

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 2.41%	▲ 2.35%	\$1,839.03 (per ounce)	\$49.97 (per barrel)	▲ 0.30%	▼ 0.39%	▼ 0.12%	▼ 0.77%	BUY TK 83.95	100.50	111.31	12.67
5,094.66	8,789.83			46,099.01	26,652.52	2,821.70	3,347.19	SELL TK 84.95	104.30	115.11	13.32



Star BUSINESS

DHAKA SUNDAY DECEMBER 13, 2020, AGRAHAYAN 28, 1427 BS • starbusiness@thedailystar.net

Govt plans fresh apparel stimulus

STAR BUSINESS REPORT

The garment sector is on way to receive a second round of stimulus, with government plans reasoning that it has been severely affected by the second wave of the coronavirus pandemic.

"If the situation worsens further, the government is ready to give (it)," said Commerce Minister Tipu Munshi at a virtual event of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday.

He, however, made no mention of the exact amount and repayment period.

"The government is open-minded. We are seeking suggestions from different quarters about launching the second stimulus package. The BGMEA has already sent me a letter seeking such a fund again," he said.

Moreover, the payback period of the first stimulus package, delivered in the form of low-cost loans, might also be extended, said Munshi.

The BGMEA has demanded that the present six-month moratorium period be extended to one year and the loan repayment period to five years from one year, he said.

"We have to help the trade to survive," the minister said, adding that the government targets to export \$48 billion-worth merchandise and services in the current fiscal year.

The first stimulus package, provided

"The government is open-minded. We are seeking suggestions from different quarters about launching the second stimulus package," says Commerce Minister Tipu Munshi

through banks between April and August, allotted Tk 10,500 crore for the export-oriented garment sector to pay workers' wages and allowances.

The garment manufacturers and exporters are paying only a 2 per cent service charge for the interest-free loan.

Another Tk 33,000 crore was disbursed for large-scale industries and Tk 20,000 crore for cottage, micro, small and medium-scale industries.

The Prime Minister Sheikh Hasina-led administration has also set aside Tk 12,750 crore from Bangladesh Bank's Export Development Fund to give low-cost loans to the export-oriented sectors.

"We will sit in discussion soon about the (second) stimulus package issue. Definitely we will consider it if we get suggestions from you," said Cabinet Secretary Khandker Anwarul Islam.

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BANGABANDHU SHILPA NAGAR Two Chinese firms to invest \$28.69m

JAGARAN CHAKMA

Two Chinese companies are set to invest around Tk 244 crore, equivalent to \$28.69 million, in Bangladesh for establishing manufacturing units for non-woven personal protective equipment (PPE), steel structural items and ready-mix concrete.

The duo will sign an agreement with Bangladesh Economic Zones Authority (Beza) tomorrow to take lease of land to set up the factories at Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN).

Beza Executive Chairman Paban Chowdhury termed the investment a "really encouraging" development during a pandemic and more so for its offer of import substitutes.

This exemplifies foreign investors' confidence built up through Beza's performance and government initiatives to create a business friendly environment, he said.

Chowdhury expects to hand over the land within six months for the factory construction to begin.

Some 10 acres will be availed by CCECC Bangladesh, a subsidiary of China Civil Engineering Construction Corporation (CCECC).

It will invest \$15.97 million, equivalent to Tk 136 crore, and employ around 350 people in producing the construction items as "Mirsarai Fabrication".

INVESTMENT PROPOSALS AT A GLANCE

Investors	CCECC Bangladesh Ltd (China)	JieHong Medical Products (BD)
Economic zone	BSMSN	BSMSN
Size of plot (acres)	10	8
Payment method	One time (upfront)	One time (upfront)
Proposed investment (million \$)	15.97	12.72
Jobs to be created	350	1,500

SOURCES: BEZA
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Bangladesh an inspiration to South Asian peers

Says Nepalese billionaire Binod Chaudhary at DHL-Star Business Awards ceremony

STAR BUSINESS REPORT

Bangladesh's incredible economic rise over the years has become a source of inspiration for other south Asian nations as the country has already shown its resilience even amid the ongoing Covid-19 pandemic, a time when the global economy is struggling to survive, said Binod Chaudhary, founder of CG Corp Global.

Despite all the bureaucratic and political challenges in South Asia,



Binod Chaudhary



Bangladesh has had a stunning economic journey.

The International Monetary Fund (IMF) had even projected that Bangladesh would witness economic growth of 3.8 per cent, the highest among its south Asian peers, during the pandemic time, said Chaudhary, who says that Bangladesh is like a home away from home for him.

Over the last 30 years, Chaudhary has

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INDUSTRY LEADERS TAKE ON 'TRANSFORMING FOR TOMORROW'

At the 19th Bangladesh Business Awards ceremony yesterday, industry leaders talked about the prerequisites for a smooth journey towards future transformation. Here are the excerpts.



RMG needs product diversification

RUBANA HUQ, BGMEA president
Product diversification and branding Bangladesh are the key components required to further develop the country's

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Robust infrastructure key to faster digitalisation

ALMAS KABIR, BASIS president
Robust infrastructure and skilled manpower are essential to boost the ongoing digitalisation initiatives taken by the

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Innovation to take entrepreneurship to next level

ZIAUR RAHMAN, regional country manager of H&M
Innovation, product development and building human resources are the key requisites

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2nd HSBC Business Excellence Awards

As the leading international bank, HSBC has always supported the progress of Bangladesh's thriving business sector. The pandemic has created many unprecedented economic and business challenges for Bangladesh and the business community as a whole this year. We will therefore be recognising the most successful entrepreneurs and organisations who have displayed incredible resilience and acted with exceptional purpose throughout the pandemic.

Nominations are now open across the following 8 categories:

- ◆ Export Excellence - Ready Made Garments (RMG)
- ◆ Export Excellence - Supply Chain and Backward Linkage
- ◆ Export Excellence - Non-traditional and Emerging Sectors
- ◆ Best in Import Substitution
- ◆ Leader in Inbound Investment and Infrastructure
- ◆ Excellence in Sustainability
- ◆ Best in Innovation & Technology
- ◆ Special Achievement Award

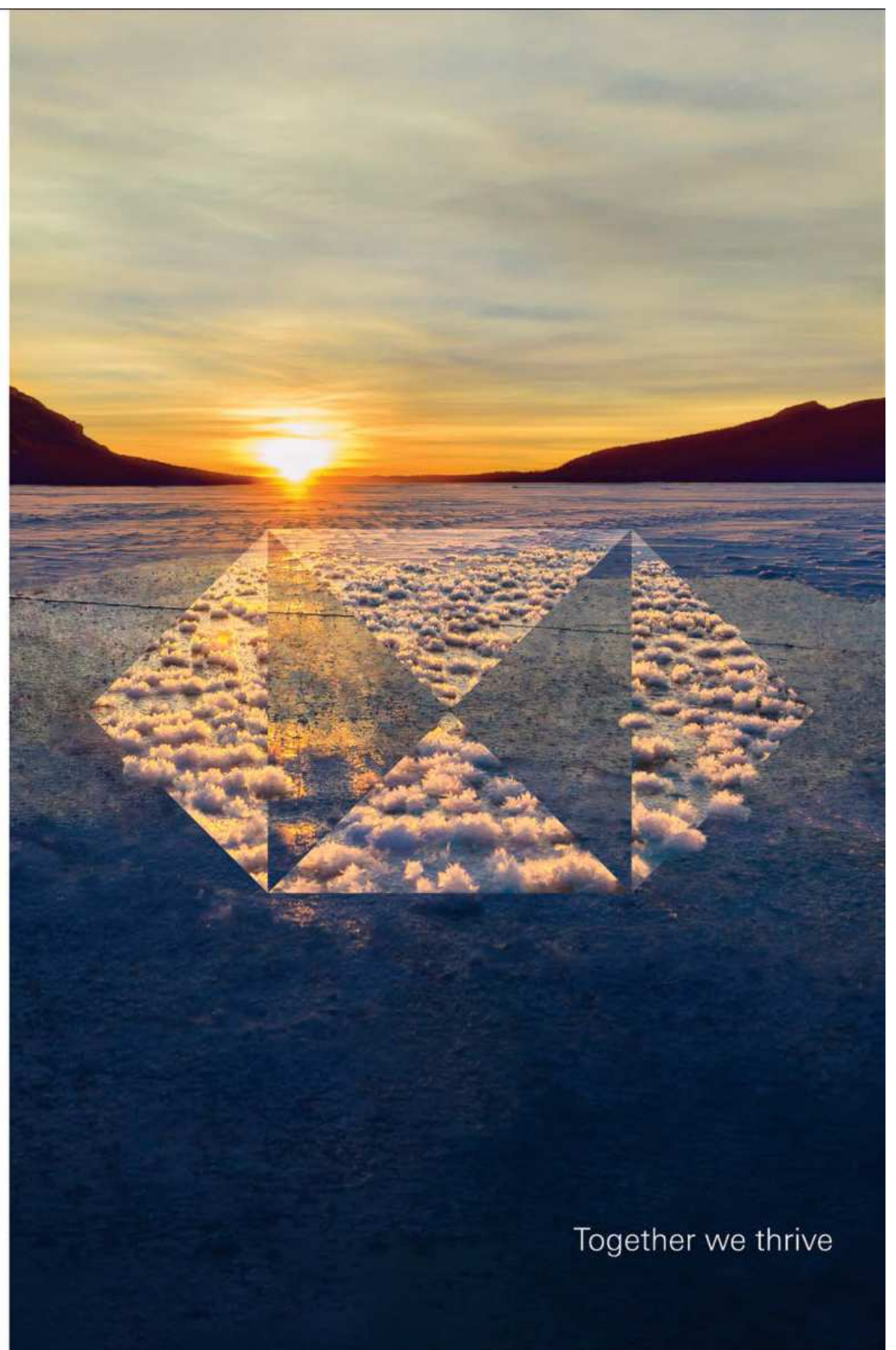
Entry for nominations close on 28 January 2021.

We look forward to receiving your entries.

For more information on the nomination criteria and application process, visit: business.hsbc.com.bd/bea or call +8809666331000



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Together we thrive



Walton Hi-Tech Industries deputy managing directors Eva Rezwana Nilu and Amdadul Haque Sarker, executive directors SM Zahid Hasan, Md Humayun Kabir, Mohammad Rayhan and Shakhawat Hossen and Walton Home Appliance CEO Al Imran attend an event at Walton's corporate office in the capital recently when the company made an announcement to provide 12 years' warranty on its washing machine motors.



ABM Mokammel Hoque Chowdhury, managing director of Union Bank, opens a branch in Brahmanbaria through video conferencing from its head office in Dhaka.

With US now in hand, BioNTech CEO looks for more vaccine production

REUTERS, New York
The chief executive of Germany's BioNTech SE said the biggest challenge facing it and partner Pfizer Inc now that their COVID-19 vaccine is authorized for use in the United States will be to scale up manufacturing to meet huge demand.

"We need to solve the manufacturing challenge," Ugur Sahin told Reuters in an interview. "It is very clear that more doses are needed. And we are dealing with that question - how to produce more doses."

The companies have said they will produce up to 1.3 billion doses of the vaccine next year.

working on an extended plan. I can't tell you at the moment what is possible and how much we can expand the scale but we will try to do it significantly."

Supply of the vaccine will be limited at first in the United States, which has a population of roughly 330 million. The US government has ordered 100 million doses of the two-dose vaccine and could negotiate for more.

Pfizer board member and former FDA commissioner Scott Gottlieb said in an interview with CNBC the company had offered to sell the United States more doses as recently as last month but had been turned down.

In data released this week, Pfizer and BioNTech said their vaccine began conferring some protection to recipients even before they received the second shot. It seemed to begin to show some efficacy around 12 days after the first shot.

Sahin said he was surprised by the data: "We know that the immune response is heavily boosted after the second dose."

He said the companies have not decided yet whether to evaluate a single-dose version of the vaccine.

"This will be a discussion that we will certainly have with our partners Pfizer," he said.



Ugur Sahin, CEO and co-founder of German biotech firm BioNTech

German borrowing set to soar as 2021 budget passed

AFP, Berlin
Germany on Friday passed a 2021 budget that once again smashes its "debt brake" rule, promising to shield businesses and workers from the economic hit of the pandemic as cases continue to rise.

Chancellor Angela Merkel's government plans to borrow 300 billion euros (\$364 billion) across 2020 and 2021 combined after Berlin pledged more than a trillion euros in aid, including through short-time work schemes and business support.

"The budget is the basis for everyone to be confident that we can provide the necessary economic and social support to get us through this crisis together," Finance Minister Olaf Scholz told lawmakers. The budget for 2021, which passed with 361 votes in favour to 258 against, provides for a total of 179.8 billion euros in new loans and nearly 500 billion euros in public spending.

It means for both 2020 and 2021, Germany will abandon its cherished "debt brake", a constitutionally enshrined rule that forbids the government from borrowing more than 0.35 percent of gross domestic product (GDP), before planning to return to no new debt in 2022. Restrictions to curb the second wave of Covid-19 -- including shutting the food-and-drink, leisure and cultural sectors -- continue to burden the economy, which previously pushed Berlin to amplify its aid to businesses.

Yet case rates continue to climb. On Friday, Germany reported a record nearly 30,000 new infections and almost 600 deaths in a 24-hour period.

Now, Merkel is facing calls to

tighten restrictions again. Despite the "ray of hope" of a vaccine rollout, Scholz said, "we know that... we're going to be struggling well into next year with the health, economic and social challenges that are going to follow from this pandemic."

"Businesses hit by the current closures are entitled to claim aid amounting to up to 75 percent of their revenues for November and December 2019, expected to cost the government some 30 billion euros."

However Economy Minister Peter Altmaier said last week that support for pandemic-hit firms implemented through November and December could not go on "endlessly".

Nevertheless Altmaier on Friday said he aimed to increase the ceiling for aid from January in the case of a harder lockdown.

Germany's debt-to-GDP ratio will climb to 70 percent this year, Germany's central bank said in a report published Friday.

But public finances will likely improve as coronavirus measures come to an end, it said.

The government expects the economy to shrink by 5.5 percent this year, before rebounding by 4.4 percent next year.



Germany's Chancellor Angela Merkel

California files to join US antitrust lawsuit against Google

REUTERS, Washington
California asked to join the US Department of Justice's antitrust lawsuit against Google on Friday, making the state's attorney general the first Democrat to openly support the litigation.

The department in October accused the \$1 trillion California-based company of illegally using its market muscle to hobble rivals, and was joined by 11 other states when it was filed.

"California is not making substantive changes to the complaint. In particular, California is not seeking to add any new facts or claims," Attorney General Xavier Becerra said in the filing, adding that it would not delay the case.

Google has denied wrongdoing, and the company has said that its search engine and other products are dominant because consumers prefer them.

China leads auto industry recovery as sales top expectations

REUTERS, Beijing/Shanghai
China's vehicle sales are likely to hit 25.3 million units this year, an industry body said on Friday, as the world's biggest vehicle market continued to lead the global auto industry recovery from lows hit during the COVID-19 pandemic.

Xu Haidong, senior official at China Association of Automobile Manufacturers (CAAM), told an annual conference of the association in Beijing that CAAM expects Chinese sales this year of 20.2 million passenger vehicles and 5.1 million commercial vehicles, which include trucks and buses. China sold 25.77 million vehicles last year.

Xu said CAAM's forecast for next year's overall sales is 26.3 million vehicles, up

around 4 per cent from this year, thanks to supportive government policies and automakers' discounts.

Xu said China expects to sell 1.8 million new energy vehicles (NEV) next year, up from 1.3 million this year and 1.2 million last year. NEVs include battery-powered electric, plug-in petrol-electric hybrid and hydrogen fuel-cell vehicles.

CAAM also expects Chinese sales to hit 30 million vehicles in 2025.

In May, after months of lockdown policies, CAAM predicted China's auto sales would fall 15 per cent to 25 per cent this year due to the impact of the virus, it later tweaked the forecasts as sales rebounded.

Auto sales in China rose 12.6 per cent in November from the same month a year earlier to 2.77 million vehicles, the eighth

straight monthly rise, CAAM data showed.

Sales of new energy vehicles (NEVs) surged 105 per cent to 200,000, their fifth consecutive month of gains. NEVs include battery-powered electric, plug-in petrol-electric hybrids and hydrogen fuel-cell vehicles.

NEV makers such as homegrown Nio Inc and Xpeng Inc as well as foreign groups, such as Tesla Inc, are expanding manufacturing capacity in China where the government has promoted greener vehicles to reduce air pollution.

As the global auto industry is hit hard by the COVID-19 pandemic, China has become a ray of hope for automakers, including Volkswagen AG and General Motors Co. Global automakers including Toyota Motor Corp and Honda Motor Co Ltd have forecast higher profit on surging China sales.



Baojun cars wait for sale in front of a dealership in Lushan county, Pingdingshan, Henan province, China.

Troubled steelmaker Thyssenkrupp rejects state participation

AFP
German industrial giant Thyssenkrupp on Friday rejected state participation to support it during the pandemic, an option favoured by unions but judged too costly by management. "State participation off the table," Klaus Keysberg, the group's financial director, told the German daily Rheinische Post on Friday.

Keysberg blamed "high costs" in the long term of government assistance, "due to the interest payments and the terms of repayment. "Already weakened by years of cut-price competition from China in the steel industry, Thyssenkrupp has further struggled with the effects of the pandemic that caused business activity to plunge. The company said in mid-November it would cut an additional 5,000 jobs as part of its restructuring plan, bringing the total to nearly 11,000, to be spread out over several years.

Thyssenkrupp chief executive Martina Merz has not ruled out state assistance. The powerful IG Metall union had organised rallies in October to demand a rescue plan from Berlin. But the government was never enthusiastic, despite their acquisition of stakes in the airline Lufthansa and tour operator TUI, which also had business ravaged by Covid-19. "I don't believe that nationalisation is the right response at the moment," Germany's Economy Minister Peter Altmaier said in October on Thyssenkrupp.

But national and regional governments favour more traditional aid structures, such as subsidies, or moves to convert to production of so-called green steel. Discussions will continue to find alternatives.

A takeover of Thyssenkrupp's steel activities is still on the cards. British steel giant Liberty, founded by industrialist Sanjeev Gupta, launched a takeover bid in October.

Discussions are also underway with Sweden's SSAB and India's Tata Steel. An alliance with fellow German steelmaker Salzgitter to create a national steel champion is also being considered. But these options won't be decided until "spring 2021", Thyssenkrupp said.



Francis Chua, chairman emeritus and director for international affairs of the Philippine Chamber of Commerce and Industry; Benedicto V Yujuico, president; Asad Alam Siam, Bangladesh ambassador to the Philippines, and Akber Hakim, president of the Bangladesh Philippine Chamber of Commerce and Industry (BPCCI), attend a webinar recently where participants stressed on increasing bilateral trade.

Brac Bank retains B+ issuer rating of US agency

STAR BUSINESS DESK

Brac Bank has retained long-term and short-term issuer credit ratings of B+ and B, respectively from S&P Global Ratings.

The outlook on the long-term rating is stable, the rating agency said in a report recently.

S&P Global Ratings is an American credit rating agency and a division of S&P Global that publishes financial research and analysis on stocks, bonds, and commodities.

Brac is the only Bangladeshi bank that has been assigned with an issuer credit rating by S&P, according to a statement.

The ratings reflect the bank's good management and business franchise in the domestic retail and SME segments and asset quality and capitalisation that are above the industry average.

These factors are, however, offset by the challenging operating environment amid the Covid-19 induced economic slowdown and substantial credit risk in the economy, as well as reduced profitability due to pressure on interest margin and credit cost.

The stable outlook on Brac Bank reflects S&P's view that the bank will steadily

navigate challenging operating conditions in Bangladesh and maintain its financial profile over the next 12-18 months.

"We are pleased with the B+ long-term insurer rating by S&P Global Ratings as it demonstrates the overall financial strength of Brac Bank," said Selim RF Hussain, CEO of Brac Bank.

"It reflects our quality of management in identifying SME and retail segments as our niche to improve the operating competitiveness. We look forward to keeping steady progress and remain the most trusted bank in Bangladesh."

The S&P report also says that it could upgrade Brac Bank if its profitability improves while remaining higher than the industry average, and the bank sustainably increases its market share without strategic or operational missteps.

This could be shown by sustained good asset quality metrics, prudential underwriting standards and healthy capitalisation.

Conversely, the risk of a lower rating lies if the bank's asset quality deteriorates sharply, for example due to prolonged reduction in economic activity in Bangladesh, the report says.

Bangladesh an inspiration to South Asian peers

FROM PAGE B1

not only made numerous business ties with the country, but a lot of personal relationships as well.

He mentioned one name in particular, being that of the late Latifur Rahman, a noted Bangladeshi business icon and former chairman and CEO of Transcom Group. Chaudhary had worked with Rahman in various capacities across South Asia.

While addressing the 19th edition of the Bangladesh Business Awards ceremony, an initiative of DHL Express and The Daily Star held yesterday, Chaudhary spoke of the severity of the bureaucratic and political challenges of doing business in South Asia.

"If you can do business in South Asia, you can do business anywhere in the world," said Chaudhary, the first Nepalese billionaire.

The Covid-19 fallout has given rise to a number of challenges all over the world, forcing many corporate conglomerates to redefine their traditional day-to-day planning.

It is also reshaping the global economy and remodelling trade, said Chaudhary, who has businesses in 40 countries.

At the same time though, the pandemic has created a lot of business opportunities. The booming e-commerce sector is a glowing example of the opportunities that stem from Covid-19.

So, Bangladesh also has the scope to exploit these opportunities.

For instance, Bangladesh has already become a hub for start-ups, especially in e-commerce, Chaudhary said, citing rising e-commerce companies such as Pathao, Daraz and bKash as prime examples.

During his time as a student, Chaudhary, who was suddenly

forced to take over his family's textile business, had praised the rise of Bangladesh's textile and garment industries, which eventually became the second largest supplier worldwide after China over four decades.

Although Nepal and Bangladesh started their textile and garment journeys at the same time, Bangladesh showed its superior strength in the sector through its entrepreneurial resilience and government supports, he said. Over the four-decade long journey, Bangladesh's garment industry, which accounts for 11 per cent of the country's GDP, is a pioneering business milestone for the country that employs around 4.4 million people.

"With global supply chain value relocating from China to other countries, Bangladesh has a big opportunity to step forward. And such models could be a huge example for south Asian countries like Nepal to develop and accelerate the textile business front," the Nepalese business tycoon said.

It was inspiring to read from various sources that Bangladesh's economy was considered alongside that of China's for the revival of economic growth in Asia, he added.

The IMF indicated that Asia's recovery will be 1.9 per cent from China and 3.9 per cent from Bangladesh. With a GDP per capita income of \$5,139, Bangladesh's economy is not just inspiring to South Asians but also to the world in providing economic serenity.

"I would also like to take this opportunity to congratulate the government of Bangladesh in keeping the pace of economic prosperity towards making South Asia home to the privileged," Chaudhary said.

Bangladesh has maintained an impressive track record on growth and development. In its remarkable journey, Bangladesh's economy and human development went hand in hand with economic growth.

Poverty dropped by nearly a third, coupled with increased life expectancy, literacy and per capita food intake.

Entrepreneurship is all about dreaming, superb courage and doing things differently. The business journey of Chaudhary Group started with a traditional family business that started some 140 years ago.

"Also, the courage it took to build our business around the community and our engagement has been the strong sense of preference. Hence, success is always around social impact. I believe that we are always transitioning in life," he said.

The only way possible to keep moving forward is to have a vision and determine how to reach that vision.

"When I first started, it was not easy to do business in Nepal," said Chaudhary while speaking about his bumpy journey to become a successful business personality in South Asia.

Some of the major hurdles were unclear rules and laws, closed society, strict foreign exchange regulation and strict political regime.

"I still decided to follow my heart and tried to find the solution to each problem and found the legal way of doing international business without violating any laws of the country," he said.

"The journey was tough and although it took me 20 years to establish one particular company, I did not lose hope and was able to accomplish my dream," Chaudhary said, adding that the future will be even brighter.

European markets shattered by dwindling Brexit deal hopes

AFP, London

Europe's stock markets and the pound slumped Friday after both London and Brussels warned that a no-deal Brexit was a strong possibility, sending investors running for the hills. London stocks sank 1.2 per cent nearing midday, while Frankfurt tanked 2.1 per cent and Paris was down 1.4 per cent in early afternoon eurozone deals.

"Stock markets have been hit by fears that the UK and the EU will not reach a trade agreement," said CMC

Markets analyst David Madden.

"With respect to British-European relations, things have gone from bad to worse this week and now both sides are saying that a no-deal outcome is a very real possibility. The pound sank close to a one-month low at \$1.3185, while the euro jumped to 91.93 pence -- the highest level since late September.

EU chief Ursula von der Leyen has told the bloc's leaders there were "low expectations" a post-Brexit trade deal could be struck with Britain, EU sources said, two days ahead of a

crunch decision on talks.

An EU official said leaders heard that the "probability of a no deal is higher than of a deal" in a brief discussion of Brexit at a marathon Brussels summit, as time ticks down to a Sunday deadline to make a call on prolonging negotiations or giving up. British Prime Minister Boris Johnson also warned Thursday there was a "strong possibility" of no deal -- and instructed his government to prepare for Britain to crash out of the European Union's single market at the end of this year.



Emranul Huq, CEO of Dhaka Bank, and Md Abdul Mannan, a general manager of Bangladesh Bank, exchange documents after signing an agreement on the latter's premises in Dhaka. Dhaka Bank will support safety, retrofits and environmental upgrades in the Bangladeshi Ready-Made Garment Sector Project.

Ctg customs badly shorthanded

FROM PAGE B4

This is because most of the third- and fourth-class employees retired and their posts have not been reappointed as of yet.

Although revenue collection at the customs house increased 42 times in the same period, sufficient manpower has not been recruited as per the demand.

According to customs data, Chattogram Custom collected Tk 1,017 crore in fiscal 1982-83 while it was Tk 42,853 crore in fiscal 2019-20, when it accounted for about 20 per cent of the total tax collected by the National Board of Revenue for that year (Tk 223,892 crore).

"Regular supervision of import-export goods has been hampered by the manpower shortage," Fakhru Alam, commissioner of Chattogram Custom, told The Daily Star.

It currently takes Chattogram Custom two days extra to complete a job that could have been done within a day with adequate manpower. "Almost all the officers have to

perform additional duties and that's why they sometimes cannot scrutinise invoice documents or properly test products," Alam said.

Sources at the customs house said the situation has gradually worsened since July 2017, when a special order was issued to keep customs activities open round the clock without additional manpower.

This is why many customs officials sign documents without properly checking them and as a result, dishonest importers and C&F agents are given the scope to dodge taxes, they added.

Mahbubul Alam, president of the Chattogram Chamber of Commerce and Industry, said businessmen have to bear extra expenses for delays in shipment delivery. "We have sent several letters to the National Board of Revenue and other related departments to increase the manpower in the customs house but the authority paid no heed," Alam said.

Robust infrastructure key to faster digitalisation

FROM PAGE B1

government. Overall digitalisation is happening in Bangladesh at a very fast pace as witnessed in 2009. The country has observed a paradigm shift in this arena as well.

One of the main challenges in the sector is infrastructure. If we can ensure a robust infrastructure nationwide with the availability of speedy and affordable internet, I would say this digitalisation will happen even faster than the ongoing pace.

The second challenge is the availability of skilled human resources. We need to create

more and more skilled human resources, especially in trending technologies considering the fourth industrial revolution, which is actually imminent.

So, if we can have this skilled human resource in Bangladesh alongside robust infrastructure, I think we will have a perfect and ideal digital Bangladesh, which is actually the "Sonar Bangla" that we have been dreaming of. The father of the nation Bangabandhu Sheikh Mujibur Rahman also spoke about a Sonar Bangla, which is actually the model version of digital Bangladesh.

Pharma gives stocks a shot in the arm

FROM PAGE B4

"But its recent decision will have an impact on banks' profitability," said the stock broker.

Last week a central bank notice stated that the lenders must keep an extra 1 per cent provision than what they now maintain for unclassified loans.

Despite this, the broker backed the decision, considering the future benefits the provisioning would bring about.

If the banks declare higher profits and

dividends on an "artificial" profit, it will turn out to be more costly for them, he added. Meanwhile, the insurance sector witnessed a fall.

As most insurance stocks already doubled or rose over 50 per cent during the last few months, the last two weeks had been a period of corrections.

Market capitalisation of the general insurance sector dropped around 1 per cent followed by the mutual fund sector's 1.97 per cent.

Two Chinese firms to invest \$28.69m

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Established in 1979 and headquartered in Beijing, the CCECC has long been considered one of the world's top 255 international contractors.

Its business spreads over 101 countries for international contracts over national infrastructure construction such as railways, highways, bridges, dredging, airport, buildings and port development and municipal works.

It also encompasses civil engineering design and consultancy, real estate development, trading, industrial investment and hotel management.

CCECC Bangladesh was formed in September 2019 to run a similar business model.

Meanwhile eight acres have been sought by Jiehong Medical Products (BD), a subsidiary of Kunshan Jiehong Nonwoven Product Company which produces fabrics, gowns, gloves and caps.

It will invest Tk 108 crore, equivalent to \$12.72 million, to manufacture non-woven PPE products such as isolation gowns, scrub suits, lab jackets, disposable caps, shoe covers, and boot covers.

RMG needs product diversification

FROM PAGE B1

garment sector. If I had a magic wand, I would wish for only three things.

The first would be for increased product diversification and value addition in the sector because so far, we have been exporting mostly five basic products. It is now a must for us to diversify and make manmade fibre-based products.

The second would be to reskill our labour force. With the fourth industrial revolution comes a lot of challenges and of course, opportunities. And since we do not want any loss of labour, it is important for us to invest in reskilling our labour force.

Third and most important of course, is branding in Bangladesh. Consumerism must be responsible because when a consumer buys a product, they will see the 'made in Bangladesh' level.

And it is incredibly important for us to make sure that the consumers are aware that responsible consumerism is directly linked to sustainable livelihoods in Bangladesh.

There are 4.1 million workers and the stories of these workers must be conveyed to the consumers so that they can make their choices and make it better for workers and their lives.

Govt plans fresh apparel stimulus

FROM PAGE B1

The country coped well with the first wave, but it seems the second one will be of a bigger magnitude, he said.

Citing a recent International Monetary Fund report, Islam said some of the Covid-19 fallouts might push 208 million people globally under the ultra-poor bracket.

"So, the government has been working mainly to protect the economy and trade," he said.

Islam said the government has been working sincerely to make it easier to do business to protect the economy from the aftereffects of the nation's graduation from the least developed country category by 2024.

The cabinet secretary said the impact of the fourth industrial revolution might exceed that of the pandemic as the associated technological upgrades might affect the jobs of 53 lakh professionals across the country.

For instance, BMW Group in Germany and Adidas have already replaced human beings with robots at the production stage, leading to hundreds of professionals losing their jobs.

So the country's current education system needs to be streamlined to produce skilled manpower, he said.

The government has also been working to save the small and medium enterprises by providing different kinds of support so that those can grow further to contribute more to the economy, he added.

Innovation to take entrepreneurship to next level

FROM PAGE B1

for taking the country's entrepreneurship to the next level.

Bangladesh had a great journey in the last 40 years and the local entrepreneurs are very strong with a visionary approach to sustainability.

That is why we have a great story today in the apparel industry and it has to flourish further. The business nature and customer behaviour have changed a lot. On top of this, customer priorities on fashion have changed drastically due to the Covid-19 outbreak.

I can tell you that the next 10 years will not be the same as the last 40 years. But, for sure, the learning of the last 40 years will remain as the key success factor.

I see the whole thing through two different approaches. In the short-term, efficiency improvement and waste management are important.

But in the long term, our strategic approach to the innovation, product development and building human resources will be the key.

And on top of everything, I think embracing the technology will be vital.

Pharma gives stocks a shot in the arm

AHSAN HABIB

The stock market index had been on an upward curve last week with pharmaceuticals in the lead as investors bought the sector's stocks in hopes of higher future returns amid the threat of a second wave of the pandemic.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 119 points, or 2.41 per cent, to 5,094.

Although the pharmaceutical sector's market capitalisation increased by 2.42 per cent, it was beaten by the engineering sector which topped the list with a rise of over 7 per cent, propelled by the inclusion of Dominance Steel in the stock market.

Listed drug makers have performed better than other sectors amid the pandemic and have the potential to grow in the future, said Mir Ariful Islam, head of research at the Prime Finance Asset Management Company.

So pharmaceutical companies' stocks underwent an upward trend along with those of banks and the financial sector, he added.

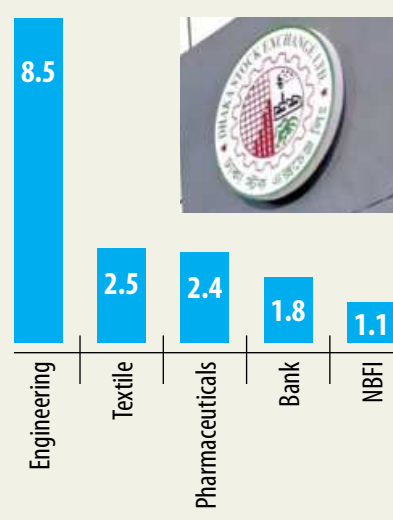
Echoing the same, a merchant banker preferring anonymity said the pandemic's second wave would increase people's demand for pharmaceutical products, creating more opportunities for the drug makers.

As people started seeing doctors in their chambers again, prescription medicine sales will not be as affected as it was during the April-June period, when most people remained at home to avoid infection, he said.

The limitations on public movement are

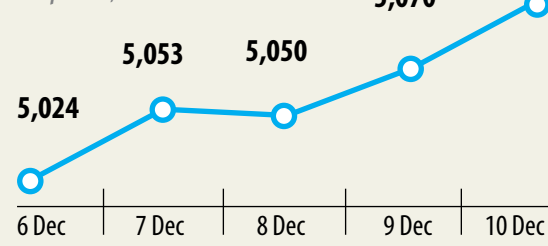
SECTORAL RETURN

In %; SOURCE: UCB CAPITAL

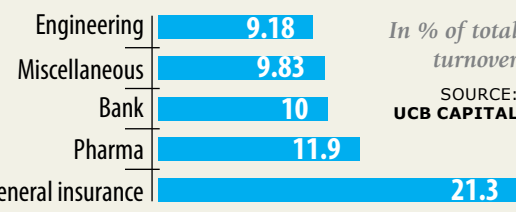


DSEX MOVEMENT LAST WEEK

In points; SOURCE: DSE



SECTOR-WISE TOP TURNOVER LEADERS



presumed to have led to the 30 per cent drop in sales year-on-year during that quarter, the merchant banker added.

With December ushering in the year's end, banks and financial institutions are due to announce dividends for the future so people were taking up their stocks, said a stock broker.

Market capitalisation of the banking sector rose 1.76 per cent while that of non-bank financial institutions increased 1.09 per cent.

Most listed banks booked higher profits in the January-September period despite having a lower interest income mainly due to lower provisioning requirements, shows the banks' quarterly data analysis.

The provisioning requirements reduced for the central bank allowing banks to withhold classification of loans in the current year considering the impacts of the pandemic.

READ MORE ON B3

Ctg customs badly shorthanded

Limping with 651 people against 1,248 posts

MOHAMMAD SUMAN, Chattogram

The Chattogram Custom House continues to operate with around half of the authorised posts being vacant, hampering its supervision on tax evasion and monitoring of import-export goods.

Both exporters and importers are also suffering because of this as it causes delays in shipments, sources at customs house said.

According to them, 651 people work at Chattogram Custom even though 1,248 posts were approved for the organisation back in 1982.

Besides, its activities have increased several times by now, they added. There are 117 first-class officers against 210 posts, 248 second-class officers against 497 posts, 181 grade three employees against 423 posts, and 100 grade four employees against 118 posts.

There have been 21 vacancies in eight categories, including programmers, chemical examiners, statistics officers, auditors and data entry operators, for over the past decade.

As per customs data, just 21 assistant commissioners and deputy commissioners responsible for evaluating the taxes on



A lack of manpower is hampering supervision on tax evasion and monitoring of import-export activities

imported goods and monitoring export and import consignments are currently active against the 63 posts available.

Similarly, a total of 323 revenue officials and assistant revenue officials, who examine import-export goods through the documents provided on each consignment, are active among the 606 posts available.

Although the organisation's workforce was determined in 1982, it has not been met in the last four decades.

READ MORE ON B3

Hogla pata can be a cure for Barishal's poverty

Product variation, government support key to unlocking sector's potential, industry insiders say

SUSHANTA GHOSH

The simple skill of turning naturally available materials into utilitarian products has been passed down since ancient civilisations, but still awaits the right initiatives in Bangladesh for all potential to be utilised.

It all becomes more relevant considering the worldwide hullabaloo centring climate change and ensuring sustainable environments.

Take the case of elephant grass, or hogla pata as is called in Bangla. With a low requirement for water and nutrients, it can be harvested a couple of times a year and stored year round on being baked under the sun.

The grass can be woven into elegant yet strong handicraft items such as baskets, ropes, hats and even into roofing and fencing.

It is the most common raw material used by handicraft artisans in Barishal, although the output is mostly limited to mats, thanks to huge surges in demand during the sacrifice of animals on the occasion of Eid-ul-Azha.

The grass can be found in Agailjhara, Gournadi, Hijla, Mehendiganj, Muladi and Bakerganj upazilas.

And from there it is sourced by villagers of Ruia, Karapur, Charmonai, Shaistabad, Taltoli, Lamchhari areas of Barishal sadar upazila to make mats. It is practically the main source of income for many women.

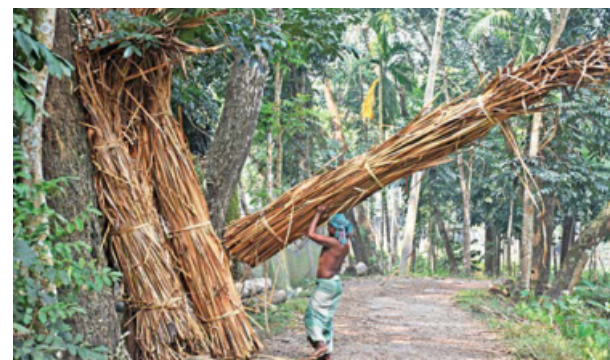
This form of livelihood sustains another 300 financially insolvent people living in Tiakhali area, right in Barisal city.

The local artisans demand government assistance for this sector citing the lack of product variation and in the waning number of people who have the skills.

Around 3,000 families are engaged in making mats and although the craft has been around for ages, the business usually makes little profit due to the lack of product variety, said Rafiqul Alam, an adviser to Barisal Patishilpa Samitee.

Mukul Sarkar, a hogla craftsman of Tiakhali, said it takes a single person one day to produce a mat, which usually retails for about Tk 60 to Tk 80 depending on its size.

However, seeing as many craftsmen do not own a hogla plantation, they have to buy the materials.



Elephant grass has long been used by artisans in Barishal for weaving handicrafts, especially mats. The leaves, or hogla pata as is called in Bangla, are harvested and sun-dried before being woven into large mats which fetch up to Tk 80 apiece. The photos were taken in Tiakhali area of Barishal city last week.

TITU DAS

GLOBAL BUSINESS

Bank of England warns of post-Brexit financial services disruption

AFP, London

The Bank of England said Friday that UK banks remained "resilient" to the risks of Brexit and coronavirus, but warned financial services could face "disruption" when the transition period ends.

The central bank's Financial Policy Committee, tasked with safeguarding the financial system, added that Britain's major banks were capable of absorbing 200 billion (\$266 billion, 220 billion euros) in credit losses.

"Financial sector preparations for the end of the transition period with the EU are now in their final stages," the FPC said in its financial stability report.

"Most risks to UK financial stability that could arise from disruption to the provision of cross-border financial services at the end of the transition period have been mitigated" thanks to extensive preparations by the private sector and authorities, it said.

"However, financial stability is not the same as market stability or the avoidance of any disruption to users of financial services," the report noted. "Some market volatility and disruption to financial services, particularly to EU-based clients, could arise," it warned.

The news came after British Prime Minister Boris Johnson warned Britain could crash out of the European Union without a trade deal after top-level talks floundered in Brussels.

Britain left the EU on January 31 this year but remains under its rules under

December 31 while it tries to establish the terms of its new relationship.

Yet the Bank of England's key committee expressed optimism Friday in banks' ability to withstand more turmoil.

"The FPC judges that the UK banking system remains resilient to a wide range

of possible economic outcomes," the FPC said. "It has the capacity to continue to support businesses and households even if economic outcomes are considerably worse than currently expected" thanks to the build-up of substantial buffers of capital since the global financial crisis.

UK banks have already absorbed 20 billion in credit losses in 2020 as a result of chronic fallout from the deadly Covid-19 pandemic, it noted.

Britain has been one of the countries worst hit by the pandemic with the most deaths in Europe and an 11 percent contraction in the economy, the worst in three centuries.

The outlook for banks is set to worsen according to the report, as personal and businesses are not able to repay their loans. "Nevertheless, the major UK banks can absorb credit losses in the order of 200 billion, much more than would be implied if the economy followed a path consistent with the (BoE's) central forecast.

"The FPC judges that the UK and global macroeconomic scenarios required to generate losses on this scale would need to be very severe with, for example, UK unemployment rising to more than 15 percent.



A pedestrian walks past the Bank of England and The Royal Exchange in the City of London.

REUTERS/FILE

NEWS In Brief

Cuba to increase minimum salary fivefold

AFP, Havana

Cuba will increase its minimum wage fivefold as part of reforms due to come into effect on January 1 as it unifies its two official currencies, the official gazette said on Friday.

The large-scale reform of salaries and pensions had been promised for years before President Miguel Diaz-Canel announced it late on Thursday.

It will see the minimum wage increase from 400 to 2,100 pesos (\$17 to \$87). The reform will also see the convertible peso, which is pinned to the dollar and was introduced in 1994 to replace the US currency, phased out over the next six months. It will leave only the regular peso that is worth 24 times less.

The idea is to make the Cuban economy more efficient and easier to understand for foreign investors.

Uttar Pradesh approves financial incentives for Samsung display factory

REUTERS, New Delhi

India's northern state of Uttar Pradesh on Friday said it will give financial incentives to South Korea's Samsung Electronics Co to set up a 48.25 billion rupee (\$654.36 million) display factory.

Samsung is re-locating the factory to the state from China, the Uttar Pradesh administration said in a statement, a move that will help boost Prime Minister Narendra Modi's flagship drive to make India a manufacturing hub.

India is the world's second-biggest smartphone market with significant growth potential, which has driven companies such as Samsung to expand locally.

