

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.76%	▼ 0.84%	▲ \$1,888.04 (per ounce)	▲ \$42.78 (per barrel)	▲ 0.86%	▼ 0.53%	▼ 0.02%	▼ 0.86%	BUY TK 83.95	88.29	109.78	12.54
4,867.73	8,398.83			43,815.45	25,385.87	2,711.39	3,310.10	SELL TK 84.95	102.09	113.58	13.18

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Industries vexed at no-gas plan outside economic zones

JAGARAN CHAKMA and REFAJET ULLAH MIRDHA

A decision by the energy ministry to stop providing new gas connections to the industries outside economic zones and industrial parks from April next year has drawn the ire of industrialists.

Trade body and business chamber leaders said they did not fully agree with the initiative as such a sudden move will act as a hurdle to industrialisation.

A circular from the Energy and Mineral Resources Division on October 5 said the government would not allow any new gas connections to the industries located outside of economic zones from March 31 next year to bring about industrialisation in a planned way.

"We also want planned industrialisation, but some risks are there," said Shams Mahmud, president of the Dhaka Chamber of Commerce and Industry (DCCI), which mainly works with micro, small and medium enterprises.

He said many entrepreneurs have already purchased land for expansion but could not do so because of the coronavirus pandemic.

"They will be in trouble due to the government decision," he said, suggesting that the government reconsider the decision and take time.

The private economic zones may charge

BSCIC INDUSTRIAL ESTATES	
Industrial estates:	76
Industrial plots:	10,389
Plots allotted (Up to Feb 2020):	10,059
Industrial units allotted (Up to Feb 2020):	5,830
Units under production (Up to Feb 2020):	4,545

abnormal prices for land and other services. So, many entrepreneurs cannot buy land from them. "They will be in big trouble due to the decision," Mahmud said.

A Matin Chowdhury, managing director of Malek Spinning Mills and a former president of the Bangladesh Textile Mills Association (BTMA), welcomes the government decision.

"But this necessitates time as the economic zones are not yet ready, while small entrepreneurs cannot run their units in such specialised areas," he said.

The government should provide a lot of facilities to the small units so that they can shift there to grow more, said Chowdhury.

"The government's decision on planned industrialisation is vital. I am also in favour of the move," said BTMA President Mohammad Ali Khokon.

However, the investment



COLLECTED
The bird's-eye view of Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram.

GOVT ECONOMIC ZONES	GAS CONNECTION	STATUS
Bangabandhu Sheikh Mujib Shilpa Nagar, Chattogram	Available	Partly ready
Shreehatta Economic Zone, Moulvibazar	Available	Almost ready
Mongla Economic Zone	No gas, power available	Under construction
Jamalpur Economic Zone	Available	Under construction
Moheshkhali Economic Zone, Cox's Bazar	Power available, other utility connection will be given shortly	Construction work started recently

will be affected as economic zones are not ready to set up industrial plants, he said.

The energy and mineral resources division issued the circular citing an instruction of the prime minister at a meeting of the governing body of the Bangabandhu Sheikh Mujib Shilpa Nagar on October 20, 2019.

The directive said, "In order to discourage unplanned industrialisation, all utility

services, including power and gas connection will have to be stopped in phases except for that inside the economic zones."

The directive does not apply to the economic zones under the Bangladesh Economic Zones Authority (Beza), and the industrial sites under the Bangladesh Small and Cottage Industries Corporation (BSCIC).

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Govt caps MFS's cash-out charge for safety net funds

AKM ZAMIR UDDIN

The government decision to distribute the fund under its social safety net programme through mobile financial services will ensure transparency and bring more unbanked people under the formal financial system, according to industry people.

As part of its move to release the fund smoothly through the mobile financial service (MFS) providers, the government has fixed Tk 7 as the cash-out charge per Tk 1,000 withdrawal for the funds to be disbursed under the social protection programmes, according to a finance ministry circular on Thursday.

Top MFS providers have welcomed the move, saying the initiative will widen the digital financial inclusion to a large extent.

The appropriate beneficiaries under the social safety net programmes will be able to manage their desired funds without any hassle, they said.

The government would bear the uniform cash-out charges for disbursing the funds through the MFS providers.

All ministries and divisions would follow the rate while disbursing the funds, the circular said.

The government disburses cash support in the form of allowances, honorarium, scholarships and stipends. Besides, other programmes also provide cash support.

Currently, Bangladesh runs more than 125 social protection programmes through 20 ministries and divisions.

The government has allocated Tk 95,570 crore for social protection purposes in the current fiscal year, which is 16.83 per cent of the entire budget and 3.01 per cent of the GDP.

Bangladesh on track to becoming a \$6b pharma market by 2025

Says Irish market research firm

JAGARAN CHAKMA

The pharmaceutical market of Bangladesh is expected to surpass \$6 billion by 2025 with an absolute growth of 114 per cent from its 2019 levels, according to a report from a Dublin-based market insight and analysis firm, Research and Markets.

"The pharmaceutical market has been witnessing excellent growth in recent years, and it is expected to have a compound annual growth rate of more than 12 per cent during the 2019-2025 period," said the report titled "Bangladesh Pharmaceutical Market Future Opportunity Outlook 2025".

According to the report, biotech pioneers of Bangladesh's pharmaceutical industry are considered as a valuable tool for the overall improvement and efficacy of the market.

A majority of the growth will be contributed by local companies with a market share of more than 90 per cent as similar to past trends attained over the last two decades, the report said.

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KEY POINTS

- \$3b worth local pharma market to surpass \$6b by 2025
- 200 local pharma companies occupy 90pc market
- Major players: Square, Eskayef, Incepta, Beximco, Beacon, ACI, Opsonin, and Renata
- Share of generics drugs 75pc
- Bangladesh exports pharma products worth \$130m a year and it may hit \$450m by 2025
- Products are exported to 144 countries

Listed apparel makers bleed for pandemic-induced demand collapse

AHSAN HABIB

The profits of most of the listed apparel companies tumbled in the July-September quarter due to the collapse in demand abroad amid the coronavirus pandemic.

Among the 56 textile and garment companies listed on the Dhaka Stock Exchange (DSE), 39 companies published their first quarterly financial reports. Of them, 15 posted profits that were lower than in the same period a year ago.

Nine companies returned to red after making profits in the same period last year. Five companies extended their struggle to return to profits.

"The apparel industry witnessed lower earnings due to a drop in sales in our export destinations amid the pandemic," said Anwar-Ul-Alam Chowdhury, chairman of Evince Textile.

"At the height of the pandemic, our export orders had been cancelled, hold, or revised," he said.

He said the woven sector received the major blow as people did not go to offices or have been working from home and limited attending social gatherings and parties. So, the demand for formal shirts and apparel products has dropped.

In the July-September quarter, the export earnings of the woven sector declined by 5.78 per cent year-on-year to \$3.88 billion, data from the Export Promotion Bureau showed.

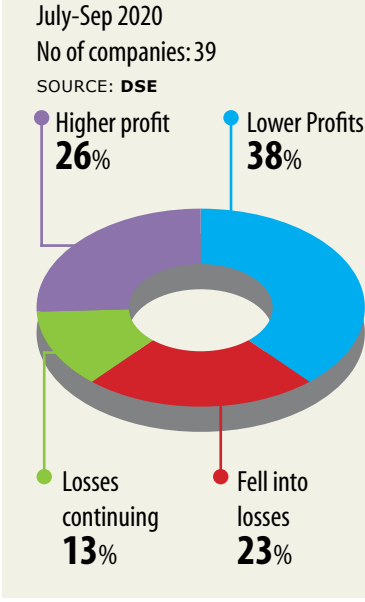
Of the total earnings from the garment sector, \$4.46 billion came from knitwear shipment, which rose 7.04 per cent.

"The overall situation will not improve until the pandemic goes," said Chowdhury, also a former president of the Bangladesh Garment Manufacturer and Exporters Association.

Evince Textile's earnings per share stood at Tk 0.32 in the negative in the first quarter. It was Tk 0.19 in the same period last year.

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PROFITABILITY STATUS OF LISTED APPAREL COMPANIES



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