



BKASH

**Kamal Quadir, CEO of bKash, and Major General (retd) Sheikh Md Monirul Islam, chief external and corporate affairs officer, hand over 12 high-flow oxygen ventilators to Abul Bashar Mohammad Khurshid Alam, director general of the Directorate General of Health Services, and Brigadier General AKM Nasir Uddin, director of Dhaka Medical College Hospital, for the hospital on its premises in the capital on Tuesday. The country's largest mobile financial service provider also donated such two ventilators to Dhaka Shishu (Children) Hospital and installed an oxygen plant at the Bangladesh Institute of Health Sciences General Hospital to make the Covid-19 treatment more effective.**

## Korean joint venture may build Joydebpur-Mymensingh expressway

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WHY EXPRESSWAY?

Between July 2010 and June 2017, the RHD had upgraded the two-lane Dhaka-Mymensingh highway to a four-lane one spending around Tk 1,800 crore.

However, the cost of the project was Tk 902 crore when the Executive Committee of the National Economic Council (Ecne) approved the project in June 2010 and the deadline was June 2013.

But poor development project profiling forced the authority to change the cost and deadline of the project several times, according to a report of the Implementation Monitoring & Evaluation Division (IMED) of the planning ministry published in June this year.

The IMED report mentioned poor maintenance and presence of a huge number of illegal markers on the road and absence of mechanisms to control overloading as poor aspects of the project.

The report also recommended upgrading the national highway to six or eight lanes as a huge number of industrial units had developed on both sides of the road.

Besides, at least 193 intersections, 28 school zones and many markets and other structures along a 16.5 km section of the four-lane highway were slowing down traffic on the road, according to a road safety audit conducted by the RHD in 2017-2018.

The average number of vehicles running on the highway in a day in 2019 was 27,663.

Talking to The Daily Star in March this year, Shishir Kanti Routh, also a member of the RHD's PPP cell, said some 10 economic zones would be established in Mymensingh, Netrakona, Sherpur and Jamalpur districts.

There are also three or four land ports in the districts. So, the traffic on the highway would increase once the economic zones were established.

For the first time, the RHD also plans to install an Intelligent Transport System on the expressway to learn about accidents

or other incidents immediately after they occur. It will allow the department to take quick action to prevent disruption to traffic flow, he added.

Meanwhile, the Cabinet Committee on Public Purchase yesterday approved four procurement and one cancellation proposals.

The four procurement proposals comprise a cost of Tk 339.26 lakh. Of it, Tk 160.29 crore will be spent from government funds while Tk 178. 98 crore will come from Asian Development Bank and domestic banks.

Of them, one involves construction of 76 flats of 1,800 square feet at Tk 160.29 crore at Azimpur government colony (zone A) for government officials while another for the procurement of 30,000 tonnes of urea fertiliser from Kafco, Bangladesh at Tk 84.63 crore.

The third is on the procurement of 25,000 tonnes of urea fertiliser from Saudi Basic Industries Corporation at a cost of Tk 56.96 crore and the last is for procurement of 25,000 tonnes of urea fertiliser for Tk 57.81 crore from Ruwais Fertilizer Industries (Fertiglobe) of the United Arab Emirates.

The cancellation proposal was on "Developing proper standards of Jhenaidah-Kustia-Pakshi-Dashuria national highway including four lanes of Kustia municipal part". The proposal was cancelled as only one bidder submitted tender for the project.

Responding to a question from a reporter, Finance Minister AHM Mustafa Kamal said the government would give priority to businesses during the pandemic. If business cannot be saved, then the banks would not be able to recover their loans, he said.

Bangladesh Bank has extended the deadline for businesspeople to pay their loan instalments. According to Kamal, the banks made adequate profits before the pandemic, so a little loss afterwards will not lead to any massive damage.

## Make stimulus loans collateral-free for small businesses

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Another Tk 1,060 crore was disbursed from another stimulus package of Tk 3,000 crore, Kasem said.

Nasim Manzur said the government should have given subsidies on VAT, tax, utilities and factory and office rents during the difficult period to CMSMEs so that they can survive and continue their operations.

Many CMSMEs have had to shut their business because of high rents and office rents. The government should have announced the stimulus packages in consultation with other stakeholders so that all units get the fund properly, he said.

The entrepreneur called for involving NGOs, microfinance institutions and local chambers so that the real sufferers could be identified and the funds can be disbursed on time.

Many CMSMEs need to get a source tax waiver during this tough time and district chambers should introduce help desks for CMSMEs to secure the fund, said Manzur.

Bhattacharya said it is not wise only to depend only on banking channels to bankroll CMSMEs.

"Alternatives should also have been thought about a lot earlier because many enterprises have been doing business for many years but they are still unbanked."

Momtaz Uddin Ahmed, an honorary professor of economics at the University of Dhaka, said there should be an updated database of the CMSMEs so that every unit can avail financing from the fund. He supported financing CMSMEs through MFIs.

Mustafizur Rahman, another distinguished fellow of the CPD, said CMSMEs not only serve the local markets. They also help a lot in value addition for export-oriented sectors.

Shams Mahmud, president of the Dhaka Chamber of Commerce and Industry, said there is a perception that the money from

the stimulus package is free. "People should change such mentality as it is a loan, but at a lower interest rate."

The definition of SMEs needs to be changed to make the initiative time-befitting, the industries minister said. He committed to preparing a database of the CMSMEs.

Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services, said none of 1,500 members of the association received loans from the stimulus packages as IT companies cannot provide any collateral.

IT and software companies do not have physical assets to be mortgaged as collateral. However, BASIS members secured loans from two private commercial banks under special arrangements, he said.

Anwara Ferdousi, president of the Rangpur Women Chamber of Commerce and Industry, said handicrafts and beauty parlours are the worst sufferers as they did not get loans from banks. "Banks are not giving loans to small entrepreneurs because of collaterals."

Humaira Chowdhury, co-founder and managing director of Frontier Technologies Ltd, said she is not getting loans from banks although her company has a strong financial base.

She could not provide collateral as she has not managed to get land documents from her paternal side. "So, banks are not giving me loans."

Syed Abdul Momen, head of SME of Brac Bank, said of his bank's total portfolio of Tk 12,000 crore, Tk 10,000 crore are collateral-free loan for the CMSMEs.

Some 70 per cent to 80 per cent of the CMSMEs that have received the loan from the stimulus package have returned to their businesses, he said.

Asif Ibrahim, chairman of the Chittagong Stock Exchange, also spoke.

## China's factory activity accelerates at solid pace in September on boost from overseas demand

REUTERS, Beijing

China's factory activity extended solid growth in September, twin surveys showed, as the nation's crucial exports engine revved up on improving overseas demand and underlined a steady economic recovery from the coronavirus shock.

The official manufacturing Purchasing Manager's Index (PMI) rose to 51.5 in September from 51.0 in August, according to data from the National Bureau of Statistics (NBS) on Wednesday, remaining above the 50-point mark that separates growth from contraction for the seventh month.

Analysts had expected it to pick up slightly to 51.2.

A private survey, also released on the day, painted a similar picture of the manufacturing sector gaining momentum backed by stronger overseas demand.

China's vast industrial sector is steadily returning to the levels seen before the pandemic paralysed huge swathes of the economy, as pent-up demand, stimulus-driven infrastructure expansion and surprisingly resilient exports propel a recovery.

The official PMI, which largely focuses on big and state-owned firms, also showed the sub-index for new export orders stood at 50.8 in September, improving from 49.1 a month earlier and snapping eight months of declines.

The signs of stronger overseas demand were also highlighted in the Caixin/Markit Manufacturing Purchasing Managers' Index (PMI), which focuses more on small and export-oriented firms. Its gauge for new export orders rose at the fastest pace in over three years.

Recently, economic indicators ranging from trade to producer prices have all suggested a further pick up in the industrial sector. Profits at China's industrial firms extended robust growth in August to the fourth month, official data showed on Sunday.

Domestic demand also shows signs of broadening, with industrial output accelerating the most in eight months in August and retail sales growing for the first time this year.

Adding to the demand recovery from the coronavirus-induced slump, the official PMI showed activity in China's services sector expanded at a

faster pace in September.

"[W]e are entering a period of above trend growth, which should help absorb the remaining slack in the labour market and allow for some policy tightening next year," said Julian Evans-Pritchard, senior China economist at Capital Economics, in a note to clients.

Yet, even as China emerges from the pandemic in fairly stable shape, many expect the road ahead to be bumpy.

China's economy, which grew 3.2 per cent in the second quarter year-on-year, is set to expand 2.2 per cent this year - the weakest in over three decades.

A sub-index for employment in the official PMI improved slightly but remained in contractionary territory. It stood at 49.6 in September from 49.4 the month before, indicating the pressure on jobs and keeping policymakers primed for more support measures.

Moreover, a growing rift between China and the United States over trade, technology and a range of other issues have analysts warning about risks to the outlook.

## China preparing an antitrust investigation into Google

REUTERS

China is preparing to launch an antitrust probe into Alphabet Inc's Google, looking into allegations it has leveraged the dominance of its Android mobile operating system to stifle competition, two people familiar with the matter said.

The case was proposed by telecommunications equipment giant Huawei Technologies Co Ltd last year and has been submitted by the country's top market regulator to the State Council's antitrust committee for review, they added.

A decision on whether to proceed with a formal investigation may come as soon as October and could be affected by the state of China's relationship with the United States, one of the people said.

The potential investigation follows a raft of actions by US President Donald Trump's administration to hobble Chinese tech companies, citing national security risks.

This has included putting Huawei on its trade blacklist, threatening similar action for Semiconductor Manufacturing International Corp

and ordering TikTok owner ByteDance to divest the short-form video app.

It also comes as China embarks on a major revamp of its antitrust laws with proposed amendments including a dramatic increase in maximum fines and expanded criteria for judging a company's control of a market.

A potential probe would also look at accusations that Google's market position could cause "extreme damage" to Chinese companies like Huawei, as losing the US tech giant's support for Android-based operating systems would lead to loss of confidence and revenue, a second person said.

The sources were not authorised to speak publicly on the matter and declined to be identified. Google did not provide immediate comment, while Huawei declined to comment.

China's top market regulator, the State Administration for Market Regulation, and the State Council did not immediately respond to requests for comment.

The US trade blacklist bars Google from providing technical support to new Huawei phone models and access to Google Mobile Services, the bundle of developer services upon which

most Android apps are based.

Google had a temporary licence that exempted it from the ban on Huawei but it expired in August.

It was not immediately clear what Google services the potential probe would focus on. Most Chinese smartphone vendors use an open-source version of the Android platform with alternatives to Google services on their domestic phones. Google's search, email and other services are blocked in China.

Huawei has said it missed its 2019 revenue target by \$12 billion, which company officials have attributed to US actions against it. Seeking to overcome its reliance on Google, the Chinese firm announced plans this month to introduce its proprietary Harmony operating system in smartphones next year.

Chinese regulators will be looking at examples set by their peers in Europe and in India if it proceeds with the antitrust investigation, the first source said.

"China will also look at what other countries have done, including holding inquiries with Google executives," said the person.

## Mutual fund units in demand on hopes of reforms

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One of the initiatives could see that the regulator would refuse to extend the tenure of closed-end mutual funds unless they receive approval from unitholders, he said.

Closed-end mutual funds are investment vehicles that gather a fixed pool of money for 10 years from investors and re-invest them into stocks, bonds and other assets. After 10 years, they are supposed to be liquidated and the value of the funds distributed among unitholders.

But on September 16 last year, following calls from some asset management companies, the BSEC extended the tenure of the closed-end mutual funds by another 10 years.

Subsequently, LR Global Bangladesh Asset Management Company extended the tenure of six of its closed-end mutual funds by a decade. Race Asset Management extended the tenure for 10 of its funds.

The BSEC's decision came under criticism.

There are 37 listed mutual funds. Of them, five are trading above their face-value and the rest below the face-value.

Paramount Textile topped the turnover list yesterday after its shares worth Tk 50 crore changed hands, followed by Beximco Ltd, Sandhani Life Insurance, Asia Pacific Insurance, Beximco Pharmaceuticals, Brac Bank, Pioneer Insurance, BD Finance, Republic Insurance and Nitel Insurance.

GQ Ball Pen shed the most, giving up 8.36 per cent, followed by United Airways, Asia Pacific Insurance, Tung Hai Knitting, KBB Power, Provati Insurance, Paramount Insurance, Premier Insurance, Bangladesh Industrial Finance Company, and Apollo Ispat.



NRB GLOBAL BANK

**Syed Habib Hasnat, managing director of NRB Global Bank, opens a 'Islami banking branch' of the bank in Chapainawabganj yesterday through a digital platform.**

## Abu Dhabi's Mubadala in advanced talks to invest up to \$1b in Reliance Retail

REUTERS, New Delhi/Dubai

Abu Dhabi state fund Mubadala Investment Co is in advanced talks to invest up to \$1 billion in the retail division of India's Reliance Industries Ltd, two sources told Reuters, as investor interest in the Indian company surges.

Reliance Retail is on a fund raising spree and has secured around \$1.8 billion in the past few weeks from and Silver Lake Partners.

Reliance, controlled by Asia's richest man Mukesh Ambani, has approached investors, who collectively pumped more than \$20 billion into its Jio Platforms digital business this year, to take stakes in its retail business, which has nearly 12,000 stores and sells everything from groceries and electronics to fashion and shoes.

Mubadala invested around \$1.2 billion in Jio Platforms and its executives have held extensive talks in recent weeks with Reliance for investing in its retail venture, several sources familiar with the talks said.

While one source said Mubadala "is ready with" \$1 billion for Reliance Retail and doing due diligence, a second source said the talks were at an advanced stage and said the investment could be anywhere between \$500 million and \$1 billion.

A Reliance spokesman said the company cannot confirm or deny any transaction, adding:

the "company evaluates various opportunities on an ongoing basis."

Mubadala declined to comment. It is the second-biggest state investor in Abu Dhabi after Abu Dhabi Investment Authority, managing about \$240 billion in assets.

For Mubadala, any further investment into Reliance will come months after it said it was under-invested in Asia and planned to expand its portfolio in the region.

Reliance is likely to soon announce a few investments into its retail unit, and those will be from investors who recently invested in its digital arm, one of the sources aware of the matter said.



**Mukesh Ambani, chairman and managing director of Reliance Industries**

While talks are ongoing with several investors, Reliance believes Facebook and Google, both of which invested in Reliance's digital business, are unlikely to put funds in its retail division due to lack of synergies, another source said.

"Reliance wants the same set of investors ... but some new investors could come in," the source said.

Japan's SoftBank Group had also expressed interest in investing in Reliance Retail, but the talks have not moved forward as the company was prioritising other investors with which it has struck recent deals, the source said.

SoftBank did not respond to a request for comment.

Ambani's push to seek investments in its retail business come as the oil-to-telecoms Indian conglomerate has been looking to expand its e-commerce operations to compete against Walmart's Flipkart and Amazon.com's Indian business.

A separate source said Amazon and Reliance have also been in talks, but there was no certainty of a deal on an investment in Reliance Retail.

"For Amazon, the issue is whether their own ambitions in India will collide with Reliance's," the source added.

An Amazon spokeswoman said the company has no comment on speculation about what it may or may not do in the future.