

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.02%	▼ 0.89%	\$1,901.76	\$41.87	▲ 0.71%	▲ 1.23%	▲ 0.85%	▼ 0.20%	83.95	97.41	107.65	12.23
4,946.67	8,501.77	(per ounce)	(per barrel)	38,973.70	23,312.14	2,517.23	3,218.05	84.95	101.21	111.45	12.86

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BUSINESS

DHAKA TUESDAY OCTOBER 6, 2020, ASHWIN 21, 1427 BS
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Govt eyes \$2.5b from WB

Focuses on getting \$500m in budget support this fiscal year

REJAUL KARIM BYRON

Bangladesh may seek more than \$2.5 billion from World Bank in budgetary support, project financing and aid as it has to implement a major portion of the country's gigantic stimulus package to revive the economy.

Its main target would be to secure \$500 million in budget support in the current fiscal year.

Of the sum, \$250 million would be sought in the form of development support credit and another \$250 million from the development lender's fund for the poorest countries to combat the impacts of the coronavirus pandemic.

The Washington-based lender has indicated that it would provide \$1.87 billion in the current fiscal year from its International Development Association (IDA),

which lends to the poor countries.

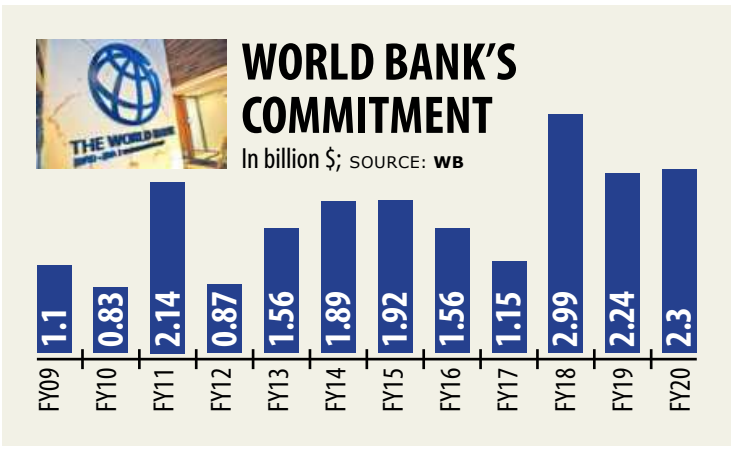
It has already approved loans worth \$402 million in the FY21, said an official of the WB's Dhaka office yesterday.

The government is also pursuing \$400 million from the WB's scale-up facility, which provides loans at non-concessional terms. The lender indicated that it may give \$200 million in FY21 under the facility, said an official of the finance ministry.

Combined, the government would want \$2.52 billion from its long-time development partner.

The WB approved \$2.27 billion in the just-concluded fiscal year. Of the sum, \$1.7 billion came after March, extending much-needed support to the country reeling from the pandemic.

The financing issue would be discussed during Finance Minister AHM Mustafa Kamal's annual



meetings with senior WB officials, now to be held virtually, starting October 12, said the finance ministry official.

The WB has decided to deploy up to \$160 billion in financial support over 15 months to help more than 100 countries protect the poor and vulnerable, support businesses, and bolster economic recovery.

This includes \$50 billion of new IDA resources through grants and highly concessional loans.

Bangladesh would need more funds in fiscal 2020-21 since this would be the period when a majority of the Tk 113,117 crore stimulus funds formed to revive the economy would be

implemented.

Rising expenditure and slower revenue generation are prompting the government to seek outside help.

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.

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, provisional data from the

National Board of Revenue showed.

So, apart from availing regular project financing from the WB, the government would emphasise securing budget support, the finance ministry official said.

The government has undertaken a programme worth \$550 million to procure and distribute coronavirus vaccines.

It is currently in negotiation with the WB and Asian Infrastructure Investment Bank for a loan of \$400 million for the programme. The rest of the amount would be contributed by the government.

On September 29, World Bank President David Malpass said he was seeking board approval for a \$12 billion coronavirus vaccine financing plan to help poor and developing countries secure sufficient stocks once the solution was available in the coming months.

He said the board was expected to consider the plan in early October.

The initiative is part of a \$160 billion coronavirus aid finance pledged by the multilateral lender.

It aims at helping countries procure and distribute vaccines early to healthcare and other essential workers and expand global production.

Deposit money to garment workers' welfare fund properly

BB asks banks

STAR BUSINESS REPORT

The Bangladesh Bank yesterday asked banks to deposit 0.03 per cent of the encashed export earnings at the central fund for the readymade garment sector's workers.

In June 2016, the central bank instructed lenders to deposit the money to the fund but there is an allegation that some banks have not followed the instruction properly.

The lenders have not deducted the amount of the export earnings as per the rules, the BB said in a notice yesterday.

Against the backdrop, the volume of the fund has not increased as expected.

Recently, the parliamentary standing committee on the ministry of labour and employment has alleged that the volume of the fund has not increased in keeping with the country's export earnings due to the negligence of some lenders.

This prompted the labour secretary to request Bangladesh Bank Governor Fazle Kabir to take measures to this end.

Banks have been asked to send information about the deposited fund to the ministry as well.

This is not the first time the central bank has issued such circular.

On May 29 in 2018, following a letter from the labour and employment ministry, the BB issued a similar instruction to the banks.

The account of the central fund for the garment sector is maintained at the Ramna Corporate Branch of Sonali Bank in the capital.

A garment worker or their heirs would get Tk 3 lakh from the fund in case of death or grave injuries at the workplace.

In case of illness or injury that render them disable or death outside workplaces, a worker or their beneficiaries would get Tk 2 lakh.

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Investors to get back Tk 150cr debenture funds after a decade

AHSAN HABIB

The Bangladesh Securities and Exchange Commission (BSEC) has taken an initiative to return funds that were raised through debentures about 30 years ago, totalling around Tk 150 crore.

Debentures are debt instruments issued by companies in order to raise fund for a certain period of time, most often for 10 years. During this period, investors who purchased a debenture will receive interest against their investment.

Eight debentures -- Bangladesh Luggage Industries, Bangladesh Zipper Industries, Beximco Knitting, Beximco Fisheries, Beximco Textiles, Beximco Denim, Aramit Cement and BD Welding Electrodes -- were listed with the Dhaka Stock Exchange (DSE) back in the 1990s.

And although their tenures ended in

between 2002 and 2008, the issuers did not repay the capital raised through investors.

Unlike previous commissions though, the newly appointed commission, led by Professor Shibli Rubayet Ul Islam, has taken measures to return this money.

The debentures will be paid back in phases with two companies returning the funds each phase. Of the eight companies, two will have their 14 per cent debentures delisted after the money is returned to investors, according to the DSE.

The two companies -- Bangladesh Luggage Industries and Bangladesh Zipper Industries -- are both concerns of Doel Group.

"All funds raised from debentures are bound to return to their investors," said a senior official of the BSEC seeking anonymity.

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LISTED BONDS THAT WILL RETURN THEIR RAISED FUNDS

BOND ISSUER	LISTING YEAR	COUPON RATE
Bangladesh Luggage Industries	1996	14
Bangladesh Zipper Industries	1995	14
Beximco Knitting	1994	14
Beximco Fisheries	1994	14
Beximco Textile	1995	14
Beximco Denim	1995	14
Aramit Cement	1998	14
BD Welding Electrodes	1999	15

BEARING IT ALL FOR RICE AT LOW PRICE



Forced to bring along her yet-to-be-weaned child, a mother makes her way out of a crowded queue on securing rice at a low rate of Tk 30 per kilogramme from an Open Market Sale initiative of the Directorate General of Food in the capital's Moghbazar yesterday morning. Floods have repeatedly been hitting farmers since the end of June this year, fuelling prices of the staple grain. In September, retail price of coarse rice was up 31 per cent year-on-year to Tk 44 a kg in Dhaka, the Food and Agriculture Organization data showed.

ANISUR RAHMAN

Apparel leads export revival

REFAYET ULLAH MIRDHA

Earnings from merchandise exports grew by 3.53 per cent year-on-year to reach \$3.01 billion in September thanks to an increasing number of orders for garment items, according to data from the Export Promotion Bureau (EPB) released yesterday.

Export receipts for September were also 5.92 per cent higher than the monthly target of \$2.85 billion, the data showed.

Besides, within the first three months of the ongoing fiscal year beginning in July, export earnings returned to a positive position as merchandise shipments grew by 2.58 per cent year-on-year to \$9.89 billion.

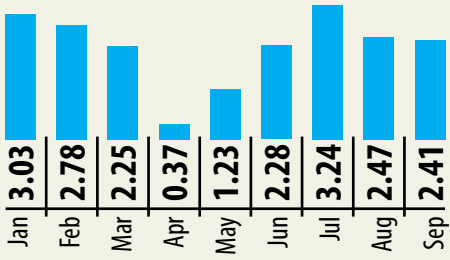
Apparel shipments, which typically accounts for about 84 per cent of Bangladesh's export basket, grew by 0.85 per cent year-on-year to \$8.12 billion between July and September, which is 2.09 per cent higher than the \$7.96 billion target.

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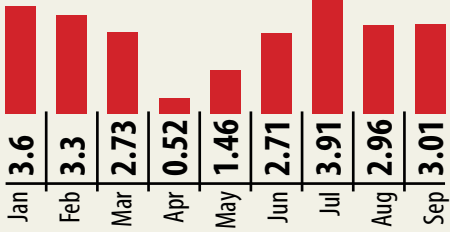
GARMENT EXPORTS

In billions of \$; SOURCE: EPB



TOTAL EXPORTS

In billions of \$; SOURCE: EPB



SydneySun to set up video surveillance equipment plant

STAR BUSINESS REPORT

SydneySun International and its technology partner Dahua of China will invest \$5 million at Summit Technopolis at the Bangabandhu Hi-Tech City in Gazipur to build the country's first video surveillance equipment manufacturing plant.

Abu Reza Khan, managing director of Summit Technopolis and Sagor Kumar Tito, managing director of SydneySun International, yesterday signed a land lease agreement to set up the plant over one acre of land, said Summit Group in a press release.

The prefabricated plant construction of semi-knocked down video surveillance equipment will begin soon and is expected to be operational by January 2021.

Initially, SydneySun is expected to employ about 90 Bangladeshi engineers along with 10 foreign experts. The manufactured products will be sold in both local and foreign markets.

Set up in 2004, SydneySun International is the distributor of safety and surveillance video solutions and is the sole authorised distributor of Dahua Technology of China.

It has deployed the city surveillance in Cox's Bazar and end-to-end solutions for the central command of the Bangladesh Highway Police, the press release said.

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