

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.10%	▲ 0.41%	\$1,898.97	\$42.93	▲ 0.64%	▼ 0.41%	▲ 0.37%	▲ 0.13%	83.95	97.32	107.46	12.35	
4,877.65	8,372.65	(per ounce)	(per barrel)	39,982.98	23,410.63	2,533.02	3,336.36	BUY TK	SELL TK	101.12	111.26	12.98

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The never-ending debate over GDP growth

Experts say it's natural that the numbers will differ due to diverse perspectives, but all should learn to live with differences in the testing times

REJAUUL KARIM BYRON, SOHEL PARVEZ and MD FAZLUR RAHMAN

The debate over Bangladesh's GDP growth forecasts is back again. There is wide variation in the projections made by the multilateral development agencies for the current fiscal year amid deep uncertainties about the near-term trajectory of the global economy as the pandemic is still raging.

Last week, the International Monetary Fund (IMF) lowered its economic growth forecast for Bangladesh to 4.4 per cent for FY21 from 5.7 per cent earlier.

The World Bank said the economy would grow by 1.6 per cent. The Asian Development Bank (ADB) painted a more optimistic scenario among the three as it predicted 6.8 per cent GDP growth.

The government is, however, bullish about pulling off 8.2 per cent GDP growth and has said the WB forecast is not reflective of the ongoing economic recovery.

The modelling exercises to reach the GDP figures are carried out based on a number of assumptions.

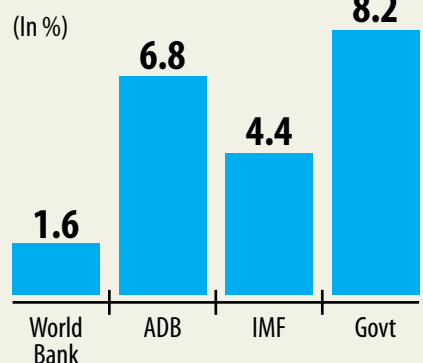
This would include the performance of the global economy and whether there would be a second wave of the coronavirus, the service sector would make a comeback and how long it would take for the transport system to return to its pre-pandemic level, said Mustafizur Rahman, distinguished fellow of the Centre for Policy Dialogue.

"It appears that the World Bank's assumptions in these areas are more conservative, the IMF's forecast is modest and the ADB is more optimistic."

Zahid Hussain, a former lead economist of the WB's Dhaka office, said the pandemic struck the economy on both demand and supply sides by reducing mobility and assembly.

The consequent decline in income and employment combined with the persisting spread of the virus reduced confidence

GDP GROWTH PROJECTIONS FOR FY2021



in goods, labour, and financial markets, thus deepening the economic contraction. All agencies have, therefore, backcasted significantly lower growth in FY20 relative to FY19, he said.

"We can live with differences in the magnitude of the estimated growth contraction between different agencies in times of deep uncertainties brought on by the pandemic."

Monzur Hossain, research director of the Bangladesh Institute of Development Studies, said two factors are important when it comes to carrying out modelling.

"First, you can't be too mechanical and can't just insert data in the model. Second, one has to understand the dynamics of the local economy. Otherwise, models would not come up with better results," he said.

Usually, four areas are taken into account to make an assumption: macroeconomic, fiscal, monetary and external books. But there is not 100 per cent reliable data of the four sectors. Maybe the data on the financial and external sectors are alright, Monzur said.

For instance, the revenue collection does not paint the real situation. "We may have weakness in tax coverage. Weaknesses might be there because of corruption and there might be a weakness in the system."

"If these anomalies are not assessed and one relies on the model alone, definitely there will not be a good result," Monzur said.



"Rather than focusing on the precise percentage points on predictions, it is more valuable to focus on policies that will help the economy bounce back. For a resilient recovery, the government needs to continue to pursue policy reforms."

MERCY TEMBON
Country director of WB



"The IMF's growth projection for FY21 is more conservative as it reflects the fact that the Covid-19 pandemic has already had an impact on the first two quarters of the current fiscal year."

RAGNAR GUDMUNDSSON
Resident representative of IMF



"Managing the Covid-19 in Bangladesh and its major export markets and gradual economic recovery in the eurozone and the US are important assumptions that have been considered to forecast faster economic recovery and growth."

MANMOHAN PARKASH
Country director of ADB



"Policy support to keep enterprises-at-risk afloat and protect the incomes of the poor and the vulnerable will need to complement a ramped-up response on the public health front to flatten the curve."

ZAHID HUSSAIN
Former lead economist of WB



"Compared to other countries, Bangladesh's GDP is more dependent on domestic demand and this is a strength for the country. The economy is opening up but it has not reached its full capacity."

MUSTAFIZUR RAHMAN
Distinguished fellow of CPD



"First, you can't be too mechanical and can't just insert data in the model. Second, one has to understand the dynamics of the local economy. Otherwise, models would not come up with better results."

MONZUR HOSSAIN
Research director of BIDS

The IMF's growth estimate seems more reasonable, he said. The growth might even be higher if the current pace of economic activities continues and there is no further disruption, he said.

Ragnar Gudmundsson, the resident representative of the IMF office in Dhaka, said the IMF's growth projection for FY21 is more conservative as it reflects the fact that the Covid-19 pandemic has already had

an impact on the first two quarters of the current fiscal year.

Moreover, there is still considerable uncertainty regarding the speed of recovery at the global level, which will have an impact on garment exports, remittances, and domestic consumption.

"Compared to FY20, we are still expecting a moderate improvement in economic conditions."

In order to enhance the quality and transparency of GDP estimates and projections, the IMF would strongly recommend moving towards the production of quarterly GDP numbers.

"This would also be consistent with Bangladesh's commendable aspiration to move towards middle-income and higher middle-income status," said Gudmundsson.

Mercy Tembon, country director of the WB Bangladesh, said all forecasts on growth are derived on the basis of available data, observed trends, and the global risk factors. Some predictions are more conservative than others.

"So, it is natural that the numbers will differ. With a significant level of uncertainties created by the Covid-19 pandemic, such differences are even more likely."

The WB's projection also reflects the slowdown of growth it observed in the country during the first half of the fiscal year 2019-20 due to a decline in exports by 5.8 per cent year-on-year, as well as projected recessions in its export markets, the US and Europe.

"Rather than focusing on the precise percentage points on predictions, it is more valuable to focus on policies that will help the economy bounce back. For a resilient recovery, the government needs to continue to pursue policy reforms that will ensure macro-financial stability."

Manmohan Parkash, country director of the ADB, said the key assumptions are that prudent macroeconomic management will continue along with the speedy implementation of the government's stimulus measures.

"Managing the coronavirus disease pandemic in Bangladesh and its major export market countries, and the gradual economic recovery in the Eurozone and the US are important assumptions that have been considered to forecast faster economic recovery and growth in Bangladesh."

READ MORE ON B3

BSTI licence mandatory to retail fruit drinks, wafer

SOHEL PARVEZ

Fruit drinks and wafer biscuits can no longer be marketed or sold without the certification from the Bangladesh Standards and Testing Institution (BSTI), according to a government notification.

The government has prohibited firms from advertising or retailing fruit drinks and wafer unless the products are made in compliance with the national standards set by the BSTI, the industries ministry said in the notification on October 6.

This means that the makers of these items will have to secure the BSTI licences first before releasing their products into the market.

"We have given firms two months to comply. After December 6, none will be able to market these products without the licences," said Sajjadul Bari, director for certification marks at the state agency.

Before the notification, firms didn't need to comply with the national standards or get BSTI licences to retail fruit drinks and wafer. The two items have a collective annual market value of more than Tk 1,000 crore, which includes nearly Tk 300 crore wafer biscuit industry, according to a top

industry operator.

Manufacturers welcomed the move. Kamruzzaman Kamal, director for marketing at Pran-RFL Group, said that Pran, the biggest player in the local fruit drink market, has long been following BSTI standards voluntarily.

The BSTI's announcement will increase consumer confidence in these products and accountability of the companies.

"So, it is a good move, particularly in Bangladesh's context," he said.

Kamal suggested the BSTI develop standards for more products, especially the items of higher consumer interest.

"Still, there are a large number of products for which there are no standards," he said.

The domestic market for fruit drinks has grown to about Tk 800 crore, attracting both local corporations and multinational firms to the segment.

MM Iqbal Hossain, assistant general manager for total quality management at Akij Food and Beverage, said people of all ages enjoy fruit drinks.

"The rule of mandatory licencing will increase the accountability of manufacturers and benefit consumers," he said.

BSRM Steel to set up Tk 700cr plant

The MS rod unit will begin production in 2023

STAR BUSINESS REPORT

BSRM Steel has decided to set up a Tk 700 crore plant to raise annual MS rod production capacity by another 5 lakh tonnes to meet its growing market demand.

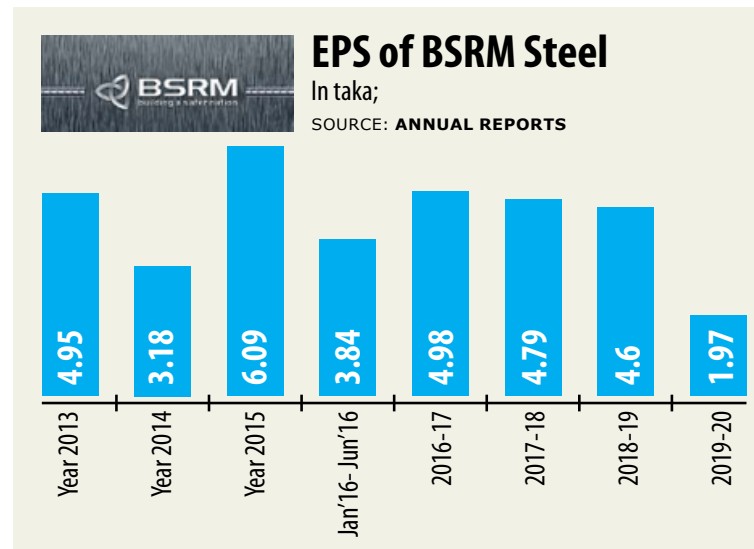
The Chattogram-based listed steel maker is expected to start operation of the new production unit by the middle of 2023.

The investment fund would come from bank loans and own sources, according to the data shared by the leading steel maker with the stock investors of Dhaka and Chattogram stock exchanges yesterday.

The paid-up capital of the listed steel maker was Tk 375 crore while its reserve and surplus was Tk 1,044 crore at the end of the fiscal year that ended on June 30 of 2019.

On the other hand, the company's short-term loan was Tk 2,275 crore and long-term loan amounted to Tk 906.79 crore.

At present, BSRM Steel is producing 2 million tonnes of MS



billet and 1.6 million tonnes of rolling steel per year.

Consumption of steel has been rising for the last few years riding on the increasing gross domestic product (GDP) of the country.

Moreover, the government's

development projects have left a positive impact on the nearly Tk 50,000 crore industry, according to market players.

At present, government projects account for 35 per cent to 40 per cent of the total steel consumption

in Bangladesh, up from 15 per cent a decade ago.

The country's annual steel production capacity was 8.58 million tonnes in 2018 when total consumption was 7 million tonnes.

Although per capita steel consumption in Bangladesh almost doubled in eight years to over 45 kilograms in 2018, the figure was still much lower than the global average of 208 kgs, according to the World Steel Association.

The figure stands at 65 kgs in India, 400 kgs in South Korea and 1,000 kgs in Japan. To meet the spiralling demand, other steel makers are also increasing their production capacity.

GPH Ispat, another listed steel manufacturing company, had already started its new Tk 2,390 crore plant on a trial basis.

The new factory of GPH Ispat has the annual capacity to produce 840,000 tonnes of MS billet and 640,000 tonnes of MS rod and medium section products.

READ MORE ON B3

TCB to sell potato amid price hike

STAR BUSINESS REPORT

State-owned Trading Corporation of Bangladesh (TCB) will sell potato at Tk 25 a kg under its open market sales programme to tame the soaring price of the widely-consumed vegetable in the local market.

Commerce Minister Tipu Munshi disclosed this after a meeting with cold storage owners and traders of potato at the retail and wholesale level at his secretariat office in Dhaka, according to a press release from the ministry.

The ministry did not say since when the TCB would begin retailing potato through its trucks.

The move came as potato is being



sold for Tk 55 to Tk 60 per kg across the country, up from Tk 35 and Tk 40 a few days ago.

At the meeting, the minister said there was no crisis of potato. There is an adequate supply of the item in the market to meet the demand of the consumers.

"The prices of potato have gone up because of the damages faced by other crops and vegetables during recent floods and excessive rains in many districts," the ministry said.

The Department of Agricultural Extension has already fixed the prices of potato at Tk 23 a kg at the cold storage level, Tk 25 at the wholesale level and Tk 30 at the retail level, the statement said.

However, the businessmen are not following the government-fixed prices and are charging higher prices.

Advertisement

I am Carlo Ferretti. I came from Carpi, Italy. I started to come to Bangladesh in 1998 and started to live here permanently since 2004 up to today. I have seen big development during my stay here. The beauty of Bangladesh is in the smile, in spite of many challenges I have seen people of Bangladesh are smiling.

I have visited 90% of your country's heritage like mosque, pagoda, temple and most of the beautiful natural tourist spots. I do my Technical job in readymade garments and leather shoes sector during this time and meet a lot of people and teach lot of them.

Bangladesh is my second home now. I am at the age of 70, it is time to go back to my wife and my family in my town. One piece of me will remain here.

"I am grateful to all Bangladeshi to host me 19 days in October"

I wish all of you to go ahead properly. Keep smiling, days are yours!

Thanks.
Carlo Ferretti
Carpi, Italy

Jet Airways creditors agree to new owners after months of talks

REUTERS, MUMBAI
India's Jet Airways would be acquired by an investor consortium under a multi-million dollar resolution plan approved by the carrier's creditors on Saturday.

The plan submitted by a consortium of London-based Kalrock Capital and UAE-based businessman Murari Lal Jalan comes after months of talks over the airline's future and was confirmed in a regulatory filing, which gave no details of the deal.

A source close to the situation said the new owners had agreed to pump in 10 billion rupees (\$136 million) as working capital for the revival of the airline. Another 10 billion rupees will be given to creditors over a period of five years.

Financial creditors of the airline will also get 10 per cent stake in the company, the source said, though the plan remains subject to approvals from the bankruptcy court and the country's airline regulator.

Jet - which operated a fleet of more than 120 planes serving dozens of domestic destinations and international hubs such as Singapore, London and Dubai - was forced in April 2019 to ground all flights, crippled by mounting losses as it attempted to compete with low-cost rivals.

After Jet halted operations at least 280 slots were vacant in Mumbai and 160 in Delhi, which were then given to its rivals. The revival plan is also based on getting some of these slots back.

"The plan is to ramp up slowly and to increase capacity gradually as they will be starting afresh," the source said. Any resumption of flights will likely not happen for between three and six months at least.

Since its operations were halted the airline and its lenders had been looking for suitors. Jet's financial and operational creditors were owed nearly 300 billion rupees after the operations were halted.



REUTERS/FILE
Jet Airways employees display placards during a protest at the Chhatrapati Shivaji Maharaj International Airport in Mumbai.

China's second-hand luxury goods market booms

REUTERS, Beijing

China's love for luxury is spilling over into the once shunned second-hand goods sector, with online stores surfing a wave of pent-up demand from shoppers, led by millennials, who have been forced into belt-tightening by the coronavirus pandemic.

The rapid proliferation over recent years of second-hand luxury sales online platforms have helped fuel an expansion of the market, similar to those of US online luxury reseller The RealReal Inc or Europe's Vestiaire Collective.

"Our income recorded a surge this year during the pandemic as offline stores are mostly closed," said Xu Wei, founder of Plum, a second-hand luxury products company in Beijing which is especially popular with millennial women from China's lower tier cities.

Chinese consumers have traditionally shunned second-hand goods, though that has undergone a shift over the past decade or so led by younger, more environmentally conscious consumers looking for affordable high-end goods.

"Compared to completely new products, second-hand products are more economical for them," Xu said. Sales growth at Plum have averaged over 25 per cent month-on-month in the first half.

The actual size of the Chinese second-hand luxury goods market is small, luring platforms such as Plum, Ponhu and Feiyu which are betting on strong growth over coming years.

A joint report by China's University of International Business and Economics and Isheyipai, a platform for second-hand luxury deals, estimated that sales of second-hand luxury products in China accounts for just 5 per cent of the overall luxury market, compared with 28 per cent in Japan and 31 per cent in the United States.

Consultancy Bain estimates that Chinese consumers will account for nearly 50 per cent

of the global luxury market — valued around \$374-386 billion — by 2025.

Millennials, those in their 20s and 30s, are a big market for the second-hand goods retailers. The joint university-Isheyipai report estimates that 52 per cent of the second-hand luxury goods consumers in China are below 30 years old, a segment bigger than the entire US population.

On Plum's platform, a Louis Vuitton Speedy 25 Monogram rated at 85 per cent new was offering at 4,548 yuan (\$676.44), compared with \$1,560 on the brand's homepage. A 90 per cent new black Gucci GG Marmont small shoulder bag was sold at 4,890 yuan (\$727.31)

versus the official price at \$2,250.

Sun Shaqi, a livestreamer who has 6.5 million followers on Douyin, the Chinese version of popular short video app TikTok, is one of many personalities promoting the idea of buying second-hand.

Livestreaming has recently become a widely-used marketing medium in China.

"With the money for one bag, here you can buy 3 to 4 (second-hand), isn't it a good deal?" she asked in a recent livestream while holding up a red patent leather Louis Vuitton bag.

"Who will know it is a second-hand bag when you carry it?"



REUTERS/FILE
Handbags are seen on shelves during a livestreaming session for the second-hand luxury goods retail platform Plum, in Beijing, China.

With economy and credit rolling along, Fed unlikely to alter bond-buying

REUTERS, Washington

Houses are being built and sold across the United States. Autos are moving off lots. Corporations are raising money and overall financial conditions remain easy.

Expectations were high in September that the US Federal Reserve, as it rolled out a new monetary policy approach and continued battling a recession, would ramp up its bond purchases to further boost the economy. But the economy has stubbornly flashed a different signal: steady as it goes.

The labor market is clawing back jobs each month, albeit at a slowing pace, while other data continues to surprise in a positive way. US retail sales in September, for example, rose an unexpectedly strong 1.9 per cent from the prior month, and at nearly \$550 billion are 3.7 per cent above pre-pandemic levels, the sort of outcome that may make the US central bank hesitant to tinker with its current \$120 billion in monthly purchases of government bonds and mortgage-backed securities (MBS).

With financial markets steady and credit readily available, people and firms "do buy houses, buy cars and order equipment and software," Fed Vice Chair Richard Clarida said this week, ticking off some of the transactions easy monetary policy traditionally expects to encourage, and which the Fed would fret about if found wanting.

"Right now we have got a good policy in place," St. Louis Fed President James Bullard said during a panel on the sidelines of the International Monetary Fund and World Bank annual meetings on Friday. "We have our (quantitative easing) program in a place with a substantial amount of purchases. I think that is appropriate."

Interest rates on US Treasury bonds remain at record low levels, holding down related types of credit including 30-year home mortgages.

More broadly, even with the outcome of the coronavirus pandemic in doubt and millions of workers sidelined because of the crisis, Bullard and other Fed officials have upgraded their economic forecasts in recent weeks. Closely watched indicators on credit markets and inflation expectations are at least holding steady if not improving.

If the economy in the spring seemed teetering towards the worst set of outcomes - a more

That "something" could well occur.

Fed officials have been blunt about the risks from an ongoing pandemic, including a drop in household income from the lapse of unemployment insurance benefits or other developments that cause the recovery to sputter out.

Fed asset purchases aim to bolster the economy in different ways. By increasing demand for riskier bonds, for example, they hold down a variety of related

But the Fed has bought about \$3 trillion of Treasuries and MBS since the recession began, and locked in an open-ended promise to keep buying at least \$120 billion more each month, a faster pace than was used to fight the 2007-2009 financial crisis and recession. In its last policy statement, the Fed said that amount is already helping sustain the "accommodative" financial conditions it has promised to keep in place indefinitely.

The economy is by no means repaired from the shock it suffered in March and April, when lockdowns to control the spread of the virus were imposed. Initial claims for unemployment insurance jumped back to near 900,000 in the week ending Oct. 10, and even as he lauded a stronger-than-expected recovery this week, Clarida acknowledged a deep gash remains, particularly for unemployed or sidelined workers.

But of the two large levers used to manage the US economy - monetary conditions controlled by the Fed and government spending controlled by Congress - Fed officials feel theirs is doing what it can for now.

At this point, Fed officials have noted, the need is to get money directly into the pockets of unemployed workers needing to make mortgage payments, businesses waiting for customers to return, or local governments needing to pay workers.

Bond-buying won't do that.

"We expect the recovery to continue in coming months, albeit at a more modest pace, and we do not think that Fed officials will see a need to provide additional accommodation," Goldman Sachs economists wrote in an analysis this week.

Even if things go bad, in an environment of already low interest rates and weak household demand, changes in the Fed's asset purchases are "not a particularly effective" response.



REUTERS/FILE
St Louis Fed President James Bullard speaks about the US economy during an interview in New York.

long-lasting recession followed by rounds of loan defaults and a subsequent financial crisis - it landed on a road to recovery.

"With the economy evidently on the good path, the (Federal Open Market Committee) won't take any further meaningful policy action unless something bad happens," William Nelson, a former Fed official who is now chief economist at the Bank Policy Institute, wrote this month, referring to the Fed's policy-setting committee.

interest rates, and make borrowing cheaper. They often lift stock and other asset prices, generating a "wealth effect" that triggers spillover economic activity.

A top Fed economist recently estimated the Fed would need to buy another \$3.5 trillion of securities to offset the impact of the pandemic and the recession it triggered. Others have argued more is needed to prove the central bank is serious about meeting its 2 per cent inflation target.

American Airlines plans to return Boeing 737 Max to service at year-end

REUTERS

American Airlines Group plans to return Boeing 737 Max jets to service for passenger flights by the end of this year depending on certification of the aircraft from the Federal Aviation Administration (FAA), it said on Sunday.

The airline said it will operate a daily 737 Max flight between Miami and New York from Dec. 29 to Jan. 4, with flights available for booking from Oct. 24.

"We remain in contact with the FAA and Boeing on the certification process and we'll continue to update our plans based on when the aircraft is certified," the company said in an statement.

The Boeing 737 MAX has been grounded since March 2019 after two fatal crashes killed 346 people, but the FAA is expected to lift its grounding order at some point in November.

American Airlines said it will make customers aware that they are flying on a 737 MAX.

UK business groups urge Britain, EU to find compromise

REUTERS

More than 70 British business groups representing over 7 million workers have made a last-ditch attempt to persuade politicians to get back on the dialogue table next week to strike a deal with the European Union, the Financial Times newspaper reported on Sunday.

The groups ranged from the CBI, TheCityUK and techUK to the National Farmers' Union, British Retail Consortium and the Society of Motor Manufacturers and Traders and asked for the sides to find a compromise over trade terms, the report added. "With compromise and tenacity, a deal can be done. Businesses call on leaders on both sides to find a route through", the newspaper quoted the groups as saying in a statement.

Malaysia Airlines restructuring talks prolonged, CEO tells staff

REUTERS, Singapore

Malaysia Airlines' parent company is still holding negotiations with lessors and creditors over a restructuring plan to keep the carrier alive, but the talks are taking longer than planned, according to a staff memo seen by Reuters.

"The negotiations are still ongoing and taking longer than the planned timeline, but we are gaining encouraging traction from the lessors and creditors thus far," Izham Ismail, chief executive of Malaysia Airlines and group CEO of parent Malaysia Aviation Group (MAG), said in a memo to staff on Oct. 16.

In response to a Reuters query, MAG said in an email on Saturday it is "continuing discussions with creditors on its ongoing restructuring exercise".

MAG, owned by state fund Khazanah, said Izham's memo to staff was to address concerns among employees.

Malaysia's national airline is seeking to restructure after the coronavirus pandemic

forced it to slash operations.

The carrier had restructured after two deadly crashes in 2014 but unlike at that time the government is unwilling to bail it out this time.

Reuters reported last week that a group of lessors had rejected a restructuring plan that involved steep discounts, bringing the carrier closer to a showdown over its future.

In the memo to staff, Izham assured them that MAG's restructuring exercise "is still work in progress".

"Do you see me throwing in the towel yet? Together with the senior leadership team, we are here still fighting for the company's survival," Izham said.

On Thursday, MAG said subsidiary Firefly Airlines will start flying in early 2021 as part of a realigned group-wide business strategy.

Reuters reported last week that MAG had warned lessors that its sole shareholder would wind down the airline if restructuring talks are unsuccessful, and would focus on Firefly.

Eastern Refinery Limited
(A Subsidiary of Bangladesh Petroleum Corporation)
North Patenga, Chattogram-4204
Bangladesh

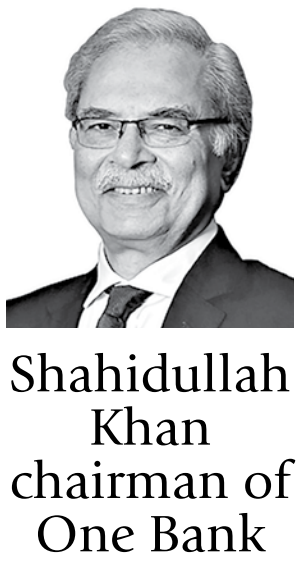
Invitation for International Tender

ERL hereby invites offers from reputed suppliers/manufacturers for the supply of the following goods in accordance with the terms & conditions set out hereafter:

1. Ministry/Division	Ministry of Power, Energy and Mineral Resources/Energy and Mineral Resources Division.		
2. Agency	Bangladesh Petroleum Corporation.		
3. Purchaser name	Eastern Refinery Limited.		
4. Purchaser district	Chattogram.		
5. Invitation for	Goods.		
6. Reference number	a) ER/PUR/IT- 28/2020 (RT) b) ER/PUR/IT- 29/2020 c) ER/PUR/IT- 30/2020 d) ER/PUR/IT- 31/2020		
7. Date	18 October, 2020		
KEY INFORMATION			
8. Procurement method	International Open Tendering Method.		
FUNDING INFORMATION			
9. Budget and source of funds	Eastern Refinery Limited (own fund).		
PARTICULAR INFORMATION			
10. Tender document last selling date	(a) 15 November 2020, 16:00hrs (b), (c), (d) 29 November 2020, 16:00hrs		
11. Tender closing date and time	(a) 16 November 2020, 11:15hrs (b), (c), (d) 30 November 2020, 11:15hrs		
12. Tender opening date and time	(a) 16 November 2020, 11:30hrs (b), (c), (d) 30 November 2020, 11:30hrs		
13. Offer validity	120 days (from the date of tender opening).		
NAME & ADDRESS OF THE OFFICE(S)			
14. Tender document selling address	i) Accounts Department, Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh. Phone: 880-31-2501261-7. ii) ERL Liaison Office, YMCA Bhaban, 2nd Floor, 1/1, Pioneer Road, Kakrail, Dhaka-1000, Bangladesh. Phone: 880-2-8391990, 8391991.		
15. Tender receiving address	Purchase Department, Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh.		
16. Tender opening address	Purchase Department, Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh.		
INFORMATION FOR TENDERER			
17. Eligibility of tenderer	As per Tender Data Sheet.		
18. Brief description of goods:			
a) Variable Area Flow Meter for ABP Unit	Tk 1000.00/- set Or, USD 12.00/- set	Tk 12,000.00 Or, USD 140.00	90 days
b) Various ERW Pipe	Tk 1000.00/- set Or, USD 12.00/- set	Tk 85,000.00 Or, USD 1000.00	90 days
c) Stainless Steel and Monel Plate	Tk 1000.00/- set Or, USD 12.00/- set	Tk 70,000.00 Or, USD 830.00	90 days
d) Metal Random Packing for Column 10C01	Tk 1000.00/- set Or, USD 12.00/- set	Tk 10,000.00 Or, USD 120.00	90 days
PURCHASER DETAILS			
19. Name of official inviting tender	Kazi Mahabubur Rahman.		
20. Designation of official inviting tender	Manager (Purchase).		
21. Address of official inviting tender	Eastern Refinery Limited, North Patenga, Chattogram-4204, Bangladesh.		
22. Contact details of official inviting tender	Telephone: 880-31-2501261-67, Ext. 382 Fax: 880-31-250269 Email: manager@erl.com.bd, office@erl.com.bd, md-office@erl.com.bd Website: www.erl.gov.bd		
23. a) The purchaser reserves the right to reject all tenders or annual the tender proceedings. b) If it is not possible to receive/open the tender on the scheduled date for any unavoidable circumstances, the same will be received/opened on the next working day at the same time and same venue.			



Quazi Osman Ali, CEO of Social Islami Bank, attends the bank's "3rd Quarter Business Conference-2020" through a digital platform recently.



Shahidullah Khan
chairman of One Bank

STAR BUSINESS DESK

ASM Shahidullah Khan has recently been elected chairman of One Bank for a one-year term.

The bank re-elected Asoke Das Gupta and Zahur Ullah as vice chairman and chairman of its executive committee respectively.

Khan is the managing director of Media New Age, publisher of English daily New Age, a director of Holiday Publication and a member of the board of trustees of Bangladesh Protibondhi Foundation, an organisation for the welfare of disabled children.

A valiant freedom fighter, Khan graduated in physics from the University of Dhaka, says a press release.

China passes export-control law following US moves

REUTERS, Shanghai

China passed a law restricting exports of controlled items, allowing the government to act against countries that abuse export controls in a way that harm's China's interests, state media said.

The Xinhua news report late on Saturday did not name any target countries, but the United States last month angered Beijing with curbs on exports to Semiconductor Manufacturing International Corp, China's biggest chipmaker, and it has taken various steps against Huawei Technologies Co and other companies.

China and the United States have clashed over issues including trade, human rights, technology and the new coronavirus, which was first detected in China.

Construction of dumping yards faces delays

FROM PAGE B4

Of a total of 1,365 marks, some 200 should be obtained through compliance to standards by the government, including ensuring the presence of a dedicated site for tanneries, and the remaining 1,165 marks should be obtained by the tanners.

However, most of the tanners are not yet ready to comply with the LWG standards.

This leaves them with no choice but to sell leather and its associated goods such as footwear to some non-compliant Chinese factories and accept prices that are 40 per cent lower than international rates.

So far, the government has allowed two tanneries to construct their own ETPs.

The government shifted the tanneries from the city's Hazaribagh to Savar in 2017 aiming to give a formal outlook to the leather sector which has already invested Tk 7,000 crore so far and employed nearly 50,000 workers.

But it seems the newly established SITE is still far away not just physically but also in case of proper functioning, bringing no good news for the leather business.

Fintech summit held

STAR BUSINESS DESK

Bangladesh Fintech Summit recently witnessed the staging of its second edition virtually, stating that it aimed to unlock the true potential of finance for people, community and society.

The two-day summit was themed "Shaping Future of Finance for People", says a statement, adding that one objective was to provide collaborative space to fintech companies to share learning, success and failure with peers.

Another was to initiate policy dialogues for a proper framework for future fintech companies to thrive

sustainably and nurture an ecosystem for Bangladesh to benefit from the associated global movement.

The summit consisted of five keynote sessions, four insight sessions, three panel discussions and two case studies with international and local industry leaders.

"Financial sector is the major part of an economy and Bangladesh is doing quite well in its development process," said Prof Shibli Rubayat Ul Islam, chairman of the Bangladesh Securities and Exchange Commission.

"Bangladesh is gradually developing and we are experiencing a

remarkable growth," he said.

"For the last couple of years fintech is gaining momentum in Bangladesh," said Shariful Islam, founder and managing director of Bangladesh Brand Forum.

"Viable innovations are coming forward, solving problems in a very effective manner, and we hope this momentum will grow in the next couple of years," he said.

An initiative of Bangladesh Fintech Forum, the summit was organised by Bangladesh Brand Forum. LankaBangla Finance was the title partner while the summit was powered by Guardian Life Insurance.

India's JK Tyre, other firms face antitrust scrutiny in bid-rigging case

REUTERS, New Delhi

India's antitrust regulator is investigating JK Tyre & Industries Ltd after a state government accused the company of bid rigging, and the probe has been expanded to other firms, according to sources and legal filings seen by Reuters.

The Competition Commission of India (CCI) last year ordered a probe after the northern state of Haryana said JK Tyre employed unfair trade practices while bidding to supply tyres for public transport vehicles, a court filing showed.

The case details and CCI's initial assessment were contained in a Sept. 19 state court filing made by JK Tyre contesting some of the watchdog's demands. The filing, reviewed by Reuters, has not previously been reported and the CCI does not disclose current probes into cartel cases.

According to documents in the

filing, Haryana state told the CCI that JK Tyre was the sole bidder in a tender and quoted high prices. The watchdog in November ordered a probe saying "non-participation by other tyre manufacturers" was suggestive of a "concerted act to rig the bid".

A JK Tyre spokesman declined to comment "as the matter is currently subjudice."

In August this year, the CCI decided the role of other tyre firms should be examined and expanded its scrutiny to include Apollo Tyres, CEAT, MRF, and the Indian units of France's Michelin and Germany's Continental AG, two sources familiar with the case said.

It was not immediately clear whether the CCI has approached those tyre firms with inquiries.

The sources declined to be identified as details of the probe were confidential. The CCI and the Haryana state government did not respond to requests for comments. MRF, Michelin

and Continental also did not respond to requests for comments, while CEAT and Apollo declined to comment.

A finding of bid-rigging could lead to a potential fine of up to three times the profit in each year prices were fixed by the companies, or 10 per cent of annual revenue, whichever is higher.

JK Tyre, which has a market value of \$190 million, says it accounts for 30-36 per cent of the market for different types of tyre variants that is worth some \$9 billion annually.

Haryana state has alleged JK Tyre was the sole bidder in the tender in 2018 and its prices were around 34 per cent higher than previous purchase rates, the documents show.

"There appears to be some arrangement or understanding amongst the tyre manufacturers... The matter warrants a thorough and detailed investigation to unearth the entire modus operandi resorted to," the CCI's Nov. 2019 order said.



Rupali Chowdhury, managing director of Berger Paints Bangladesh, opens "Berger PPG Auto Refinish Training Centre" at the sales office of Berger at Tejgaon in Dhaka yesterday. The centre is stated to have an advanced auto-refinishing booth and world-class training facility for automobile painters.

General investors push stock index up

FROM PAGE B4

Turnover fell last week compared to the weeks before but if listed companies can earn profits despite the Covid-19 fallout, then the situation should improve in the coming days, he added.

Nitol Insurance topped the gainers' list yesterday with a 10 per cent increase followed by Provati Insurance, Asia Insurance, Continental Insurance, and Northern Insurance.

Bangladesh Submarine Cables traded the most with Tk 23.44 crore followed by Continental Insurance, Asia Pacific Insurance, Beximco Pharmaceuticals and Bangladesh General Insurance.

Insurance companies continued to place in the top gainer and top turnover lists as people are still investing in these companies on the

back of rumours, a merchant banker said.

The rumour is that gamblers are staying with the stocks and so, these shares will continue to rise.

However, this is a very dangerous way to make investments.

While the sponsors and directors of listed insurers are selling off their shares at higher prices, general investors are still buying the stocks, which might be disastrous for them, he added.

Keya Cosmetics shed the most, dropping 6.66 per cent followed by Far East Knitting & Dyeing Industries, Vanguard AML BD Finance Mutual Fund One, C&A Textile, and Evince Textile.

Of the total 356 traded companies, 113 advanced, 196 declined and 47 remained unchanged.

Italy approves new stimulus package to help virus-hit economy

REUTERS, Milan

Italy has approved a new stimulus package in its 2021 budget to foster an economic rebound from the recession caused by the coronavirus crisis, a government statement said on Sunday after a late-night cabinet meeting.

The ruling coalition, led by the anti-establishment 5-Star Movement and centre-left PD party, agreed a preliminary version of the stimulus package, a government source said, leaving final details to be hammered out.

Among measures to support the health and education system, the government will set up a 4 billion euro (\$4.7 billion) fund to compensate companies worst hit by coronavirus lockdowns.

The budget also extends temporary lay-off schemes for companies with workers on furlough and offers tax breaks to support

employment in the poor south of the country.

Italian Prime Minister Giuseppe Conte is expected on Sunday to also announce new measures to curb the steady spike in COVID-19 cases over recent weeks.

One of the European countries worst hit by the pandemic, Italy has forecast a 9% economic contraction for 2020 and a budget deficit equating to 10.8% of gross domestic product.

The expansionary package is expected to keep Italy's deficit next year to 7% of economic output, up from a 5.7% forecast in April, reflecting the additional spending.

Italy has forecast economic growth of 6% in 2021.

Expansionary measures next year will total 40 billion euros, including cheap loans and grants from the European Union's Recovery Fund, Gualtieri told lawmakers this month.



Empty tables are seen outside a restaurant in Rome as Italy tightens regulations in an effort to control rising Covid-19 infections, on October 14.

The never-ending debate over GDP growth

FROM PAGE B1

Parkash said the ADB prepared its GDP growth rate forecast for Bangladesh for FY2021 in early September 2020 using the available economic data and trend. Since the resumption of economic activities in June, economic indicators such as export earnings and remittances have shown positive signs though these were severely impacted during the March-May period.

The export earnings in July to August were \$6,878 million, which was 246 per cent higher than \$1,985 million in April to May period and higher than \$6,732 million recorded in July to August period of 2019.

More than 90 per cent orders that were cancelled in the garment sector have been reinstated. Consumption is increasing, and trade is returning to normalcy and jobs have also rebounded.

Similarly, remittance inflow rose 76 per cent to \$4,562 million in July-August from \$2,598 million in April-May and 50 per cent from \$3,042 million in July-August in 2019.

The positive trends in exports and remittances, the main contributors to growth, continued in September: overseas shipment stood at \$3,018 million, up 3.53 per cent year-on-year. Migrant workers sent \$1,477 million in the month, up 46 per cent compared to a year ago.

"The exports and remittance increase in July-August of 2020 were healthy and these positive trends have been considered while forecasting growth numbers. The ADB predicts that the economic recovery in the first two quarters of FY21 is expected to be gradually followed by a rapid recovery in third and fourth quarters," Parkash said.

CPD's Rahman said the economy is opening up but it has not reached its full capacity. The service sector, which is 52 per cent of the economy, is running at 80 to 90 per cent of the capacity.

Compared to other countries, Bangladesh's GDP is more dependent on domestic demand. "About 85 per cent of the GDP relies on domestic demand. This is a strength of the country."

He said the GDP growth would depend

on how far local demand picks up and the global recession deepens.

"Another factor would be the implementation of the stimulus packages, the recovery of the loans being given out and whether the packages would be recycled," he said.

Zahid Hussain said a critical factor in recovery is the state of mobility. The Google Mobility Report shows mobility has returned to the pre-pandemic state with the sole exception of retail and recreation, where it was still down by 9 per cent in early October.

Production is up but not running at full capacity yet. The first-quarter data on exports, imports, tax revenue collections, and electricity generation suggest recovery overall, but the magnitude varies by indicators.

Remittance has been a pleasant exception with a 48 per cent spike in the first quarter. The economies, where most remittances to Bangladesh originate from, are still not showing robust recovery.

"The sustainability of such high growth in the rest of the year can't, therefore, be taken for granted," Zahid Hussain said.

Both the IMF and the WB are projecting subdued consumption growth, the biggest driver of demand growth, in FY21. In addition, private investment is likely to remain depressed because of uncertainties relating to the dynamics of the pandemic locally and globally.

The policy response will be most critical because the risks predominantly are on the downside, he said.

"It is delusional to think that the pandemic is behind us in Bangladesh. Economic activity may return to normal levels despite the high positivity rate, but growth will falter with disruptions in supply chain and weak global demand for goods and labour."

"Policy support to keep enterprises at risk afloat and protect the incomes of the poor and the vulnerable will need to complement a ramped-up response on the public health front to flatten the curve of the virus," he said.

BSRM Steel to set up Tk 700cr plant

FROM PAGE B1

Despite the news of the new investment yesterday, share price of BSRM Steel listed with the DSE since 2009 dropped 0.51 per cent to Tk 39.20.

The steel maker also informed yesterday that its board of directors recommended 15 per cent cash dividend for the year that ended on June 30 of 2020.

The company's earnings per share (EPS) was Tk 1.97 for the current year, down from Tk 4.60 in the previous year.

The company blamed the fall in EPS on the reduced production and slow sales after the Covid-19 outbreak along with various tax issues.

Good corporate governance needed to fight financial anomalies: experts

FROM PAGE B4

The Financial Reporting Council (FRC) could take regulatory initiative to appoint independent director in the board based on his/her academic background and expertise.

Chowdhury said the Financial Reporting Act (FRA) covers the compulsion of public interest entity besides financial courses. Three years after formation, FRC has not been strengthened with its full capacity.

Referring to low auditing fees, he said, "Audit firms can't survive by only providing auditing services. Firms should be allowed to provide non-auditing services through necessary regulatory reform for the sector's survival."

ICAB President Muhammad Farooq said the initiative has been taken to develop integrated audit software for the CA firms of Bangladesh for their capacity building.

"Using the software, auditors will be able to retrieve the necessary information in a timely and efficient manner," he said.

Md Hamid Ullah Bhuiyan, chairman of the FRC, also spoke while Javed Siddiqui, associate professor at the Alliance Manchester Business School, UK, presented the keynote paper.

In times of crisis, look for opportunities

Robi Axiata CEO Mahtab Uddin Ahmed shares his thoughts at The Daily Star's The Chief Executive Show powered by Marico

DWOHA CHOWDHURY

Mahtab Uddin Ahmed began his professional career with IDLC Finance, formerly known as the Industrial Development Leasing Company. Ahmed then switched to Unilever, where he held various leadership positions, such as national finance director, during his 17-year stay. After that, the business veteran joined Robi as its chief financial officer in September 2010 before eventually going on to become the company's first homegrown CEO in November 2016.

During the second episode of The Chief Executive Show, Ahmed spoke about his corporate career, crisis management, team management, intrapreneurship and more.

As the ongoing coronavirus pandemic continues to devastate the world economy, many well-established companies are struggling to survive while others have already collapsed.

But according to the leaders of the firms that have successfully recovered, the reason behind their fall is that those companies never planned ahead for times of crisis.

"Crisis is always seen as a negativity but my style is: when in crisis, look for solutions and opportunities," said Ahmed, also the managing director of Robi.

With this bit of self-wisdom,

Ahmed was able to protect the company's interests while boosting employee morale and achieve their trust to accomplish a lot amid the Covid-19 fallout.

"Always focus on people. If you win the people's hearts and minds, they will pull you out of any crisis," he said.

Thanks to the CEO's efforts, the country's second largest mobile network operator continues to flourish as it recently reached the five crore subscriber milestone despite all the economic uncertainty.

This is largely due to how well the company has adapted to working from home.

Robi's employees enjoyed a smooth transition into 'work from home' as the company has been running a digital agenda for the last four or five years.

"We are all working from home now and the business is doing fine," Ahmed said.

Since the network provider had a pre-existing focus on digital services, it allowed the company to be quick in its response to the Covid-19 crisis.

Robi even initiated a digital healthcare solution for suspected coronavirus patients as soon as the outbreak began, he added.

At a time when most other companies are simply trying to survive



Mahtab Uddin Ahmed

the Covid-19 fallout, Robi took a big leap by changing its slogan from 'Ignite the Power Within' to 'A New Experience in Life'.

"Transformations must be done when you are in good shape. Those who are trying to change their business strategies to suit the ongoing crisis will struggle more than those who prepares earlier," he said.

The Robi CEO, known as an eminent corporate personality, once dreamt of becoming a sportsman but eventually found a passion for entrepreneurship.

As a part of his plans for life as an entrepreneur, he began a professional

career in order to gain life experience beforehand. However, this experience got him hooked to the corporate world.

"I could not stick to my goals and always shifted. Depending on the situation, I was always flexible," said Ahmed, adding that he believes in switching jobs every two to three years.

There is a lot to learn in the first year of a new job while it is the second year when people start contributing. But in the third year, when things start to feel comfortable, that is when they have to move on to a new challenge.

"The risks in a new job, fear of

THE CHIEF EXECUTIVE SHOW

failure, first impressions - that's agility. That forces you to learn new things every two to three years and helps you reach your goal," he said.

According to Ahmed, leaving Unilever after giving 17 years to the leading multinational consumer goods company was the hardest decision he has ever had to make.

He was even offered a more prominent position with Unilever but as the company had a policy, barring members of its finance division from becoming CEO, Ahmed decided to leave.

Once again, he considered starting his own business but then, an offer arrived from Robi, a promising company which seemed to understand his hunger to become CEO one day.

"It was a new environment, new company and different industry altogether. But I was confident that I could do it," Ahmed said.

Robi is a vast company with hundreds of employees all over the country where team cooperation is very important.

"In some ways, being a team player is more important than being talented. A team member needs to

bring something to the table that creates positive creative conflicts that generate solutions," he added.

Ahmed also believes that foresight is a skill that cannot be taught anywhere.

For example, no other company in Bangladesh is prepared to launch a 5G network but Robi is already in the testing phase.

"You have to take decisions based on new information that could be wrong. However, only time can tell whether it was the strategy or execution that went wrong in case of failure," Ahmed said.

Although Ahmed's entrepreneurial plans did not materialise the way he had hoped, his corporate life taught him about the opportunities of intrapreneurship.

Robi formed a new company named Red Dot that brings new solutions to give new experiences to consumers.

Robi also formed an R-Venture, which is a flagship digital entrepreneurship platform, and BD Apps which hosts more than 15,000 apps built by Bangladeshi talents who are earning a fortune.

And all these were made possible as intrapreneurship worked, Ahmed said.

"We are working in a way that shows the way for others. It will be successful only when other corporate houses come forward following footsteps of Robi."

"Transformations must be done when you are in a good shape. Those who are trying to change their business strategies to suit the ongoing crisis will struggle more than those who prepared earlier."

"Always focus on people. If you win the people's hearts, they will pull you out of any crisis."

SAVAR TANNERY ESTATE

Construction of dumping yards faces delays

REEFAYET ULLAH MIRDHA

Intense pollution is threatening the environment surrounding Savar Tannery Industrial Estate (STIE) as the construction of two dumping yards meant for solid waste are expected to be delayed by a couple of months.

Currently, 130 out of 155 tanneries are in operation at the STIE. On a regular day, the operational tanneries produce some 60 tonnes of solid waste.

In absence of the yards, all of the waste is being stored in a nearby vacant space under the open sky on a temporary basis, polluting the locality.

If this continues till Eid-ul-Azha, a severe catastrophe could ensue. That's because in the three months centring the religious festival of the sacrifice of animals, some 180 tonnes of solid waste are produced by the tanneries each day.

The contractors supplied substandard steel for sheds meant for the yards without following the specifications mentioned in the tender, said Delwar Hossain, team leader of the consultants for effluent treatment plants (ETP) at the STIE.

The construction of the shed for one of the yards, encompassing 360,000 square feet of area, was supposed to be completed by August, he said.

The contractor has again been made to supply the specified steel, and the shed's construction is nearing completion, which presumably will be done by December, said Hossain.

Till date, the government has allocated Tk 10 crore for the construction of the two yards, the other being 216,000 square feet in area, he said.

"I am hopeful that...by January next year we will take charge of the sheds from the Chinese construction firm."

He also spoke of a third yard which would be constructed and run by a company specialising in processing waste and creating by-



In absence of the dumping yards, all the waste of the tannery estate is being stored in a nearby vacant space under the open sky on a temporary basis, polluting the environment.

AKLAKUR RAHMAN AKASH

products.

The tender has already been awarded to a local company to process the waste materials, he said.

Though the solid waste is expected to eventually end up in a landfill from the dumping yards once the STIE was fully functional, Hossain apprehended that if such waste processing was not present, the two yards would likely to overflow within a year.

The construction work of the

sheds for the two dumping yards was supposed to be started in March this year, said Jitendra Nath Paul, director of the STIE.

But it was delayed because of the outbreak of coronavirus pandemic. The construction eventually started in June, he said.

The government is working on plans to recycle the solid waste, said Paul.

Regarding completion of the construction of the central

ETP (CETP) at the STIE, he said currently its automation and online systems were being set up.

With the construction of the CETP also facing delays, the government has started allowing individual companies to construct their own ETPs.

This is to enable them to fast obtain certifications from Leather Working Group (LWG), thereby attain proper prices from the international retailers and brands.

Due to poor adoption of global standards set by the LWG for the processing of rawhide, Bangladeshi exporters have failed to avail compliance and environmental certifications from the global body for the leather goods sector.

Bangladesh needs to obtain 65 per cent of the total marks used in the LWG certification for obtaining that in the silver category.

READ MORE ON B3

General investors push stock index up

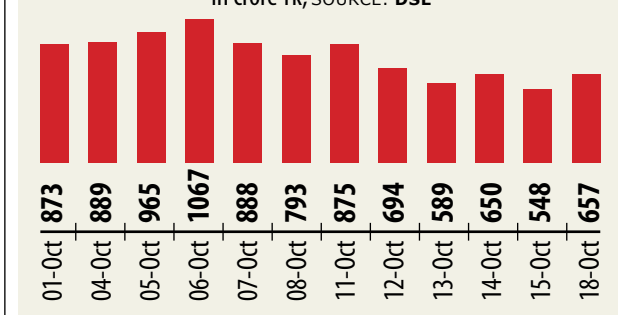
STAR BUSINESS REPORT

Stock trading was on a slightly upward trend yesterday thanks to increased participation from general investors.

Turnover, an important indicator of the market, amounted to Tk 69.87 crore at the Dhaka Stock Exchange (DSE) yesterday, a 19.89 per cent increase compared to the same day last week.

TURNOVER TRENDS SO FAR THIS MONTH

In crore Tk; SOURCE: DSE



Meanwhile the DSEX, the benchmark index of the DSE, rose 5.35 points, or 0.10 per cent, to 4,877.65 points.

General investors are rearranging their portfolios while considering the performances of listed companies for the year that ended on June 30 and so, the index has been a mixed bag for the past few days, said a stock broker.

READ MORE ON B3

Good corporate governance needed to fight financial anomalies: experts

STAR BUSINESS DESK

Good corporate governance and strong legal infrastructure are needed to deal with financial sector anomalies in the country, experts suggested yesterday.

They also pointed out that in the context of increasing digitalisation, compliance to accounting standards is essential for fair and transparent financial reporting.

Their suggestions came at a virtual conference on "Audit Regulatory Reforms in Bangladesh - The Way Forward," organised by the Institute of Chartered Accountants of Bangladesh (ICAB) on Saturday.

If good governance is not ensured in the corporate sector, audit firms will not be able to prepare good audit reports for companies, said Mohammad Muslim Chowdhury, comptroller and auditor general of Bangladesh.

He said there are many allegations that audit firms make substandard financial reports, but attention should be paid as to why that happens.

"Ownership concentration and family dominance in the corporate sector is one of the biggest constraints to ensuring corporate governance in Bangladesh," he said.

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