

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
Week-on-week		As of Friday		Friday Closings				As on Thursday				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	BUY TK	EUR	GBP	CNY	
▼ 1.38%	▼ 1.34%	\$1,877.95	\$37.94	▼ 0.34%	▼ 1.52%	▼ 1.1%	▼ 1.47%	83.95	97.62	108.22	12.32	
4,846.10	8,319.74	(per ounce)	(per barrel)	39,614.07	22,977.13	2,423.84	3,224.53	SELL TK	84.95	101.42	112.02	12.95

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DHAKA SUNDAY NOVEMBER 1, 2020, KARTIK 16, 1427 BS • starbusiness@thedailystar.net

Joint venture to build Tk 2,000cr cancer hospital

The 1,000-bed hospital by Japan's Ship Healthcare and Bangladesh's Aichi Medical may go into operation in 2024

JAGARAN CHAKMA

Japanese firm Ship Healthcare Holdings in partnership with Bangladesh's Aichi Medical Group will set up a 1,000-bed dedicated cancer hospital and research centre in Dhaka at a cost of Tk 2,000 crore. Aichi will provide six bighas of land worth Tk 200 crore in the city's Purbachal area while the rest of the investment will come from the Osaka-based Ship Healthcare.

Japan International Cooperation Agency (Jica) is also a part of the project and will provide technical support to ensure world-class treatment at the hospital named the Japan Cancer Hospital and Research Institute.

"We have already got the design approval from the Rajdhani Unnayan Kartripakkha for construction of the physical infrastructure," said Prof Md Moazzem Hossain, chairman of Aichi Medical Group. This would be the second hospital of the joint venture in Bangladesh.

Ship Healthcare Holdings and Aichi Medical Group earlier set up Japan East West Medical College Hospital in Ashulia for Tk 560 crore under another joint venture supported by Jica.

This was Ship Healthcare's first hospital venture outside Japan.

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KEY POINTS

- Total investment: Tk 2,000cr
- Aichi Medical to provide: Tk 200cr (land price)
- Ship Healthcare and JICA to give: Tk 1,800cr
- Land required: 6 bighas for the 30-storey hospital
- Total beds 1,000 (10% free for poor patients)
- Total employment: 2,500 including doctors, nurses
- Number of Japanese specialists and nurses: 200
- Construction completion target: 2023

The inauguration of the 600-bed multi-speciality hospital has been pushed back by the coronavirus pandemic and it may begin full-fledged operations in January next year.

In June, the hospital opened a coronavirus unit consisting of 200 beds.

The deals for the joint venture were signed in 2016.

"We could have started the construction work of the new hospital in July this year, but it got delayed as Japanese experts went back to their country after the Covid-19 outbreak," Hossain said.

They have started to come back to Bangladesh as the situation is returning to normalcy, he said.

"We now hope to start the construction work in January and complete the physical construction, including setting up of a lab, the effluent treatment plant for medical waste and the intensive care unit in the next 36 months. We believe we can go into operation in early 2024."

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Kamal seeks IFC's support to make Bangla bond vibrant

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal has requested the International Finance Corporation (IFC) to take initiatives to make the Bangla bond vibrant.

He came up with the request on October 29 during a virtual meeting with the top-brass of the private sector lending arm of the World Bank, on the sidelines of the annual meeting of the World Bank Group and International Monetary Fund.

The IFC issued its inaugural bond in Bangladeshi taka, raising Tk 80.7 crore, or about \$9.5 million on November 11 last year. The bond was listed on the London Stock Exchange.

The IFC had earlier expressed a plan to float \$1 billion in Bangla bonds, but the process slowed because of the ongoing coronavirus pandemic.

Kamal went on to express the hope that the IFC would take the required measures to boost the Bangla bond. He also asked the lender to help the country's private sector, which has been hit hard by the Covid-19 fallout.



AHM Mustafa Kamal

"The IFC should reduce the interest rate on its lending to the country's private sector such that businesses can make a turnaround in the quickest possible time," Kamal said in a press release.

The arm of the World Bank will invest the fund, which will be mobilised by issuing Bangla bonds, in the country's private sector.

He sought cooperation from the IFC for the development of fixed-income securities, especially the bond market in Bangladesh. The IFC assured Kamal that it would look into the issues raised by Bangladesh positively, the press release said.

The finance minister thanked the IFC for disbursing \$8 billion among its member countries to fight the economic hardship brought on by the deadly virus.

The government is now working on restructuring the financial sector and interest rate capping, said Abdur Rouf Talukder, finance secretary.

The Financial Institutions Division is working on the Solvency Act, the Bank Company Act and the Asset Management Company Act, which will play an important role in restructuring the financial sector, he said.

Three pharmaceutical companies in Bangladesh are working to enhance their capability such that they can manufacture Covid-19 vaccines locally within six months after they are invented, Talukder said.

"It is not possible to import all the vaccines to be needed for our huge population. We will have to give utmost importance to producing vaccines locally," he said.

Huge investment will be needed to produce the vaccines and the IFC can provide the support to this end, he said.

Stephanie von Friedeburg, chief operating officer of the IFC, Alfonso Garcia Mora, vice-president for Asia and the Pacific of the IFC, and Mohammad Shafiq Alam, an alternate executive director of the WB, also took part in the meeting.

Shift to formal channels, cash incentives fuel remittance growth: WB

REJAUJ KARIM BYRON and MD FAZLUZ RAHMAN

Diversion of remittances from informal to formal channels due to the difficulty of carrying money under travel restrictions amid the coronavirus pandemic, incentives granted to remitters and damages inflicted by the recent floods helped Bangladesh bring the remittance flow back to the positive territory in 2020, according to the World Bank.

"In Bangladesh, the negative impact of the Covid-19-induced global economic slowdown has been somewhat countered by the diversion of remittances from informal to formal channels," the lender said in its Migration and Development Brief on Friday. The shift came about "due to the difficulty of carrying money by hand under travel restrictions as well as the incentives to transfer remittances", it said.

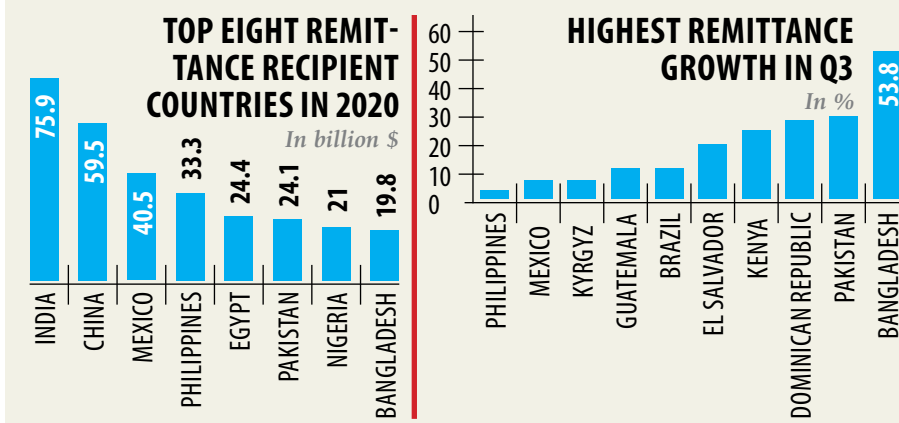
Thanks to the recent surge in remittance flow, Bangladesh would make a massive turnaround if the World Bank's prediction is taken into consideration.

In April this year, the multinational lender had said money sent by the migrant workers to Bangladesh is projected at \$14 billion for 2020, a fall likely of about 22 per cent because of the fallouts of the pandemic.

Asian Development Bank had said Bangladesh would be among the five worst developing Asian economies in terms of remittance inflows.

In a worst-case scenario, Bangladesh's remittance will decline by 27.8 per cent in 2020 from its 2018 level of \$15.5 billion.

Beating forecasts, Bangladesh has received \$1.83 billion in remittance in June, a record \$2.59 billion in July, \$1.96 billion



in August, \$2.15 billion in September and \$1.95 billion as of October 29, shows data from Bangladesh Bank.

Each of the monthly remittance inflow was higher than that of any given month in recent years. The previous highest was \$1.74 billion in May 2019.

The rising flow of remittance led the WB to forecast on Friday that remittance flow to Bangladesh would accelerate by about 8 per cent to \$19.8 billion this year. Bangladesh received \$18.3 billion in 2019.

The "Haj effect" seems to have affected remittance flows to Bangladesh as well in July 2020, the WB said.

"But perhaps a more important reason for a whopping 53.5 per cent year-on-year increase in remittance flows in the third quarter was the damage from the floods that inundated more than one-quarter of the country's landmass, affecting nearly 1 million homes and 4.7 million people."

Other plausible explanations include pent-up remittances after the shutdown in the second quarter and a shift in flows from informal to formal channels.

The WB also credited the 2 per cent cash incentive the government has granted to remitters for sending money through the formal channel for the recent uptick in remittance flow.

The cash incentive, being disbursed since July last year, has encouraged remitters to send money through the formal channels, at a time when the hundi -- an illegal cross boundary financial transaction system -- has stalled pushing the inflow through the banking sector.

SOURCE: WB

READ MORE ON B3

HSBC executes country's first cross-border blockchain LC transaction

STAR BUSINESS DESK

HSBC Bangladesh has executed the first-ever cross-border blockchain letter of credit transaction in Bangladesh, in a development that would reduce LC processing time from the standard 5-10 days to under 24 hours.

The first transaction involved the import of 20,000 tonnes of fuel oil by United Mymensingh Power Ltd from Singapore for its power plant.

This is the first-time a cross-border blockchain transaction has been executed in Bangladesh, the bank said in a statement yesterday.

The transaction was completed under the Contour platform which is built using R3's Corda blockchain technology, connecting a global network of banks, corporates and digital solutions.

A blockchain is a database that is shared across a network of computers. Once a record has been added to the chain it is very difficult to change. To ensure all the copies of the database are the same, the network makes constant checks, according to Reuters.

Blockchains have been used to underpin cyber-currencies like bitcoin but many other possible uses in areas such as banking



and supply chain are emerging.

"This showcases our strong commitment and ability to support cross-border trade by Bangladeshi businesses using cutting-edge technology platforms," said Md Mahbub ur Rahman, chief executive officer of HSBC Bangladesh.

"I believe this will usher in a new era of routing international trade transactions as businesses and governments recognise transparency, security and swiftness in performing tasks using blockchain technology."

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IFC gives Pran another \$25m loan

STAR BUSINESS REPORT

International Finance Corporation (IFC) has provided yet another \$25 million loan to Pran-RFL Group for it to expand one of its concern's capacity to manufacture 'affordable and quality food products'.

The six-year loan with a two-year grace period for fruit and vegetable processor Mymensingh Agro is to 'enhance the company's productiveness' and to 'meet capital expenditure requirements', said Uzma Chowdhury, the group's corporate finance director.

In 2018, the IFC had provided a \$35 million loan to the group for the creation of markets for farmers.

Of it, \$15 million was meant for Pran Agro Business Ltd to expand its food business comprised of fruit juices, biscuits and noodles.

The remaining \$20 million was for Pran Agro Ltd and Natore Agro Ltd.

The IFC Board in March approved \$8 billion in fast-track financing to help companies affected by the outbreak of the novel coronavirus under its pandemic response on reaching the most vulnerable people in developing countries.

Of it, \$4 billion has been committed to date, of which close to half is expected to benefit people in the poorest countries and fragile states.

The remainder is meant for helping to support the fight against Covid-19 across other developing countries and emerging markets.



Creating Markets, Creating Opportunities

"Our goal with IFC's fast-track Covid-19 facility is to provide the needed liquidity for corporate and financial institution clients, which will provide working capital, support jobs and facilitate trade," said World Bank Group President David Malpass.

The IFC has since fully deployed \$2 billion to help financial institutions keep liquidity flowing to businesses that depend on trade, especially micro, small and medium-sized enterprises, a major source of employment.

"The fast-track facility was designed to

provide immediate liquidity to our financial institutions and real sector clients to preserve jobs and prevent short-term damage," said Stephanie von Friedeburg, interim managing director, executive vice president and chief operating officer of IFC.

"By supporting private sector clients and interventions, we are hoping in the longer term to help reignite economic growth, paving the way for a better, more resilient and sustainable future once Covid-19 recedes."

The IFC has committed an additional \$2 billion under the facility, benefiting every region in which it operates.

This financing will be used for a range of purposes, from bolstering healthcare providers to helping the battered tourism sector and keeping viable businesses afloat, thus saving jobs.

Another \$623 million has been mobilised for these clients from private sector partners. Additionally, an IDA Private Sector Window (PSW) provided \$281 million in guarantees supporting trade-finance and working-capital loans to small and medium-size enterprises in eligible countries since March.

The PSW is a tool developed by the World Bank Group to catalyse private-sector investment in the world's poorest countries.

In August, the IFC also launched a \$4-billion Global Health Platform, which is helping developing countries expand access to medical supplies such as masks, ventilators, test kits and eventually a Covid-19 vaccine.