

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | | |
|----------|----------|-------------|--------------|---------------|-----------|-----------|----------|---------------|--------|--------|-------|-------------------------|
| DSEX | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | CNY | STANDARD CHARTERED BANK |
| ▼ 0.29% | ▼ 0.36% | \$1,893.76 | \$51.48 | ▲ 0.48% | ▲ 0.18% | ▲ 0.51% | ▲ 1.13% | BUY TK 83.95 | 101.51 | 112.65 | 12.69 | |
| 5,108.03 | 8,837.56 | (per ounce) | (per barrel) | 46,890.34 | 26,806.67 | 2,858.02 | 3,404.87 | SELL TK 84.95 | 105.31 | 116.45 | 13.35 | |



star BUSINESS

DHAKA FRIDAY DECEMBER 18, 2020, POU5H 3, 1427 BS ● starbusiness@thedailystar.net

Stimulus eludes 42pc apparel workers

TIB study reveals; BGMEA refutes the findings

STAR BUSINESS REPORT

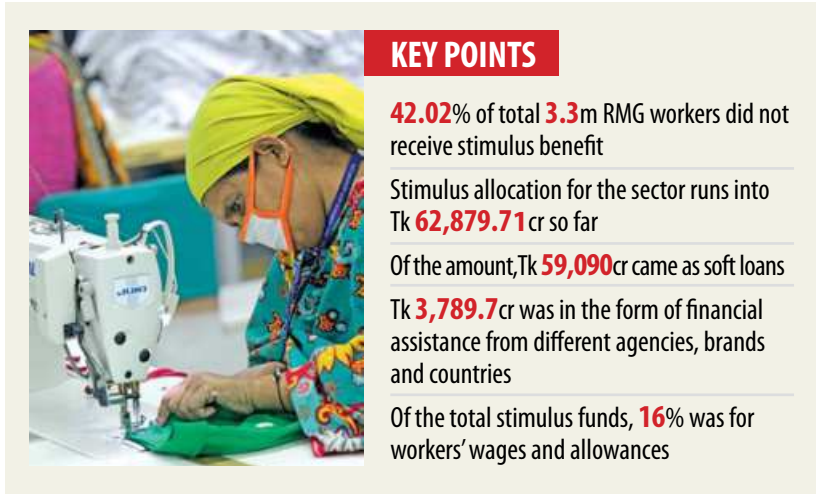
More than 42 per cent garment workers did not benefit from the stimulus package despite being one of the poorest segments of the population and hardest hit by the coronavirus pandemic, according to a new survey.

This means about 14 lakh apparel workers out of a total of 33 lakh did not receive the support, said the Transparency International Bangladesh (TIB) yesterday.

“The stimulus package was given from the public money, but the interests of the workers were not considered as a priority,” Dr Iftekharuzzaman, executive director of the TIB, said in a virtual press conference yesterday.

The TIB study—RMG sector in Covid-19 crisis: governance challenges and way forward—was carried out between May and November.

The total allocation of the stimulus packages for the garment sector was Tk 62,879 crore, out of which Tk 59,090 crore came as a soft loan from



the government and Tk 3,789 crore as financial assistance from development agencies, brands, the European Union and countries such as Germany.

Of the sum, 16 per cent was meant for paying salaries and wages to the workers. So far, Tk 9,000 crore has been disbursed as the wages and allowances, the TIB said.

“The workers who did not receive the benefits from the stimulus packages mainly work in micro, small and medium-sized factories,” said Iftekharuzzaman. A majority of the micro,

small and medium-sized factories are engaged in subcontracting, he said.

“It will not be right to say that factory owners have taken away the money from the fund. If fact, the overall allocation was poor for the workers in the stimulus package.”

A significant delay in the disbursement of fund to the micro, small and medium enterprises is the main reason for the 42 per cent workers not being able to benefit from the assistance, Iftekharuzzaman said.

The deprived workers lost jobs or joined other factories, or the factory owners managed to pay them from their own pockets.

Garment factories have to foot a bill of Tk 3,500 crore a month in salaries and allowances, the TIB found.

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BUSINESS COMPETITIVENESS

Inefficient bureaucracy now top roadblock: CPD

STAR BUSINESS REPORT

Inefficient government bureaucracy has become the top roadblock for the improvement of the country's business competitiveness, according to the Bangladesh Business Environment Study released yesterday.

The Centre for Policy Dialogue (CPD) carried out the study as part of the executive opinion survey for the preparation of World Economic Forum's Global Competitiveness Report.

The CPD conducted the survey and released the Bangladesh version of the Global Competitiveness Report 2020 on behalf of the WEF.

The weakness in bureaucracy has turned into a major problem for the first time to improve the competitiveness, sidestepping corruption and infrastructure.

Corruption and limited access to finance, however, still exist as the major challenges to develop the business environment, according to the report.

Although the global competitiveness index ranking has been paused in 2020 due to the dire situation stemming from the coronavirus pandemic, the country's state of affairs of the major competitiveness had either deteriorated or stagnated last year, said CPD Research Director Khondaker Golam Moazzem while presenting the report.

The country's position slipped two notches to 105th last year.

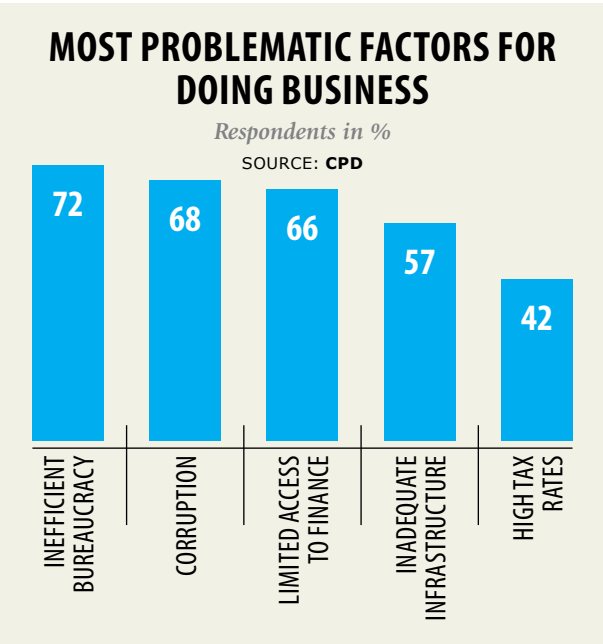
The government should give attention immediately to improve the issues of the business competitiveness, or else the recovery process from the ongoing economic hardship will get delayed.

The report highlighted 11 issues while the WEF carried out the executive opinion survey in the country's business sector.

The survey covered governance, infrastructure, technology, human capital, financial environment, business operations and innovation, domestic competition, foreign trade and competition and security and risks.

Some 55 privately-owned companies based in Dhaka, Chattogram, Gazipur, Bogura and Cumilla responded to the survey, which was conducted between February and May this year.

As much as 72 per cent of respondents opined that



inefficient government bureaucracy was the most problematic factor in doing business in Bangladesh last year.

Moazzem said businesses were unable to get their desired services in time from the bureaucratic system, fuelling the cost of doing business.

“This has had an adverse impact on the competitiveness of doing business,” he said.

Some 68 per cent of participants in the survey thought that corruption was the second top-most barrier to improve the competitiveness.

In addition, bribes in connection with tax payments and settling exports and imports had been on the rise last year.

Poor corporate ethics, illegal diversion of public funds and an inefficient judicial system for settling disputes were deteriorated further, according to the survey.

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All telecom indicators but data usage are negative

MAHMUDUL HASAN

All indicators in the telecommunication sector in Bangladesh were in the negative in the second quarter of 2020, except for the increase in internet data usage as the pandemic battered the economy and reduced income, according to a report.

The revenue for telecom operators during the quarter (April-June) decreased more than 8 per cent compared to the first quarter (January-March), a report of the Groupe Speciale Mobile Association (GSMA) showed.

Active mobile subscriber fell 2.4 per cent, internet subscribers slipped 0.3 per cent, call minutes per customer per month dropped over 6.5 per cent and average revenue per user also decreased over 2.5 per cent.

The GSMA National Dialogues' report on “Keeping Bangladesh connected: The role of the mobile industry during the COVID-19 pandemic” was published by the association that represents

the interests of mobile network operators worldwide through a virtual event yesterday.

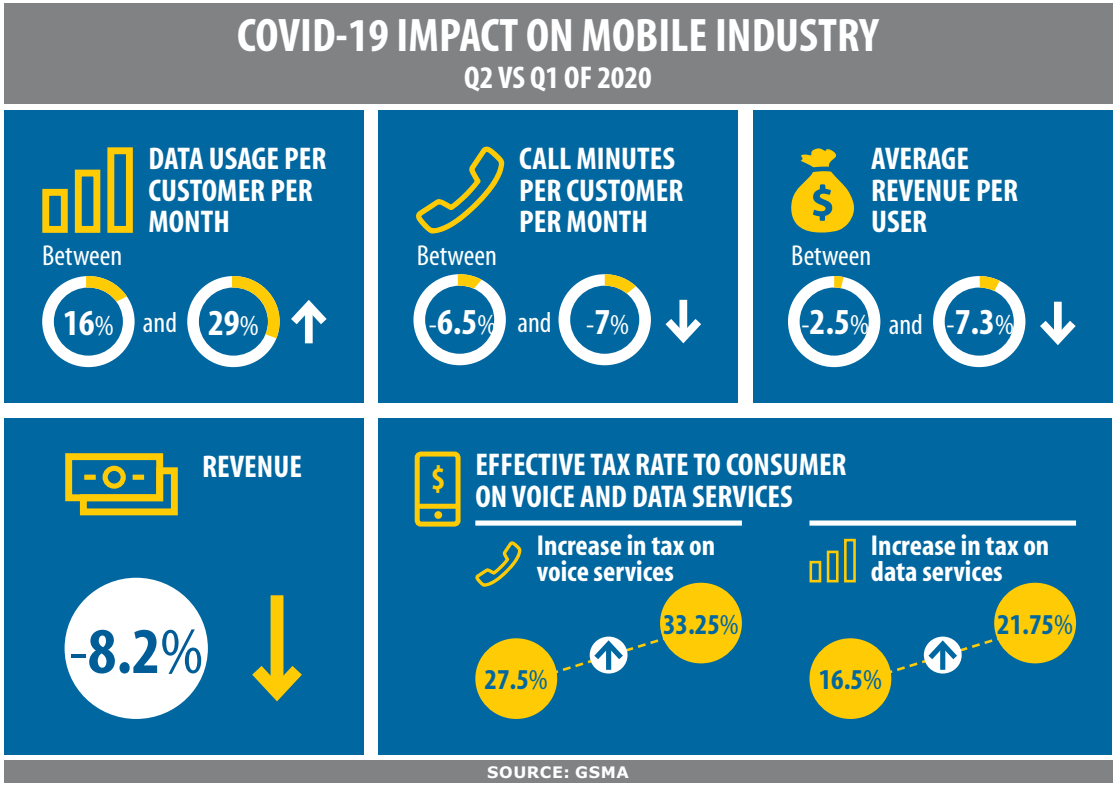
The impact of the Covid-19 lockdown measures introduced in March 2020 on the mobile industry were evident in the industry's Q2 (April to June 2020) results, according to the report.

This reliance on the internet saw an increase in per customer data consumption between 16 per cent and 29 per cent.

“Movement restrictions, due to health concerns and government orders, led to an increase in online activity at home [that is working and studying from home, e-health, digital commerce, entertainment, streaming etc],” the report said.

Erik Aas, chief executive officer of Banglalink, which has 3.5 crore customers, said since June all the telecom customers in Bangladesh have been paying near to 6 per cent more for telecom service than before, putting pressure on the operators because customers pay less for increased VAT.

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The finance ministry yesterday suspended its directive that had asked the stock market regulator to change direct listing rules to allow infrastructure-related companies to offload shares.

The move came a day after the Bangladesh Securities and Exchange Commission (BSEC) ordered the Dhaka Stock Exchange (DSE) to halt the process of allowing Best Holdings Ltd to list directly on the bourse.

Listing rules in Bangladesh don't allow private firms to go public through a direct listing. They have to go through the initial public offering process if they want to float shares to raise funds.

The board of the DSE was set to discuss the proposal of direct listing of Best Holdings, the parent company of Le Méridien Dhaka hotel, at a meeting yesterday.

But the stock market regulator on Wednesday evening asked the premier bourse to stop the procedure.

Yesterday, the finance ministry directed the commission and the Bangladesh Bank to stop the process to amend the direct listing rules as it had suggested on September 8 until further notice.

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The move comes after BSEC asks DSE to stop direct listing of Best Holdings

FOREX RESERVES FOR DEV PROJECTS

Govt to take decision before next budget: Kamal

STAFF CORRESPONDENT, Chattogram

The government will take a decision on whether to use the country's foreign exchange reserves on development projects before the next annual budget is passed, according to Finance Minister AHM Mustafa Kamal.

“Our reserves will cross \$50 billion by 2030 but only one or two per cent profit can be obtained by investing it outside the country,” he said during a procurement committee meeting held digitally yesterday.

“So, if we can use this money on government projects, it will hopefully be more beneficial than in an international investment,” Kamal said, adding that about \$100 million was spent from the reserve over the last couple of months on the country's megaprojects.

The public procurement cabinet also approved five out of eight proposals while two were returned and the other was withdrawn.

It includes a proposal to buy 55,000 tonnes of urea fertiliser from Qatar and Saudi Arabia and 30,000 tonnes from Karnaphuli Fertilizer Company.

There was also a proposal to introduce 420-megawatt power plants that use solar energy in the remote areas of the Chattogram Hill Tracts and a 50-megawatt gas-based rental power plant in Kumargaon.

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MD FAZLUR RAHMAN

Software and mobile application developer Dream71 Bangladesh Ltd has won an international tender to build a mobile application for the parliament of East Timor.

On Wednesday, the local IT firm signed an agreement with the United Nations Development Programme (UNDP) in the island nation virtually, said Dream71 Managing Director Rashad Kabir. “We will deliver the app by April this year,” he said.

Winning the work order is a prestigious feat for Bangladesh, the entrepreneur said.

“Many Bangladeshi firms are working for foreign private companies. But the number of local firms delivering ICT products to the governments in other countries is not that much.” The national parliament of

East Timor, or Timor-Leste, sought the bid for the app as part of the country's efforts to digitalise government and civic services.

Companies from many countries submitted their bids. Dream71 was selected considering its technical and financial offers, the Bangladeshi IT firm said.

The app will support three languages -- English, Portuguese and Tetum, the local language.

The Parliament App will be a platform that will facilitate interactive engagement between the people of East Timor and the institution, the UNDP said in its project description.

Mobile phone and internet users are growing in East Timor. The number of internet users rose by 10 per cent in the last year.

The number of mobile connections is 17.3 lakh, and active internet users are 410,000 in the island nation. Around 31 per



cent of the citizens in the country use internet and 96 per cent of them use mobile to connect to internet, according to the UNDP.

East Timor has a population of 13.2 lakh and 34 per cent of the citizens reside in urban areas.

Dream71 has been working with various ministries and government agencies in Bangladesh for the last five years. Now, the IT firm is going to work with government agencies in other countries in the e-governance sector, Kabir said.

The company is also in talks with the governments of Afghanistan and Bhutan for some projects. The app project is the second scheme of Dream71 in East Timor. In June, the software company inked an agreement with the UNDP to build two educational video games.

The work to develop the game is at the final stage. The games

might be inaugurated in January.

There are at least 100 IT firms in Bangladesh that are delivering high-quality work in the e-governance sector. Riding on the experience, they can now work with governments in other countries, Kabir said, seeking support from the government.

Although it started as a video game developer, Dream71 has now grown into a full-fledged software company.

It has already exported software to 12 countries, including Japan, South Korea and the United Arab Emirates, in the last several years.

Bangladesh is gradually emerging as a supplier of IT and IT-enabled services.

Some 200 IT firms export software and IT services to 80 countries. ICT exports fetched \$1 billion for the country in 2018, according to the Bangladesh Association of Software and Information Services.