

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX			MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.65%	▲ 1.63%	Gold ▲	Oil ▲	▲ 1.14%	▲ 0.54%	▲ 0.03%	▼ 0.57%	BUY TK 83.95	101.43	112.79	12.68
5,218.36	9,036.54	\$1,874.96 (per ounce)	\$50.84 (per barrel)	46,973.54	26,668.35	2,842.04	3,363.11	SELL TK 84.95	105.23	116.59	13.33



star BUSINESS

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F-commerce: a saviour amid pandemic woes

MAHMUDUL HASAN

Kaniz Fatema was devastated when her husband lost his job in March because of the pandemic, which prompted a countrywide lockdown and compelled every industry to go for a massive layoff.

She was overwhelmed with some questions: “How can I get money to meet family expenses? How do I pay the rent? How will I manage my expenses for my four-year-old daughter?”

In late March, she came across the Women and e-Commerce Forum (WE), a Facebook page where women with different skills can post their products or services for sale.

There she posted pictures of kachchi biryani, a dish popular throughout the Indian subcontinent comprising meat layered with rice and a yoghurt-based marinade at the bottom.

“I had an F-commerce site created in November 2018 to sell homemade food, but it was unsuccessful. But in the middle of the pandemic when I posted the pictures of my items on the WE mentioning the name of my page,



COLLECTED

A man engaged in contract farming for a Dhaka-based F-commerce platform collects date juice from Jibannagar of Chuadanga.

the orders started pouring in,” said Fatema.

In the last few months, through her F-commerce site Fawjia’s Food, she has been receiving more than 25 orders per day.

“On top of losing his job, my husband got sick. Besides, managing expenses of the family, now I am spending money minted from the business for the treatment of my husband,” she said.

For the absence of logistic support, which is a major impediment for women who come

facebook

- » Bangladesh tenth largest country in terms of Facebook users (**40m**)
- » Dhaka alone has **20m** active users
- » F-commerce market size Tk **300cr** to Tk **350cr**
- » Over **3** lakh stores operate on Facebook
- » Around **500** pages do business during mango season
- » About **200** pages sell hilsa fish
- » Some platforms spend **\$10-\$50** each per day to boost pages
- » Nearly **60%** businesses are founded by women

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A visionary who blazed trails for many



MA Hashem

REFAWET ULLAH MIRDHA

MA Hashem, a business tycoon, started as a humble tobacco trader in the early 1960s before becoming one of the leading entrepreneurs and industrialists in Bangladesh.

After Bangladesh’s independence in 1971, Hashem realised that the war-torn nation was struggling to supply its people with essential commodities at affordable prices.

He started importing steel, cement, sugar, rice, spices, wheat, salt, milk and numerous other essential commodities after establishing MS Hashem Corporation in Chattogram.

But in order to make the country self-reliant, Hashem decided that these imports would have to be substituted with locally manufactured products. And so, he continued to expand his efforts, and this led to the birth of Partex Group.

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THE JOURNEY

Began with tobacco trading in **1962**

Established over **50 businesses** in six decades

Directly and indirectly employed more than **75,000**

Partex has presence in: boards, food and beverages, furniture, plastics, paper, cotton, yarn, jute, textile, garment and shipping

A pioneer in establishing private bank, private university

Govt to buy 150,000 tonnes of rice from India

STAR BUSINESS REPORT

The government is set to buy 150,000 tonnes of rice from India under a state-to-state contract in an effort to resupply the public food stocks following scant procurement from the current Aman harvest season, according to a senior official of the food ministry.

“We will soon sign a contract in this regard,” said Food Secretary Mosammat Nazmanara Khanum, adding that the agreed minutes were finalised on December 23.

The purchase follows a tender from the Directorate of Food for 250,000 tonnes of rice and 50,000 tonnes of wheat from international sources.

Citing the National Agricultural Cooperative Marketing Federation of India, Reuters said that the state agency is finalising the agreement, which will be the first bilateral deal of its kind in three years after repeated flooding in the country sent local prices to a record high.

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Factory activity on slow recovery path

REJAUL KARIM BYRON and MD FAZLUR RAHMAN

Factory activity in Bangladesh rose 4.39 per cent year-on-year in August as the economy embarked on a journey to recovery from the wreckage caused by the coronavirus pandemic, official data showed.

The manufacturing activity, however, was 12.91 per cent lower than the level of July, pointing to the slower than expected recovery.

The Quantum Index of the large and medium-scale manufacturing industry, which accounts for 87.54 per cent of the industrial production in Bangladesh, stood at 409.83 in August this year compared to 392.61 in August last year.

It was 470.58 in July, according to the Bangladesh Bureau of Statistics (BBS).

Manufacturing activity was 12.91pc lower than the level of July, pointing to the slower than expected recovery

To assess the movement of industrial production, the state-run agency collects data from state-owned enterprises and major manufacturing enterprises in the private sector. The data are collected from a total of 965 sample industries.

BBS data showed that the production of woven garments dipped 26.14 per cent in August compared to a month ago and 4.76 per cent year-on-year, highlighting the depressed demand for garment items in Bangladesh’s export destinations.

Knitwear manufacturing plummeted 22.01 per cent in August from July but rose 10.24 per cent year-on-year.

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Robi debut buoys stocks to 16-month high

STAR BUSINESS REPORT

Stocks soared to a 16-month high on the trading debut of mobile phone operator Robi Axiata, buoyed by general investors’ buying spree and increased participation from institutional investors.

Robi rose 50 per cent to Tk 15 per share hitting the circuit breaker against a face value of Tk 10 each with less than one per cent or 1.17 lakh shares of the second biggest mobile operator being traded on the first day.

Market analysts said many primary share holders were unwilling to sell their Robi stock on future expectations of higher profits.

Investors are hoping Robi will perform better in the coming days so those who got the shares through the initial public offering (IPO) are holding on to it, said Shahidul Islam, chief executive of VIPB Asset Management Company.

ROBI IPO: AT A GLANCE

- » Amount raised: Tk **523cr**
- » Shares issued: **52.37cr** or 10pc of total shares
- » Face value: Tk **10**
- » Subscription: oversubscribed by **5.74** times
- » Shares traded yesterday: **1.17** lakh

Many of them are waiting for the price to go higher or preferring to just hold on to some telecom shares, he said.

The company raised a fund of Tk 523.7 crore offloading 52.37 crore shares at Tk 10 each whereas the next biggest IPO was that of its competitor GP’s -- of Tk 486.1 crore.

Of the Robi’s amount, around Tk 136 crore was raised from its employees and the



rest from the stock market.

The mobile phone operator’s post-IPO earnings per share was Tk 0.22 for the period of January to September. During the period, its profits stood at Tk 116 crore, shows the data of Dhaka Stock Exchange (DSE).

Islam said investment in the stock market depends on future prospects of the company. So investors tend to keep faith on

Enhance use of energy mix to boost power sector: experts

STAR BUSINESS REPORT

The success of the power sector depends on ensuring access to electricity, cost reduction, demand side management and enhancing use of non-conventional cleaner, renewable energy for power generation, experts told a virtual dialogue yesterday.

Titled “Reflections of the Power sector in the upcoming eighth Five-Year Plan: perspectives on strategies and initiatives”, the dialogue was organised by the Centre for Policy Dialogue (CPD).

The government took various programmes under the Seventh Five-Year Plan to improve the power situation and 80 per cent of it has been achieved, CPD Research Director Khondaker Golam Moazzem said in his keynote presentation.

Despite a rise in generation capacity, the programmes could not be implemented 100 per cent as the transmission and distribution system were not improved properly, he said.

The government had to pay around Tk 28,980 crore as about 37.5 per cent of the capacity remained unused at that time, he said.

“That is why capacity payment has been increasing over the years -- from Tk 5,003 crore in fiscal year 2015 to Tk 8,929 crore in fiscal year 2019.”

This has forced the government to allocate resources to finance the deficit and



the capacity payment is almost equivalent to the amount of subsidy taken from the government in fiscal year 2019, Moazzem said.

He also suggested that an alignment of the demand projection should be made by the upcoming Power System Master Plan 2021 where other policy documents will be highly important.

The energy mix, which is highly reliant on fossil fuels, should be gradually

rebalanced with the setting up of renewable energy based projects, he said.

He also said the eighth five-year plan should highlight appropriate mechanisms to lessen the fiscal pressure, huge import payments and debt burden caused in case of different power sector related activities.

“The goals set in the eighth five-year plan are too far from the reality,” said M Shamsul Alam, dean of the engineering faculty of Daffodil International University.

the company even if its profitability track record is poor, said Islam, who manages around Tk 300 crore of mutual funds.

“Investors’ expectation is not illogical because such a track record does not mean that it will not be able to make profits,” he added.

Meanwhile, Beximco, Bangladesh Thai Aluminium, Bangladesh Submarine Cable Company and Shinepukur Ceramics made gains in leading the DSE, the country’s main bourse, to close the highest since August 25, 2019 when the index stood at 5,223.

The DSEX, the benchmark index of the DSE, rose 85 points, or 1.65 per cent to 5,218.36.

Institutional investors have been buying stocks in the past few days, so stocks of companies with good track records are rising alongside the market turnover, said a stock broker.

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OBSERVATIONS

The energy mix highly biased towards fossil-fuel should be rebalanced

Govt should take renewable energy-based projects

Eighth five-year plan should have mechanism to lessen fiscal pressure in power sector activities

Goals in the eighth FYP are too far from reality

Amid various challenges, it is not possible to rely on renewable energy right now

Wind power can be an alternative source

The major part of the seventh five-year plan on renewable energy has not been achieved during this time, he said.

“Officials of the power sector have awarded projects to companies they favour without calling tenders to serve their own interests. In many cases, tender offer conditions were set such it could not be met by anyone other than the company of their choice.”

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