



Khwaja Shahriar, CEO of LankaBangla Finance, and Mohammad Aminul Haque, CEO (acting) of Nagad, exchange documents after signing a deal at a hotel in Dhaka recently. The LankaBangla's customers can now pay credit card bills and loan installment and make monthly deposits through the mobile financial service provider's app.

Berger gets certification for powder coating products

STAR BUSINESS DESK

Berger Paints Bangladesh has recently obtained an RoHS certification from a testing service provider based in the UK stating that its powder coating products are free from hazardous heavy metals.

The Restriction of the Use of certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) is a product level compliance based on a European Union directive.

Products compliant with this directive do not exceed allowable amounts of restricted materials. There are third party testing services available to analyse an organisation's products for levels of restricted materials.

Berger offers two powder coating

solutions, SupraKoat (premium) and SmartKoat (mid-tier), for home appliances, electrical equipment, fans, furniture, auto components, gas cylinders, hardware tools etc, according to a press release.

All of Berger's powder coating products are RoHS certified and environmentally friendly, thus safe for consumers and users of the products at industrial facilities, the statement added.

"We are always meticulous to make all Berger products free from hazardous materials," said AKM Sadeque Nawaj, general manager for the paint maker's marketing.

"As a testimonial of our commitment to health and safety, we have obtained the RoHS certification for powder coatings," he said.

With end of crisis programs, Fed faces tricky post-pandemic transition

REUTERS, Washington

The possible arrival of a coronavirus vaccine in the coming weeks means the Federal Reserve may soon have to lay out its plans for helping the economy navigate the potentially choppy transition to a post-pandemic world.

At issue for the US central bank is how to manage the switch from crisis policies meant to keep everyone afloat to a changed economy where firms and families may struggle to adapt and a new run of business failures may be unavoidable.

Two recent developments have accelerated the onset of that next stage of the Fed's debate: US Treasury Secretary Steven Mnuchin's surprise decision last week to end several of the central bank's emergency programs at the end of next month and recent progress toward a coronavirus vaccine. The changing landscape may prompt Fed policymakers at their Dec. 15-16 meeting to describe in more detail their plans for the coming months.

It likely means firmer promises about the pace and type of government bond purchases, or quantitative easing, that the Fed will use to keep borrowing costs low, analysts said. That would serve as some substitute for the more targeted emergency programs that are lapsing next month, and also prepare the ground for the arrival of a vaccine, a development likely to push market interest rates higher as confidence returns and the

outlook improves.

Even on its own, Mnuchin's decision to let several Fed emergency programs expire next month "will tighten financial conditions ... at the wrong moment," said Krishna Guha, vice president of Evercore ISI. "One side-effect is that it increases the likelihood that the (Federal Open Market Committee) will strengthen QE in December," he said, referring to the Fed's policy-setting committee.

Options on that front include changing the mix of government bonds that the Fed buys each month, increasing the current \$120 billion in bonds being purchased, or both.

With the looming end of the crisis programs, purchases of government bonds are now the main lever the Fed can pull to change credit conditions. The purchases are thought to hold down broader borrowing costs through a number of channels, encouraging families and businesses to finance large purchases like homes and cars, and supporting stock and other asset prices influenced by interest rates on government bonds.

The emergency programs were more tailored, designed for example to ensure corporations could sell private bonds to raise money at reasonable rates, that cities and states had operating cash, and even allowing small businesses to get loans financed mostly by the Fed.

They were not meant to be permanent. But Fed officials also were

not ready to pull the plug just yet on programs that consumed extensive amounts of staff time to create, and were envisioned as part of a financial bridge to the day when the health crisis was resolved.

It hasn't been yet. Vaccine deployment may take months, and as it stands states are again imposing restrictions on business to fight a record resurgence of infections and a spike in deaths. More than 255,000 people have died from COVID-19 in the United States.

But the eventual return to "normal" will likely involve its own reckoning after months of rolling lockdowns, widespread public fear, and a reshaping of how people shop, work, and live.

Firms nursed through the crisis by federal government grants or cheap Fed credit may find their businesses don't bounce back to normal even as vaccinations make a full reopening of the economy safe. Many will be left with record levels of corporate debt that may become hard to service.

For individuals and households, those involved in lagging industries or less-in-demand occupations may need extended periods of time to retrain and find a new foothold.

The Fed, which cut interest rates this year to help bolster the economy, has already pledged to keep rates low and financial conditions loose until workers find their way back to jobs and the country reaches "maximum employment."

Sign FTAs with Asean, boost export, investment

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She said Bangladesh should appoint trade representatives overseas to promote trade and woo foreign investments.

When there are talks of signing FTAs, the National Board of Revenue says it reduces revenue, she said, added that signing FTAs would actually help boost domestic revenue in the long run.

"We need targeted and coordinated action, not scattered ones," Nihad Kabir said.

According to official data, readymade garments are still the major export item to the Asean market, and that can still be increased.

The second position is held by pharmaceutical products, and export of these drugs can be boosted significantly if the drug companies are allowed to set up offices in the destination countries.

Bangladesh Ambassador to Vietnam Samina Naz said the presence of highly skilled labour and government policy support are the major factors behind Vietnam going ahead of Bangladesh in terms of export as well as wooing foreign investments.

However, Vietnam could be a good market for Bangladesh's pharmaceutical products, she said.

Foreign Secretary Masud Bin Momen, who chaired the webinar, said in order for Bangladesh to attain its goal of reaching an export figure of \$60 billion by the turn of the year, the performance on the South East Asian front has to be much better.

He asked all the high commissioners and ambassadors to find ways and means to boost export to Asean states and send reports to the ministry.

Additional Secretary (East) to the foreign ministry Mashfee Binte Shams suggested that the missions in the Asean countries forge strategic partnerships with prominent trade bodies and chambers in the host country to organise single country or product fairs.

AstraZeneca will have enough Covid-19 vaccine for 200 million doses this year

REUTERS, London

AstraZeneca will have enough of its candidate vaccine for 200 million doses by the end of 2020, with drug substance for 700 million doses by the end of the first quarter of 2021 globally, operations executive Pam Cheng said on Monday.

Cheng told a briefing that the company would keep the "active" drug substance in stock while it awaited regulatory approval around the world.

She said there would be enough vaccine for 20 million doses in Britain by the end of the year, with enough "active" drug substance for 70 million doses for the UK by the end of Q1 2021. She said she expected that to translate into 4 million finished vaccine doses by the end of 2020, and 40 million finished doses by the end of Q1 next year.

Those calculations were based on using two full doses, she said, although trial data suggests higher efficacy when the initial shot is a half dose.

"If we go with a half dose you can imagine for the initial dose, we will be able to double the number of vaccinations here," she said. She said the figures referred to the vaccine doses being manufactured by AstraZeneca, and not those being made by manufacturing partners.

BB appoints observer to One Bank

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Defaulted loans amounted to Tk 1,835 crore as of June last year. Net profit, however, increased to Tk 95.91 crore in the first half of this year in contrast to Tk 41.79 crore one year ago.

The bank had 31 loss-making branches in June this year. It was 21 a year earlier.

Breather for small borrowers

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The project has created a room for loan disbursements to the tune of Tk 2,000 crore.

As many as 21 banks and 12 non-banking financial institutions have signed a participation agreement with the Bangladesh Bank to disburse the fund to clients.

Lenders can manage funds from the central bank at two per cent interest rate. They can disburse the fund at a maximum rate of 6 per cent. This means they will enjoy four per cent interest by providing funds to clients.

As of this October, the central bank disbursed Tk 1,000 crore to 3,300 clients under the refinance scheme.

Bangladesh Bank will give priority to women entrepreneurs and the manufacturing sector when making disbursements from the fund, said

AKM Fazlur Rahman, project director of the refinance scheme.

"This will give a boost to the entire economy as well," added Rahman, also the executive director of the central bank. Lenders are usually obliged to disburse SME loans at an interest rate of 9 per cent as instructed by the central bank.

The latest rate cut for the refinance scheme will provide breathing space to the rural businesses in their fight against the economic slowdown, another central bank official said.

Under the refinance scheme, clients are permitted to avail a maximum of Tk 3 crore with a maximum repayment tenure of 5 years.

The BB also introduced a Tk 20,000 crore stimulus package for the CMSME sector in April to help small borrowers tackle the Covid-19 fallout.

As per the guidelines of the stimulus package, CMSMEs can take working capital at 9 per cent interest. Of this interest, 4 per cent will be borne by the borrowers and 5 per cent by the government.

As of November, lenders disbursed 35 per cent of the stimulus package.

Clients are permitted to receive 50 per cent of their outstanding loans for previous investments in the manufacturing or service sectors. It is 30 per cent for trading activities.

There is no ceiling for loans availed from the refinance scheme.

"The central bank's initiative will give a big boost to the country's CMSME sector," said Syed Abdul Momen, head of SME at Brac Bank.

"The rural economy will gain a momentum due to this rate cut as well," he added.



AHM Khairuzzaman Liton, mayor of Rajshahi City Corporation; Emranul Huq, CEO of Dhaka Bank, and Md Sultan Masud Ahmed, an executive director of Bangladesh Bank, attend an event where the bank disbursed loans to "Rajshahi Furniture Cluster" in the city on Sunday. Dhaka Bank's Rajshahi branch disbursed loans of around Tk 1 crore among 22 furniture manufacturers affected by the Covid-19 fallouts.

Bangladesh: a tough place to be a woman entrepreneur

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The component is a proxy of women's progress and degree of marginalisation economically and professionally as business leaders, professionals, entrepreneurs and labour force participant.

The report said across regions, women's representation in the business and economic landscape remains low compared to men, especially in terms of business leadership.

This persistent discrepancy is most acute in Japan, South Korea, India, Bangladesh, Saudi Arabia, Algeria, Egypt, Tunisia, Malawi, and Turkey where there are only around 6 to 15 females business leaders for every 100 leaders.

In economies such as Saudi Arabia, Egypt, India and Bangladesh, women's progress as skilled professionals and participation in the labour force tends to trail that of global peers. Here, female professionals make up only around 30 per cent of all professions, while the female to male ratio in the workforce is discouragingly low at about 3 to 10.

Bangladesh secured the last position in the component B: Knowledge Assets & Financial Access, which is a measure of women's progress and the degree of marginalisation they face commercially as financial customers and academically in terms of access to tertiary education enrolment.

It gauges women's inclination to borrow or save for business purposes, and how much support is rendered for SMEs in terms of availability of government support and underlying infrastructure.

Bangladesh was placed at the 55th position in the Component C, which is a measure of entrepreneurial conditions as enablers or constraints of female ability to progress and thrive as business owners. It also measures the socio-cultural conditions in each region as a

driver or inhibitor of female entrepreneurship. Bangladesh is ahead of only Ethiopia, Angola and Iran in the component.

This year's MIWE results point to slow progress in women business leadership, especially in the Middle East and Africa region. In Japan, South Korea, Turkey, Iran, Tunisia, India and Bangladesh, women account for between 10 per cent and 20 per cent of total business leaders.

In Angola, Ghana, Nigeria, Malawi, India and Bangladesh, there are markedly fewer opportunities for women to progress professionally, as skilled workers, and assume business leadership positions compared to their peers in other regions. They are also more constrained by the lack of developed physical infrastructure and government programs to support their business undertakings, the report said.

The women business owners (female owners as a percentage of total business owners) is the benchmark indicator of the MIWE.

At 4.5 per cent, Bangladesh has one of the lowest women business owners as a percentage of total business owners, only ahead of Egypt and Saudi Arabia out of 58 economies.

One positive takeaway from the report for Bangladesh is only 20 per cent women-headed and 40 per cent men-headed businesses are involved in the highly impacted sectors because of the pandemic. The ratio is the lowest among the women-headed businesses among the economies covered.

Women across the world have been disproportionately impacted by the Covid-19 pandemic - a staggering 87 per cent of women business owners say they have been adversely affected, the report said.

The MIWE 2020's top-performing economy is a prime example of gender-specific support mechanisms having swift and significant results,

the report said.

For the first time, Israel tops the MIWE as the best economy for women entrepreneurs worldwide, advancing from 4th place in 2019.

New Zealand, Australia, Thailand, Chinese Taipei, Hong Kong SAR, Philippines and Indonesia make the list of the top 20 economies globally offering the most supportive entrepreneurial conditions for women.

"What the findings make clear is that regardless of an economy's wealth, level of development, size, and geographic location, gender inequalities continue to persist - even pre-pandemic," said Julienne Loh, executive vice-president for enterprise partnerships of Mastercard Asia Pacific, in a statement.

What the Covid-19 did is that it exacerbated an already problematic situation. It disproportionately disrupted women's lives and livelihoods to a greater extent than men due to a few pre-existing factors: the jobs and sectors women tend to work in, childcare and domestic responsibilities and the pre-existing gender disparity in business.

"Yet, through the pandemic, we've seen women's strength and endurance in the face of adversity. If anything, this year has illuminated how vast women's potential really is."

But this moment in time is fragile unless governments, financial services and business organisations come together to do three things: offer systemic support and programmes to enable women to survive and thrive in this new normal, equip them with skills to navigate the digital world and nurture an equitable, accessible financial services system that supports women's work and entrepreneurship.

"These are not easy to deliver, but investments like these can yield priceless dividends for not only women but society as a whole," Loh said.

Govt to take Tk 101cr project promoting better fodder

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A crossbreed animal requires 20-25 kilogrammes of green fodder daily, said Tikader, adding that the use of green fodder in place of concentrate feed would reduce milk and meat production cost of farmers by 20 per cent.

Currently, Napier grass is mainly cultivated in the country. Another Pakchong variety of grass is also being promoted among farmers for cultivation, according to the official.

Under the Tk 101 crore project, the DLS wants to establish a germplasm nursery for the collection of genetic resources at the

Central Cattle Breeding and Dairy Farm, Savar, Dhaka.

It also plans to prepare 8,970 plots demonstrating cultivation of high-yielding varieties of grass for farmers.

The DLS aims to transfer technology of making silage and hay to enable nearly 18,000 farmers to preserve green grass in a scientific manner.

The DLS also plans to distribute protein-rich seeds of grass under the project, which is expected to be placed at an Executive Committee of National Economic Council meeting today. The DLS targets to implement the project by March 2024.

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

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The Payra port venture has drawn investment and development proposals from China, the UK, Belgium, the Netherlands, Denmark and India.

According to a techno-feasibility study prepared by British firm HR Wallingford & Consortium, Payra port will require around 7,000 acres of land. Of the land, 6,000 acres will be used for port development, 500 acres for coal terminal and the rest for resettlement of the people affected by the construction of the port.

Another project -- the construction of the first terminal and related infrastructure

of the Payra Sea Port -- is facing a similar problem.

The project was undertaken in October 2018 and was due to be completed by September 2021 at the cost of Tk 3,982 crore. Tk 23 crore has for far been spent with little progress.

As the government took up a mega plan about the port and the region, a 1,320-megawatt coal-fired power plant in Payra began test production in January, making it the first large-scale electricity unit to come into operation since the Awami League swept to power a decade ago.