

Dhaka travel mart postponed for coronavirus

STAR BUSINESS DESK

This year's edition of Dhaka Travel Mart, a travel and tourism fair which attracts a large number of participants from abroad, has been postponed due to fears over the spread of coronavirus.

US-Bangla Airlines Dhaka Travel Mart 2020 was scheduled to begin in the capital from March 12 and a fresh date will be announced once the situation improves, says a statement. The virus has killed more than 2,800 people and infected more than 84,000 since late December.

"In 17 years of history of the travel mart,

we have never encountered such a situation in the past, which could deter us in holding the event on due date," Kazi Wahidul Alam, editor of The Bangladesh Monitor, a travel publication which organises the event.

"But the present situation is beyond anybody's control. To us health and safety of our valued partners, participants, visitors from home and abroad are of topmost priority, hence we can't take any risk," he added

Around 100 participants from Nepal, Thailand, Malaysia, Indonesia, the United Arab Emirates, Oman, India and Bangladesh had already registered to participate, the statement added.

United Airlines sharply cuts flights to Asia

REUTERS, Washington

United Airlines Holdings Inc said on Friday it was sharply cutting flights to Japan and South Korea, as travelers worried about the coronavirus outbreak slash ticket purchases for those destinations.

It also canceled its investor day that had been due to be held on March 5. With investors firmly focused on how the company is managing the near-term impact of the coronavirus, United said it was not "practical to expect that it can have a productive conversation focused on its long-term strategy next week." The event will be rescheduled for September.

Chicago-based United already withdrew its 2020 guidance this week due to uncertainty over the duration and spread of the virus. It warned that near-term demand to China has almost disappeared, with demand for the rest of its trans-Pacific routes down by 75 per cent.

As a result, the company is temporarily reducing flights from the U.S. mainland to Tokyo, Osaka, Singapore and Seoul and extending the suspension of U.S. flights to mainland China and Hong Kong through April 30, it said on Friday.

Container transport to Ctg port resumes after four days

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About 89 per cent of the country's export cargoes are brought by trucks and lorries to the ICDs, from where they are sent to the port in containers for exports.

In the last three days, seven vessels left the port without taking any export container for the strike.

Yesterday morning, two vessels -- Xpress Kabru and Penang Bridge -- left the port with only 100 TEUs of goods-laden export containers, whereas they were supposed to carry 1,530, said Saiful Islam, senior manager of Sea Consortium Bangladesh, the vessels' operator.

Some 1,430 TEUs export containers missed export deadline, which is a record for the port, he said.

Kabru was actually scheduled to leave the port on Friday but it waited one more day to take 1,242 TEUs of containers. But only 100

TEUs reached the ship in time, he said.

Penang Bridge was assigned to carry 188 goods-laden export containers. But none reached the port.

Exporters are now fearing huge losses due to delays in completing shipments.

The export cargoes, which missed shipment deadline in Chattogram, would also miss their connecting mother vessels in Colombo, Singapore and Malaysia, from where they are sent to Europe and the US.

"We may have to go for costly air shipments to ensure that the products reach the buyers on time," Chowdhury added.

Usually, around 1,000 TEUs of export containers can be sent to the port from all the ICDs in a day. The strike has worsened the container congestion. Some 9,000 TEUs of export containers are now piled up in 18 ICDs and it would take another 8 to 9 days for the containers to reach the port.

Stock markets suffer worst week since financial crisis

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Frankfurt headed the losses in Europe, shedding almost 3.9 per cent as the market closed.

Leading European stock markets have lost more than 10 percent in just one week, with London's FTSE 100, which fell by 3.4 per cent on Friday, dropping 11.3 per cent.

Wall Street also had another difficult day, with the Dow finishing down 1.4 per cent at 25,409.36, which meant a drop of more than 12 per cent for the week.

But US indices cut their losses after Federal Reserve Chair Jerome Powell released a statement saying the US economy remains "strong" but vowing to "use our tools" to provide support if needed.

The markets in Shanghai, Sydney and Tokyo all closed down 3.0 per cent, while Jakarta shed more than four per cent.

"The panic mode is full on," said Ipek Ozkardeskaya, senior analyst at Swissquote Bank.

"The coronavirus outbreak has certainly hit businesses, and it might have a longer-than-expected negative impact on company earnings and global growth," she added.

Meanwhile, the Japanese yen continue to benefit from its status as a haven investment in times of economic uncertainty, making solid gains against the dollar. Yields on 10-year US Treasuries hit new all-time lows.

Concern that global crude demand will crash meanwhile sent oil prices down again: in London, Brent crude fell 3.2 percent, while the US benchmark WTI crude dropped 4.9 per cent.

"Another day, another sell-off," remarked analyst Stephen Brennock at energy consultancy PVM Associates.

"Risk assets took a significant step lower... as market players continued to squirm with unease over the growing coronavirus crisis." In addition to central banks, governments also

faced pressure to provide support.

French Economy and Finance Minister Bruno Le Maire said the virus would be considered "a case of force majeure for companies," meaning they would not be penalized if they failed to meet deadlines on public contracts.

The virus has now proliferated worldwide, emerging in every continent except Antarctica, and prompting governments and businesses to curb travel and public gatherings.

On Friday, Nigeria reported the first new coronavirus case in sub-Saharan Africa, as the World Health Organization warned against the "fatal mistake" of complacency. Iceland reported its first case too.

The Geneva International Motor Show was the latest major event to be canceled after Switzerland banned large gatherings.

The virus has killed more than 2,800 people and infected more than 84,000 since late December.

"This needs to be revised to help the industry to grow," Rana said.

In line with the fast-growing economy, lift consumption in Bangladesh is increasing steadily. "New players will join the race to manufacture lifts locally in the near future."

With the plant, Walton added another feather in its cap. It manufactures refrigerators, freezers, air conditioners, LED/LCD televisions, motorcycles, smart phones and home appliances.

Walton is the biggest exporter in the field of electronics, with presence in more than 20 countries, according to the company's website.

Declining onion prices a double-edged sword

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Importers are taking preparation to open letters of credit to import onion from India, according to Harun Ur Rashid, president of the Import and Export Group at the Hili Land Port and chairman of Hakimpur upazila parishad.

Falling price is good news for consumers as they will not need to ration their consumption as they had to when the prices rose exorbitantly, said Shahanaaz Begum Panna, who works at a private company. "India's restriction has taught us a good lesson. We have to increase the local production and stand by our farmers to protect them from losses," she said.

Encouraged by the higher prices following India's ban, farmers cultivated onion on 2.34 lakh hectares of land this year, the highest in a decade and up 15 per cent year-on-year, according to preliminary estimates of the Department of Agricultural Extension. But declining prices have already created worries among farmers.

Yesterday, locally grown onions were sold between Tk 1,400 and Tk 1,600 a maund at the markets in producing zones, down from more than Tk 2,500 a week ago, said Mohammad Aminul Islam, an onion

trader in Pabna, one of the main onion producing districts.

"Prices should be between Tk 1,500 and Tk 2,000 each maund. Otherwise, farmers will suffer from losses," he said.

Farmers will have margins if they can sell onion at Tk 40-50 a kg, said Mohammad Abdul Mazed, general secretary of the Shyambazar Onion Wholesalers Association. "We will write to the commerce ministry soon to discourage onion imports," Agriculture Secretary Md Nasiruzzaman told The Daily Star on Thursday over telephone.

The ministry will also write to the National Board of Revenue for imposing higher tariff on the import of agricultural produce. Nasiruzzaman expects that farmers would produce 26 lakh tonnes of onion and the country might still need to import 5-7 lakh tonnes of the bulb during lean periods.

"If onions are not imported at all or are imported gradually, our farmers will get better prices and more land will come under onion cultivation next year."

But if there is huge import and prices drop to Tk 10-Tk 15 a kg, they will not grow onion next year, he added.

Yet another trailblazing act from Walton

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Currently, a passenger lift costs Tk 20 lakh but it will be slashed by a few lakhs within a year because of Walton's production, he said.

Cargo lifts are much more expensive.

In 2014, Walton took the initiative to set up the plant with the view to assembling heavy technology products.

About 150 local and a good number of foreign engineers are working in the plant, which has a capacity to manufacture 1,000 units a year. The company aims to expand the capacity based on the market response.

Finance Minister AHM Mustafa Kamal is due to inaugurate the plant at a programme today in presence of Posts and Telecommunication Minister Mustafa Jabbar and State Minister for Information and Communication Technology Zunaid Ahmed Palak.

Rana also sought policy reforms from the government so that a local lift assembling industry develops.

Currently, local producers have to pay 10 per cent customs duty for equipment and raw materials needed to manufacture lifts, whereas finished products carry only 1 per cent duty.

Correction

A photo caption published in The Daily Star on

February 28 inadvertently

identified Biblob Kumer Roy

as the managing director

of TVS Auto Bangladesh. In

fact, he is the CEO. We regret

the error.

Oil prices sink

REUTERS, New York

Oil prices slumped for a sixth day in a row on Friday to their lowest in more than a year, causing futures to drop by the most in a week since 2016 amid coronavirus outbreak. The coronavirus spread further with cases reported for the first time in six countries across three continents.

Garment wage digitalisation closer to target

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The other problems include losses caused by management malpractices and presence of fake and damaged notes, said the study, which had engaged around 40 management professionals and owners from the apparel sector.

At this point, there is consensus on the necessity for raising the financial literacy of the garment workers to implement the payment system.

The study recommended greater collaboration between buyers, suppliers, digital financial service providers, government agencies and industry associations to accelerate wage digitalisation.

The digital financial service providers need to expand the ecosystem to increase adoption among workers while factories must have enough options to digitalise at a realistic rate with a service provider that suits them, according to the report.

Digital advocates among large suppliers and hosting platforms for knowledge sharing are required alongside training for workers on tech literacy by stakeholders to make a smoother transition.

Dhaka Bank to deliver customer service through WhatsApp

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Customers would be able to transfer funds from Dhaka Bank to other banks and bKash, the country's largest mobile financial service provider, make utility payments and mobile top-ups.

The WhatsApp banking platform will offer mini statements to customers and credit card-related transaction record.

Customers can take the service both through messages and voice calls on the WhatsApp platform.

For instance, any customer can make calls to the customer service centre of Dhaka Bank through WhatsApp if he/she faces any problem while at home and abroad through WhatsApp.

This will help reduce the cost of customers as WhatsApp is a free internet-based communication application.

Besides, Dhaka Bank will not impose any change on clients for enjoying banking services through WhatsApp, Huq said.

The lender is hoping more than 50,000 of its customers will embrace the service within the next 2-3 months.

"WhatsApp banking model will also attract new clients as they can expect to conduct hassle-free banking and settle transactions while sitting at their home or office." The country's youths are highly tech-savvy and the new banking model may catch their attention too.

Over the next few day, Dhaka Bank will send a text message to its registered customers with link of the WhatsApp banking services.

After clicking on the link, customers will have to send a 'Hi' or 'Hello' message to initiate the WhatsApp banking service.

They will then be asked to reconfirm if they want to take banking service on the platform. They will then be asked to input their account number and create a four-digit passcode for the platform.

After completing the process, the lender will send a one-time password to clients for completion of the registration process.

"WhatsApp banking is safe because all messages are secured with end-to-end encryption," Huq said.

In case of theft of customers' smartphone, the thief will not be able to conduct banking service through the platform by pretending to be the customer.

The reason being, without the passcode the WhatsApp banking would not be activated and the thief would not know this passcode. The customer, however, should immediately deactivate their WhatsApp

account by informing the customer service centre.

"We have been rolling out a number of digital banking service in the last few years to keep up with the technology-based modern times. And the latest one will add value to our banking services further," Huq said.

The lender has also focused on expanding its SME and retail banking service in a quick manner and WhatsApp banking will only help in implementing the roadmap.

Dhaka Bank's retail and SME financing stand at 12.5 percent of its total outstanding loans of Tk 19,563 crore as of December last year.

"We have set a target to enhance the financing to the segment at 35 per cent of our outstanding loans within 2024," Huq added.

Dismal foreign aid use against ambitious targets

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At this point last fiscal year, foreign aid utilisation was Tk 22,526 crore, which was 37.54 per cent of total foreign aid allocation for fiscal 2018-19.

Although foreign aid commitment rises every year, the government can't spend much of it. As a result, the amount of unused aid is piling up.

Foreign aid in the pipeline surged to a record \$48.11 billion at the end of the last fiscal year despite spending more of the committed money.

The amount of foreign aid has been increasing over the last few years as Russia, China, Japan and India have committed more funds to implement mega infrastructure projects.

Due the slow implementation of the projects the fund utilisation is low, although the lenders are ready to give a lot of funds to Bangladesh.

Delays in appointment of project staffers, contract approvals and revision of project design and costs are often blamed, an official said.

Weak capacity of implementing agencies, coordination issues with the planning commission, procurement delays and difficulties in managing the contractors further hinder implementation and slow down fund disbursement, he added.

The government allocated foreign funds for the upgradation work of three international airports under the civil aviation ministry, including the Hazrat Shahjalal International Airport.

None of the airports spent a single taka from the allocation between July and January.

The ministry undertook a Tk 13,610

crore project to add a terminal at the HSIA in 2013. Later the design was amended and the first revision of the cost came in December last year, raising it to Tk 21,399 crore.

Of the top recipients, the water resources ministry received an allocation of Tk 1,456 crore from the aid pipeline. It spent only 8.46 per cent of the funds.

The railways ministry expended 14.05 per cent of the Tk 8,311 crore allocated to it.

Of the allocation from the foreign-aided portion, the Prime Minister's Office spent 14.34 per cent, the health services division 21 per cent, the roads and highways division 22 per cent, the primary and mass education division 23.24 per cent, and the science and technology ministry 28.52 per cent.

The power division stood out, using 56.69 per cent of the allocation, followed by the bridges division at 53.61 per cent and LGRD at 34.92 per cent.

The total size of ADP for the current fiscal year is Tk 215,114 crore. Of the sum, Tk 68,980 crore, or 32.07 per cent, was spent in the seven-month period. The expenditure stood at 34.43 per cent a year earlier.

Of the ADP, 81 per cent went to 15 ministries and divisions. Out of them, eight ministries and divisions spent higher than the average.

Nearly 36 per cent of government-owned funds was spent between July last year and January this year, up from 32.41 per cent a year earlier.

Fund use by the state-owned enterprises was 14.71 per cent of the allocation, which is way less than the 39.81 per cent logged in a year earlier.

India yet to formally lift ban on onion exports

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The lifting of the ban on onion would be effective only after the DGFT issues a notification in this regard.

Despite huge arrivals of late kharif crop and early rabi crop onion, prices have shot up since Thursday last week just because of the increased pressure on demand from exporters on anticipation of the DGFT notification allowing the lifting of the export ban, according to sources in Agricultural Produce Market Committee (APMC) in Lasalgaon.

In Lasalgaon, onion price shot up to Rs 21.50 a kg from Rs 16.50 on Thursday the previous day. Some 1,500 tonnes of onion arrived in Lasalgaon on Thursday after 1,000 tonnes had come a day earlier.

Trade sources believe that the decision on lifting the export ban was taken at a meeting of Group of Ministers on Wednesday last week. The meeting also discussed reducing the minimum export price (MEP) of \$850 a tonne.

Rabi season crop of onion is set to reach Lasalgaon in full swing in another ten days, which may again see onion prices decline further.

But what is bothering the exporters is the stock limit of five tonnes for retailers and 25 tonnes for wholesalers imposed by the Maharashtra government in December.

BASIS to toast 100 outsourcing firms

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"BASIS intends to honour the best players of the outsourcing industry," said Farhana A Rahman, senior vice-president of BASIS and convener of the award ceremony, which is being sponsored by Bank Asia.

The lender is working with various international organisations to facilitate the country's freelancers to bring in their earnings through the legal framework, said Arfan Ali, managing director of Bank Asia.

Currently, Bangladesh earns about \$1.2 billion from outsourcing but BASIS wants to hit the \$5 billion mark ahead of the government's stipulated deadline, said Rashad Kabir, co-convener of the event.

With help from the banking sector, Bangladesh's five lakh freelancers raked in \$83 million from outsourcing in 2019. Interested companies or individuals can register for the award through an online portal, outsourcingaward.basis.org.bd, from March 1 to 15.

Dollar dives to 20-week low

REUTERS, New York

The US dollar slid to a 20-week low against the Japanese yen on Friday after Federal Reserve Chair Jerome Powell suggested the central bank could cut interest rates in the wake of the coronavirus.

Powell on Friday said the central bank will "act as appropriate" to support the economy in the face of risks posed by the coronavirus outbreak, though he said the economy remained in solid condition.

From catkin field to the model economic zone

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The MIEZ is an example of how an economic zone should be developed, said Paban Chowdhury, executive chairman of the Bangladesh Economic Zones Authority (BEZA).

In 2015, the area was just a catkin field with banana trees strewn about but BEZA helped MGI build up the industrial hub with their cooperation and by providing land.

"We need more people like Mostafa Kamal, who builds up industries, helps create jobs and contributes to GDP growth," he added.

In the last five years, Bangladesh's GDP has increased by 105 per cent due to the rapid growth of private investment from companies like MGI, said Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industry.

"Kamal is an exceptional man who breaks the typical landlord stereotyping of big businessmen in the country," he added.

But it has not been smooth sailing for the MGI chief though.

In his speech, he said 13 of his industrial units located in the zone did not get gas supply for a long time even though he had

deposited the Tk 220 crore as security to Titas Gas.

The largest natural gas distributor in Bangladesh continues to make different excuses for the delay in connecting the units to gas supply, he said.

After meeting local demands, MGI intends to export the various products manufactured at the zone.

MGI has 48 operational industrial units located in different areas. Of that total, 24 factories, which include six foreign companies, are found at economic zones.

"I have a dream that the MGI's Fresh brand products will be found at every household of Bangladesh. MGI is committed to ensuring product quality," he added.

The units that were formally inaugurated are: Meghna Sugar Refinery, Sonargaon Seeds Crushing Mills, Meghna Ball Pen and Accessories MFG, Meghna Noodles and Biscuit Factory, Sonargaon Printing and Packaging Industries, Fresh Welding Electrodes and Wire, Meghna Fresh LPG, Sonargaon Ship Builders and Dockyard, and a second unit of Fresh Cement.

Khalid Mahmud Chowdhury, state minister of the shipping ministry, and Liakat Hossain Khoka, MP, spoke at the programme among others.