

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
▲ 0.26%	▲ 0.54%	\$1,880.66	\$52.26	▲ 0.15%	▼ 0.16%	▼ 0.32%	▼ 0.29%	BUY TK 83.95	101.51	112.65	12.69
5,108.04	8,837.56	(per ounce)	(per barrel)	46,960.69	26,763.39	2,848.98	3,394.90	SELL TK 84.95	105.31	116.45	13.35



# Star BUSINESS

DHAKA SUNDAY DECEMBER 20, 2020, POUH 5, 1427 BS • starbusiness@thedailystar.net

## Foreign firms team up to upgrade closed sugar mills

Submit final proposal on Tk 5,000cr modernisation plan

### KEY POINTS



- Investment for modernisation: Tk 5,000cr
- Joint venture's equity 30%
- Japanese and Thai banks to give 70% of the fund
- High-yielding variety of sugarcane to be introduced
- Other products to be made: liquor and beer, products for perfume and pharma industries
- By-products: biofertiliser and electricity



Brown sugar being sold for Tk 65 per kilogramme in front of the Bangladesh Sugar & Food Industries Corporation in the capital's Motijheel.

cent will come from the two banks. "We will recover the investment within eight years," said Md Emdad Hossain, a local representative of the investors.

According to him, the joint venture will introduce high-yield sugarcane in the catchment areas of the mills and modern technologies to ensure their commercial viability.

"The initiative will save the sugar industries and farmers," he noted. The joint venture will produce premium quality alcohol that is used in perfumes and pharmaceuticals, Hossain said, adding that by-products of the mills would help increase the revenue of the mills.

Hossain said the investors looked to get down to work as soon as possible as they do not face any financial constraints.

Following a government order on December 2, the BSFIC informed

that production at six mills—Pabna Sugar, Shyampur Sugar in Rangpur, Panchagarh Sugar, Setabganj Sugar in Dinajpur, Rangpur Sugar, and Kushtia Sugar—would be halted until further notice.

In October 2019, the BSFIC signed a memorandum of understanding with the three investors to establish energy-efficient, modern technology-based environment-friendly sugarcane and liqueur and beer industries in Bangladesh.

Sutech carried out a feasibility study on the sugar mills. The joint venture submitted the feasibility study report on July 16 this year.

The companies will set up three factories with the capacity of processing 14,000 tonnes of sugarcane per day. They will introduce high-quality sugarcanes to make extra neutral alcohol (ENA) for the export market.

READ MORE ON B3

## Nearly half the state-run entities running at a loss

A lack of competitiveness brought them to their knees affecting stock investors

AHSAN HABIB

Nearly half of the listed state-run companies have been incurring losses for many years due to a lack of competitiveness, in turn affecting stock investors.

Of the total 18, seven are incurring losses while the rest booked profits in 2019-20, according to the data of the Dhaka Stock Exchange (DSE).

State-run companies, which enjoy natural monopoly and do business in strictly regulated markets, are booking profits. However, those running in a competitive atmosphere are mostly incurring losses, according to the companies' business analysis.

The seven loss-incurring companies deal with producing sugar, motorcycles, hotel services, cables and glass sheets.

A big number of government run companies are not giving any dividends for many years so the stocks are providing nothing to their investors, said stock investor Abdul Alim.

Renwick Jaineswar and Usmania Glass did not provide any dividend for the last two years.

Moreover, Shyampur Sugar and Zeal Bangla Sugar have not paid any dividends in at least for the past two decades, the DSE data shows.

The state-run sugar mills are 60 years old but their economic lifespan ended at least 30 years ago, said Sanat Kumar Saha, chairman of the Bangladesh Sugar and Food Industries Corporation (BSFIC).

So they are incurring losses for many years, he said.

The listed three state-run companies named Shyampur Sugar, Zeal Bangla and Renwick Jaineswar are under the BSFIC.

Now, modernisation is needed to ensure their commercial viability, Saha added.

Atlas Bangladesh was once a profit-making state-run motorcycle producer and distributor but now it has been incurring losses for the past five years.

The situation became so bad that its

auditor expressed uncertainty about future continuation of business.

A lack of competitiveness is the main reason of the state-run companies' fallouts, Alim said, adding that most of the companies did not take to modernisation and product diversification over the years.

The drive to attain profitability is rare in the companies, the stock investor added.

A top official of an asset management company said they refrain from buying state-run companies' stocks because their performance may get hampered by the government decisions at any time, something that was witnessed in case of

### PROFITABLE COMPANIES

Meghna Petroleum, Jamuna Oil, Titas Gas, Power Grid Company, Desco, Bangladesh Submarine Cable, Eastern Lubricants, Bangladesh Shipping Corporation, Padma Oil, Rupali Bank

### LOSS-MAKING FIRMS

Renwick Jaineswar, Shyampur Sugar, Zeal Bangla, Atlas Bangladesh, Eastern Cables, Usmania Glass, BD Services

Titas Gas.

In 2015, the energy regulator decided to reduce its service charge so its earnings fell suddenly. Thus the stock price of the gas distribution company dropped.

Some state-run companies have huge potential because many of them work in an uncompetitive but prospective fields, he said.

About the loss-making state-run companies, he said inefficiency and a lack of competitiveness and accountability were the main reasons behind the state-run companies' fall.

So most of them are profitable only in regulated markets but not in the competitive arena, the asset manager added.

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JAGARAN CHAKMA

Companies from Japan, Thailand and the United Arab Emirates have teamed up to upgrade the recently shuttered six sugar mills of the Bangladesh Sugar & Food Industries Corporation (BSFIC), ensure profitability and export by-products. Sutech Engineering Co of Thailand, Sharkara International of the UAE and Sojitz Machinery

Corporation of Japan will invest Tk 5,000 crore under a joint venture within the next two years.

The companies placed their final proposal to the industries ministry, which runs the BSFIC, for the joint venture on Thursday.

The Japan Bank for International Cooperation and Exim Bank of Thailand will finance the project. The joint venture will invest 30 per cent of the sum, and the rest 70 per



## Regulator to weigh potential of OTC market companies

STAR BUSINESS REPORT

The stock market regulator has initiated a move to look into the business potential of the companies trading over-the-counter (OTC) as part of efforts to bring them back to the main board of the exchanges.

The Bangladesh Securities and Exchange Commission (BSEC) has instructed Dhaka and Chattogram stock exchanges to appoint special auditors to review the business potential of 21 companies that are in operation.

"We want to examine the better companies of the OTC market and bring them to the main board," said a top official of the BSEC, preferring anonymity.

"We are analysing their potential. Let's see how many companies we can find fit for the main board."

The OTC market provides an alternative to stock exchange listing for securities of issuers that either choose not to be listed on the DSE or do not meet the relevant listing requirements, according to the DSE website.

At present, 64 stocks trade on the OTC. The regulator also ordered the bourses to submit an in-depth report on another 43 companies that are also listed with the OTC market.

The bourses will evaluate the financial reports of the companies along with their business performance, production capacity, land and other tangible assets.

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## Vaccine rollout cheers up stock investors

Key indices climb up across the globe

AHSAN HABIB

The start of the Covid-19 vaccine rollout in the UK and the US cheered institutional investors around the world, allowing global stock markets to end higher last week and Bangladesh was no exception.

Institutional investors began taking part in the stock market and most importantly were choosing the manufacturing sector in the Dhaka Stock Exchange.

As the vaccine arrived on the scene, the US and the UK already started administering it into the human body, so investors all over the world are optimistic of the economy bouncing back, said Abdul Latif, a stock investor with around 20 years' experience.

The UK started to administer a Pfizer-BioNTech vaccine from December 8, and the mass immunisation in the US began on December 14.

Pfizer and BioNTech announced that vaccine candidates against the pathogen achieved success in the first interim analysis on November 9.

The US's S&P 500 index rose around 1 per cent, and the Nasdaq edged up by 2.4 per cent in the last five days.

### WEEKLY ROUNDUP OF STOCKS AT HOME AND ABROAD

- DSEX (Dhaka): ▲ 0.26%
- Dow Jones (New York): ▲ 2.57%
- Nikkei 225 (Tokyo): ▲ 5.04%
- FTSE 100 (London): ▲ 0.41%
- Euro Stoxx 50 (Eurozone): ▲ 1.37%
- BSE Sensex (Mumbai): ▲ 1.56%



The Dow Jones Index gained 2.57 per cent, the Eurozone's Euro Stoxx 50 added 1.37 per cent, Japan's Nikkei 225 advanced 5 per cent, and India's BSE Sensex went up 1.56 per cent.

Institutional investors in Bangladesh are also optimistic along with individual investors, and so they have started to invest, Latif said.

The DSEX, the benchmark index of the DSE, rose 0.5 per cent last week while the daily average turnover of the premier bourse went up around 10 per cent to Tk 920 crore, DSE data showed.

Among the major sectors, the value of

stocks of the engineering sector rose the highest, 10.1 per cent, last week followed by pharmaceuticals and cement stocks.

The manufacturing sector has been witnessing the least investment for the past few months amidst the pandemic because of peoples' apprehension over economic trends.

When an economy fears any disruption, the manufacturing sector endures a big blow in the stock market because the demand for products falls fast, Latif said.

The positive movement of the global stock indexes is related to the vaccination because it will help big economies bounce

back, said Prof Mohammad Musa, a stock market analyst.

"Normally, we do not see the impact of the world market on Bangladesh's stock market, maybe due to its uniqueness," he said.

"On the other hand, our market is individual investor-based, so big economies' impact is less here," he said.

Now banks are investing funds in the stock market as it is being considered lucrative and they may hopefully see a turnaround of the economy, added Musa, a professor of business and economics.

Twenty-one banks informed the Bangladesh Bank that they would invest Tk 2,050 crore. More than Tk 700 crore was invested as of December 10.

A top official of a merchant bank said they decided to invest in the stock market because lending deemed risky now.

The pandemic might turn out for the better as the vaccine is being administered worldwide, he said, adding that Bangladesh also would surely get the vaccine.

"We had decided to wait until the vaccine is invented before investing here," he added.

## Demand for high-value crops tumbles

MOSTAFA SHABUI, Bogura

Farmers who cultivate high-value crops such as broccoli, lettuce and avocado have seen their sales drop by about 50 per cent due to the Covid-19 fallout.

Winter is the main growing season for high-value crops, and a lot of produce has already arrived in the Dhaka and Chattogram markets.

However, these vegetables are being sold by street vendors and local kitchen markets at lower prices amid low demand.

According to vegetable traders in the capital, high-value crops mainly come from Savar, Gazipur, Munshiganj, Chattogram, Bhola and Bogura.

The produce is sold to high-end restaurants and hotels that cater mostly foreigners.

Kobbad Hossain Ovi, a 36-year-old farmer from Dokkhin Mitka village under Dhaka's Savar upazila, invested about Tk 70 lakh to Tk 80 lakh to cultivate various high-

value vegetables on 200 bighas of land this season.

But when the outbreak began in March, sales dropped 90 per cent as the country's hotels and restaurants were closed.

"I used to register sales of Tk 20-25 lakh each month during the pre-pandemic period, but now, I sell just Tk 10 lakh per month," Ovi said.

His annual sales were Tk 1.80 crore in 2019, but if the situation worsens due to the Covid-19, he would have to count losses of over Tk 50 lakh this year, he added.

Ovi went on to say that he did not receive any form of incentive or support from the Department of Agricultural Extension (DAE) to cope with the ongoing crisis.

When contacted, Rafiqul Islam Bhuiyan, deputy director of the DAE Dhaka office, said that the organisation does not provide any such incentives for farmers who cultivate foreign vegetables.

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High-value crops like broccoli, lettuce and avocado have seen their sales drop by about 50 per cent due to the pandemic. As demand has fallen, these vegetables are being sold by street vendors and local kitchen markets at low prices.

COLLECTED



**SHWAPNO**  
Ekramul Hoque Titu, mayor of Mymensingh City Corporation, and Md Razibul Hasan, head of business development at Shwapno, open an outlet of the supermarket chain at Nurjahan Complex in Mymensingh on Friday.



**BD FINANCE**  
Md Kyser Hamid, CEO of BD Finance, and SM Ziaul Hoque, CEO of Chartered Life Insurance Company, exchange documents after signing a deal at the former's head office in Dhaka on Thursday to provide insurance facility to the SME and retail loan customers of BD Finance.



**NRB GLOBAL BANK**  
Syed Habib Hasnat, managing director of NRB Global Bank, opens two new Islami banking branches in Narail and Bandarban through a digital platform from its head office in Dhaka on Thursday.

**AGRANI BANK LIMITED**  
Establishment & Engineering Division  
Head Office  
9/D, Dilkusha, Dhaka.  
**Invitation For Tenders**

1	Procuring Entity Name	Agrani Bank Limited, Establishment & Engineering Division, Head office (7th floor), 9/D, Dilkusha, Motijheel C/A, Dhaka-1000.	
2	Procuring Entity District	Dhaka	
3	Invitation for	Supply, Installation, Testing and Commissioning of 630 Kg Capacity 02(Two) Passenger lift including all other accessories for Agrani Bank Limited, Head Office, Dhaka.	
4	Invitation Ref No	ABL/E&ED/Eng/Mecha-308/2020	
5	Date	17/12/2020	
<b>KEY INFORMATION</b>			
6	Procurement Method	Open Tendering Method.	
<b>FUNDING INFORMATION</b>			
7	Budget and Source of Funds	Own fund of Agrani Bank limited.	
<b>PARTICULAR INFORMATION</b>			
8	Tender Publication Date	17/12/2020	
9	Tender Last Selling Date	18/01/2021	
		Date	Time
10	Tender Closing Date and Time	19/01/2021	03.00PM
11	Tender Opening Date and Time	19/01/2021	03.30PM
12	Name & Address of the office for Selling Tender Document	Agrani Bank Limited, Establishment & Engineering Division, Head Office (7th Floor), 9/D, Dilkusha, Motijheel C/A, Dhaka-1000.	
13	Receiving Tender Document	Attention: <b>General Manager</b> Address: Agrani Bank Limited, General Manager's Secretariat, Head Office (5 <sup>th</sup> Floor), 9/D, Dilkusha, Motijheel C/A, Dhaka-1000. Time: 10:00AM to 03:00PM. Date: 19/01/2020	
14	Place of Opening Tender document	Tender Opening will take place at the Dropping Place.	
<b>INFORMATION FOR TENDERER</b>			
15	Brief Eligibility and Qualification of Tenderer	Tenderers who have: a. Not been prevented by order of any judicial court from entering into and/or signing contract with the procuring entity. b. Tenderers shall have at least 05 (Five) years of overall business experience in similar works preceding the date of publication of IFT. c. Tenderer shall have successfully completed similar lift's supply, installation and related works in Government/Semi-Government/ Autonomous body at least Tk. 75.00 (Seventy five) lac in a single tender during the last 03(three) years. d. Minimum annual average Supply (Turn Over) in the last 03 (three) years preceding the date of submission of Tender is not less than Tk. 80.00 (Eighty) lac. e. Minimum amount of Liquid asset i.e Working capital/ Credit line(s) of the Tenderer shall be Tk. 80.00 (Eighty) lac only. Should be counted 28 days before from the date of opening of tender. f. Tenderers shall be the Lift Manufacturer or Authorized Agent of Internationally reputed Lift Manufacturer. g. The bidder shall submit a certificate stating that minimum 20 Nos. of lift of proposed brand and proposed country of origin has been used successfully in BANGLADESH. minimum 15 of those 20 lifts have installed and have been running successfully in Bangladesh. h. The tenderer shall also have one year's experience of maintenance of minimum 20 nos of Lift. i. Bidding company must be managed by Bangladeshi nationals. No joint venture company will be allowed.	
16	Tenderer to attach copies of the following documents	i) Up to date valid Trade license ii) Up-to-date income tax paid certificate iii) Valid VAT registration certificate iv) TIN Certificate v) Liquid asset i.e. working capital or line of credit certificate of the Tenderer shall be Tk. 80.00 (Eighty) lac only. vi) Main Catalogue/ Brochure. vii) Certificate of successfully completed same Brand and Country of Origin lift's supply, installation and related works in Government/Semi-Government/ Autonomous body/Reputed Limited Company at least Tk. 75.00 (Seventy five) lac in a single tender within the last 03(three) years.. viii) Bidder shall submit financial statements such as profit and loss statements and audited balance sheet of last 03 (three) years. Annual Average supply of related goods (Turn Over) of minimum value of Tk.80.00 (Eighty) lac. ix) Certificate of Manufacturer Authorization. Must follow the format of form PG3 - 6 which will be verified by the procuring entity. x) Affidavit/Declaration of legal ownership/ Certificate of incorporation. xi) Tender Submission Letter (Form PG3-1) xii) Bio-data of key personnel employed by the contractor to carry out the functions stated in the schedule. xiii) The bidder shall give the assurance form the manufacturing company to supply of spare parts of minimum 20 years and this assurance must be authenticated by the Chamber of Commerce/Ministry of Commerce/Ministry of foreign affairs of the concerned manufacturing company. xiv) Certificate by manufacturing company stating that minimum 100 Nos. of the proposed brand of lift have been used in minimum 10 (ten) countries of the world including the manufacturing country for equal to or more than ten years. certificate must be authenticated by Chamber of Commerce/Ministry of Commerce/Ministry of Foreign Affairs of the lift manufacturing company xv) Certificate by the bidder stating that minimum 20 nos. of lift of proposed brand and proposed country of origin have been used successfully in BANGLADESH. Out of those 20 lifts 5 must be installed at Govt/Semi-Govt/Autonomous organizations. xvi) Bidder must be the sole agent/commercial distributor of the proposed lift of the contract and he/she must submit its all supporting documents. xvii) BC class contractor license provided by the electric licensing board. xviii) International Standard Conformity Certificate and Every other documents mentioned in TDS.	
17	Brief Description of Goods	Mitsubishi (Japan), Otis (USA/Japan), Schindler (Switzerland), Thyssenkrupp (Germany); the lift manufacturing company shall be a multinational one and shall have lift manufacturing capability for speed 10m/s (minimum) and shall have lift manufacturing experience in their own factory for a period for not less than 60 years and proposed brand of lift shall be <b>manufactured and tested in Germany/Japan/Switzerland/USA</b> , complying all other detailed specifications stated in the Tender Document Schedule. Capacity: Minimum 630 kg (8 passengers) Speed: 1.5 m/s, 240 starts/hour No of Entrances/stops: 8 (G, 2, 3, 4, 5, 6, 7, 8)	
18	Brief Description of Related Services	Installation, testing, Commissioning of the above mentioned lift with necessary works in Doors, Pit and Machine room etc.	
29	Price of Tender Document (Tk)	5000/- (Tk Five thousand Only) Non-refundable pay-order from any branch of Agrani Bank Limited.	
20	Name of Official Inviting Tender	Md. Nurul Islam	
21	Designation of Official Inviting Tender	Deputy General Manager	
22	Address of Official Inviting Tender	Agrani Bank Limited, Establishment & Engineering Division, Head Office (7th Floor), 9/D, Dilkusha, Motijheel C/A, Dhaka-1000.	
23	Contact details of Official Inviting Tender	01552475489 dgmed@agrani-bank.org	
24		a) The Tenderer shall furnish Registration certificate and evidence of being managed by Bangladeshi nationals in original and certificates of satisfactory completion of previous work for proposed brand lift of above magnitude from the owner at the time of dropping the Tender documents. b) If communication is disrupted on the date of receiving and opening the Tender(s), the same will be received at the same time on the day after next working day. c) Furnishing of any false, misleading documents may result in rejection of tender and may lead to action under Reg. 127 of PPR 2008. d) The authority reserves the right to accept or reject any or all the tenders without assigning any reasons whatsoever. No claims will be entertained in this regard.	

(Md. Nurul Islam)  
Deputy General Manager  
Agrani Bank Limited  
Establishment & Engineering Division  
Head Office, Dhaka.

**The Security Printing Corporation (Bangladesh) Ltd.**  
Gazipur-1703  
**Local e-Tender Notice**  
Website: [www.spcbl.org.bd](http://www.spcbl.org.bd)

**Name of work: Repair and Renovation Works of Security Fencing Around Press Building at the Security Printing Corporation (Bangladesh) Ltd., Gazipur**

Electronic tenders (e-Tender) are hereby invited from the contractor having experience of construction work in the departments of PWD/MES/other government, semi-government/autonomous organizations/bank/insurance organizations for the construction of abovementioned structures for this Corporation as per under noted schedule. Tender documents showing terms and conditions with specification will be available at the website [e-tender.spcbl.org.bd/114.130.43.56](http://e-tender.spcbl.org.bd/114.130.43.56). It is to mentioned here that this is an online tender where only e-Tender will be accepted and no hard copy will be accepted except price of tender schedule and earnest money. To submit e-Tender the bidders need to register on [e-Tender.spcbl.org.bd](http://e-Tender.spcbl.org.bd). For more details please contact cell: 88-01534002183 & 88-01534002184. Necessary information is given below:

1. Price per e-Tender schedule : 500 (five hundred) Taka only.
2. Date of publish of e-Tender : 20/12/2020.
3. Last date & time for submission of e-Tender : 17/01/2021 up to 11.00am.
4. Date & time for opening of e-Tender : 17/01/2021 at 11.15am.

Bidders may collect the e-Tender schedule from the abovementioned website. Bidders need to submit earnest money @ 3% (three percent) of the total quoted price in the form of Bank Draft/Pay Order/Bank Guarantee in favour of the "Managing Director, The Security Printing Corporation (Bangladesh) Ltd." along with the price of e-Tender schedule in the form of an Account Payee Cheque/Pay-Order/DD in the tender box kept at Corporation's office in Gazipur on or before the scheduled deadline for submission of e-Tender. e-Tender(s) without earnest money and price for procurement of e-Tender schedule shall not be acceptable. The e-Tender shall have to submit as per e-Tender guidelines mentioned at above website. Offer(s) shall be opened as per schedule mentioned above in presence of the tenderer(s) if any. 01 (One) e-Tender schedule is applicable only for one Construction firm submitting one offer along with earnest money and price of e-Tender schedule. The authority reserves the right to reject or accept any e-Tender without assigning any reason whatsoever. Submission of e-Tender after the specified time shall not be acceptable under any circumstances.

**Maruf Ahamed**  
Executive Engineer (Civil)  
Phone: 88-02-9205110-15, Ext.-266

GD-2006

**RBI to maintain accommodative monetary policy stance**

REUTERS, Mumbai

The Reserve Bank of India is likely to maintain its accommodative monetary policy stance but a faster-than-expected recovery in growth is limiting the scope for further rate cuts, the minutes of the monetary policy committee (MPC) meeting said.

The MPC left key interest rates unchanged this month amid persistently high inflation but said it would ensure ample liquidity to stressed sectors to keep India's nascent economic recovery on track. "With growth gaining cyclical momentum, the window available to the MPC to look through inflation pressures is narrower than before," deputy governor and MPC member Michael Patra wrote in the minutes released on Friday.

The Indian economy contracted by a smaller-than-expected 7.5 per cent in the September quarter while retail inflation eased to 6.93 per cent in November but stayed well above the RBI's mandated 2 per cent-6 per cent target range. "High inflation remains a risk but easing these pressures requires easing supply conditions," wrote Shashanka Bhide, member of the MPC.

Most members, however, believe inflation remains transient and is largely due to supply-side factors and should start easing post December.

# US blacklists dozens of Chinese firms including SMIC, DJI

REUTERS, Washington

The United States added dozens of Chinese companies, including the country's top chipmaker SMIC and Chinese drone manufacturer SZ DJI Technology Co Ltd, to a trade blacklist on Friday as US President Donald Trump's administration ratchets up tensions with China in his final weeks in office.

Reuters first reported the addition of SMIC and other companies earlier on Friday. The move is seen as the latest in Republican Trump's efforts to burnish his tough-on-China image as part of lengthy fight between Washington and Beijing over trade and numerous economic issues.

The US Commerce Department said the action against SMIC stems from Beijing's efforts to harness civilian technologies for military purposes and evidence of activities between SMIC and Chinese military industrial companies of concern.

The Commerce Department will "not allow advanced US technology to help build the military of an increasingly belligerent adversary," Secretary Wilbur Ross said in a statement.

The department also said it was adding the world's biggest drone company DJI to the list along with AGCU Scientech; China National Scientific Instruments and Materials, and Kuang-Chi Group for allegedly enabling "wide-scale human rights abuses."

"The United States will use all countermeasures available, including actions to prevent (Chinese) companies and institutions from exploiting US goods and technologies for malign purposes," Secretary of State Mike Pompeo added in a separate release.

SMIC and the other companies did not immediately comment.

But some lawmakers, industry executives and former officials raised questions about the impact of Friday's move



Flags of US and China are displayed at American International Chamber of Commerce booth during China International Fair for Trade in Services in Beijing.

against SMIC. Generally, entity-listed companies are required to apply for licenses from the Commerce Department that face tough scrutiny when they seek permission to receive items from US suppliers.

But SMIC will only face a tough review standard when it seeks licenses for highly advanced US chipmaking equipment at 10 nanometers or below. Licenses for all other items shipped to the company will be reviewed on a case-by-case basis, the Commerce Department said.

"It's a nice (public relations) line: 'We're putting it on this bad guys' list," said William Reinsch,

a former Commerce Department official, who said he imagines the agency was already blocking shipments of such technology to SMIC. "As a practical matter... it doesn't change anything."

Republican Congressman Michael McCaul, ranking member of the House Foreign Affairs committee echoed Reinsch's comments, saying he feared the rules were more "bark than bite." "I have concerns it undermines the intent, and may create an exception for malign actors to evade US export controls," he said in a statement.

But Chinese authorities did not mince words about

Washington's latest gambit.

In an address to the Asia Society on Friday, China's State Councillor Wang Yi, who is also the country's foreign minister, noted the expanding list of US sanctions and called on Washington to stop its "arbitrary suppression" of Chinese companies.

China's foreign ministry said that if true, the blacklisting would be evidence of US oppression of Chinese companies and that Beijing would continue to take "necessary measures" to protect their rights.

"We urge the US to cease its mistaken behavior of

unwarranted oppression of foreign companies," ministry spokesman Wang Wenbin told a regular news conference in Beijing on Friday.

The Commerce Department released a list of 77 companies and affiliates to the so-called entity list, including 60 Chinese companies.

The designations by the Commerce Department include some entities in China that allegedly enable human rights abuses and some helping it construct and militarize artificial islands in the South China Sea, the agency said.

It also cited entities that

acquired US-origin items to support the Chinese military and those engaged in the theft of US trade secrets.

Companies previously added to the list include telecoms equipment giants Huawei Technologies Co and 150 affiliates, and ZTE Corp over sanction violations, as well as surveillance camera maker Hikvision over suppression of China's Uighur minority.

Shares in SMIC, formally the Semiconductor Manufacturing International Corp, fell 5.2 per cent in Hong Kong on Friday, while the company's Shanghai-listed shares declined 1.8 per cent. The benchmark indices in the two markets were down less than 1 per cent.

SMIC had already been in Washington's crosshairs.

In September, the Commerce Department mandated that suppliers of certain equipment to the company apply for export licenses after concluding there was an "unacceptable risk" that equipment supplied to it could be used for military purposes.

Last month, the Defense Department added the company to a separate blacklist of alleged Chinese military companies, effectively banning US investors from buying its shares starting late next year.

SMIC has repeatedly said that it has no relationship with the Chinese military.

SMIC is the largest Chinese chip manufacturer but trails Taiwan Semiconductor Manufacturing Co, the industry's market leader. It has sought to build out foundries for the manufacture of computer chips that can compete with those of TSMC.

Ties between Washington and Beijing have grown increasingly antagonistic over the past year as the world's top two economies sparred over Beijing's handling of the coronavirus outbreak, imposition of a national security law in Hong Kong and rising tensions in the South China Sea.

## Sponsor director elected chairman of Citizens Bank



STAR BUSINESS DESK

Towfika Aftab, one of the sponsor directors of Citizens Bank, has recently been elected chairman of the bank.

A lawyer by profession, she served as a government appointed legal prosecutor in the Bangabandhu Sheikh Mujibur Rahman and four national leaders' murder cases.

She obtained a master's degree in political science and bachelor of law degree from the University of Dhaka.

Towfika is also the founder chairman of Ethnica School.

Citizens Bank was listed as a scheduled bank by Bangladesh Bank on December 15, bringing the total number of scheduled banks in the country to 61.

## Oil settles up, marking seventh straight weekly gain

REUTERS

Oil settled up at a nine-month high on Friday, rounding out seven straight weeks of gains as investors focused on the rollout of COVID-19 vaccines and a decline this week in the US dollar.

Pfizer has applied for approval in Japan for its vaccine, which is being used in the United Kingdom and the United States. US Vice President Mike Pence said US approval for Moderna's shot could come later on Friday.

Brent crude settled up 76 cents, or 1.5 per cent, to \$52.26 a barrel after touching \$52.48, its highest since March. US West Texas Intermediate (WTI) crude settled up 74 cents, or 1.5 per cent, to \$49.10 after reaching \$49.28, its highest since February.

## Next budget may cut tax at source

FROM PAGE B4

The NBR has also moved towards a digital transformation of taxpayers' services and expansion of outreach activities.

On allegations of harassment, he said a negligible part of total income tax files were selected for auditing.

He said the taxpayers need to feel the necessity of tax payment for development of the country.

Hossain said the government has offered the opportunity to declare undisclosed income, paying a 10 per cent tax at a flat rate, for whatever that was legally earned.

He said the opportunity should be availed by the taxpayers having undisclosed income to avoid future hassle on tax matters.

He said the time for tax return submission has been extended until December 31 to facilitate taxpayers in avoiding gatherings amid the ongoing pandemic.

There is always a tendency to rush for submitting tax returns in the tax offices at the last minute, he added.

## Foreign firms team up to upgrade closed sugar mills

FROM PAGE B1

Derived from sources such as sugarcane molasses, the ENA serves as an essential ingredient in the manufacture of cosmetics and personal care products such as perfumes, toiletries and hair spray, according to an article of the Indian Express.

Given its properties as a good solvent, the ENA also finds industrial use and is utilised in the production of some lacquers, paints and ink for the printing industry, as well as in pharmaceutical products such as antiseptics, drugs, syrups and medicated sprays.

The ENA is the primary raw material for making alcoholic beverages, such as whisky, vodka, gin and liqueurs.

The BSFIC has submitted a review report on the feasibility study to the industries ministry for the next course of action. It sent a letter to Sutech Engineering asking it to send the draft partnership agreement to implement the project.

Talking to The Daily Star, Sanat Kumar Saha, chairman of the BSFIC, said the corporation had closed the operation of the six sugar mills as part of the modernisation process. The project will be implemented through foreign direct investment, and the BSFIC will provide land, he said.

The investors will bring in the total amount, and the ratio of profit-sharing is

under negotiation.

He said the corporation could have signed the agreement by this year, but the coronavirus pandemic delayed the progress.

The BSFIC has received seven investment proposals from companies from Germany, the Netherlands, Malaysia, and the United Kingdom to modernise the country's old sugar mills. All of the proposals are under consideration. Saha said the BSFIC would keep its commitment on procuring sugarcane from the farmers in the catchment areas of the closed mills and no worker would lose their job.

While the mills of Shyampur, Panchagarh, Setabganj, Rangpur, Pabna, and Kushtia undergo the modernisation, their workers would be employed at the nine mills that are still operational. The six mills employ around 3,000 workers.

According to the new plan, the BSFIC's distilleries will produce spirits, alcohols, bio-fertiliser and electricity as by-products of sugar production.

The corporation has kept the mills closed for a temporary period to cut operational costs and minimise losses.

Over the last five years, the BSFIC incurred losses of Tk 3,976 crore. In fiscal 2019-20, the corporation registered a loss of Tk 970 crore.

## Regulator to weigh potential of OTC market companies

FROM PAGE B1

Retail investors welcome the move.

These companies have raised funds from the investors but pay nothing in return. Moreover, some don't communicate with the shareholders, said one investor.

Among the OTC-based companies, the DSE could not trace 11 companies.

Some investors say the commission could bring them under accountability as sponsors of some of the traceless companies are doing other businesses in the country.

Earlier, the regulator moved to review the business potential of the junk stocks, find out the companies that have shut, have been incurring losses or failing to hold an annual general meeting regularly. The review is underway.

The decisions from the regulator came after the appointment of the new commission led by Prof Shibli Rubayat Ul Islam, which aim at bringing discipline into the market and restoring the confidence of investors.

## Nearly half the state-run entities running at a loss

FROM PAGE B1

Eleven listed state-run companies are making profits. Of the 11, seven are doing business in strictly regulated areas where the private sector was not allowed to do business.

The companies are Meghna Petroleum, Jamuna Oil, Padma Oil, Titas Gas, Powergrid, DESCO, and Bangladesh Submarine Cable.

Only four state-run listed companies are making profits competing with the private sector. The companies are National Tubes, Eastern Lubricants, Bangladesh Shipping Corporation and Rupali Bank.

The government should bring companies with good performance records to the market rather than companies with bad records, said a top official of a leading merchant bank.

Otherwise, the main objective of

bringing them would be spoiled, he said.

The government has taken steps to bring some state-run companies to the stock market in order to boost stock investors' confidence.

Already, three state-owned commercial banks announced their commitment to get listed and Rupali wished to offload more shares within the current year although it has been delayed due to the pandemic.

Some banks are not in a good shape due to higher non-performing loans so the government should reconsider such decisions so that their listing does not increase woes of the stock investors, said the merchant banker.

Once the listed state-run companies were profitable, but they became loss-making entities due to a lack of efficiency and monitoring, said Prof

Abu Ahmed, a stock market analyst.

The government should have offloaded their shares and controlling power so that efficient people came to the boards. But the government holds a majority share for unknown reason, he said, adding that bureaucrats do not want to give up power to the private sector.

"What the majority power is giving to the government is yearly losses," he said.

If the government sold the shares, it could get a huge amount of money back, on the other hand, efficient directors could bring in profits for the companies that would pay them tax at the year's end, Ahmed said.

The companies have huge idle resources that could be used for making the companies profitable, he added.

## Demand for high-value crops tumbles

FROM PAGE B1

Similarly, Mostafizar Rahman, a farmer of Songkorpur village under Bogura's Shibganj upazila, has been cultivating foreign crops since 2003.

He used to make a profit of around Tk 10 lakh on his harvest, but this year, he has had to count losses of Tk 30,000-Tk 40,000 each month amid the coronavirus outbreak.

The demand for various spices and vegetables dropped about 40 to 50 per cent due to the pandemic.

"Therefore, I am left to count my losses, and if the situation continues

for long, I will have to give up on growing foreign crops," Rahman said.

Abu Taher, a farmer of Khaskandi village under Munshiganj's Sirajdikhan upazila, said that he has more than 60 permanent workers that have been paid regularly even amid the current crisis.

"But I have already lost Tk 40 lakh due to the sharp decrease in demand," Taher said.

Ansar Ali, a renowned farmer of Bogura's Shibganj upazila, used to cultivate foreign crops on 30 bighas of land, including six varieties of

capsicum, broccoli, Shimla chilli, asparagus and Iceberg lettuce.

But this year, he could cultivate foreign crops on just 15 bighas of land due to the low market demand. Besides, repeated flooding following inclement weather damaged a lot of his crops.

"Due to the wetland, I could not cultivate vegetables on time. Due to the coronavirus, rains and floods, I have had to count losses of Tk 10 lakh since the pandemic hit the country," Ali said.

He said if they had cold storage

facilities in the area, they could have at least stored the vegetables until they got better prices.

Osman Ali, a foreign vegetable vendor of Dhaka's Karwan Bazar, said that foreigners are the primary consumers of the high-value crops.

But the number of foreign tourists in Bangladesh has fallen due to the pandemic and therefore, so has the sale of foreign vegetables, he said.

There are 28 foreign vegetable vendors in Karwan Bazar, and before the coronavirus arrived on the shores of Bangladesh, they had sold around

Tk 20-25 lakh worth of vegetables each day. Now, sales have dwindled to around Tk 15 lakh although this is the peak time of harvesting, traders said.

"Before the coronavirus, I used to sell foreign vegetables worth Tk 4 lakh per month. Now, I make about Tk 2 lakh," Ali said.

Green capsicum was worth Tk 250 per kilogram while the red and yellow varieties were Tk 450 per kg before the outbreak. Currently, they retail at Tk 100 and Tk 250 respectively.

Another trader in the Riaz Uddin Market in Chattogram said that he

used to sell 150 kg of foreign vegetables daily during the pre-pandemic period. The amount has since decreased to 50 kg.

"Before the outbreak, many top-class businessmen and foreign delegates would visit our hotel. Their presence has dropped by at least 7 per cent," said Sonjoy Bhowmick, a senior executive of sales at the Peninsula Chittagong.

"So, we do not purchase as many foreign vegetables as we did in the past since local guests usually don't eat them."

## Next budget may cut tax at source

*NBR official says; online tax return submission may be made mandatory for all salaried taxpayers*

STAR BUSINESS REPORT

The National Board of Revenue (NBR) is now considering to make online tax return submission mandatory for all salaried taxpayers from next year.

It is thinking about bringing down the rates of withholding tax or tax at source in the budget for the upcoming fiscal year, said Md Alamgir Hossain, member for income tax policy of the NBR.

He spoke at a workshop on tax return filing at the Economic Reporters Forum (ERF) jointly organised for economic reporters by the ERF and Golden Bangladesh, a non-governmental organisation on tax matters.

The final demonstration of online return filing modules was likely to be held next February, Hossain said.

The online return filing facility is now suspended in all but one tax zone because of some technical glitches in the system.

Md Jahangir Alam, CEO of the organisation, said they were ready to extend all-out cooperation to the ERF members on filling up their tax returns and other tax-related services.

"We are ready to provide free-of-cost services to the ERF members on tax matters," said Alam, who is also a tax lawyer.

He said the organisation was working to develop a culture and build awareness on payment of taxes.

ERF President Sharmeen Rinviy said the taxpayers have been forced to bear additional cost for taking assistance on tax return filing as it was not easy for them.



She urged the NBR to simplify tax returns procedures and reduce harassment to encourage people into paying taxes.

ERF General Secretary SM Rashidul moderated the workshop.

The income tax member said the number of tax return filers remain at around 22 lakh, which was around 1 per cent of the country's population.

"We could not popularise the tax return filing despite taking required measures," he admitted.

To simplify the tax return system, the NBR has started drafting a new direct tax law and its first draft is likely to be placed for stakeholders' opinion by June next.

The new law would be drafted in Bangla where taxpayers will find details on return filing in one chapter, he added.

He said the taxpayers' dependency on income tax practitioners or tax lawyers will be reduced to a great extent after enactment of the new law.

He said the tax-GDP ratio remained stagnant compared to the country's per capita income and household expenditures.

He said the tax net would be expanded if the NBR could simplify the tax return submission process.

The NBR will be able to bring down the existing tax rate with the expansion of the tax net, he said.

READ MORE ON B3

# Set 2021's economic priorities in light of pandemic experiences



SAYEMA HAQUE BIDISHA

The year 2020 has been an unprecedented one for most of the countries of the world with Covid-19 costing lives and affecting economic activities severely.

As for Bangladesh, two months of general holiday to contain the spread of infection, along with a fall in demand at the local level have resulted in loss in employment and income for a large number of people. Besides, the spread of infection and slowing down of global economic activities have negatively affected export earnings and constrained the process of international migration.

In addition to direct economic impact, the long-term effect on human capital and skill formation of this pandemic can be quite substantial too, due particularly to the prevailing digital divide in education and skills training.

Despite such challenges, it is a matter of optimism that the country is on the path of economic recovery with positive trend in a number of key indicators.

However, with the second wave of infection affecting the economies, policy focus should be directed towards a well-balanced and sustainable recovery. While being at the end of 2020, the challenges to revive the economy are greater than before and for the coming year, it is imperative that we set our economic priorities in light of the experiences of Covid-19 along with our development goals.

The priority should be centred around generating employment opportunities to absorb the new entrants into the labour market and to recover the Covid-19 induced loss in employment and income.

Besides, strategy to incorporate the returnee migrants along with a large pool of potential migrants into the labour market should be in the agenda too.

In addition to the continued effort to revive private investment, given the uncertainties of global economy, we need to focus

more on creating small scale employment opportunities.

Effective implementation of Covid-19 incentive packages, especially for the cottage, micro, and small enterprises (CSEs), is the key towards this and proper monitoring of such packages as suggested by some of the economists could be an effective strategy in this connection.

Emphasis is also needed for the expansion of e-commerce based businesses and for small-scale start-ups.

Against the backdrop of the pandemic, it is crucial to re-design the poverty alleviation strategies while incorporating the new-poor to the existing social protection schemes.

To this end, in addition to increasing budgetary allocation to the core programmes, streamlining the existing schemes in light of the National Social Safety Net Strategy and strict monitoring of the programmes are extremely important. Given the fact that Covid-19 has strong impact on urban low-

income dwellers, separate social protection programme targeting urban slums should be considered with due importance.

With Covid-19 affecting earnings of millions, the importance of containing prices of daily essentials is more than before.

Establishing a well-functioning price commission comprising relevant stakeholders can be an effective strategy to this end. It can monitor prices of essentials, keep record of stocks of food grains, conduct research on future projection of commodities, and help keep the supply chain well-functioning.

One of the key challenges in the coming year would be procurement of required dosages of reliable and WHO-certified vaccines at the shortest possible time and to distribute those while maintaining efficacy and reliability.

In this connection, we must build our own physical infrastructure and train our health professionals for Covid-19

vaccination.

In a separate yet related note, Covid-19 has highlighted the urgency of having well-functioning health infrastructure. With one of the highest out-of-pocket health expenditure, increasing budgetary spending in health sector along with its efficient utilisation and service delivery should be the top priority at the moment.

There is no denying the fact that the development efforts of the country rely heavily on its labour force and with changed mode of production along with the challenges of automation and fourth industrial revolution, increased emphasis is needed for upskilling and reskilling the labour force.

In this regard, on one hand skills training programmes should be modernised with the growing needs of the local as well as global markets, while on the other hand, combined efforts are needed to address the mismatch of skills between the demand and supply sides of the labour market.

In this pandemic, an often overlooked yet highly important area is the growing gap in education, particularly between rural and urban areas and across income classes. The importance of investing in quality education for all segments of the population while dealing with the digital divide should always be among our top priorities.

Finally, it must be kept in mind that, institutional weaknesses remain the key challenge towards fulfilling the development objectives of the country. Regular and effective monitoring of public spending and establishing transparency and accountability are key towards dealing with such challenges.

In addition, major reforms in certain sectors like those of taxation and banking are urgently needed for attaining the broader objective of inclusive development.

*The writer is a professor of economics at the University of Dhaka.*



It is crucial to re-design the poverty alleviation strategies while incorporating the new poor to the existing social protection schemes.

STAR/FILE

## GLOBAL BUSINESS

## Apple says no new business for supplier Wistron after India plant violence

REUTERS, New Delhi/Bengaluru

Apple Inc on Saturday said it had placed contract manufacturer Wistron on probation and would not give the Taiwanese firm new business until it took corrective actions following lapses at its southern India plant.

Early findings of an Apple audit, which followed violence at the Wistron plant in southern Karnataka state last weekend, show violations of the U.S. tech giant's 'Supplier Code of Conduct', Apple said in a statement.

Wistron failed to implement proper working hour management processes, which "led to payment delays for some workers in October and November," Apple said.

Apple will continue to monitor Wistron's progress on corrective action, the Cupertino-California based company said. "Our main objective is to make sure all the workers are treated with dignity and respect, and fully compensated promptly."

In a statement earlier on Saturday, Wistron admitted some workers at its plant in Karnataka's Kolar district had not been paid properly and said it was removing a top executive overseeing India business.

Contract workers angry over unpaid wages destroyed property, factory gear and iPhones at the plant early on Dec. 12, causing millions of dollars in losses to the Taiwanese contract manufacturer and forcing it to shut the plant.

The plant - located some 50 km outside of the southern tech hub of Bengaluru - assembles one iPhone model, and became operational earlier this year. "This is a new facility and we recognise that we made mistakes as we expanded," Wistron said in the statement. "Some of the processes we put in place to manage labor agencies and payments need to be strengthened and upgraded."

Wistron could not cope with the rapid scaling up of manpower and breached several laws at this factory, according to an inspection of the plant by Karnataka state officials following the violence.

## China's economic recovery 'not yet solid' after pandemic

AFP, Beijing

China said its economy had yet to fully bounce back from the coronavirus pandemic and pledged financial support for recovery efforts at the end of a key annual policy meeting on Friday.

The country suffered its first contraction in decades this year in the wake of a public health crisis that prompted drastic lockdowns in Wuhan -- the central industrial city where the virus first emerged late last year -- and sent factory activity into a

nosedive.

Its economy has since improved after authorities managed to largely contain the infection, and China is likely to be the only major world power to record positive growth this year.

But officials at this week's Central Economic Work Conference, presided over by President Xi Jinping, said the global recovery would be "unstable and uneven" and signalled a fiscal policy focused on maintaining economic stability.

"We must be clearly aware that there are many uncertainties in the evolution of the pandemic and external environment, and the foundation for our country's economic recovery is not yet solid," said a statement from the three-day summit published by state broadcaster CCTV.

Beijing will boost financial support to technological innovation, small business and green projects into the new year in efforts to keep the economy on an even keel, the meeting said.

Officials also said they would prevent "the disorderly expansion of capital", strengthening a new anti-monopoly push.

It follows Beijing's recent signs of displeasure with the growing power of the country's tech giants, with draft antitrust rules last month suggesting more regulation for the sector is on the horizon.

China has moved to clip the wings of its fast-growing online platforms, earlier halting the planned record-smashing \$34 billion IPO of Ant Group, the financial arm of e-commerce giant Alibaba.



A worker sets up a line at a square in the Financial Street area of Beijing following the outbreak of the coronavirus disease.

REUTERS/FILE

## NEWS In Brief

### UK extends virus jobs support until April 2021

AFP, London

Britain announced Thursday that it will continue to heavily subsidise millions of workers' wages until the end of April, extending its furlough coronavirus jobs support scheme by one month.

Finance Minister Rishi Sunak also extended the UK government's business loan scheme -- and added that he will present his next budget on March 3, 2021.

"The furlough scheme has been extended until the end of April 2021 with the government continuing to contribute 80 percent towards wages -- giving businesses and employees across the UK certainty into the New Year," the Treasury said in a statement.

### Fed keeps countercyclical capital buffer at zero

REUTERS

The US Federal Reserve Board voted Friday to keep its countercyclical capital buffer at zero percent, saying it would not order banks to hold additional capital to protect against losses in a future economic downturn.

The Fed said it made the decision after consulting with other bank regulators.

The tool is intended to direct banks to build up capital during times when the economy is strong to bolster resilience in future recessions.



Federal Reserve Board building is pictured in Washington.

REUTERS