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Govt to use forex reserves for development projects

REJAUL KARIM BYRON and AKM ZAMIR UDDIN

The government has decided to use the country's ballooning foreign exchange reserves to implement development projects.

"The government is carrying out a study to select the probable projects where forex reserves will be invested," Finance Minister AHM Mustafa Kamal told The Daily Star last week.

is working on it and holding meetings with various ministries.

"The funds would be repaid in foreign currencies so that the in foreign currencies as well. reserves remain the same," Kamal

His comments came as the country's reserve touched a new milestone of \$40 billion on October 8 riding on robust flow of remittance, a fall in imports financial risk for the lender. caused by the pandemic and a recent uptick in exports.

The government would pick those projects for the foreign

currency loans that would have a high rate of return so that it can repay the loans also in the foreign currencies, Kamal said.

In September, the central bank submitted a concept paper to the finance ministry on using the foreign exchange reserve.

As per Bangladesh Bank Order 1972, there is no scope to use the reserve in any projects, the central bank informed the ministry.

If the government takes fund The Prime Minister's Office from the reserve to implement projects, it will have to provide guarantee, the BB said.

The fund will have to be returned

The central bank gave out foreign currency loans to Biman Bangladesh Airlines through state lender Sonali Bank last year to procure aircraft. The government gave the guarantee to mitigate the

The guarantee means the government will pay back the loan to the state lender if the national flag carrier fails to return

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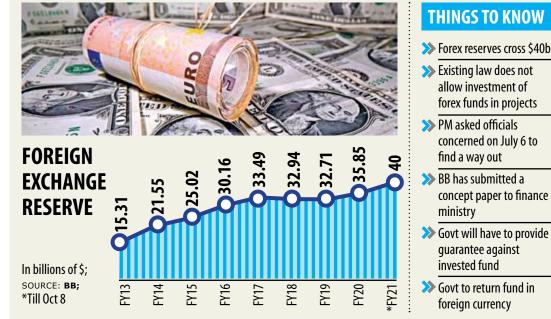
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the amount on time.

The outstanding loans given by the central bank to the national flag carrier now stand at \$580 million.

The same example will be applied for using the foreign exchange reserve for local projects.

The central bank also came up with another alternative: foreign currencies from the reserve directly by using the taka.

concept paper before submitting International Monetary Fund, it to the finance ministry.

Prime Minister Sheikh Hasina asked officials on July 6 to verify the ways to use the reserve in order to finance development projects.

Bangladesh has to borrow from external sources to finance large projects

In recent months, the reserve the government could purchase has reached a new high on the back of remittance, dwindling import payments and budgetary The board of directors of support and loans from the the central bank approved the Asian Development Bank, the

the World Bank, the Asian Infrastructure Investment Bank and the Islamic Development Bank.

allow investment of

forex funds in projects

concerned on July 6 to

concept paper to finance

guarantee against

invested fund

foreign currency

find a way out

ministry

Many countries such as China. Hong Kong and Singapore earlier created sovereign wealth funds to manage their excess foreign exchange reserves by investing them in the productive sector.

The countries whose foreign exchange reserve is not sufficient have hardly invested the fund at home and abroad for long terms.

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Bangladesh should sign comprehensive trade deals with key partners

Experts prescribe this for high economic growth after LDC graduation

REFAYET ULLAH MIRDHA

Bangladesh needs to sign comprehensive trade agreements with its major partners in order to retain preferential access to key international markets after graduating from the least developed country (LDC) status, according to experts.

Only the EU will provide a three-year grace period, during which Bangladeshi exports will enjoy duty-free access to the market, following the country's graduation in 2024.

Therefore, the signing of preferential trade agreements (PTAs) or free trade agreements (FTAs) with other developed nations might ease the burden of export taxes

to some extent, they said. Although the process of signing PTAs with Bhutan and Nepal is already underway, Bangladesh needs to sign such agreements with higher-income countries like the EU, the

USA and Canada. "It is good that Bangladesh started the process of signing PTAs," said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue (CPD).

'However, we have to sign agreements with our major trading partners like the EU, Association of South East Asian Nations (ASEAN), the US and Canada as the trading preference will erode after graduation," Rahman told The Daily Star over phone.

In most cases, Bangladesh should look to sign Comprehensive Economic Partnership Agreements (CEPA), which not only cover duty, but also investment, logistics, services and other important issues.

Some 74 per cent of Bangladesh's export earnings come under preferential trade as an LDC. Of that, 64 per cent comes from the EU and 10 per cent from Japan, Canada and other developed countries

Apparel exporters brace for fresh hiccups amid second wave, US polls

REFAYET ULLAH MIRDHA

The wait for a Covid-19 vaccine, a second wave of infections in the western world and the upcoming US election may lead to hiccups in the recovery of Bangladeshi garment shipments, according to local exporters.

The shipments had started rebounding with the reopening of stores by western retailers and brands, restoring the familiar humming of machineries in factories.

Now international retailers and brands are increasingly coming up with work orders for suppliers' factories

Prospects started brightening up in July when garment export receipts reached \$3.24 billion before falling to \$2.47 billion in August and totaling \$2.41 billion in September, according to data from the Export Promotion Bureau (EPB).

The export of garments reached rock bottom in April



the pandemic. Garments trade occurs at an international scale and externalities tend to affect shipments.

The local suppliers have been overcoming a lot of difficulties such as elimination of quota system in January 2005 and the steepest financial recession in the years from 2007 up to 2009.

However, every time, they overcame those challenges and took the total export of the country to be the second largest worldwide after China in a journey of four decades. This year too, the local suppliers have been overcoming the challenges of the fallouts of Covid-19.

The manufacturers have been fearing that the rebounding of export of garment items might be affected to some extent because of a possible second wave of Covid-19 and any complication centring the US election.

READ MORE ON B3

Export of leather and

leather goods

72.49

Feb

In million \$; SOURCE: EPB

57.12

The country should begin trade negotiations immediately in order to secure the zero-duty benefit after graduation, he added.

Bangladesh currently enjoys zero-duty benefits, preferential trade benefits and regional trade benefits on exports to 38 countries, including 28 in the EU, thanks to its LDC status.

After the country graduates though, it will have to fulfil the reciprocity clause.

This means Bangladesh will have to provide some trade benefits to its trading partners, and so, this should be negotiated now, Rahman said. Some 74 per cent of Bangladesh's export earnings come

under preferential trade as an LDC. Of that percentage, 64 per cent comes from the EU and 10 per cent from Japan, Canada and other developed countries.

The government should also increase its revenue generation from internal sources as the signing of trade agreements will erode tax collection.

Bangladesh currently earns about \$2 billion annually as tax on imported goods worth \$17 billion from China, while logging \$800 million in taxes from \$8 billion worth of imports from India.

And since these are major sources of income for the government, it does not feel the need to encourage the signing of FTAs. Bangladesh also needs to strengthen its laws on intellectual property rights, labour, banking and insurance in order to enjoy the real benefits of the CEPA, the trade analyst and noted economist added.

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Recovery still slow in leather sector

Domestic, international demand yet to pick up, say market players

JAGARAN CHAKMA

A return to normalcy is still a far off reality for Bangladesh's leather sector as the ongoing coronavirus pandemic has led to low domestic demand and a decline in exports, according to industry insiders.

Since leather goods are considered to be semi-luxury products, customers are uninterested in purchasing those during times of crisis such as the ongoing one, they said.

According to the latest export figures, the sector's earnings between July and September totalled \$225.15 million, down 11.49 per cent from that in the corresponding period the previous year, when it was \$254.3 million.

During the July-September period of the ongoing fiscal, leather shipments declined by 22.45 per cent year-on-year while that of leather goods 17.49 per cent and of leather

footwear 6.83 per cent. "The leather industry is still in a vulnerable position as domestic demand has yet to rebound," said Nasir Khan, chairman and managing director of Jennys Shoes, a local pioneer in the manufacture and export of

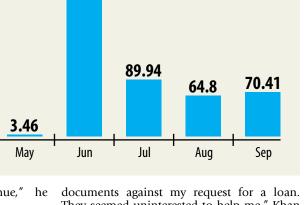
leather footwear. "I closed 40 out of 65 outlets across different districts and divisional cities where



in purchasing those during the pandemic.

Besides, most entrepreneurs related to the industry were unable to avail any financial support from the government's stimulus packages, which has led to a shortage of working capital in the sector. Since leather goods are considered to be semi-luxury products, customers are uninterested "I applied for funds from the stimulus

package but the banks demanded a lot of



280.39

operational costs exceeded revenue," he

They seemed uninterested to help me," Khan said, adding that lenders often claim to have insufficient funds to make disbursements. Meanwhile, exporters lost their winter

orders as the coronavirus pandemic was at its peak worldwide during the production season earlier this year.

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China funds targeting Ant IPO rake in \$9b from over 10m investors

Five newly launched Chinese funds targeting Ant Group's upcoming mega stock listing raised 60 billion yuan (\$8.93 billion) cumulatively from more than 10 million retail investors, selling out within days, the funds' distributor said.

An average of eight investors placed orders each second during the subscription period, highlighting retail frenzy over Ant's initial public offering (IPO) despite possible US sanctions against the Chinese fintech giant.

The rush also underscores the marketing clout of Ant's online payment platform Alipay, the sole third-party distributor of the five mutual funds that threatens to disrupt traditional fund sales models.

Ant, Alibaba Group's fintech arm, aims to raise about \$35 billion in a dual listing in Hong Kong and Shanghai's STAR Market, expected in October, in what could become the world's

The five funds launched on September 25 to raise 12 billion yuan each and invest up to 10 per cent of their assets to buy Ant's IPO shares as strategic investors.

Two of the funds, launched by E Fund Management Co and Penghua Fund Management Co, hit their fundraising target even before the week-long Chinese National Day holiday that began on October 1.

As business resumes on Friday, Alipay announced that the other three funds, managed



An employee stands next to the logo of Ant Financial Services Group, Alibaba's financial affiliate, at its headquarters in Hangzhou, Zhejiang province, China.

by China Asset Management Co (ChinaAMC), China Universal Asset Management and Zhong Ou Asset Management Co, were also sold out.

The market has so far brushed aside worries that Ant's IPO could suffer from any US restrictions, after a Bloomberg News report saying Trump administration officials are considering curbs on Ant and Tencent over

concerns their payment platforms threaten

The successful fund sales could give a boost to Ant's rapidly growing wealth management business. Revenue from this business segment jumped 56 per cent during the first half of 2020, and Ant's fintech platform has facilitated investments worth over 4 trillion yuan

Trump backs revoking tariff exemption for some solar panel imports

REUTERS, Washington

US President Donald Trump on Saturday signed a proclamation underscoring his support for revoking an exclusion from tariffs on some imported double-sided solar panels, and for raising the planned tariff rate to 18 per cent for 2021 from 15

Trump said the domestic US industry was starting to increase production and market share of certain solar modules after he imposed tariffs on imports in January 2018, but further steps were needed.

Bifacial panels should not be excluded from the tariffs, Trump said, adding that doing so had limited the overall measures and would likely continue to impair their effectiveness.

"In light of the increased imports of competing products such exclusion entails ... it is necessary to revoke (the) exclusion and to apply the safeguard tariff to bifacial panels," Trump said in a proclamation released by the White House.

"To achieve the full remedial effect envisaged for that action, it is necessary to adjust the duty rate of the safeguard tariff for the fourth year of the safeguard measure to 18 percent."

Solar farm developers, including Chicago-based Invenergy Renewables LLC, had sued to maintain the exemption initially granted by the Trump administration, but it was later rescinded after officials realized

The United States in January 2018 imposed duties on solar panel imports beginning at 30 per cent and expected to drop to 15 per cent by 2021. Trump's announcement would put the rate at 18 per cent next year.

China and other producers dominate the bifacial technology market, a small but growing part of the solar panel market that costs more but produces greater power than traditional panels.

Consumers and importers have argued that higher tariffs will boost their costs and are unnecessary because domestic producers do not make the panels and face no harm from imports.

Domestic producers argue that solar farm developers could use either monofacial or bifacial panels, and higher tariffs would safeguard domestic production.



Donald Trump

Dubai non-oil private sector continues modest growth

REUTERS, Dubai

Dubai's non-oil private sector expanded for a third consecutive month in September as it continued to see a modest improvement in business conditions, a survey showed on Sunday.

The seasonally adjusted IHS Markit Dubai Purchasing Managers' Index (PMI) rose to 51.5 in September from 50.9 in

The sector emerged from three months of contraction in June, when it settled at the 50.0 mark that represents

The coronavirus crisis has badly hit vital economic sectors of Dubai, the Middle

East trade and tourism hub. While the data was below July's reading and markedly below the series average of 54.7, it "indicated stronger increases in both output and new business across the private sector in September," the report said.

"September PMI data finalised a third-quarter period of modest economic recovery in Dubai," said David Owen, economist at survey complier IHS Markit.

The output sub-index rose to 53.8 in September from 52.7 in August. It peaked at disease, in Dubai.

56.1 this year in July.

"On the downside, the PMI has failed to lift off or signal any strong rebounds in output so far, with firms often initiating price cuts in order to drive sales higher. Meanwhile, employment data signalled a cautious outlook as firms often shed workers to manage cost pressures and enable discounting," Owen said.

The United Arab Emirates, with a tally at more than 105,000 infections and 443 deaths, has seen the number of daily new coronavirus cases surge over the past two months.



A general view of the area outside the Burj Khalifa, the world's tallest building, mostly deserted, after a curfew was imposed to prevent the spread of the coronavirus

Haunted by Christmas past, Britain's M&Ś tackles food waste

REUTERS, London

British retailer Marks & Spencer, seeking to avoid a repeat of last Christmas when its performance was ruined by excessive food waste, is rolling out a supply chain programme it says will crack the problem.

Reporting on festive trading in January, two months before the COVID-19 pandemic brought much of Britain to a standstill, Chief Executive Steve Rowe said that while M&S had enjoyed record food sales its profit margins were dented by high levels of waste.

M&S normally accounts for just over 3 per cent of the UK grocery market but at Christmas it punches above its weight, selling, for example, one in four of all fresh turkeys consumed.

Nevertheless, the group has been dogged by food availability issues and waste levels that are amongst the highest in the industry.

For Rowe, attempting to boost M&S's fortunes after a decade of failed reinventions, the antidote to waste is a supply chain initiative called Vangarde - named after the shopping park in the northern English city of York where the group frequently tests new ideas.

foundations of our business and second phase starts on Monday the platform to grow," Ryan Lemon, M&S head of retail supply chain

The Vangarde programme aims to get all parts of M&S's supply chain working better, from planning, to suppliers, to logistics and stores.

Its first phase included 92 M&S stores served by a regional Barnsley, northern England. A

with a further 65 stores served by a RDC in Thatcham, southern England, with a full roll-out serving 595 stores by July 2021. "We believe that we're going to

see an improvement in sales in these stores, a reduction in waste and an improvement in availability," said Lemon. He explained that Vangarde distribution centre (RDC) in lowers the total levels of stock in stores, finely tailors deliveries from

depots to an individual store's needs and increases the number of deliveries to stores out of trading hours. Ambient foods are delivered

to stores consistently seven days week instead of four or five previously. There are more frequent and smaller deliveries from M&S suppliers to RDCs, with delivery timings aligned more closely to store requirements.

M&S store workers' shift patterns have also been upended so more are available to re-stock when stores are closed. That means customers aren't bumping into staff stacking shelves - a key benefit during the COVID crisis. The programme also embraces new technology. For example shop floor workers use handheld Honeywell devices to gauge stock levels.

"The customer's going to see a massive difference because every Vangarde store will be ready to trade from opening," said Lemon.

COVID means Christmas 2020 is shaping up to be a unique trading period. "Last Christmas there was some big challenges. This Christmas there's going to be a lot of complexity in terms of customer behaviour," said Lemon.

"We're hugely better planned this year."

Christmas decorations adorn the exterior of retailer Marks and "It's absolutely going to reset the Spencer's flagship store in London's West End.

Cement sales rise slightly

Mohammed Amirul Haque, managing director of Premier Cement, said the cement manufacturers will not be able to make profits this year even though sales increased recently. Sales will decline by 20 per cent

year-on-year, which will increase the overhead production costs and reduce profit margins. Now that around 70 to 80 per cent

of construction work has returned, it has benefitted the cement sector, he added.

However, Haque fears that the coronavirus situation may intensify during the upcoming winter, which will adversely affect the sector.

"We need policy support from the government to change Bangladesh into an industrialised nation from a trading one," he said, adding that the cement business provides no scope for quick profits.

Premier Cement could supply cement for 62 of the government's ongoing development projects, such as the Padma Bridge, Rooppur Nuclear Power Plant, Matarbari power plant and Karnaphuli Tunnel, according to the managing director.

(NBR) is not industry friendly as it has imposed illogical custom duty on imported raw materials, Haque said.

The NBR also neglects to return adjustable advance income taxes, which could help the sector handle the current capital crisis.

Besides, the NBR does not accept digital certificates on consignments and imposed a 5 per cent customs duty instead of the 3 per cent charged under the South Asian Free Trade Area (SAFTA).

The whole world is heading towards digitalisation while the NBR is walking backwards to old and traditional ways, which is another barrier for businesses, he said.

Manufacturers deposit adjustable income tax to the NBR when importing raw materials through bank loans, for which the millers are liable.

Cement makers could see some benefits in the coming days though if some of the existing challenges are removed as demand will continue to rise alongside the return of economic per cent. activities, he added.

Cement, said industrial growth in the increase to 220 kg by 2020.

The National Board of Revenue sector cannot be achieved this year despite the recent increase in sales.

"Bashundhara Cement will not achieve growth like that of last year but sales could be the same as it was before," he said.

Hossain hopes that the upward trend in sales will steepen in November and December following a dull season for the sector due to the pandemic and incessant rain.

There are 37 active cement factories in Bangladesh which invested over Tk 30,000 crore to attain a combined annual production capacity of 58 million tonnes against a demand of 33 million tonnes. According to Bangladesh Cement

Manufacturers Association (BCMA), local companies dominate the market, where annual sales have reached \$3 billion, or Tk 25,500 crore. Of the total consumption, individuals account for 25 per cent,

real estate companies and developers

30 per cent and the government 45

Bangladesh's per capita cement Khandoker Kingshuk Hossain, chief consumption is around 181 marketing officer of Bashundhara kilogrammes but is expected to

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

মৎস্য ও প্রাণিসম্পদ মন্ত্রণালয় মেরিন ফিশারিজ একাডেমি মৎস্য বন্দর, চট্টগ্রাম

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আউটসোর্সিং-এর মাধ্যমে জনবল নিয়োগের পুনঃ দরপত্র বিজ্ঞপ্তি

মৎস্য ও প্রাণিসম্পদ মন্ত্রণালয় অধীনস্থ "মেরিন ফিশারিজ একাডেমি" এর নিম্নবর্ণিত কাজের জন্য অন্থায়ী ভিত্তিতে সাকুল্য বেতন আউটসোর্সিং পদ্ধতিতে জনবলের সেবা গ্রহণের উদ্দেশ্যে পাবলিক প্রকিউরমেন্ট আইন, ২০০৬ এবং পাবলিক প্রকিউরমেন্ট বিধিমালা ২০০৮ অনুযায়ী এতদসংক্রান্ত যোগ্যতাসম্পন্ন প্রতিষ্ঠান নির্বাচনের লক্ষ্যে পুনঃ দরপত্র আহবান করা যাচেছ

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oo.	সেবার প্রকৃতি	এ দপ্তরের জন্য ক্যাটাগরি-১ এ সুপারভাইজার, কেয়ারটেকার, ক্যাটাগরি-২ এ ড্রাইভার (লাইট), পাম্প অপারেটর, জেনারেটর অপারেটর, স্যানিটারি মিন্ত্রি (প্লাঘার মিন্ত্রি), রাজমিন্ত্রি (ম্যাসন), ক্যাটাগরি-৩ এ ডুবুরি, ক্যাটাগরি-৪ এ সহকারী ইলেকট্রিশিয়ান, শুকানী, বাবুর্চি (কুক), ক্যাটাগরি-৫ এ সিকিউরিটি গার্ড (নিরাপত্তা প্রহরী), ক্লিনার (পরিচ্ছন্নতাকর্মী), ইলেকট্রিক্যাল হেলপার, স্যানিটারি হেলপার, পাম্প হেলপার, গাড়ির হেলপার, ল্যাব এটেনডেন্ট, হোস্টেল এটেনডেন্ট, লিফট ম্যান, লন্ধর, ইনম্পেকশন বাংলো এটেনডেন্ট ও অডিটোরিয়াম এটেনডেন্ট সরবরাহ (দরপত্র সিডিউলে বিস্তারিত উল্লেখ আছে)।
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০৬.	দরদাতার যোগ্যতা	(ক) হালনাগাদ ট্রেড লাইসেস, ভ্যাট রেজিস্ট্রেশন ও আয়কর প্রদানের সনদ। (খ) প্রতিষ্ঠান/সংস্থা কর্তৃক বিগত তিন বা ততোধিক বছরের সরকারি/বেসরকারি সংস্থা/প্রতিষ্ঠিত ব্যক্তি মালিকানাধীন প্রতিষ্ঠানের জনবল সরবরাহের অভিজ্ঞতার সনদপত্র। (গ) দরপত্র সিডিউলে আরোপিত সকল যোগ্যতাসম্পন্ন ও শর্ত পালনে সক্ষম। (ঘ) হালনাগাদ ঠিকাদারী সংস্থা কর্তৃক প্রদত্ত আউটসোর্সিং ঠিকাদারী লাইসেস।
٥٩.	দরপত্র সিডিউলের মূল্য	১০০০.০০ টাকা (নগদ)।
оъ.	দরপত্র জামানত ও নিরাপত্তা জামানত	দরপত্র জামানতঃ যে কোন তফসিলভুক্ত ব্যাংক হতে অধ্যক্ষ, মেরিন ফিশারিজ একাডেমি এর অনুক্রে পিপিআর-২০০৮ এর তফসিল-২ মোতাবেক ১,০০,০০০ টাকার পে-অর্ডার/ব্যাংক ড্রাফট দাখিল করতে হবে। নিরাপত্তা জামানতঃ নির্বাচিত প্রতিষ্ঠানের সাথে চুক্তি স্বাক্ষরের পূর্বে সরবরাহকারী প্রতিষ্ঠান পিপিআর-২০০৮-এর তফসিল-২ এর ২৭(১) মোতাবেক সরবরাহকৃত জনবলের জনপ্রতি ০১(এক) বছরের মোট সেবামূল্যের ১০% হারে নিরাপত্তা জামানত যে কোন তফসিলভুক্ত ব্যাংক হতে অধ্যক্ষ, মেরিন ফিশারিজ একাডেমি এর অনুকূলে পে-অর্ডার/ব্যাংক ড্রাফট দাখিল করতে হবে। মেয়াদান্তে নিরম মোতাবেক কার্যসম্পাদন জামানত বিনাসুদে ফেরত দেয়া হবে।
০৯.	দরপত্র সিডিউল প্রাপ্তির স্থান	মেরিন ফিশারিজ একাডেমি, মৎস্য বন্দর, ইছানগর, কর্ণফুলী, চউগ্রাম।
٥٠.	দরপত্র সিডিউল জমার স্থান	মেরিন ফিশারিজ একাডেমি, মৎস্য বন্দর, ইছানগর, কর্ণফুলী, চট্টগ্রাম।
22.	দরপত্র সিডিউল বিক্রির শেষ তারিখ ও সময়	২১/১০/২০২০ , বিকাল ৩.০০টা।
১২.	দরপত্র সিডিউল জমার শেষ তারিখ ও সময়	২২/১০/২০২০ , দুপুর ১২.০০টা।
১৩.	দরপত্র উন্মুক্তকরণের তারিখ, সময়	২২/১০/২০২০, দুপুর ১২.৩০টা।
\$8.	দরপত্র খোলার স্থান	মেরিন ফিশারিজ একাডেমি, মৎস্য বন্দর, ইছানগর, কর্ণফুলী, চউগ্রাম।
\$@.	দরপত্র আহবানকারী কর্মকর্তার নাম ও পদবী	ক্যাপ্টেন মাসুক হাসান আহমেদ, (জি), পিপিএম, পিএসসি, বিএন।
১৬.	সংরক্ষিত ক্ষমতা	মেরিন ফিশারিজ একাডেমি কর্তৃপক্ষ কর্তৃক যে কোনো দরপত্র গ্রহণ বা সকল দরপত্র বাতিল করার ক্ষমতা রাখে।
		ারিচালিত হবে পিপিআর ২০০৮ (সংশোধনীসহ) অনুযায়ী। শর্তাবলী দরপত্র দলিলে বর্ণিত আছে।

Contribution to central fund for garment workers falls 14.2pc

A total of Tk 57.30 crore was deposited in the FY18 and Tk 36.69 crore was distributed among the heirs of 1,852

deceased garment workers. Another Tk 21.51 crore was spent in the FY19 for the purpose of compensation, treatment expenditure and stipends. The fund spent Tk 24.69 crore in the FY20.

As of September in the current fiscal year, the fund received about Tk 9.78 crore. The grant stood at Tk 1.49

crore so far in the current fiscal year, Hossain said.

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

would get Tk 3 lakh from the fund in a cumulative grade point average of case of death or grave injuries at the 4.5 and above in the secondary school workplace. In case of illness or injury that render them disable or death outside of workplaces, a worker or 25,000 as maternity benefit from the their beneficiaries would get Tk 2 lakh. fund.

if they face any workplace injury, which causes mutilation but not a permanent disability, according to the labour ministry.

Besides, the children of workers will A garment worker or their heirs get Tk 20,000 in stipend if they manage

certificate examination. Female workers are entitled to Tk

জিডি-১৬১৫

মাসক হাসান আহমেদ ক্যাপ্টেন বিএন principalmfa@yahoo.com

HSBC observes customer service week

Star Business Desk

The Hongkong and Shanghai Banking Corporation (HSBC) celebrated Bangladesh International Customer Service Week from October 5 to 8.

To wrap up the week celebrations and also discuss the changed landscape of customer service in presence of industry experts, the lender yesterday organised a webinar on "The transformed landscape Customer Service to thrive in the New Normal".

The bank's selected customers shared their experience of banking with HSBC at the event.

The customer service week is an international celebration of the importance of customer service and of the people who serve and support customers on a daily basis.

The bank is taking forward its customer experience initiative under the campaign "Exceeding Expectations Everyday" and has embedded it as a way of life for every element that the bank offers for its customers, the bank said in a statement.

"Putting customers at the heart of what we do underpins our business, and how we put it into action is key. When we get it right, we help improve the lives of our customers and the communities we live in," said Md Mahbub ur Rahman, chief executive officer of

HSBC Bangladesh.

of choice for individuals who value HSBC. Starting from designing international connectivity, safety and security.

"We are honoured to be the bank the centre of what we offer at our products and propositions to serving those to our customers,

customer experience is an essential element that we consider," Ahmed Saiful Islam, country head of wealth and personal banking, at HSBC Bangladesh.



Md Mahbub ur Rahman, CEO of HSBC Bangladesh; Shehzad Munim, managing director of British American Tobacco Bangladesh; Mohammad Zaved Akhtar, vice president for transformation and growth at Unilever South Asia, and SIHM Musfiqur Rahman, country manager at Haychem Bangladesh, attend a webinar on "The transformed landscape of customer service to thrive in the new normal" organised by the lender yesterday through a digital platform.

Microsoft to let most employees work remotely for up to half their weekly working hours

REUTERS

Microsoft Corp said on Friday it would allow most of its employees to clock in up to half their weekly working hours remotely, providing greater flexibility even after offices start reopening.

software-maker The said in a blog post that while returning to office is optional for most employees for now, Microsoft was not committing to having every employee work remotely.

Washington-based company had about 163,000 full-time employees as of June.

COVID-19 The pandemic has changed the way businesses function, work-from-home emerging as the new norm.

Earlier in May, Twitter Inc became the first major tech company to allow employees who can work remotely to do so indefinitely.

Facebook Inc had said it would allow its employees to work from home till July next year, while Google had extended the remote working period for employees who do not need to be in the office till June.

Brac Bank wins award for femalefocused lending

Brac Bank has recently been named as the Access to Finance Champion by the Financial Alliance for Women.

This is for the fourth consecutive time the bank won the

The announcement came in a 2020 Alliance Summit held recently through a digital platform, according to

The Financial Alliance for Women is a leading network of financial organisations in 135 countries dedicated to

championing the untapped female economy. The award is given each year to the outstanding alliance member-institutions that work to serve their women customers better by providing them with holistic solutions to meet their investment needs.

This year, the Female Economy Champions reflect the global nature of the work of the alliance, hailing from diverse markets across six different regions.

"These institutions are setting an example for the sector by developing the programme and strategies needed to tap into the female economy and making their brand more sustainable along the way," said Inez Murray, chief executive officer of the Financial Alliance for Women. "Their engagement with the alliance network is essential

to our mission and work of economically empowering women worldwide. They are proof of the business case for increasing gender equality on many scores.'

Brac Bank was awarded for continuously evolving its products and services under "TARA" to expand its reach to female customers.

"It is indeed a great pride and honour for Brac Bank to win this award consecutively for the fourth time! It encourages us and instills confidence in us when we see our work is being appreciated not only in our country but also through global networks," Selim RF Hussain, CEO of

Brac Bank launched "TARA", a dedicated banking solution for women, in May 2017, and since then has been focusing on evolving changes that are best suited for the women of Bangladesh.

Govt to use forex reserves for development projects

Two years ago, the cabinet gave the goahead to establish a wealth fund with money from the reserves, which would be used as government investment in long-

The funds to the tune of \$5 billion were supposed to be used for investments in seven sectors, including power, energy and infrastructure. But the initiative came to a halt due to fluctuations of the reserve at that time, a central banker said.

The countries which have formed sovereign wealth funds are quite rich and this has helped them take the decision on making foreign investments.

The Government Pension Fund Global, a sovereign wealth fund of the Norwegian government, was set up to shield the economy from twists and turns in oil

This also serves as a financial reserve and as a long-term savings plan so that both current and future generations benefit from

In 1969, one of the world's largest offshore oilfields was discovered in Norway that helped the country's economy grow dramatically.

The country took a decision to properly use the income derived from oil and gas.

In 1990, the Norwegian parliament passed legislation to support this, creating the fund and the first money was deposited there in 1996.

The fund, whose market value stood at \$1,148 billion as of 2019, has been invested

The Abu Dhabi Investment Authority (ADIA) was established by the government of Abu Dhabi in 1976 to operate sovereign wealth fund. It manages a global investment portfolio that is diversified across more than two dozen asset classes and sub-categories.

The proposal to use foreign exchange reserves for investment in infrastructure must be examined with extreme care and caution, said Zahid Hussain, a former lead economist of the WB's Dhaka office, said In

"Reserve is a tool that is most useful in distressed circumstances such as the one the economy is currently going through.

If there is any excess reserve over that required to meet seven to eight months of imports, that excess can be used, as a last resort, for high priority infrastructure projects that are in an advanced stage of completion, he added.

In June 2017, the IMF had said given Bangladesh's slow export growth and decline in remittance inflows, the safe reserve limit should be equal to 9.6 months'

Export growth picked up in May following a massive collapse in April and has since been on an upward trend.

Migrant workers sent \$6.5 billion in the first three months of the current fiscal year, up 50 per cent year-on-year.

Bangladesh should sign | Forward sales causing a large gap in comprehensive trade | onion's import and retail prices deals with key partners

Mohammad Abdul Momen, a professor of the Institute of Business Administration (IBA) at the University of Dhaka,

The signing of FTAs or PTAs with high-income nations is always beneficial, said Momen, also a director of the Bangladesh Garment Manufacturers and Exporters

"We also need to increase our export basket," he added MA Razzaque, research director of the Policy Research Institute, said regional markets are important and therefore, signing PTAs with Bhutan and Nepal is a timely initiative. However, the value these markets bring is no match for

major export destinations like the EU, Canada and Japan. 'We need to engage with Australia, Canada and others to request an additional transition period after graduation,

following the example of the EU," Razzaque said. Besides, Bangladesh must negotiate with India to get the same treatment as the Maldives. Under SAFTA Article 12, the Maldives was allowed to have the same market access

benefits as an LDC after graduating in 2011. To address this issue, a high-powered trade representative or negotiator's office should be formed to launch proactive trade engagements with major trade partners.

Securing an FTA can take anywhere between seven to ten years but the country has not started any such negotiation. Imagine a situation in 2027, when Vietnam will have duty-free access to the EU and Bangladesh will have to pay 9.5 percent tariff, Razzague added.

However, Commerce Secretary Md Jafar Uddin said Bangladesh is currently in negotiations with 11 countries and two major trade blocs either to sign PTAs or FTAs.

A joint study is also ongoing over signing a proposed CEPA between Bangladesh and India.

the market by themselves," he added. Omar Faruque, executive magistrate of

the Chattogram district administration, said they found that wholesalers could not show receipts for their purchases from importers as trade deals are mainly done verbally through phone calls.

"The wholesalers claim that they sell products at a price fixed by the importer and receive only commission but the importers deny this.

Both parties claim that they sell products through phone calls, so there is no sales receipt. For a long time, importers and wholesalers have been doing informal transactions without documents to control

Faruque also said they made some recommendations to the commerce ministry to address the issue, highlighting the problems caused by undocumented transactions.

"We recommended for fixing the retail and wholesale price of onions. We also proposed that keeping receipts to be made compulsory for any transaction," he said. It is possible to determine the price of

any product by calculating its import cost, depreciation, transportation and profit. But it will not be possible to contain the price of onion if maintaining receipts on every transaction is not made mandatory, he added.



GUARDIAN LIFE INSURANCE

MM Monirul Alam, CEO of Guardian Life Insurance, and Imran Bin Ferdous, chief human resource officer at Navana Group, exchange documents after signing a deal recently. The group's employees will get life coverage benefits from the insurer.

Apparel exporters brace for fresh hiccups amid second wave, US polls

"Many buyers have dropped placing of work orders to some extent because of a possible second wave of Covid-19 and for delay in vaccine arrival for the mass people use," said Anwar-ul-Alam Chowdhury Parvez, managing director of Evince Group, a leading garment exporter.

The buyers are more cautious now compared to pre-Covid time, he said.

Parvez said although the US election, which was scheduled to be held next month, was not that much related to the shipment of Bangladeshi garment items but customers tend to feel uneasy over spending during such big events.

Facing the fallouts of a second wave of infections is very important for Bangladesh, he said, adding that already some states of the US have been affected with a second wave and schools were being shut down again. So if the stores need to be shut down for the

second wave, the export of garment items from Bangladesh will be affected, said Parvez, who is also a former president of the Bangladesh Manufacturers and Exporters Association (BGMEA).

Mahmud Hasan Khan Babu, managing director of Rising Group, another leading garment exporter, also echoed Parvez.

Babu further said if there was a prolonging of the US election, garment shipments to American markets would be affected.

He also said the probable impacts of a second wave in the European and the US markets would defer the recovery of garment export from the Because garment business is not a one-way trade, rather a two-way one. If the buyers place

demands, the shipment will grow but if they do not place demand for any reason, the export will not grow, said Babu. KM Rezaul Hasanat, chairman and CEO of Viyellatex Group, another leading garment

exporter, echoed them both. "I totally agree to what 'many exporters' are

fearing of and in fact in recent days almost all my statements cover the same fear of a possible resurgence of Covid-19 infection and the obvious impact on the industry," said Rubana Huq, president of the BGMEA. "As winter approaches nearer, the USA and

European countries are witnessing new waves in infection, state of emergency has been declared in Madrid just a few hours ago and the developments in other parts of Europe is noticeable.

"It's been a tough time, we are passing through fear and anxiety," Huq told The Daily Star.

"Looking at it through the lens of exports and garments, this may be horrific for us if disruptions in the west reach a magnitude of what we suffered last season.

"This may be mentioned that whereas our total RMG export growth during this time was 0.06 per cent negative in July-August of fiscal year 2020-21, the decline in EU was by 0.38 per cent while US market grew by 8.11 per cent, and if these markets are freshly hit by Covid resurgence, Bangladesh will have to face a tough situation going ahead.

"The first blow of the Covid-19 has exposed significant drawbacks in the trade and supply chain, particularly in the area of transactions between buyers and suppliers. Right now one of the major concerns for us is the uncertainty over payments of confirmed and shipped orders, which is around \$8 billion worth of receivables

in any given point of time," Huq also said. "Yes second wave already started hitting at Europe. Yet we don't know when vaccine will be ready for general public," said Syed Earshad Ahmed, president of the American Chamber of Commerce in Bangladesh.

"Another reason, our competitors (Vietnam, Cambodia, Indonesia, Sri Lanka) became more aggressive and getting advantages over us as their infrastructure are better and they could have managed pandemic situation effectively,

"Bangladesh need more focus on logistics management, ports management to avoid delays in clearing imports and exports. Exporters have to maintain committed lead times," he said.

Ahsan H Mansur, executive director of Policy Research Institute, said the second wave of Covid-19 has already started in the western

So the second wave may have a bad impact on the shipment of garment items from Bangladesh, he said.

The uncertainty of the availability vaccine for mass people is also a factor now. Because the customers on a massive scale are not visiting the stores now and their income had also been lowered after the Covid-19 outbreak, said

The garment export from Bangladesh is still at a recovery phase and yet to be rebounded fully. The full rebound of the shipment may happen in next March, he said.

The earning from export of garments over the last three or four months increased, as the international retailers and brands are taking back cancelled work orders. The buyers had cancelled work orders worth \$3.18 billion.

If the vaccines arrived in the market, it should be provided for at least 70 per cent of people in the world, if 100 per cent is not possible, for restoration of normalcy in business, he added.

The export of garments from Bangladesh has been backed by the shifting of work orders from China. For instance, garment export to the US from China declined by 40.93 per cent between January and August compared to the same period last year.

Garment import by the US also declined by 25.47 per cent from India, 9.92 per cent from Vietnam and 14.76 per cent from Bangladesh between January and August this year compared to the same period last year, according to data from the US Department of Commerce.

Bangladesh will receive some work orders that got shifted from China, said Mansur.

Recovery still slow in

leather sector

FROM PAGE B1

Still though, Khan is hopeful of recouping by attaining orders for next summer, which usually starts coming from January.

Arfanul Hoque, head of retail at Bata Shoe Company, said they were offering various discounts and offers in a bid to survive amidst the Covid-19 fallouts.

Bata Shoe, which leads the local market with a 48 per cent share, saw its sales in September decline by 25 per cent year-on-

Till August though, the company's sales deficit reached about 90 per cent compared to the corresponding figures a year before.

"We decided to close 25 outlets out of 260 across the country due to low revenue,"

Despite the decrease in revenue, Bata still had to pay high amounts of rent for showrooms, the owners of which did not consider the pandemic's many complexities.

The government should issue tax exemptions for the sector to ensure a quicker rebound, Hoque added.

Mohammed Nazmul Hassan, managing director of Leatherex Footwear Fashion, said he was forced to postpone his outlet expansion plans due to the coronavirus

"I had a plan to open 20 new outlets in Dhaka, Chattogram and other cities but I took a U-turn from the plan," he

financial liabilities such as repaying loans, Hassan said he did not lay-off or terminate any employee. According to the managing director,

But despite these adversities alongside

placed work orders for this year were cancelled since the Covid-19's outbreak. However, buyers have started to take back

these cancelled or deferred work orders as international retailers and brands are reopening their doors following prolonged lockdowns aimed at curbing the spread of There are about 60 local firms, including

Apex Footwear, Jennys Shoes and Bay Footwear, which export various leather goods mainly to Japan, European Union and to some extent, the US. But if the approximately 165 footwear

and leather factories currently operating in Bangladesh were compliant and used modern technology, they could fetch up to \$5 billion in export receipts, according to the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh.

Bangladesh's leather sector is failing to make it big internationally even though the country has an abundance of rawhide and a skilled workforce.

Of the country's total production, only 30 per cent of finished leather is consumed locally while the remaining 70 per cent is exported, mostly to China.

Country gets first hydraulic elevator dam

FROM PAGE B4

For this, more such hydraulic elevator dams will be built throughout the country to retain surface water for irrigation, he said.

Bangladesh has 67 rubber dams which have been constructed to facilitate around 60 per cent of the previously irrigation.

Forward sales causing a large gap in onion's import and retail prices

Market insiders think

MOHAMMAD SUMAN and SOHEL PARVEZ

Over the first nine days of the current month, importers brought more than 2,500 tonnes of onion from four countries -- Myanmar, China, Pakistan and Turkey.

And except for Myanmar, the average import cost for the popular vegetable was Tk 27 per kilogram (kg). In the case of Myanmar, the import price was Tk 48 per kg.

There was a similarity in the nearly 210,000 tonnes of onion that were imported in between July and September of the current fiscal year -average price of each kg was Tk 27.

However, those bulbs retailed at almost double the import price at a time when there was no export ban in India, the main source of onions for Bangladesh.

The scenario changed after India implemented a ban on outgoing onion shipments on September 14.

Soon after, the price of onion shot up at local markets with traders citing a shortage of supply. The imported bulbs were sold at three to

four times its import value as the frequency of forward sales or contracts among importers and traders increased owing to the prospect of higher profitability amid a supply deficit.

Importers and wholesalers said the price arrival of the goods, he said. of onion goes up before it even reaches the wholesale markets as shipments change hands twice or thrice through an informal or paperless trade, termed as forward sale.

Md Asaduzzaman, proprietor of Welkin, a clearing and forwarding agent at Benapole land port, said the practice of forward sales for perishable commodities has been ongoing for several years.



This is a kind of advance sales under which import consignments are sold ahead of the

"The extent of forward sales goes up when there is shortage in the market as middle men enter the supply chain. In case of onions, we see that retail prices are going up to Tk 100 per kg,"

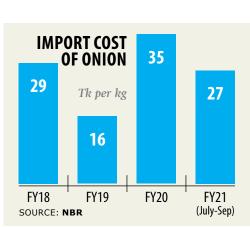
An importer at Sonamasjid land port in the northern district of Chapainawabganj said consignments of onion change hands several times after arriving at the port.

"Prices also go up because of wastage," he

As a result, there is a big difference between the wholesale, retail and import prices, said market insiders.

Yesterday, the retail price of imported onions was Tk 90 per kg in Dhaka, up 78 per cent from about Tk 50 per kilogramme a month ago, as per data from the Trading Corporation of Bangladesh (TCB).

Meanwhile, locally grown bulbs retailed for refused," he added.



"Due to the export ban in India and the onion crisis in the local market, it is changing hands two or three times before being released from the port," said Mintu Sawdagar, an onion wholesaler at Khatunganj, Chattogram.

He went on to say that Khatunganj's wholesalers sell onions at prices fixed by importers and get 2 to 3 per cent as commission from a sale.

So, they have no influence over the price hikes or drops for onion in the market, Sawdagar

Seeking anonymity, an onion wholesaler at Shyambazar, a wholesale market in Dhaka, said he bought onions imported from Pakistan at Tk 110 per kg at a time when the prices had been moving upward following India's ban on the kitchen staple last year.

"Prices eventually fell and I had to sell onions at about Tk 60 per kg. I urged numerous importers to readjust their prices but they

READ MORE ON B3

Country gets first hydraulic elevator dam

STAR BUSINESS REPORT

The agriculture ministry vesterday inaugurated the country's first hydraulic elevator dam in Chattogram's Anwara upazila to retain surface water for farming, specifically crop irrigation, said a press release.

Hydraulic elevator dams resemble sluice gates in series, each operable individually, in combinations or altogether using hydraulic power.

firm Chinese constructed the 38-metre-long dam on Bharashank canal under a Tk 21 crore project implemented by Bangladesh Agricultural Development Corporation.

The dam will enable irrigation of 3,000 hectares of land and be instrumental in protecting crops and plants in a 10-kilometre area from intrusion of saline water during the January-May period, said the press release.

The ministry said the modern technology was in use in China, making it possible to retain fresh water from upstream and prevent intrusion of brackish water from downstream to

protect crops. Virtually inaugurating the first ever hydraulic elevator dam, Agriculture Minister Muhammad Abdur Razzaque said groundwater was depleting for use in irrigating boro rice and other crops.

READ MORE ON B3

Cement sales rise slightly

But manufacturers don't expect any profit this year

IAGARAN CHAKMA

The cement makers are finally getting some respite from the Covid-19 fallout thanks to a slight increase in sales but they believe it will not be possible to book any profit this year.

By the end of 2020, sales could reach 80 per cent of what it was last year.

"Sales in the sector grew by 7 per cent in September compared to the month before, said Asadul Haque Sufyani, chief operating officer of Bengal Cement.

Bulk orders for cement are coming as the construction work on the government's major development projects resumed in July.

Besides, expatriate workers are going back to their jobs, leading to a ripple effect on the rural economy that will impact the cement sector, Sufyani said.

According to the chief operating officer, it takes at least two months to start disbursing funds for the development projects after a new budget is passed.

For this reason, it is taking a bit of time for sales volumes to return to pre-pandemic

The various development projects will start in full-swing in the coming days as the monsoon season is about to end and the following dry weather is peak season for the cement sector.

In a bid to cover all the development activities which were put on hold during the two-month lockdown between March

AT A GLANCE

Per capita cement consumption:

181 kg

Tk **25,500**cr

Active cement factories:

Total investment: Tk **30,000**cr

Direct employment:

60,000

Indirect employment: 1,000,000

Consumption per year:

33m tonnes Production capacity per year:

58m tonnes

26 and May 30, the government is going to float new tenders.

And apart from this, the Covid-19 situation will likely.

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FOR WINTER VEGETABLES Hundreds of acres of coastal areas are now under cultivation of vegetables, especially those suited for the winter climate. Here a farmer tends to his tomato plants in Chattogram. The photo was taken on Saturday.

PHOTO: STAR/FILE

Contribution to central fund for garment workers falls 14.2pc

MD FAZLUR RAHMAN

The contribution of garment factories to the fund set up to provide financial support to garment workers fell 14.20 per cent to Tk 55.83 crore last fiscal year due to the coronavirus pandemic and some banks' negligence.

The Central Fund for Readymade Garment Sector received Tk 65.06 crore from apparel exporters in the fiscal year of 2018-19.

The government formed the Central Fund in 2016 and it is managed by the labour department. Since the inception, about Tk 238.99 crore has been deposited by the garment exporters, said Md Amir Hossain, the director-general of the Central Fund.

So far, about Tk 85.39 crore has been distributed among the eligible garment workers, their heirs or children in grants.

The beneficiaries include heirs of 3,988 deceased workers, who received a total of about Tk 79.41 crore.



 $Workers \hspace{0.5cm} of \hspace{0.5cm} seven \hspace{0.5cm} member \hspace{0.5cm} \textbf{A garment worker or their heirs would get Tk 3 lakh from the}$ factories of the Bangladesh Garment fund in case of death or grave injuries at the workplace.

Manufacturers and Association (BGMEA) which had closed down got about Tk 1.40 crore in compensation.

The workers of another factory belonging to the Bangladesh Knitwear and Manufacturers Exporters Association (BKMEA) received Tk 51.56 lakh.

Some 1,006 workers who fell ill received Tk 2.85 crore. Besides, 602 meritorious students who are children of the workers were paid Tk 1.20 crore in stipends, Hossain said.

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

the labour ministry to the BB. Apparel exports stood at \$28.14 billion in FY17, \$30.61 billion in FY18, \$34.13 billion in FY19, and \$27.83 billion in FY20.

On October 5, Bangladesh Bank asked banks to deposit 0.03 per cent

Exporters of the encashed export earnings at the central fund.

> 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. Against the backdrop, the volume of the fund has not increased as expected, the BB said in a notice.

> "We request the garment workers to apply to the central fund through the BGMEA and the BKMEA for the financial support," said Hossain.

> There are 3,608 garment factories in Bangladesh that export products, he said, quoting data from the Export Promotion Bureau. But the central fund does not know how many are contributing to the fund, Hossain

> About Tk 45.91 crore was deposited in the fund in the fiscal year of 2016-17. No money was distributed in grants in the first year of the fund.

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