

# Star BUSINESS

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## China-funded projects back on track

Most Chinese nationals involved in the projects have returned to Bangladesh after pandemic shutdown

JAGARAN CHAKMA

Almost all of the country's major development projects being funded by China are back on track following a prolonged hiatus caused by the coronavirus pandemic, the Economic Relations Division and project officials said.

According to them, most of the Chinese nationals who had been involved in the projects have returned to Bangladesh as the government has allowed all economic activities to resume.

As a result, the construction work of almost all nine projects involving \$7.1 billion and all funded by China is ongoing.

"All of the projects under Chinese assistance are moving forward at an adequate pace at the moment," said Md Shahriar Kader Siddiky, joint secretary of the ERD's Asia wing.

The projects are Padma bridge rail link; National ICT infra-network for Bangladesh government phase III; the multilane road tunnel under the Karnaphuli river; installation of single point mooring with double pipeline; modernisation of telecom network for digital connectivity; tier IV national data centre; Dasherbandi sewerage treatment plant; the expansion and strengthening of the power system network under the Dhaka Power Distribution Company area; and power grid network strengthening project under Power Grid Company of Bangladesh.

The ERD held talks with Chinese officials on August 25 as part of its desperate efforts to give an impetus to the mega projects.

"We arranged visas for the Chinese nationals who work with the Chinese-funded projects, so they did not face any problem to come back," Siddiky said.

He credited a joint effort from the ERD, the Chinese embassy, different implementing entities and Chinese contractors for resuming the construction work.

Some 235 Chinese nationals are currently working at the site of the multilane road tunnel project under the Karnaphuli river and all other necessary workforces arrived

NINE PROJECTS OF \$7,107.96M		
Name of projects	Chinese fund (In million \$)	Loan deal signed/loan disbursed (Status as of June 2020)
Padma bridge rail link	2,667.94	27 April, 2018 (\$533.58m)
National ICT infrastructure network for govt Phase III	151.64	27 October, 2017 (\$141.30m)
Tunnel under Karnaphuli river	705.80	14 October, 2016 (\$326.73m)
Installation of single point mooring with double pipeline	550.67	3 November, 2017 (\$247.94m)
Modernisation of telecom network for digital connectivity	224.96	10 April, 2018 (\$83.39m)
Tier IV national data centre	154.00	15 April, 2016 (\$137.66m)
Dasherbandi sewerage treatment plant	280.00	14 October, 2016 (\$111.64m)
Expansion and strengthening of power system network under DPDC area project	1,402.93	4 July, 2019 (\$207.62m)
Power grid network strengthening project under PGCB	970.02	7 June, 2020 No disbursement
<b>TOTAL</b>	<b>7,107.96</b>	<b>1,786.86</b>

in early August, said Harunur Rashid Chowdhury, the project director.

The project has achieved a breakthrough in the construction of the left line of the tunnel despite a shortage of raw materials amid the Covid-19 outbreak.

"The work is going on in full swing," Chowdhury told The Daily Star.

The project is being developed by China Communications Construction Company. Once completed, the tunnel would connect Chattogram city to the other side of Karnaphuli river.

This is the first underwater tunnel in South Asia and also the first overseas large-diameter underwater TBM (tunnel boring machine) scheme to be undertaken by a Chinese company.

As of August, 58 per cent of the project work has been completed while the remainder would be finished within the deadline of December 2022, Chowdhury also said.

The tunnel is being built at a cost of Tk 9,880 crore to turn Chattogram into "One city, two towns". The total length will be around 9.092 kilometres, including a 3.5-kilometre



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**Md Shahriar Kader Siddiky**  
joint secretary of the ERD's Asia wing

stretch under the river and an approach road of 4.89km alongside 740 metres of bridges.

The development works of the Padma bridge rail link project is gaining momentum and 700 Chinese nationals have already returned, said Golam Fakhruddin Ahmed Chowdhury, the project director.

READ MORE ON B3

## Shrimp exporters to enjoy edge as vannamei farming gets nod

Trial run to begin soon; the exotic species has huge demand in global markets

SOHEL PARVEZ

The government is finally easing its grip on the shrimp industry as local farmers can now cultivate vannamei shrimp within the country following years of dithering by the concerned authorities to grant permission.

Earlier this week, the Department of Fisheries (DoF) greenlit a second pilot project to farm the exotic species at the south-eastern coastal district of Cox's Bazar.

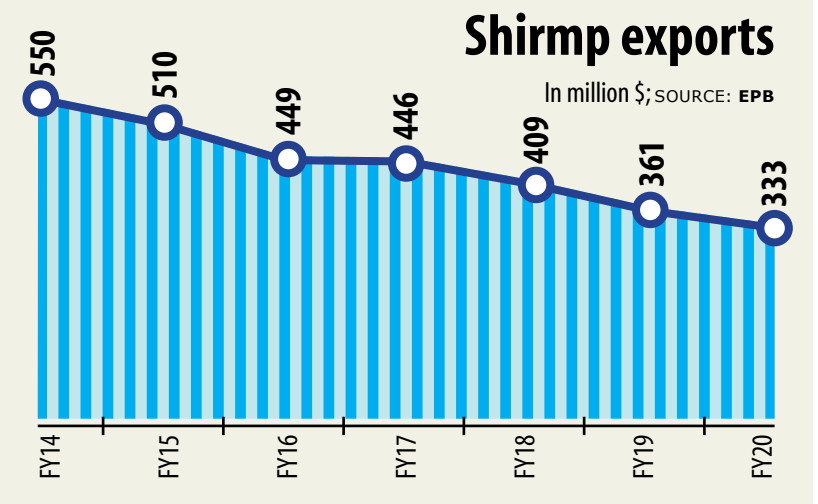
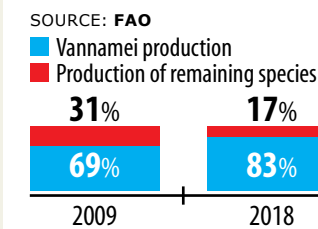
The Chattogram-based Agribusiness Enterprise Development and Services was awarded permission to cultivate the shrimp in an isolated location at Khuruskul of Cox's Bazar under the supervision of the DoF and Bangladesh Fisheries Research Institute (BFRI).

Last year, the fisheries office allowed Shushilan, a nongovernmental organisation, and MU Seafood to pilot the first culture of whiteleg shrimp in the southwestern division of Khulna, a major farming region for export-oriented shrimp.

However, the two companies have yet to initiate their trial run of farming Vannamei shrimp, in Paikgachha of Khulna.

The move comes in the face of increased demand from shrimp processors and exporters, whose earnings from locally produced black tiger shrimp and freshwater prawn have fallen consistently since fiscal 2014-15 owing to competition from the cheaper vannamei shrimp farmed mainly in China, Southeast Asia, India and some Latin American regions. Exporters fetched \$333 million in

### GLOBAL PRODUCTION OF SHRIMP



the last fiscal from shrimp exports, down 40 per cent from \$550 million in fiscal 2013-14, data from the Export Promotion Bureau showed.

The downturn in export earnings from shrimp—farmed on 2.72 lakh hectares by more than eight lakh

farmers for the EU and US markets—continued this fiscal year too.

Shrimp exports declined 3 per cent year-on-year to nearly \$97 million between July and September of the ongoing fiscal.

READ MORE ON B3

## BB extends deadline for import payments

STAR BUSINESS REPORT

The central bank yesterday issued multiple notices and extended the deadline of the relaxed rules for foreign exchange businesses in various sectors until March 31 next year.

Banks have been asked to accept advance payments of up to \$500,000 from businesses seeking to import Covid-19-related lifesaving drugs and essential medical items until March 31, according to a notice of the Bangladesh Bank. The deadline expired on September 30.

Importers are usually allowed to make advance payments of a maximum of \$10,000 for the import of general items, including raw materials meant for industrial purposes and consumer goods.



Global drug companies are now refusing to export such items if the payments are not made in advance, said a central bank official.

"That is why the banking regulator eased the rules." In another order, the central bank has allowed the importers of industrial raw materials to enjoy the one-year timeframe for making import payments

until March next year.

Before the pandemic, businesses had to make the import payment for industrial raw materials within six months. This relaxation aims to cushion the enterprises from the ongoing financial crisis stemming from the coronavirus pandemic.

READ MORE ON B3

## Govt seeks US support in jute, agro-processing

STAR BUSINESS REPORT

Bangladesh has sought US investment and technological support in agro-processing, agricultural trade and jute sectors as it could promote food security and address environmental degradation caused by the use of polyethylene-based items.

The indication was given after a review of the country's post-Covid-19 recovery



### MAJOR POINTS

The first economic partnership dialogue was held on Sept 30

Bangladesh seeks US investment in agro-processing, jute, food, economic zones

US wants a foreign commercial service office in Dhaka soon

US also calls for continuous reforms of Bangladesh's labour law

strategy to expand domestic demand through public investments in infrastructure and service delivery and to increase the rate of foreign direct investment in export diversifying sectors.

It came at a meeting of the newly formed US-Bangladesh Economic Partnership Dialogue held virtually on September 30.

Salman F Rahman, the prime minister's adviser on private industry and investment, led the Bangladesh side and Keith Krach, US under-secretary of state for economic growth, energy and environment, headed the US side in the meeting.

The meeting participants observed that efforts should continue to support cooperation in areas of science and technology, including innovative plant breeding technologies, science-based standards, and the principles of risk analysis.

This will help meet the agricultural challenges and consumer needs of the 21st century, according to a joint statement issued by the US Department of State yesterday.

Earlier in the last Trade and Investment Cooperation Forum Agreement, Bangladesh had invited US investment in the economic zones.

The two sides expressed hope that fair procurement processes in Bangladesh would contribute to further expanding US trade and investment in Bangladesh.

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# As US job growth stalls, some workers face long-term unemployment

REUTERS

More than six months after the pandemic ravaged the US labor market, millions of Americans who are still unemployed are bracing for the possibility that the jobs they held before the crisis may not come back for years, if at all.

After big improvements over the summer, the labor market recovery is slowing. People who previously worked as bartenders, housekeepers or in other jobs dependant on travel and close human interaction, are sidelined as their industries adjust to lower demand and the pandemic begins to leave a lasting mark on the US economy.

As of September, the US labor force had about 142 million workers, down 7 per cent from pre-pandemic levels. But employment in leisure and hospitality is 23 per cent below pre-pandemic levels, according to Labor Department data released last week, more than any other industry. Temporary furloughs are becoming permanent layoffs as companies that had hoped to reopen fully make tough choices.

Walt Disney Co announced last month it will cut 28,000 jobs. United Airlines and American Airlines will furlough 32,000 workers. Cineworld, the world's second-largest cinema chain, will cut approximately 20,000 US jobs.

Meanwhile, hiring by utility companies and retailers, which offer services that are essential or in high demand during the crisis, is rebounding more quickly, bringing employment almost back to February levels.

"It's almost like there's two economies going on," Cleveland Federal Reserve Bank President Loretta Mester told Reuters last week. "It's very much sector by sector."

Workers who were laid off from hard-hit industries are finding few new job opportunities and intense competition.

Matthew SeEVERS was permanently laid

off in May from his job as a bartender for a Las Vegas casino. SeEVERS, 36, has not heard back on any of the five jobs he has applied for since.

"Everything is upside down in our world," said SeEVERS, who hopes to find another job before the forbearance on his mortgage expires in six months.

The number of advertised job openings increased in September, according to an

nearly 50 per cent from a year ago, and food prep and childcare down about 20 per cent.

"There has been definitely a shift in the composition of jobs," said Nick Bunker, the economic research director for North America at Indeed Hiring Lab.

Low-wage job postings, those paying less than roughly \$30,000, are rebounding more quickly than middle or high-wage

US Travel Association.

Castillo said she would be happy to do other work, but worries about matching her previous earnings and benefits - about \$1,400 a week before taxes with generous healthcare benefits and the opportunity for overtime pay. "Where am I going to get that?" she said.

She holds out hope that her employer will call her back to work, as occurred this spring when the hotel hosted doctors and nurses who were treating COVID-19 patients in the city. Castillo is considering applying for food stamps to supplement the \$442 a week she receives in unemployment benefits.

After paying her nearly \$1,300 rent bill and utilities, she has only about \$100 left for the month to buy groceries for her daughter and herself.

More people face prolonged periods of joblessness as hiring slows.

The number of people who had been out of work for at least 27 weeks increased by 781,000 in September to 2.4 million, according to the Labor Department. Another 345,000 people were permanently laid off that month, increasing the total to 3.8 million.

Some economists are concerned the pandemic has set off a long-term shift that echoes the 2008 financial crisis. Cost-cutting and technological improvements contributed to a drop in office, administrative, manufacturing and construction jobs, which never returned to 2007 levels.

Workers may need training for new careers, policymakers say.

Helping the out-of-work rebuild careers is "a pretty important thing for us to work on," Richmond Fed President Thomas Barkin said on Bloomberg TV last week.

SeEVERS, the laid-off bartender, said he is looking to learn computer science or other tech skills. "If I don't get my job back, I'm just trying to figure out something that has more of a future."



A waiter in a face mask carries food to diners seated outdoors at a restaurant in Alexandria, Virginia, US. REUTERS/FILE

analysis of postings by Indeed Hiring Lab here. But the jobs on offer are not typically in the same sectors that have shed the most workers.

Postings for retail positions and jobs that require driving or delivery are approaching or above levels seen a year ago, according to Indeed. Hospitality and tourism job postings are down

jobs, Indeed found.

Gloribel Castillo, 50, has been out of work since early July, when the Manhattan hotel where she worked as a housekeeper furloughed her for the second time this year. Domestic air and hotel bookings to New York state for the week of Sept. 21 were down 81 per cent compared with a year ago, according to a report here by the

# RBI widely seen holding rates at policy meeting ending Friday

REUTERS, Mumbai

The Reserve Bank of India is widely expected to keep rates steady when its two-day monetary policy committee (MPC) meeting concludes on Friday.

The RBI said it will hold the MPC meeting from Oct. 7 to Oct. 9, having delayed it by a week in order to give the government time to appoint three new external members to the panel.

The government named its nominees late on Monday. Ashima Goyal is currently a member of Indian Prime Minister Narendra Modi's economic advisory council, while Shashanka Bhide is a senior advisor at the National Council for Applied Economic Research - a New Delhi-based think - and Jayanth Varma is currently a finance and accounting professor at the Indian Institute of Management, Ahmedabad.

They will join three RBI members on the panel.

"We do not believe the new appointments dramatically change the near-term monetary policy outlook," said Rahul Bajoria, economist with Barclays.

"Given our new inflation forecast trajectory, we believe that room to cut rates further will likely open up only in Q1 2021," he added.

All 66 respondents in a Reuters poll conducted ahead of the originally scheduled MPC meeting said they expect the repo rate to remain unchanged at 4.0 per cent and a large majority saw no cuts until the January-March quarter.

It has so far slashed rates by 115 basis points in response to the COVID-19 pandemic since late March.

The RBI however is expected for the first time

since February provide guidance on how the economy is performing amid the coronavirus pandemic and give its outlook on inflation and growth.



CCTV cameras are seen installed above the logo of Reserve Bank of India inside its headquarters in Mumbai. REUTERS/FILE

# South Korean retail investors bid over \$50 billion to win coveted shares in BTS label

REUTERS, Seoul

South Korean retail investors ponied up over \$50 billion as they sought to lay their hands on shares in Big Hit Entertainment, the management label of K-pop sensation BTS - more than 600 times the value of shares on offer.

The combined 58.4 trillion won (\$50.3 billion) in orders fell just shy of a record 58.55 trillion won in bids for the retail portion of Kakao Games' listing in September.

Most of the bids for Big Hit's stock, priced at 135,000 won per share, came late on the second of two days of orders from individual investors.

"I waited until 2 p.m. this afternoon to subscribe because I wanted to choose the arranger with less competition for bidding," said Oh Sang-min, a 32-year old retail worker who placed bids worth 100 million won after taking out a loan.

He was told by his money manager that he would be able to pick up just two shares.

There has been some concern that funds pouring in from retail investors could affect short-term money markets as the funds would be at brokerages' disposal for three days before investors who are not allocated shares get their money back.

But the total amount of retail bids did not match some heady forecasts of 100

trillion won, and market sources said on Tuesday they were monitoring the situation but were not overly concerned about the impact.

Some analysts said talk that the band's members may have to complete mandatory military service could have prevented retail demand from reaching such lofty heights.

By law, all able-bodied men in South Korea aged between 18 and 28 must serve in the military for roughly two years as part of the country's defences against North Korea.

But there have also been growing calls for BTS members to be granted alternatives or delays to the service, with some lawmakers and fans arguing they are doing plenty for their country without wearing a soldier's uniform.

The band, supported by a massive global fan base, has just notched up the first No.1 on the US Billboard Hot 100 singles chart by a South Korean group with the song "Dynamite".

Offering about 20 per cent of the company in its IPO, Big Hit Entertainment, led by CEO Bang Si-hyuk, has raised some 962.6 billion won (\$830 million). In the institutional portion of the offer, investors expressed interest in more than 1,000 times the number of shares on offer.

The label is due to make its market debut on Oct. 15.

# Australia tips into record budget deficit as it cuts tax, boosts jobs support

REUTERS, Sydney

Australia pledged billions in tax cuts and measures to boost jobs on Tuesday to help pull the economy out of its historic COVID-19 slump in a budget that tips the country into its deepest deficit on record.

Prime Minister Scott Morrison's conservative government has unleashed \$300 billion in emergency stimulus to prop up growth this year, backpedalling on a previous promise to return the budget to surplus.

Treasurer Josh Frydenberg on Tuesday announced \$17.8 billion in personal tax cuts and \$5.2 billion in new programmes to boost employment in a recovery plan aimed at creating one million new jobs over the next four years.

Those measures are forecast to push the budget deficit out to a record \$213.7 billion, or 11 per cent of gross domestic product, for the fiscal year ending June 30, 2021.

"There is no economic recovery without a jobs recovery," Frydenberg said in prepared remarks to parliament. "There is no budget recovery without a jobs recovery."

Australia's unemployment rate hit a 22-year high of 7.5 per cent in July as businesses and borders closed due to strict lockdown measures to deal with the coronavirus.

While the number of deaths and infections in Australia from COVID-19 has been low compared with many other countries, the hit to GDP has been severe.

Australia's \$2 trillion economy shrank 7 per cent in the three months ended June, the most since records began in 1959.

In its new projections, the government expects unemployment to rise to 7.25 per cent by the end of the current fiscal year and then fall to 6 per cent by June 2023. Australia's GDP is expected to shrink 1.5 per cent for the current fiscal year before returning to growth of 4.75 per cent in the next.

Australia will spend \$4 billion over the next year to pay businesses that hire those under the age of 35 as it targets youth unemployment.

The budget also brings forward previously legislated tax cuts for middle-income earners and extends tax breaks for individuals offered in last year's budget for low- and middle-income earners.

Some of these cuts will be retrospectively backdated to July 1, 2020.

The government's highly expansionary budget comes shortly after the central bank's policy decision on Tuesday, at which it kept interest rates at a record low and flagged reducing high unemployment rate as a national priority.

# Covid-19 challenge is both a marathon and a sprint

FROM PAGE B4

There are already 60 banks in the country. "The more you innovate, the more you will be able to retain your position and expand footprint."

As banks are becoming more digitalised, it has to focus on cybersecurity and enhance protection, the career banker said.

The pandemic has induced a change in behaviour among all categories of end-users, be it individuals and corporates, in terms of how digital channels are viewed. While greater use of online payments and online services came as a necessity during the lockdown period, these changes in behaviour will not reverse, according to Bijoy.

There is a significant scope of digitalisation in the trade ecosystem in the country, starting from issuing the letter of credit (LC) to regulatory reports and customs procedures.

Standard Chartered has a customer base of 300,000 in Bangladesh and it feels that it has to ramp up the number of customers. And Bijoy said it is not possible to acquire customers one by one. It has to be done digitally.

In 2018, Standard Chartered was one of the five banks and the only foreign bank that integrated with bKash. As a result, 3.5 crore wallets of bKash became clients of the bank instantly. The bank is also exploring the possibilities of agent banking.

He said the need for brick and mortar branches would be there but it would reduce gradually.

"Rather, it would be good if the bank can meet all the requirements of customers from bills and house rent payments to paying fees to schools and making payment to other banks

through the app."

He said if the country wants to include all the population under the financial system, whether through banks or MFS, it can't do without digital options.

In November, Bijoy would complete three years as the CEO.

"I am extremely delighted with the achievements in the last three years. The bank had double-digit growth in revenue and operating profit in the first two years."

The bank also had double-digit growth in the first quarter of 2020. The second quarter affected the business because of the interest rate cap and depressed activity owing to the coronavirus pandemic.

"Overall, the second-quarter was not that bad given the current circumstances at home and abroad."

He said there were green shoots in July and August. Volumes are almost 80 per cent back. "Year-on-year, we expect to remain ahead of last year."

During his stint, the bank received more than 54 international awards in the last three years, in a testament to the contribution of the bank to the economy.

Because of the deep uncertainty caused by the pandemic, investors are thinking twice before making any investment decisions. At the same time, a lot of people are thinking about alternative investment destinations away from China.

"Investors would look to move to countries which will not be affected by the geopolitical tension. But Bangladesh is not the only potential

destinations investors are looking at. There are India, Indonesia and Vietnam. We have to attract investment proactively," Bijoy said.

He is bullish about wooing foreign investment and international orders because the Bangladesh Investment Development Authority, the Bangladesh Economic Zones Authority, the Bangladesh Export Processing Zones Authority and the National Board of Revenue are working proactively.

The Prime Minister's Office has followed up whether a particular remittance of a foreign investor has been carried out and if not, why it is being delayed.

"The Prime Minister's Office wants to fast-track the process to attract foreign investment. The purpose of this oversight is to ensure that this can be delivered timely. This is a huge cultural change."

The bank has disbursed all of its quotas under the stimulus packages for the exporters and a majority of the large borrowers. It is facing challenges in distributing the stimulus packages related to SMEs and microfinance institutions.

Term-loan to finance core working capital of the SME clients constitutes the main portfolio of the bank's SME lending. The bank gives loans for five years. But only the working capital loans with a tenure of less than one year qualify for the stimulus package.

The target for the bank on SME fund disbursement would be achieved within the next 4-8 weeks. The credit guarantee scheme with some modifications can be a potential game-changer.



**Md Anwarul Islam, a general manager of Bangladesh Bank, and Syed Rafiqul Haq, additional managing director of Mutual Trust Bank, open an agent banking centre of the lender at Fulbaria in Mymensingh recently.**

## Shrimp exporters to enjoy edge as vannamei farming gets nod

**FROM PAGE B1**  
The fisheries office was unwilling to allow an exotic species to be farmed here as they feared the alien species may have a negative impact on native species such as black tiger shrimp, according to industry insiders.

Azizul Haque, deputy director of aquaculture at the DoF, said his organisation has allowed the farming of vannamei shrimp on a trial basis to see if there are significant results as this species is also farmed in India.

"The piloting has to be done by importing specific pathogen free post larvae (PL)," he added.

The DoF also attached the condition that the pilot should be initiated only after the PLs are quarantined and tested at labs under the DoF and BFR.

Whiteleg shrimp is native to the Eastern Pacific coast ranging from Sonora, Mexico in the North, through to Central and South America, going as far as Tumbes in Peru.

Vannamei cultivation increased steadily from 8,000 tonnes in 1980 to nearly 50 lakh tonnes in 2018, according to data from the Food and Agriculture Organization (FAO).

The total haul in 2018 was nearly double of the 24 lakh tonnes of whiteleg shrimp produced in 2009, the FAO's 2018 yearbook of Fishery

and Aquaculture Statistics showed.

Whiteleg shrimp accounted for more than 80 per cent of the total shrimp production for that year as well.

The DoF finally allowed the vannamei shrimp pilot based on recommendations from the national technical committee, Haque said.

The decision followed a directive from the fisheries and livestock ministry to allow vannamei shrimp farming in the Khulna and Cox's Bazar regions.

Earlier, the DoF sent an 11-point recommendation to the fisheries ministry based on a workshop in September 2018, regarding the exploration and feasibility of farming the exotic species.

The DoF decided to grant permission to Agribusiness Enterprise to farm whiteleg shrimp on a trial basis for one year at a meeting in mid-September this year.

However, this tenure may be extended based on results of the first year of cultivation, according to the meeting.

Contacted, Nizamuddin Mahmood Selim, managing partner of Agribusiness Development and Services, said he was yet to get the letter from the DoF regarding their permission to pilot vannamei farming.

"We will decide after going through the letter and terms and conditions related to trial farming the shrimp species," he added.

Mostafa Nuruzzaman, chief executive of Shushilan, said they could not start cultivation yet because of early rainfall.

Rivers and ponds became fresher than what they are required to be in order to grow vannamei shrimp, he said, adding that coronavirus outbreak caused further delays.

"We will start working from November to put fry in ponds next February," he said.

Kazi Belayet Hossain, president of the Bangladesh Frozen Foods Exporters Association, welcomed the DoF's decision.

He said vannamei shrimp account for 77 per cent of the global shrimp trade while black tiger shrimp accounts for 12 per cent. Meanwhile, Bangladesh's share in global black tiger shrimp market is around 2 per cent.

"We have been demanding the government for permission to sow vannamei since 1997. It is positive that they have allowed piloting though. If we are successful in the trial run, there will be no barrier to cultivation and production and exports will increase," he said.

# Mid-recovery, coronavirus spreading, global central bankers take stock

REUTERS, Washington

The world's top central bankers have opened the taps with trillions of dollars in promised credit to prevent a global pandemic from causing a global economic depression.

On Tuesday they will update their plans in presentations that could begin to signal just how much more they feel they can do in response to a once-in-a-century economic shock triggered by the spread of the coronavirus.

Despite the efforts made so far, the global economy is not out of the woods given the unique risks posed by the health crisis, and top officials from the Federal Reserve, European Central Bank and Bank of Japan are likely to acknowledge as much when they speak Tuesday at a virtual meeting of the National Association for Business Economics.

"We know monetary policy is pedal to the metal," Chris Varvares, co-head of US economics for IHS Markit's Macroeconomic Advisers, said at a NABE panel on the global economy on Monday. But "the disease is the boss... We are really having trouble tamping this down to low levels that will allow

the economy to fully recover."

Powell speaks at 10:40 EDT (1440 GMT), ECB executive board member Philip Lane at 11:30 (1530 GMT), and Bank of Japan Governor Haruhiko Kuroda on Tuesday evening at 7 p.m (2300 GMT).

For all three, their remarks will be framed by separate debates underway among elected leaders in the United States, Europe and Japan over the need for more stimulus.

With interest rates already at zero - and global demand still weak, millions unemployed and private incomes falling - central bankers and economists say the most effective response would be from fiscal authorities able through unemployment insurance or other existing programs to send money directly to households.

"This is a natural role (for fiscal policy)...when there is not enough aggregate demand," Chicago Federal Reserve President Charles Evans said in remarks Monday.

Even the more optimistic forecasts see the global economy shrinking by perhaps 4 per cent this year.

Still, all three major central banks face decisions in coming weeks

over their next crisis-fighting steps, generally around whether and how to expand the amounts and types of assets they are buying each month.

All three banks took unprecedented steps in the spring as the pandemic shut down commerce throughout the developed world and caused major financial markets to stumble. Since the 2007 to 2009 financial crisis they have already extended the borders of whom they could lend to and on what terms. The pandemic required them to draw a new map altogether - be it the Fed opening its lending to small businesses, the BOJ paying banks to lend to companies, or the ECB more freely buying Greek government bonds.

Those programs and others helped the initial phase of the economic recovery off to a faster-than-expected start.

But the pace of improvement has slowed, the virus continues to spread, and some analysts fear a financial crisis lies ahead. With the easy employment gains already booked, they worry the remaining unemployed will fall behind on loans and mortgages and rents, and begin to dent the financial strength of banks who will then reduce lending and, perhaps, undercut the recovery altogether.



**Khondaker Sabbir Mohd Kabir, director for accounts and audit at the American International University-Bangladesh, and Mohd Monwar Hossain, head of branch for Banani at United Commercial Bank, attend a deal signing ceremony in Dhaka recently. The bank will collect tuition fees from the university students through its online platform.**

## Ecneec okays four projects of Tk 1,659cr

**FROM PAGE B4**  
Because of the expansion of the activities under the project, the deadline has been extended by two years and seven months, the planning ministry said.

The project aims to reduce damages faced by Rohingyas and local populations during natural disasters, provide social services, improve drinking water and health systems, lessen damages for fires and render educational services.

The Local Government Engineering Department and the Public Health Engineering Department are implementing the project. The deadline is June 2024.

The Ecneec gave its consent to a new project styled "Creating Self-Employment and Poverty Alleviation by Expanding Bitac Activities with

Emphasis on Women in Hand-to-Hand Technical Training (Phase-II)" involving Tk 123.16 crore.

Bangladesh Industrial Technical Assistance Center (Bitac) will implement the project from July 2020 through June 2025.

The project aims to create jobs and entrepreneurs by increasing the skills of 15,000 men and women through hands-on training on various trades and increasing the training capacity of Bitac.

The project areas are comprised of Dhaka North City Corporation, Chandpur municipality, Pahartali of Chattogram, Fultola of Khulna and Bogura sadar.

Prospective candidates from all over the country would be eligible to apply for the three-month residential training.

## Govt seeks US support in jute, agro-processing

**FROM PAGE B1**  
Both Bangladesh and the US recognised that a fast-economic recovery would necessitate new forms of protection for the workforces and populations, including women and children, and that these changes would require enhanced bilateral and global cooperation.

They called for enhancing cooperation and capabilities for public health preparedness and recommended that a joint public health experts response group be established to meet urgently and then periodically to find ways for stronger bilateral, regional and global collaboration.

Bangladesh welcomed a US intent to open a foreign commercial service office in Dhaka.

It also lauded continuation of a USAID project to further improve Bangladesh's business environment, including customs administration, agricultural and other areas in trade, risk management, regional connectivity and awareness and transparency of trade policies and procedures.

Bangladesh may continue to bring reforms for the labour sector, including in the labour act and rules and export processing zones act in alignment with recommendations of International Labour Organization, the joint statement said.

The two sides shared their mutual interest in stable bilateral trade in cotton and related products.

They encouraged both governments to remain engaged on this issue and agreed to move towards further expanding 4G connectivity and developing 5G networks and services in Bangladesh.

The US side praised Bangladesh for hosting the Third Indian Ocean Rim Association Blue Economy Ministerial Conference in 2019.

"Both governments will work together to develop an inclusive blue economy by sharing knowledge, data and ideas, building greater capacity, and enhancing professional collaboration," the joint statement said.

The meeting discussed exploring the possibility of establishment of an energy sector dialogue to facilitate commercial engagement with US energy companies.

It could also increase the possible use of US products and services that support smarter, more efficient and more resilient energy systems, and improve access to reliable, affordable energy to Bangladesh.

The US and Bangladesh have a strong history of cooperation in the energy sector and the meeting recognised the importance of energy security to promote regional connectivity, and power stability to further advance Bangladesh's economic growth.

It encouraged stakeholders to collaborate and explore the possibility of further expanding the footprint of liquefied natural gas (LNG) as an efficient and clean primary fuel for Bangladesh's power generation.

American companies like Excelerate Energy and Cheniere Energy were involved at the early stages of Bangladesh's journey to the world of LNG. The US energy participants hoped that the cooperation in this regard would continue to grow in future.

The first cargoes of US-produced LNG have already been exported to Bangladesh.

The US Department of Commerce announced the creation of a US-Bangladesh Energy Industry Working Group as part of Asia EDGE (Enhancing Development and Growth through Energy) Energy Industry Working Group Network.

The network creates a one-stop-shop for the US private sector to actively participate in Asia EDGE interagency programmes and connect to regional market opportunities.

Bangladesh said the USAID, in partnership with National Renewable Energy Lab (NREL), has completed the NREL's wind resources study that would help advance Bangladesh's goal of produced 10 per cent of its electricity from renewable sources.

A \$15 million USAID Asia EDGE activity to support Bangladesh in deploying advanced energy systems, mobilising private sector investments in energy, and strengthening regional power markets has been planned.

The state department announced support for a battery storage development and adoption programme to assess the value of adding

storage to Bangladesh's electricity grids, and the South Asia Carbon Capture Project to help reduce environmental impacts of fossil fuel consumption.

The Bangladesh side expressed hope that the continued positive engagement between the US Federal Aviation Administration (FAA) and the Civil Aviation Authority of Bangladesh would help Bangladesh's efforts to regain Category 1 status under the FAA's International Aviation Safety Assessment programme.

This would signify an important milestone in the process for Biman Bangladesh Airlines to resume non-stop services to the United States.

The Bangladesh side said the government has reviewed its Delta 2100 Plan and would procure high-quality dredgers of appropriate categories for inland waterways management in the country.

In recognition of Bangladesh's efforts, the US Trade and Development Agency announced a reverse trade mission that would bring a delegation of public and private sector Bangladeshi officials to the US in 2021 to explore US best practices and advanced technologies for dredging.

Bangladesh hopes that well-regarded US companies would continue to participate in the international tender process, where a level-playing field for all is ensured by the government.

In light of Covid-19, the meeting participants noted that it was important for Bangladesh to further enhance its resilience to withstand future economic shocks.

"This could be done through a more solid economic base ensuring greater participation of people in economic activities."

The participants said through greater cooperation, they could help ensure a more sustainable future for the next generations to establish better public financial management and safeguarding the rights of workers.

It could also ensure continued support for vulnerable Bangladeshi communities affected by the Rohingya crisis, and coordinating to improve natural resource management by supporting water and energy security, sustainable trade and investment, agriculture, forestry and fishing.

## Brokerage licence now just Tk 6 lakh

**FROM PAGE B4**  
"The lower turnover that the DSE is now witnessing is far below what was needed to book profits in the stock broker's accounts."

On the other hand, the lower paid-up capital for the new Trec holders may give rise to risks for stock investors, the broker added.

According to the new regulations, new Trec holders will need to keep Tk 5 crore as paid-up capital and an extra Tk 3 crore as deposit money.

Stock brokers who are also owners of the stock exchange are bound to keep a paid-up capital of Tk 15 crore as per a risk-based

capital adequacy notification of the BSEC.

The DSE urged the BSEC to make it mandatory for the new Trec holders to keep Tk 10 crore as paid-up capital.

A company or investor seeking to jointly run a stock brokerage with a foreign entity will need to keep Tk 8 crore as paid-up capital and another Tk 4 crore as deposit money, according to the new regulations.

If any foreign entity wants to operate the business availing a Trec licence, it would need to maintain a paid-up capital of Tk 8 crore and deposit money of Tk 4 crore.

At present, there are 250 Trec holders. Of them 238 are active.

## Regulator asks DSE to improve its IT platform

**FROM PAGE B4**  
And so, market capitalisation will increase significantly by 2030.

But to meet the country's targets, stocks need to be diversified while trading on IT platforms should be prioritised as well, he added.

The DSE chairman also recommended that steps should be taken to list foreign multinational companies with the country's bourses in order to boost the local stock market.

Rokibur Rahman and Sanaul Hoq, director and managing director of the DSE

respectively, were among others who spoke at the event.

In a separate event organised by the BSEC on Monday, Islam said they have rusticated the directors who did not hold at least a 2 per cent stake in their own company.

Now, the BSEC has turned its sights to take action against companies where the directors do not collectively hold a 30 per cent stake.

"For the sake of the betterment of general investors, we will do it," he said, adding that the market needs more participation from institutional investors.

## BB extends deadline for import payments

**FROM PAGE B1**  
Many exporters have already imported a good amount of raw materials to produce items meant for export, said a central bank official.

But they are facing hurdles when attempting to export their products in the wake of a fall in global demand.

The same instruction will also be

applicable for the importers in the agriculture sector, according to another notice issued by the central bank.

Importers of agriculture equipment and chemical fertilizers will be allowed to get the support. The instructions will help importers run their businesses smoothly amid the economic slowdown, a central bank official said.

**FROM PAGE B1**

Before the pandemic struck the country in March, the project involved around 850 Chinese nationals. Some 25.3 per cent of the project was complete by August.

The development of national ICT infrastructure for Bangladesh government Phase III (Info-Sarkar) is nearing completion and both the government and the general public are benefitting from the initiative as it helped authorities remain active online, Siddiky said.

If the project was not active, all government activities would have come to a halt, he added.

Shamsur Rahman, chairman of Bangladesh Petroleum Corporation, said the implementation of the single point mooring (SPM) with double pipeline project has remained stuck for the last two and a half months as not all Chinese nationals have returned since leaving in early June.

Many Chinese nationals had continued to work during the nationwide lockdown in April

and May, at a time when local workers did not show up, he said.

Rahman expects to resume the construction work of the project this month as many of the workers who have been vaccinated have returned.

As of August, 52 per cent of the physical progress has been achieved, while the remaining 48 per cent will be completed by deadline June 2022, according to the BPC chairman.

In July, the government revised the cost for the SPM project for the second time, increasing it by 21 per cent.

As a result, the cost of the project overran its original budget by 33 per cent because of the delays in securing loans, the appreciation of the dollar against the taka and a threefold rise in the price of land.

The original cost was set at Tk 4,935.96 crore but following the first revision, it was raised to Tk 5,426.25 crore while the second revision took

it to Tk 6,568.26 crore. The new deadline is June 30, 2022.

The SPM will have an annual unloading capacity of nine million tonnes. It will be able to unload 120,000 tonnes of crude oil in 48 hours and 70,000 tonnes of diesel in 28 hours.

In order to avoid unexpected incidents amid the Covid-19 outbreak, a separate residential complex for Chinese workers and officials with high-level of safety measures was set up at the sites of the nine projects to ensure that work can continue uninterrupted.

Of the nine projects, seven are a part of the memorandum of understanding signed by Chinese President Xi Jinping during his visit to Dhaka in October 2016.

The previously approved MoU comprised 27 investment projects, totalling about \$20 billion in value. Till date, deals have been inked for seven amounting to \$6.65 billion. Of the sum, \$1.54 billion has been disbursed so far.

# Covid-19 challenge is both a marathon and a sprint

*Concerted efforts needed to ensure long-term recovery and address immediate needs, says Naser Ezaz Bijoy, CEO of StanChart Bangladesh*

MD FAZLUR RAHMAN

All stakeholders must work together to enable long-term economic recovery of Bangladesh while addressing the immediate need to save and sustain lives, said a top banker.

"The Covid-19 challenge is both a marathon and a sprint," said Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

His comments came as Bangladesh continues its fight against the persisting coronavirus, which impacted the exemplary gain in poverty eradication over the decades, hurt economic growth and left millions without jobs and incomes.

Bijoy said the Covid-19 situation is the time that will test the characters of all stakeholders such as buyers, manufacturers, exporters, workers, bankers and insurers.

"The government alone can't solve all the problems and the honourable prime minister has already done a lot. Now, everyone has to have skin in the game."

Now the main challenge is to ward

off the emergence of the second wave of infections.

A renewed spread of the virus will create significant stress on the domestic healthcare system, the capacity of which was low to start with, and further impact consumer and investor sentiment, and this may affect the momentum that was regained over the last few months.

According to Bijoy, Bangladesh entered the turbulent time on a much stronger footing compared to many of its peers, due to low external debt to GDP, low overall public debt and comfortable debt service capability given its healthy foreign exchange reserve.

"If the government had to finance the entire \$12 billion stimulus packages through foreign currency borrowing, Bangladesh's external debt-to-GDP ratio would have been 18 per cent from 15 per cent now. But it is not required as a large part is being done through the available liquidity in the banking system and refinancing window from the Bangladesh Bank."

But the government cannot be



Naser Ezaz Bijoy

complacent. The country should prioritise projects, which will generate employment and curtail investments in discretionary projects.

"In an encouraging sign, the finance ministry has identified areas of efficiencies that can be redeployed towards the immediate priority of stimulating growth, generating employment and ensuring public health."

Bijoy has been serving the bank for more than 27 years and has held several roles in corporate banking, risk and audit in Asia, Middle East and Africa. He became the CEO of the international bank's local operations in November 2017.

He said the coronavirus pandemic prompted corporates and businesses to re-evaluate how they respond to the elevated needs of the communities.

The bank had decided to extend payment holiday to customers in March after seeing a slump in business activities. It accrued the interests for the quarter ending March, but it did not realise the amount from clients, allowing additional time to settle the interest obligation.

Instead, the bank decided to look at the needs of all clients to find out who needs what kind of support. The activities led the bank to give needs-based payment holiday and loan extension to customers, even before the regulatory payment holiday was implemented. Now, it is working in line with the guidelines of the banking sector.

The bank ramped up its community engagement. It arranged 3.6 million meals for 120,000 individuals in association with Brac, Kumudini

Welfare Trust and Bidyanondo Foundation.

It arranged life-saving medicine and medical services for a month for 460 critical Covid-19 patients through Sajida Foundation in Dhaka and Bidyanondo Foundation in Chattogram.

Standard Chartered Bangladesh donated Tk 11.1 crore to the Unicef Bangladesh to be used for protection measures and remote education of vulnerable children. It gave Tk 2.5 crore to the Red Crescent to support health workers.

It is now working with the Underprivileged Children's Educational Programmes (UCEP) to re-skill people who have lost jobs.

to be done to rein in bad loans. As a result of the payment holidays, banks will not be compelled to recognise entire losses in 2020 arising out of financial challenges due to pandemic.

Hence, the financial statements of 2021 may reflect the complete manifestation of the asset quality of the banking sector.

"Because of the interest rate cap, revenue potential has been subdued. So, the banking sector will not have the luxury of operating in the same way. Banks need to make a paradigm shift in addressing the cost to serve and to scale up."

He said the adoption rate of digital services accelerated after the pandemic hit the country.

*Bangladesh entered the turbulent time on a much stronger footing compared to many of its peers, due to low external debt to GDP, low overall public debt and comfortable debt service capability*

*Because of the interest rate cap, revenue potential has been subdued. So, the banking sector will not have the luxury of operating in the same way. Banks need to make a paradigm shift in addressing the cost to serve and to scale up*

The bank is planning to take an initiative to train up returnee migrants under an entrepreneurship development plan.

"If we can't employ them gainfully, they might go off the rails," said Bijoy, who holds an MBA from the Institute of Business Administration under the Dhaka University.

The banking sector was struggling to contain non-performing loans even before the pandemic, and much needs

Half of Standard Chartered Bangladesh's retail customers are already transacting online. The percentage is even higher in the case of the corporate banking segment.

After the pandemic is over, the world, as well as the banking, would be different, according to Bijoy. Banks have to be nimble, accelerate digitalisation and bring in innovations so that clients can avail services on their own.

READ MORE ON B2

## DEFERRED CELEBRATIONS, DAMPENED SALES



The need for social distancing amidst the pandemic has dampened celebrations and big gatherings, resulting in a wane in sales of associated decorations and accessories. Wholesale shops such as this one in Bokshir Haat of Chattogram city are witnessing a drop in daily sales to Tk 4,000-Tk 5,000 whereas once they were recording up to Tk 30,000-Tk 35,000. The photo was taken recently.

RAJIB RAIHAN

## Ecneec okays four projects of Tk 1,659cr

STAR BUSINESS REPORT

The Executive Committee of the National Economic Council (Ecneec) yesterday revised three projects and approved a fresh one worth a total of Tk 1,659 crore.

The first revision of the National Poet Kazi Nazrul Islam University Physical Infrastructure Development project saw its cost go up by 71 per cent to Tk 840.56 crore from the initially-approved Tk 491.34 crore.

The university will implement the project between January 2018 and June 2023.

The approval came at a meeting at the NEC conference room in Sher-e Bangla Nagar. Ecneec Chairperson and Prime Minister Sheikh Hasina presided over the meeting from her official Gono Bhaban residence through video conferencing.

The physical infrastructure development project of the university has been undertaken to improve the quality of education through the expansion of academic, residential and other facilities.

Besides, it would provide world-class education and increase student admission capacity, according to the project summary.

The revision came about for increase in land cost and of some components as per public works department's new rate of schedule and estimate changes for physical infrastructure design amendment as per consultancy firm's study.

Briefing reporters after the meeting, Planning Minister MA Mannan said Hasina directed universities not to take in students beyond their capacity.

He said University Grants Commission was working on limiting student enrollment.

Zakir Hossain Akanda, a planning commission member, said the university was located far away from Mymensingh city and its size was very small when it was initially constructed.

As the number of students, teachers and staff is increasing, new residential halls and residential buildings for teachers and staff have to be constructed, he said.

The Ecneec approved the first revision of an emergency-basis multi-sector project to address the Rohingya crisis, raising the cost by 88 per cent to Tk 1,987.84 crore from the original Tk 1,058.64 crore.

Of the total cost, World Bank and German state-owned development bank KfW would provide Tk 1,967.48 crore as grants and the rest would come from the government.

The project has been revised as the coverage of development activities has widened and new activities have been taken up on the back of the increase in the grant part.

Besides, the new rate of schedule of the public works department has come into effect, which prompted the formulation of a new estimate.

READ MORE ON B3

## Brokerage licence now just Tk 6 lakh

*But with no stock exchange ownership*

AHSAN HABIB

The Bangladesh Securities and Exchange Commission (BSEC) has finalised new regulations regarding issuance of brokerage licence allowing such businesses to be opened at a cost of just Tk 6 lakh.

The same licence was selling anywhere between Tk 30 crore to Tk 100 crore when the market was going bullish in 2010, according to a top Dhaka Stock Exchange (DSE) official.

According to the new regulations, a company or individual will have to spend Tk 1 lakh in applying for a Trec licence and once they get the approval, they will have to provide another Tk 5 lakh as registration fee.

But the new Trec holders will only get trading rights, not ownership of the stock exchange.

The Trading Right Entitlement Certificate

(Trec) regulations, approved by the stock market regulator one week ago, is going to be made public through a gazette soon, according to a top official of the regulator.

"We want to open the business for all so that more entrepreneurs can come to the business and attract new investors," he said.

However, stock brokers say the BSEC's decision just devalued their brokerage licences by many fold.

Moreover, they have been struggling for many years for low turnovers and the arrival of new brokers will just add to their woes, said a top broker preferring anonymity.

The DSE's daily average turnover now ranges from Tk 350 crore to Tk 400 crore, which was around Tk 1,200 crore to Tk 1,500 crore on an average during the late 2010 bullish period to mid-2011.

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## Regulator asks DSE to improve its IT platform

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has ordered the country's premier bourse to improve its IT services so that investors can easily trade their stocks online.

The existing online trading platform of the Dhaka Stock Exchange is problematic as investors are often unable to view updated data on stocks and trade, which is a cause for concern, said Professor Shibli Rubayet Ul Islam, chairman of the BSEC.

"Therefore, it should be fixed to ensure better services for investors," he added.

Islam made these comments while addressing a virtual programme styled, 'Dealing with investors', held by the DSE yesterday to observe World Investor Week, an initiative of the International Organization of Securities Commission.

The DSE needs to ensure proper

digital trading facilities for all stock brokers so that investors can trade at anytime from anywhere in the world, said Islam.

"We have to deal with all the investors and issuers in a way that boosts their confidence in the capital market."



Steps should be taken to list foreign multinational companies with the country's bourses in order to boost the local stock market.

Eunosur Rahman  
DSE Chairman



The DSE needs to ensure proper digital trading facilities for all stock brokers so that investors can trade at anytime from anywhere in the world.

Prof Shibli Rubayet Ul Islam  
BSEC Chairman

As a part of its efforts to boost investor confidence, the market regulator took the initiative to improve junk stocks by granting quick approvals for initial public offerings, issuing bonds and returning money that was raised through debentures.

"But please give us more time considering our low manpower as we aim to turn the country's stock market into a modern one within the next two years," the BSEC chairman said.

Turnover, an important indicator of the market, currently hovers around the Tk 1,000 crore mark but the BSEC intends to increase this value to Tk 1,500 crore within the current year, he added.

Bangladesh needs huge investment in the coming years to achieve the government's development goals and this may impact the stock market, said DSE Chairman Eunosur Rahman.

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