

# Hassle-free disbursement of stimulus funds key to economic recovery

*Says Chittagong Chamber President Mahbubul Alam*

DWAIPAYAN BARUA, Chittogram

Funds from the government's stimulus packages need to be effectively disbursed in a hassle-free manner to help local businesses recover from the Covid-19 fallout as soon as possible, said Mahbubul Alam, president of the Chittagong Chamber of Commerce and Industry (CCCI).

"Being a lower middle-income country, we cannot sit idle at home. We have to control the spread of the virus and simultaneously continue working in order to safeguard our livelihoods," he said in a recent interview with The Daily Star.

Bangladesh should also remain cautious about a possible second wave of coronavirus infections during the

resumed their activities in an effort to survive the ongoing pandemic.

Soon after the outbreak began, the government declared a 14-day 'general holiday' aimed at curbing the spread of Covid-19.

However, as the situation deteriorated, the closure of all economic activities countrywide was extended several times until it finally came to an end on May 30.

During this two-month period, business suffered heavy losses as they were made to bear the operational costs with next to no revenue.

"At the beginning of the lockdown, the CCCI offered several proposals to the government on how to save the various business sectors," Alam said.

These proposals include declaring



Mahbubul Alam

until June.

In regards to how the banking sector could play its part, the CCCI urged the country's lenders to allow loan rescheduling among other facilities.

The government has implemented

most of these proposals, which has helped revive the business sectors that came to a standstill due to the pandemic.

Besides, the stimulus packages worth a combined Tk 100,000 crore, including the Tk 20,000 crore fund

for cottage, micro, small and medium (CMSM) enterprises, announced by the prime minister has helped immensely, he added.

Due to allegations of inefficiency in the disbursement process, more measures should be taken to ensure that businesses from all sectors can easily avail loans from the fund.

The CCCI, in association with Brac Bank and the Bangladesh Centre of Excellence, launched a help desk in August to assist its members in receiving loans under the stimulus package for the CMSM sector.

Alam underscored the need to make micro disbursements, ranging from Tk 2-5 lakh, among the small-scale traders who do not even have TIN certificates or trade licences so that they can continue to play a role in the economy's revival.

He also urged the banking sector to come forward with a positive attitude in this regard.

According to the CCCI president, there is no alternative to enhancing the efficiency of Chattogram port in order to achieve the export target of \$60 billion announced by the prime minister.

The port has already enhanced its capacity but it now badly needs more jetties while the expansion projects need to be expedited due to the increasing business activities of the country.

For example, the construction of a proposed Bay Terminal at the port should be accelerated, Alam said.

If the Bay Terminal is established, the Chattogram port will not require

any further expansion for the next 50 years, he added.

Chattogram is yet to become Bangladesh's biggest business hub despite being home to the country's premier sea port. Decentralisation of power can only help in converting the city into the country's real commercial capital.

"All logistic support related to the port required by business people have to be based in Chattogram," Alam said.

The Dhaka-Chattogram highway should be made into eight lanes while the Dhaka-Chattogram elevated expressway needs to be implemented for better connectivity so that businesspeople can come to and from Dhaka within a day.

The container transport facilities provided by Bangladesh Railway need to be increased as well, he added.

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upcoming winter.

To prevent another surge, cautionary restrictions could be implemented in stages instead of a complete lockdown, Alam added.

Like most parts of the country, businesses in Chattogram are slowly coming back to life as both large-scale industries and small firms have

waivers on different port charges, such as storage rent and even shipping agents and off-dock services.

For industrial units, the chamber suggested that the authorities concerned should provide a one-month waiver on electricity and gas bills and accept delayed payments on utility bills without surcharges

## Second wave may deal a severe blow to garment sector: exporters

REUTERS, Dhaka

Bangladesh garment factory owner Shahidullah Azim laid off 20 per cent of his workers in the wake of the first wave of the coronavirus pandemic. Now watching the second wave build in Europe and the United States, Azim is staring at "an unprecedented crisis".

He's not alone. Bangladesh is the world's second-largest apparel producer after China, but its industry leaders say international retailers are either refraining from placing orders, delaying buying decisions or demanding steep price cuts.

"This is a disaster. We are taking orders just to survive," said Siddiqur Rahman, a garment supplier to international retailers including H&M and GAP Inc.

"We anticipated orders could look up before the Christmas but that didn't happen."

Rahman said customers were demanding price cuts of as much as 15 per cent, making the recovery that much harder.

In the financial year that ended in June, Bangladesh's garment exports totaled \$27.94 billion, down 18 per cent from the previous year.

There was a rebound of less than 1 per cent in the July-September quarter, thanks to a surge in demand for knitwear items,

which account for half of Bangladesh's total garment exports.

But nearly half of factories producing knitwear products like t-shirts and sweaters are finding it difficult to remain open, said

Selim Osman, president of the Bangladesh Knitwear Manufacturers and Exporters Association.

"A second wave could further delay the recovery," Osman said.



**Bangladesh is the world's second-largest apparel producer after China, but its industry leaders say international retailers are either refraining from placing orders, delaying buying decisions or demanding steep price cuts.**

STAR

Low wages have helped Bangladesh build its garment industry, with some 4,000 factories employing 4 million workers. Readymade garments are a mainstay of the economy, contributing almost 16 per cent of country's GDP, according to the central bank.

Factory owner Azim, who supplies European and North American retailers, says he has been forced to cut one-in-five jobs.

"That's the case for most of the factories," he said. "Now the second wave has started. We don't know what future holds for us."

Experts fear Bangladesh might itself face another surge in infections during the winter, having so far confirmed 390,206 cases, including 5,681 deaths.

About a third of the one million workers who were either furloughed or laid off have been rehired since July, according to union leaders.

But many workers are struggling without overtime pay, which often accounts for 20 per cent of their monthly income.

"Without overtime, it is too difficult to meet expenses," said Banesa Begum, a worker in Gazipur, on the outskirts of the capital city Dhaka.

"I just pray that my factory gets more orders so that we can survive."

## Ecneec okays four projects worth Tk 1,668cr

STAR BUSINESS REPORT

The government yesterday gave go-ahead to four projects worth Tk 1,668 crore, including the revised budget of the rural infrastructural development project for Madaripur, Shariatpur and Rajbari.

Of the amount, the national exchequer will provide Tk 1,524 crore and the rest will come from the related organisations.

The approvals came from a virtual meeting of the Executive Committee of the National Economic Council (Ecneec) chaired by Prime Minister and Ecneec Chairperson Sheikh Hasina.

The premier joined the meeting from Gono Bhaban through videoconference while other Ecneec members were connected from the NEC Bhaban.

Some of the schemes which were needed to complete the Madaripur, Shariatpur and Rajbari project were not included in the primary plan, the planning ministry said in its proposal seeking a revision in its budget.

The cost of some bridges, which are needed to be built now, was also not included in the primary plan of the project.

The Ecneec meeting responded positively and increased the project cost by Tk 549 crore to Tk 2,109.17 crore.

The project was taken to build new rural roads for easy transportation in villages, bazaars, healthcare centres and educational institutions and to create short- and long-term jobs for the rural people.

The Ecneec also approved a Tk 566.76 crore project for the development of the Jashore airport, Syedpur airport and Shah Makhdum airport in Rajshahi.

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## City Bank launches instant account opening app

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City Bank has recently launched a mobile app doing away with the need to visit branches and fill in paper documents for opening accounts as part of its push towards an electronic know-your-customer (e-KYC) system.

Bangladesh Bank issued the e-KYC guidelines on January 9 to deepen the country's financial inclusion.

City Bank has enabled real time account opening through its "City Ekhoi App", available for both iOS and Android platforms, says a statement.

Once the app is installed, the account type has to be selected, following which a one-time password (OTP) verification will confirm the customer's cellphone number.

Then images of the front and back of the customer's national identity card will have to be uploaded, which will also be verified. Afterwards the customer will be asked to take a selfie.

Once the customer selects the desired branch, the account will be opened and the bank account number would be sent through SMS for an immediate start of transactions.

"Customers can open accounts from the comfort of their home during the time of the current pandemic and safeguard themselves from the virus," said the bank's Managing Director Mashrur Arefin.

This form of digital banking could ensure the financial inclusion of millions of Bangladeshis, he added.

## Banks still vulnerable to cyberattacks

*Need advanced technology, experts say*

STAR BUSINESS DESK

Banks in Bangladesh need to adopt advanced cyber security systems in line with the regulatory guidelines in order to allay concerns that the country's banking industry dangerously lags behind in this regard, experts said yesterday.

All local lenders as well as Bangladesh Bank need to reinforce their efforts to build a skilled workforce that can deal with modern technologies and deliver appropriate services to protect the banking sector from cyberattacks, they said.

There are hackers that attempt to steal money from personal accounts by using malware and ransomware, they added.

These views were exchanged during a seminar on the 'Security Operations Centre (SOC)', organised by Backdoor Private, a Dhaka-based cyber security firm.

The central bank issued a circular a long time ago, asking all lenders to install the SOC to secure their systems but despite



BACKDOOR

**Experts take part in a seminar on "security operations centre" organised by Backdoor Private Ltd in Dhaka yesterday.**

repeated warnings, the response has been lukewarm, according to Debdulal Roy, executive director of Bangladesh Bank.

"As far as I know, only three banks have installed the SOC but I am not sure if they are being run properly. This situation is very unfortunate," he said.

"We are doing our part but issuing orders is not enough, the banks should come forward to execute these decisions," Roy added.

Tanvir Hassan Zoha, managing director of Backdoor Private, presented the keynote paper, where he explained why the country's banking sector remains vulnerable to hacking from both local and international criminals.

Referring to the recent alert regarding the possible hacking attempt on the country's ATM system, Zoha said that the authorities and investigators should not solely focus on the so-called 'international hackers' since it is equally important to deal with the domestic ones.

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