

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
0.48%	0.39%	\$1,866.66	\$45.68	44,077.15	Closed	1.27%	1.09%	83.95	98.61	110.86	12.61	
4,817.70	8,317.36	(per ounce)	(per barrel)			2,848.78	3,414.49	BUY TK	84.95	102.41	114.66	13.26

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# Star BUSINESS

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## Breather for small borrowers

BB cuts interest rate of refinance scheme

AKM ZAMIR UDDIN

Bangladesh Bank yesterday cut the interest rate of a refinance scheme for the CMSME sector, which is one of the worst-affected sectors during the coronavirus pandemic, allowing borrowers to get term loans at 6 per cent instead of 9 per cent.

The new rate is the lowest among all lending rates charged by banks for term loans.

Cottage, micro, small and medium enterprises (CMSMEs) can now get more than Tk 1,000 crore at the lower interest rate, a Bangladesh Bank official said.

The central bank took the initiative to strengthen the sector's business capabilities amid the economic hardship caused by the ongoing coronavirus pandemic, according to a central bank notice.

CMSME clients that reside outside of the Dhaka and Chattogram city corporations will be eligible to enjoy the lending facility from the project.

In addition, the manufacturing sector and women entrepreneurs will be given priorities to get funds from the scheme.

Clients are allowed to take working capital or term loans from the refinance scheme. The maximum repayment tenure of a working capital loan is one year while it is more than one year for term loans.

**POINTS TO NOTE**

- ▶ Clients to be allowed to avail loans at **6pc**
- ▶ The rate is the lowest among all term loan products
- ▶ **Tk 1,000cr** to be disbursed
- ▶ Maximum repayment tenure is **5 years**
- ▶ **BB to provide fund under refinance scheme**
- ▶ Clients of outside Dhaka and Chattogram cities to be eligible
- ▶ Loans to be disbursed through **33 lenders**
- ▶ Contribution of SMEs to the GDP is **20.25pc**
- ▶ CMSMEs account for **35.49pc** of total employment

The central bank rolled out the refinance scheme titled, 'Second Small and Medium-Sized Enterprise Development Project', in 2017 with financial support from the government and the Asian Development Bank.

The ADB provided \$200 million, and the government chipped in with \$40 million to form the project aimed at making the rural economy vibrant.

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## Payra deep seaport to see more delays as infrastructure development takes time

SOHRAB HOSSAIN and REJAUl KARIM BYRON

The government's efforts to fast-track the construction of Payra deep-sea port in Patuakhali has received a blow as the primary infrastructure development project is set to be delayed by two years while the cost will go up by Tk 1,024 crore.

The cost of the seaport project in Patuakhali many increase by 23 per cent from the last estimate of Tk 3,350 crore to meet the additional expenses on land acquisition, among others.

The planning ministry will place the second revised proposal at the meeting of the executive committee of the National Economic Council (Ecne) today.

The project, which aims at making the port operational on a limited scale by developing infrastructure and facilities, is being implemented by an agency under the shipping ministry.

The project was undertaken in 2015 with an estimated cost of Tk 1,128 crore. The expenditure went up to Tk 3,350 crore in the first revision.

The project implementing agency now wants to extend the deadline to 2022. As of this February, only Tk 2,145 crore had been spent.

A source in the planning ministry said the compensation for the land went up by three times as per the Land Acquisition Act, 2017. So, the value of land has shot up to Tk 2,338 crore, from Tk 1,116 crore from the previous estimate.

The increase in the period of training for the people affected



A lighter vessel is seen waiting for loading of goods at Payra seaport in Patuakhali.

by the land acquisition, the delay in rehabilitation works and the transfer of land were among other reasons.

According to Mohiuddin Ahmed Khan, director for administration at Payra Port Authority, only 3,000 acres of land have been acquired so far out of the planned 6,000 acres. "The rest will be acquired soon," he said.

Prime Minister Sheikh Hasina opened the country's third sea-port in 2013 to reduce the pressure on

the Chattogram and Mongla ports. But the project saw little progress despite having been included in the government's fast-track projects.

As the government prioritised the construction of a deep-sea port in Payra, it moved to prepare the master plan and design the Payra deep-sea port by engaging the Bangladesh University of Engineering and Technology (Buet).

Buet is working as a consultant under which its experts will prepare

the master plan and design, said a Payra Port Authority letter to Buet on Monday. The masterplan has not been completed.

Under the consultancy job, Buet will also estimate the costs of all the 19 components of the project.

Of the components, 13 will be implemented under foreign direct investment and the rest under the government-to-government deals with an estimated cost between \$11 billion and \$15 billion.

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## BB appoints observer to One Bank

STAR BUSINESS REPORT

Bangladesh Bank has appointed an observer to One Bank, prompted by its overall "financial and management related state of affairs".

Observers are tasked with sitting at and taking note of board meetings and reporting back to the central bank.

The appointment of Md Shazzad Hossain, general manager of the Department of Banking Inspection-1 of the central bank, came on Sunday.

The central bank usually takes such decisions when financial indicators of a lender start to worsen.

But when it came to appointing the observer at One Bank, the banking watchdog has given more priority to the behaviours of members of the board of directors rather than the lender's financial indicators, said a central bank official preferring not to be named.

In addition, some financial indicators of the bank have also deteriorated in recent times, he said.

Md Serajul Islam, a spokesperson and executive director of the central bank, said the initiative had been taken considering the overall situation of the bank.

He declined to comment about the indicators that worsened.

In July this year, the central bank removed HRC Group Chairman Sayeed Hossain Chowdhury from the post of the chairman of One Bank due to his failure to pay back loans on time.

As per the central bank decision, Chowdhury will not be able to remain as a director of the bank for the next three years.

Non-performing loans at One Bank stood at Tk 1,954 crore as of June this year, which is 9.63 per cent of its outstanding loans, according to data from the central bank.

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## Bangladesh: a tough place to be a woman entrepreneur

Bottom-ranked in Mastercard Index of Women Entrepreneurs

STAR BUSINESS REPORT

Bangladesh has bottom-ranked among 58 economies in the Mastercard Index of Women Entrepreneurs for 2020, meaning the country is among the toughest places for female business owners.

Although the country slipped one notch from last year's 57th, its overall score improved to 36.4 out of 100 from 35.4 a year ago.

Economies such as Tunisia, Saudi Arabia, and Turkey have weaker scores of 40 to 50. Bangladesh, Algeria, and Egypt have also exceptionally low scores of 30 to 40 points, said the report, which was released yesterday.

"In these economies, women continue to be held back by deeply rooted socio-cultural as well as economic and financial constraints such as lack of work opportunities, government support, and access to funding and capital."

The index provides an analysis of how women in business are progressing globally, highlighting the socioeconomic factors propelling and inhibiting their success, and providing a performance ranking for the 58 economies measured.



Drawing on data sources from leading academic institutions, including International Labour Organisation, the World Bank, the Unesco, the World Economic Forum, the Inter-Parliamentary Union and the OECD, the index assesses the working environments of the economies, representing almost 80 per cent of the world's female labour force.

The ranking is based on an analysis across 12 indicators and 25 sub-indicators spanning advancement outcomes, knowledge assets and

financial access, and supporting entrepreneurial conditions, according to a press release from Mastercard, a global technology company in the payments industry.

The index ranked two countries from South Asia: India and Bangladesh. India advanced three notches to 49th with a score of 50.99 points.

Bangladesh ranked 57th among the economies in the Women's Advancement Outcomes component, just ahead of Algeria.

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## Sign FTAs with Asean, boost export, investment

DIPLOMATIC CORRESPONDENT

Economists and business leaders have suggested that Bangladesh sign free trade agreements with Asean member states for boosting exports to the bloc, and ease investment regulations to draw foreign investments.

They also recommended rigorous efforts to diversify its products and their marketing overseas as the country will face stiff competition after making its status graduation into a developing country by 2027 when the European market will withdraw its tariff concession.

The observations came at a webinar on "Expanding Bangladesh's Business Ties with the ASEAN Countries" organised by the Ministry of Foreign Affairs on Sunday. Economists, Bangladesh's ambassadors to the ASEAN countries and business leaders attended it.

In a presentation, Selim Raihan, a professor in economics, said in 2019, Bangladesh had export earnings as meagre as \$846 million from Asean states against an import bill of roughly \$9 billion.

He said Bangladesh could gain significantly by integrating into Asean markets. "It is high time to look into Southeast Asia."

Prof Raihan said the signing of the Regional Comprehensive Economic Partnership (RCEP) made up of 10 Southeast Asian countries, as well as

South Korea, China, Japan, Australia and New Zealand, means that intra-regional trade and investment would be boosted significantly in the region.

As Bangladesh is not part of the free trading bloc, there are risks of reduction in exports to Asean countries and of the rich countries of the bloc limiting investments to the regional countries, he said.

"Therefore, Bangladesh needs to be proactive in signing FTAs with Asean, improve our infrastructure, ease investment regulations and remove bureaucratic red tape," Selim Raihan said.

BGMEA President Rubana Huq said by 2030, Asean as a bloc would be the 4th largest economy in the world and to enter that market Bangladesh should negotiate signing an FTA with a Rules of Origin clause favourable to the Asean states.

She said the BGMEA itself has identified eight sectors for diversification of products and recommends forming an export diversification council as the country till date has been heavily dependent on the apparel sector for export earnings.

Metropolitan Chamber of Commerce and Industry President Nihad Kabir advocated for a pro-active and comprehensive trade policy, taking lessons from Bangladesh's competitors that are doing better in terms of drawing foreign investments and boosting exports.

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## Govt to take Tk 101cr project promoting better fodder

REJAUl KARIM BYRON and SOHEL PARVEZ

The government is likely to approve a Tk 101 crore scheme today to promote cultivation of improved varieties of grass among dairy and beef cattle farmers to boost yields and reduce their high dependence on concentrate feed.

"We have a huge shortage of green fodder compared with the requirement to animal rearing for milk and meat production," said Nanda Dulal Tikader, upazila livestock officer at the Livestock Economics Section at the Department of Livestock (DLS).

"The current production of high-yielding varieties of fodder is very low," he reasoned for the project being taken up.

Animal farming is gaining popularity as a section of people are signing up to produce milk and meat to cater to the domestic requirement.

Over the past decade, the number of animals rose: from 5.16 crore in fiscal

2010-11 to 5.60 crore in fiscal 2019-20 – alongside production of milk and meat.

Milk production grew fourfold to 1 crore tonnes in FY20, showed DLS data.

Yet, Bangladesh has to import a good amount of milk and dairy products. The country spent Tk 2,900 crore in FY20 to buy milk and dairy products from abroad, up 4 per cent from a year ago, showed data from the Bangladesh Bank.

Tikader said farmers have to depend highly on concentrate feed owing to inadequate production of green fodder. Such a dependence on concentrate keeps production cost of milk and meat high, he said.

Green fodder production is a must for cattle farming and high yielding and protein-rich fodder will be instrumental in reducing cost and improving yield, he said, adding that green fodder would help with vitamin supplementation of cows.

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(ইনালিল্লাহি ওয়া ইন্না ইলাইহি রাজিউন)

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