euro zone companies wishing to raise capital for investment in London.

John Longworth, director-general of the group, said he hoped its report would act as a wake-up call for ministers as negotiators hold talks on the future relationship in the final months before the Brexit transition period ends on Dec. 31 and Britain fully leaves the bloc.

Its publication is likely to increase the pressure on Johnson's government to not back down in the tough approach it has taken to the talks. The group is backed by several key lawmakers across multiple political parties in Britain.

"Deeply embedded in the Withdrawal Agreement are sweeping powers for the EU over much of our commercial and national life," Longworth said.

"The prospect of the European Court of Justice and the European Commission continuing to issue orders to the UK and endless legal wrangling truly means we face a nightmare on Brexit street unless we break free from their clutches at the 11th hour."



Britain's Prime Minister Boris Johnson makes a statement on the coronavirus disease in the House of Commons, in London.

Government of the People's Republic of Bangladesh
Ministry of Road Transport and Bridges
Road Transport and Highways Division
Admin Section
www.rthd.gov.bd

Memo No. 35.00.0000.041.30.001.20-38 Date: 24/09/2020

Invitation for Tender

01.	Ministry/Division	Ministry of Road Transport and Bridges, Road Transport and Highways Division.
02.	Procuring entity name	Ministry of Road Transport and Bridges, Road Transport and Highways Division.
03.	Procuring entity code	150-Ministry of Road Transport and Bridges.
04.	Invitation for	Annual Report 2019-2020, Annual Report Envelope Design & Printing.
05.	Procurement method	OTM.
06.	Budget and source of funds	Revenue Budget (GoB).
07.	Tender last selling date	12-10-2020
08.	Tender submission date and time	13-10-2020 2.00pm
09.	Tender opening date and time	13-10-2020 3.00pm
10.	Name & address of the office(s)	Address
	-Selling & receiving tender document	Room No. 809 (8th Floor), Bhaban No. 7, Road Transport and Highways Division, Ministry of Road Transport and Bridges, Bangladesh Secretariat, Dhaka.
	Opening tender document	Room No. 822 (8th Floor), Bhaban No. 7, Road Transport and Highways Division, Ministry of Road Transport and Bridges, Bangladesh Secretariat, Dhaka.
11.	Eligibility of tenderer	The tenderer should be well-experienced with valid trade licence, income tax certificate, VAT registration certificate, experience certificate, bank solvency certificate etc. (As per Tender Document).
12.	Brief description of works	Annual Report 2019-2020, Annual Report Envelope Design & Printing.
13.	Brief description of related services	Not applicable.
14.	Price of tender document (Tk)	BD Tk 1000.00 (one thousand) (non-refundable) as a form of Bank Draft/Pay Order from any schedule bank of Bangladesh Bank to the Joint Secretary (Admin), Road Transport and Highways Division, Dhaka.
15.	Identification of lot	Location Completion time
	Annual Report 2019-2020, Annual Report Envelope Design & Printing	Ministry of Road Transport and Bridges, Road Transport and Highways Division, Dhaka 14 days after award of contract
16.	Name & designation of official inviting tender	Md. Liakot Ali Khan, Senior Assistant Secretary.
17.	Address of official inviting tender	Room No. 822/B (8th Floor), Bhaban No. 7, Road Transport and Highways Division, Ministry of Road Transport and Bridges, Bangladesh Secretariat, Dhaka.
18.	Contact details of official inviting tender	Tel: 9584128 Fax: 9585138 e-mail: sasadmin@rthd.gov.bd
19.	The procuring entity reserves the right to accept or reject all or any tenders.	
20.	This Invitation of Tender notice will be available at the Road Transport and Highways Division website: www.rthd.gov.bd	

Md. Liakot Ali Khan
Senior Assistant Secretary
Phone: 9584128

GD-1530



Sheikh Fazle Noor Taposh, mayor of Dhaka South City Corporation; Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industry, and Md Anwar Shawkat Afser, president of the Dutch-Bangla Chamber of Commerce and Industry (DBCCI), pose during a session of the "International seminar and conference on investment on inclusive business", at Le Méridien Dhaka recently. The DBCCI and SNV Netherlands Development Organisation in Bangladesh jointly organised the two-day event.

China's industrial profits grow for fourth straight month

REUTERS, Shanghai

Profits at China's industrial firms grew for the fourth straight month in August, buoyed in part by a rebound in commodities prices and equipment manufacturing, the statistics bureau said on Sunday.

China's recovery has been gaining momentum as pent-up demand, government stimulus and surprisingly resilient exports propel a rebound.

Industrial firm profits grew 19.1 per cent year-on-year in August to 612.81 billion yuan (\$89.8 billion), the statistics bureau said. That compares with a 19.6 per cent increase in July and is the fourth straight month of profit growth.

However, industrial firms' profits still face external pressures as rising tensions between Washington and Beijing cloud the global trade outlook.

Raw material manufacturing profits increased by 32.5 per cent in August, up from 14.7 per cent in July, according to Zhu Hong, an official at the statistics bureau. This was driven in part by a rebound in the prices of international commodities such as crude oil and iron ore, he added.

Meanwhile, profits of the general equipment manufacturing sector notched up 37 per cent in August on-year, with electrical machinery up by 13.3 per cent over the same period.

Economic indicators in August, ranging from exports to producer prices and factory

output, all pointed to a further pickup in the industrial sector.

However, factory activity grew at a slower pace with smaller firms facing sluggish market demand and financial strains.

The country has introduced a slew of measures to kick-start the economy, from tax and fee reductions to grace periods for the calling in of debt.

China's economy may stagnate if it fails to rise up the value chain, as it faces increasing competition from countries with advanced technologies and lower labour costs, economists warned.

Authorities have pledged to boost investment in strategic industries including core tech sectors such as 5G, artificial intelligence and semiconductors, and accelerate new material development to ensure stable supply chains.

For January-August, industrial firms' profits fell 4.4 per cent from a year earlier to 3.72 trillion yuan, better than the 8.1 per cent decrease in the first seven months.

Liabilities at industrial firms rose 6.6 per cent on-year at end-August, edging higher than the 6.5 per cent at end-July.

Earnings at state-owned industrial firms were down 17 per cent on an annual basis for the first eight months of the year, versus a 23.5 per cent decline in the first seven months.

Private-sector profits fell 3.3 per cent in January-August, narrowing from January-July's 5.3 per cent fall.

Harley close to deal with India's Hero after stopping local manufacturing

REUTERS, New Delhi

Harley-Davidson Inc is in advanced talks with India's Hero MotoCorp for a distribution deal which will allow the US company's motorcycles to be sold in India, after it stops local manufacturing there, three sources told Reuters.

The Milwaukee-based company said on Thursday it will stop sales and shut its manufacturing plant in India, effectively abandoning the world's biggest motorcycle market after a decade of unsuccessful efforts to gain a foothold.

Harley, however, is in talks with Hero over a distribution arrangement that will allow the Indian company to import and sell Harley bikes as its sole distributor, two sources with familiar with the talks said.

"Hero will be the master distributor for Harley bikes in India ... This will be a partnership, a strategic alliance," said one of the sources, all of whom declined to be named as the discussions were private.

Discussions are also ongoing to let Hero become a contract manufacturer for at least one Harley motorcycle with 300-600 cc engine



The logo of US motorcycle company Harley-Davidson is seen on one of their models at a shop in Paris.

capacity, which it will launch later, the first source added.

The financial details of the deal were not immediately clear.

Asked about talks with Hero, a Harley spokeswoman said the company would not comment on speculation.

On Thursday, it said it was changing its business model in India evaluating options to

continue to serve customers.

Hero MotoCorp, India's largest two-wheeler manufacturer by sales, also declined to comment on market speculation. It produced 6.4 million two-wheeler scooters and motorcycles in the fiscal year ending March 2020, a third of India's total output.

Harley manufactured 4,500

motorcycles during that period, largely assembled from imported knock-down kits at its plant near New Delhi, which it will shut as part of its restructuring.

Harley's decision to stop direct manufacturing marks another major exit by an automotive player in India and is a setback for Prime Minister Narendra Modi, who has invited foreign firms to ramp up local production. Ford Motor and General Motors have both cut back their India operations in recent years.

Harley, known for its heavy touring motorcycles, struggled in India mainly because of high import duties - which US President Donald Trump often criticized India for - and also because its locally assembled bikes faced high taxes.

Hero typically sells motorcycles with engine capacity of under 200 cc and a deal with Harley will boost its entry into the mid- and high-engine market favoured by biking enthusiasts and fashion conscious younger riders, the second source said.

Harley's 33 dealerships will likely come under Hero's management under the new arrangement, said one of the sources.



A worker welds a bicycle steel rim at a factory manufacturing sports equipment in Hangzhou, Zhejiang province, China.



M Reazul Karim, managing director of Premier Bank, opens a relocated branch on Satmasjid Road in Dhaka yesterday.

Only 1 in 1,960 small firms got soft loans from govt's revamp funds

FROM PAGE B1

Poor owners are less likely to operate their business at full capacity, the survey found.

In July, 21.96 per cent owners were unable to clear workshop rent in the past one month and 15.87 per cent during the lockdown period because of a drop in sales, way higher than 1.82 per cent before the Covid-19.

Some 13.37 per cent enterprises in July and 7.6 per cent during the lockdown could not pay utility bills. It was 1.12 per cent before the lockdown was enforced.

Some 98.01 per cent of workers worked for fewer hours or got paid for fewer hours during the lockdown. It was 81.32 per cent in July.

A fourth of the workers were laid off during the lockdown and 11.29 per cent in July, according to the survey.

The study found female workers are at a greater risk because of the limited access to formal financial support and no access to the government's support package.

"Female workers are losing jobs and are less likely to return to work after the lockdown," it said.

Three-fourth of the enterprise owners are highly worried about the future of their business and 46.33 per cent do not know how long it would take before they can resume full operation.

Forty-seven per cent of the enterprises have access to loan or grants to support business recovery while one-fourth enterprises have no access to loan and no plan for business recovery.

"Enterprises are struggling to make a profit after the lockdown," it said.

While moderating the discussion, Imran Matin, executive director of the BIGD, said the recovery of the enterprises from the fallout of the Covid-19 is still fragile and lower-end enterprises are still struggling a lot.

"The composition of the recovery is unequal," he said.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said a good number of enterprises are not interested to take loans from the stimulus package because they think that they would face a lot of trouble if they cannot repay.

The CMSME sector represents 13 million business entities in Bangladesh, contributing 25 per cent to the GDP, 35.5 per cent to total employment and 80 per cent to export earnings, according to the Dhaka Chamber of Commerce and Industry.

BSEC vows to rein in rumours

FROM PAGE B4

Moreover, firms that fail to improve their performance within the stipulated timeframe will face special audits while observers will be appointed to restore good governance in those companies.

If a company remains in the Z category for four years though, then the commission may take more stringent measures, which includes delisting the company.

"But stock investors misjudged the regulator's initiative and so, junk stocks sold like hot cakes at the country's bourses a few days back," said a senior stock broker.

Many general investors thought that the junk stocks would become profitable sooner rather than later due to the steps taken by the BSEC.

"Their thinking was fuelled by rumours," he added.

According to various market analysts, it would be wise to refrain from making major investments in non-performing companies as such junk stocks tend to be overpriced.

Still, people seem to have a hankering for these non-performing investments due to the rumours, they said, adding that this was why the stock market regulator was taking a proactive approach to stem the flow of misinformation.

On September 2, the BSEC issued a notice saying that no one should advise others on how to buy or sell listed stocks based on their own opinions.

"If anyone does do it though, then we will take action," the notice said.

Tax collection rebounds in August

FROM PAGE B1

"The early trends of revenue collection show that the economic recovery has remained fragmented. It is also clear that the fiscal framework, be it revenue collection, be it public expenditure, will need a major overhaul," he said.

Khan said if there was no overnight revitalisation of administrative capacity, the pace of economic recovery would determine the revenue outcome.

"The other critical component may be addressing tax avoidance. Nevertheless, the government should be ready to adjust its public expenditure by prioritising and avoiding wastages in view of scarcity in government revenue," he said.

ECB's Visco says euro's strength is a worry

REUTERS, Frankfurt

A recent strengthening in the euro's exchange rate is a worry and will warrant a reaction from the European Central Bank if it drags inflation farther away from its goal, ECB policymaker Ignazio Visco said on Sunday.

Visco also denied ECB policymakers were divided on the matter and said his views echoed those of the Executive Board. "The euro's recent strengthening is worrying us because it generates further downward pressures on prices at a time when inflation is already low," Visco, Italy's central bank governor, told an event in Trento.

Entrepreneurship support fund awaits a boost

FROM PAGE B1

If 51 per cent of the target is not reached in land and necessary infrastructure for the machinery-intensive projects, it has to be met through the investment attained through the margin of letters of credit on the imports of equipment.

Although the latest guideline called for submitting EOI online, the central bank would accept hard copies of the applications until further notice, the circular said.

Under the new guideline, entrepreneurs and their representatives related to proposed projects would not have to be present during the meeting of the project evaluation committee.

The ESF aims to create new entrepreneurs in the areas of food processing, agriculture and ICT.

The fund was formed in 2000-01 under the name of the Equity & Entrepreneurship Fund (EEF) through a budgetary allocation of Tk 100 crore.

As the fund did not achieve its goals, the central bank in 2018 moved away from the equity model, introduced a loan that carries a simple interest rate, and changed its name from the EEF to the ESF.

Stimulus packages fuelling private credit growth

FROM PAGE B1

"This has slowed down the recovery of the SME sector."

The credit growth will pick up slightly in the months to come, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

The majority of the stimulus packages will have to be implemented by October and the credit growth will go up simultaneously in this

period, he said, adding that the credit growth may face challenge from November.

"The economy has recently picked up but more time is needed to regain the full tempo," said Zahid Hussain, a former lead economist at the World Bank Bangladesh.

Businesses are now reluctant to set up new industries because of the ongoing slowdown in the economic

recovery and the pandemic, he said.

Purchasing power and demand for products will have to be increased to get rid of the meltdown, Hussain said.

He, however, said credit growth may go up in the coming months due to the fund disbursed from the stimulus packages.

"But the country's recovery will take place in keeping with the global trend," he said.



Khalilur Rahman, chairman of Pragati Life Insurance, presides over the company's 20th annual general meeting yesterday through a digital platform. The insurer approved 20 per cent cash dividend for 2019. Md Jalalul Azim, CEO, was present.

Small paint manufacturers need easy loans for survival

Says Berger Paints Bangladesh's Managing Director Rupali Chowdhury in an interview

KHONDOKER MD SHOYEB

The coronavirus outbreak wreaked havoc on the paint industry at a time when it was reeling from a slowdown in the housing and infrastructure sectors for the last couple of years, said Rupali Chowdhury, managing director of Berger Paints Bangladesh.

The industry has been hit harder than many other sectors as paint is not considered as a staple item like food, for which people always set aside some fund to meet its demand in any crisis, she added.

A majority of the paint shops remained closed from March to June this year, pushing paint makers to post negative growths, Chowdhury told The Daily Star in an interview last week.

"Many ongoing and prospective projects got postponed or cancelled and most consumers preferred to avoid painting their houses for the time being, mainly due to financial constraints and to minimise the risk of contamination.

"Demand for paint products also subsided due to consecutive natural disasters -- floods, cyclone Amphan and heavy rain, she said.

In April, sales in the paint industry came down to a record low, putting pressure on small paint makers, who were struggling to comply with the government's strict but timely directives to restrict the spread of Covid-19.

The coronavirus affected the net sales of



Rupali Chowdhury

Berger Paints Bangladesh also, which fell almost 50 per cent in the April-June quarter to Tk 228.5 crore from Tk 525 crore in the January-March quarter of 2020, she said.

The paint industry imports around 80 per cent of its raw materials from abroad.

But ensuring timely procurement of the materials became nearly impossible in March, April and May because of the restrictions on international shipments and closure of ports. "This pandemic tested the resilience of Berger's supply chain team. Our procurement team timely initiated the contingency plan and at times made air shipment of raw materials whenever necessary."

Since the Covid-19 outbreak, Berger revisited its distribution plan.

"We started sending larger consignments to depots instead of the regular ones along with delivering products directly to the dealers' points.

These steps helped the company complete the task with minimal manpower, cut

KEY POINTS

Paint industry's sales hit record low in April

Berger Paints Bangladesh's net sales fell almost 50% in April-June to Tk 228.5cr from the previous quarter

In July, the company launched Mr. Expert Advanced Hand Sanitisers and Berger Expert Sanitisation Service

It also provided the painters with over Tk 1.75cr to help them recover fast

operation costs and, most importantly, reduce the possibility of getting infected with the coronavirus.

"Our advanced technologies, structured management process and fearless attitude gave us a way forward."

Over the years, Berger has invested in technology and prepared itself to tackle situations similar to the current pandemic.

This year, the company conducted an annual financial audit, organised board meetings and annual general meetings digitally.

"The audit was done only in less than two months, as we provided the auditors with online access to our network to check the required information."

"Being one of the oldest and most renowned companies in the country, we believe that it is our responsibility to step in and help the country come out of the crisis."

In July, the company's Mr. Expert Advanced Hand Sanitisers hit market.

In the middle of that month, the company also introduced the 'Berger Expert Sanitisation Service' to provide global standard disinfection services to households, office premises and institutions.

"We launched new products and added

new features to our existing offerings. Consequently, we started providing safe painting solutions from our Berger Experience Zone outlets so that our consumers can paint their homes without worrying about the risk of contamination.

"We also provided our painters and dealers with different types of safety equipment to ensure that our partners are safe and have the confidence to resume business as soon as the lockdown is lifted."

Berger even placed handwash basins at some dealers' point.

"Now our research and development team is actively working to introduce antivirus coating for all kinds of substrates. The product may hit the market soon."

The company provided the painters with over Tk 1.75 crore as donations to lessen their financial hardship.

The economy started reopening in July. Still many sub-dealers/wholesalers could not resume business in full swing due to disruption in the mainstream supply chain.

The construction projects that were postponed are expected to resume soon. Painters and dealers have started working diligently to compensate the losses incurred during the initial days of the lockdown.

"We are doing our best to inject confidence among our customers and we strongly believe the situation is not going to exacerbate in the days to come."

Paint fights off effects of adverse weather conditions, pollution and hazardous chemicals, giving durability and enhanced functionality of infrastructure.

It is a part and parcel component for the construction of buildings, industrial set-ups and infrastructural projects.

Therefore, paint should not be considered as a luxury item, as it is an essential material to ensure protection against decay.

Paint should not be subject to any supplementary duty that applies to luxury items. To keep paint products affordable, it should be exempted from any such duty.

Most dealers of painting products belong

"In April, the sales in the paint industry came down to a record low level, putting pressure on the small paint makers, who were struggling to comply with the government's strict but timely directives."

"Our advanced technologies, structured management process and fearless attitude gave us a way forward."

No one knows how long the virus will last, as scientists, doctors and drug makers are still struggling to find a cure for the contagious disease.

So, the company has carefully designed the shifts of its workers to ensure social distancing.

"Berger Paints Bangladesh has aligned its operations to cope with the pandemic if it stays here for long. There might be a slump, but it will not be a complete shutdown in the business."

to the small and medium enterprise segment and the government should not forget that this SMEs play an extremely important role for proper functioning of the economic ecosystem.

So, the government should now provide easy loans to SMEs for the sake of the paint industry.

Not only the government or the banking sector, but the non-governmental organisations and non-profitable institutions should also extend their support.

WAITING FOR THE BREEZE



Shopkeepers selling electronic products await customers in New Market on Saturday afternoon. The home electronics sector is suffering from a slide in demand with sales likely to stay below 70 per cent of annual target as consumers are reluctant to spend on these items amid the lingering pandemic, according to market players.

FIROZ AHMED

BSEC vows to rein in rumours

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) will take strict measures against the spread of misinformation on the stock market as it leads to gambling and has an overall negative impact on general investors, according to a senior regulatory official.

"We are bringing a number of Facebook pages and other websites under our radar to monitor whether they spread stock market related information or advice," he said.

As per regulations, no one is allowed to provide advice on investment strategies without securing an advisory certificate from the stock market regulator.

A number of websites and Facebook pages are said to be engaged in such activities and if the allegations prove to be true, the BSEC will take stern actions against them.

A Facebook page titled "Decision Maker" was shut down based on the stock market regulator's request to Bangladesh Telecommunication Regulatory Commission just last Thursday for breaching regulations.

"We will shut down all the pages that are spreading rumours and we will take legal actions against them as well," the BSEC official added.

The BSEC recently urged investors to disregard any possible rumours as it could adversely affect their investment strategies.

However, they still pay heed to those rumours as evinced by their activities, which closely match the advice provided

on stock market related Facebook pages.

A number of investors even depend on such hearsay to buy and sell shares while the administrators of these Facebook groups and websites are happy to oblige, the BSEC official said.



As a result, junk stocks witnessed a rising trend just a few days ago when the stock market regulator declared long-term plans aimed at improving the performance of such companies.

The BSEC had made it mandatory to reform a company's board of directors if said companies remain in the Z category, which is reserved for junk stocks, for two years or more.

Besides, directors will also be removed if they are in multiple listed companies or market intermediaries.

READ MORE ON B3

Investors frustrated over Ring Shine Textile's factory closure

STAR BUSINESS REPORT

Investors of Ring Shine Textile have been left shocked by the company's decision to shut down its factory at the Dhaka Export Processing Zone in Savar for a month.

Citing the economic turmoil brought about by the ongoing coronavirus pandemic, the export-based garment maker informed the Dhaka Stock Exchange (DSE) yesterday, declaring that its factory would be laid off until October 25.

The move comes as a result of the Covid-19 fallout, declining orders from foreign buyers and a shortage of imported raw materials, Ring Shine Textile said in its statement, adding that the decision was taken in line with section-11 of the Bangladesh EPZ Labour Law, 2019.

Soon after the news broke, the company's stocks plunged 8.97 per cent to Tk 7.10 on the

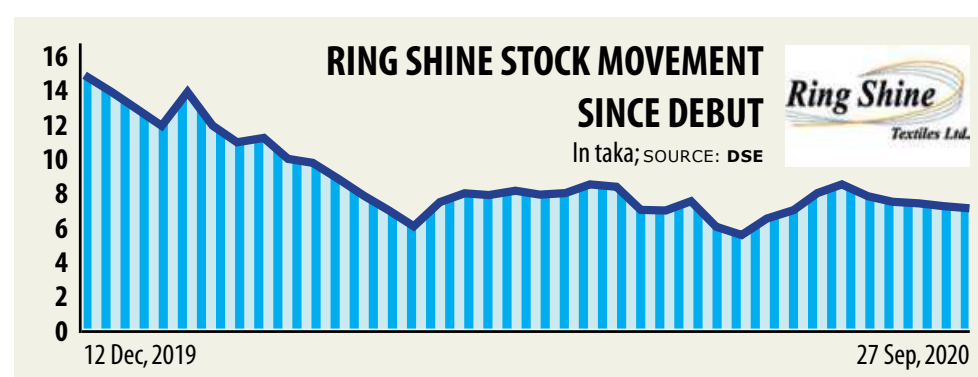
DSE's trading board, according to data from the country's premier bourse.

Ring Shine Textile started to dishearten its investors from the very beginning, when it was first listed in 2019, said Abdus Zoha, a stock investor.

Having raised Tk 150 crore from the capital market, the garment maker's stock price ballooned to Tk 15 per share on debut but following a barrage of rumours, prices soon began to decline.

Within a month of being listed, Ring Shine Textile was shrouded in scandal as rumours made people believe that the company's foreign staff, including its directors, were abandoning their posts and leaving the country for good.

This triggered a downward slide in stock prices and as a result, Ring Shine Textile's profits dropped by over 11 per cent to Tk 49.91



crore in 2018-19.

At the time, the textile maker did not disburse any cash dividend, but issued 15 per cent stock dividend.

This only led to an increase in the market's

share supply, forcing the stock price to plummet again, Zoha said.

In light of the situation, a key sponsor of Ring Shine Textile sold his shared within just two-and-a-half months of the

company's listing.

This came as yet another blow for general investors, who have seen the value of their holdings fall by the day.

Sung Wey Min, the owner of Universe Knitting Garments and managing director of Ring Shine Textile, is the sponsor in question that sold his 36.86 lakh shares with the textile maker.

As if that was not bad enough, this factory layoff has piled even more pressure on the company's stocks, Zoha added.

According to market analysts, when a company's sponsor sells his or her shares just after being listed, it gives a bad signal to general shareholders.

A sponsor can sell his or her shares as they wish but when they do so under a stock's face value, then it raises questions about the company's potential, they added.