

STOCKS	
DSEX 0.79% 4008.28	CSCX 0.68% 6859.89

COMMODITIES	
Gold \$1,638.40 (per ounce)	Oil \$26.67 (per barrel)

ASIAN MARKETS			
MUMBAI 6.98% 28,535.78	TOKYO 8.04% 19,546.63	SINGAPORE 6.07% 2,505.47	SHANGHAI 2.17% 2,781.59

CURRENCIES				
	STANDARD CHARTERED BANK			
BUY TK	\$ USD 83.95	€ EUR 89.67	£ GBP 98.12	¥ CNY 11.69
SELL TK	84.95	93.47	101.92	12.29



BUSINESS

DHAKA THURSDAY MARCH 26, 2020, CHAITRA 12, 1426 BS starbusiness@thecitizenstar.net



Govt seeks \$1b from IMF, WB



REJAU KARIM BYRON

Bangladesh yesterday sought \$1 billion in support from the International Monetary Fund and the World Bank as the country looks to support its people, businesses and industries reeling from the coronavirus pandemic.

The government also requested the global multilateral lenders to stand by Bangladesh so that it can tackle coronavirus, which is progressively getting worse in the country.

"A single country can't tackle this type of disastrous situation by itself. We would like to earnestly request the World Bank and the IMF that they would ensure greater cooperation taking into account the risky situation facing Bangladesh," Finance Minister AHM Mustafa Kamal told the global lenders in a video conference yesterday.

The government expects to receive \$750 million from the IMF and \$200 million from the WB.

The coronavirus stands to wipe out 1.1 per cent of Bangladesh's GDP as per a projection of the Asian Development Bank (ADB), the minister said.

"It came at a time when Bangladesh is targeting to achieve the Sustainable Development Goals and become a higher middle-income country by 2030," said a statement from the finance ministry quoting him.

If the pandemic prolongs, the global economic growth may fall to 1.5 per cent.

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AKM ZAMIR UDDIN

In moments of crisis, holding more physical cash gives some a sense of control over the situation, it is often said.

And as the number of coronavirus cases in Bangladesh continues to rise, besides stockpiling cleaning products and essential foodstuffs many are flocking to bank counters to keep extra cash on hand.

One such individual is Perviz Chowdhury, a banker by profession, who yesterday withdrew Tk 140,000 from another bank fearing the impending health and financial crisis.

Even though banks have assured they would keep an adequate number of branches open during the shutdown from March 29 to April 2 for two hours as per the instruction of the central bank, fear of lenders running out of cash have drove many to flock

to bank counters yesterday, the last full working day.

The Daily Star correspondent yesterday visited five branches of different banks in Dhaka city and spoke with officials of at least six branches located outside of Dhaka. And the situation was same everywhere.

So anxious are people overall that an official of Social Islami Bank told the correspondent yesterday that customers have been cashing out their fixed and deposit pension schemes prematurely.

Anticipating such a situation, the central bank on Monday cut its policy or repurchase agreement rate by 25 basis points to 5.75 per cent.

Besides, it also reduced cash reserve ratio by 50 basis points to 5 per cent in order to supply an additional amount of Tk 6,500 crore to the market.

"There is no cash crisis in the banking sector. Rather the



rampant withdrawal and use of cash has created a health risk for people," said Zahid Hussain, former lead economist of the World Bank's Dhaka office.

There are fears that the cash itself could be a source for transmission of the lethal, pneumonia-like virus, which is spreading like wild fire all over the globe.

People with access digital banking should not withdraw cash and handle bank notes at the moment, he added.

Ahsan H Mansur, executive director of the Policy Research Institute, echoed the same.

"The local notes are filthier than those of other countries," he said.

A number of central banks of other countries have already taken different measures to disinfect their cash in order to contain the virus.

South Korea's central bank has

quarantined almost all its bank notes for two weeks to remove any traces of coronavirus and even burn them as part of the government's efforts to contain the outbreak.

The Federal Reserve, the central bank of the US, has also taken the same measure fearing bank notes as a vector for the disease, which is said to perish after nine days.

The Chinese central bank took massive initiative since the middle of February to deep clean potentially infected cash with ultraviolet light and high temperature, and in some cases, destroying it, to stop the spread of the virus.

The Bangladesh Bank has yet to take any initiative to quarantine its bank notes although 39 people have so far infected with the virus and 5 of them died until yesterday.

"It is tough for the central bank to quarantine the bank notes as

the country is highly dependent on cash," said a Bangladesh Bank official, who has a strong connection with supplying and mopping up money to and from the market.

Better than Cash Alliance, an entity of the United Nations, carried out a research on Bangladesh's digital and cash transaction system in 2017 and found only 6 per cent of the total transactions are settled through the digital method.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, whose cash withdrawal pressure surged in the last few days, echoed the same as Mansur and Hussain.

"Excessive use of cash has created an additional risk of spreading the virus. We are repeatedly urging customers to use the digital channels to settle their transactions," he added.

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Digital banking platforms to remain open

STAR BUSINESS REPORT

Bangladesh Bank yesterday said it would run the National Payment Switch Bangladesh (NPSB) during the general holidays declared by the government in order to settle the inter-bank transaction through credit and debit cards and point-of-sale terminals.

The NPSB also allows customers to transfer a maximum of Tk 2 lakh per day from one bank to another.

The Bangladesh Electronic Fund Transfer Network will remain open between April 1 and April 2 such that the government employees can receive their salaries, said the central bank notice.

BEFTN is used to settle transactions between banks. The platform is usually used to give salary and wage to employees.

But the Bangladesh Automated Cheque Processing Systems (BACPS) and Real-time Gross Settlement (RTGS) platform will remain closed during the holidays.

This means, large volumes of inter-bank transactions will not be possible during the holidays.

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dbi CERAMICS

Panic-struck people clear out faintly promising malaria drug

MAHMUDUL HASAN and PALLAB BHATTACHARYA

On Sunday, Salman Islam, a resident of the capital's Panthapath area, rushed to the nearest pharmacy to buy malaria drug hydroxychloroquine after watching on the news that US President Donald Trump touted it for treatment of Covid-19.

To Islam's surprise, the pharmacist told him that the drugs are not available; they were all taken by a customer a couple of minutes back.

"I searched three other pharmacies only to hear the same words: 'sold out,'" Islam said.

The basis of Trump's claim is a controversial, small study of about 40 patients hospitalised with Covid-19 in France.

In that study, hydroxychloroquine was given with the antibiotic azithromycin to the patients and the medication appeared to help clear the

virus from the bodies of 26 patients, based on samples taken from nasal swabs, reports Bloomberg.

Experts have criticised the design of the study, calling it interesting but far from definitive. Top scientists, including White House coronavirus task force member Anthony Fauci, have called reports that hydroxychloroquine might work anecdotal, and said they need further study before the pill's use is encouraged.

And yet, that has not stopped panic-stricken people from snapping up the drug, leaving genuine patients without supply.

The Daily Star yesterday visited nine pharmacies in the capital's West Rajabazar, Panthapath and Kalabagan areas but none of them had hydroxychloroquine. But azithromycin was available in all the drugstores.

Hydroxychloroquine is used to treat malaria, lupus erythematosus,

rheumatoid arthritis and autoimmune disorder.

"Chloroquine drug was not a top-selling product for us. Some people would buy a few tablets before boarding on a bus to Hill Tracts and some for arthritis," said Md Fariduddin, proprietor of Lopa Pharmacy in the capital's Panthapath.

Chloroquine is a prescription-only drug, said Abid Hasan, a pharmacist of Kalabagan's Lazz Pharma.

And yet, it is out of market, not just in Bangladesh but in neighbouring India too, which is giving more credence to the medicine in treating Covid-19 that has brought the world down to its knees.

The neighbouring country yesterday placed a ban on its export with immediate effect.

The ban comes two days after Indian Council of Medical Research (ICMR) Director General Balram Bhargava had on Monday recommended the use of hydroxychloroquine for treating healthcare workers dealing with suspected or confirmed coronavirus cases and also asymptomatic household contacts of the lab-confirmed cases of the pandemic.

The treatment protocol recommended by the ICMR-constituted National Task Force for COVID-19 has been approved by the Drug Controller General of India for restricted use in emergency situations.

The Indian government though will allow export of the medicine on humanitarian grounds on case-to-case basis on the ministry of external affairs' recommendation, said the notification from the Directorate General of Foreign Trade (DGFT), an arm of the commerce ministry which deals with export and import-related matters.

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Factories rise to the occasion, join hands to make PPE

REFAYE ULLAH MIRDHA and MOHAMMAD SUMAN

Local production of personal protective equipment (PPE) gained momentum yesterday after a joint initiative got approval from the government about the design and fabrics in a development that would boost morale of the health professionals fighting the coronavirus.

Five garment factories yesterday started producing the PPE under a joint initiative of Pay It Forward, the Manush Manusher Jonno Foundation, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), British retail giant Marks & Spencer, the Arunachal Trust, and the Buet Alumni Association.

The initiative got an approval from the Directorate General of Health Services (DGHS) to make the PPE, Navidul Huq, a coordinator of the initiative from the BGMEA, said.

"We are hopeful that we can start distribution of the PPE to hospitals for doctors and nurses from Saturday. We will also distribute the items to other organisations and individuals gradually," said Mohammad Wahid Hossain, executive chairman of Pay It Forward.

"Initially, we will produce 50,000 pieces. We will distribute all of them free of cost," he told The Daily Star by phone.

The initiative plans to produce at least five lakh pieces of PPE.

The five factories are: Urmil Group, Snowtex, Aman Group, Dekko Group and Smartex Group.

Urmil Group said it would not make any profit from making the PPE because people need the safety gears urgently. It will only take fabric charge as it will have to buy the raw materials, said its Managing Director Asif Ashraf.

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Snowtex, another leading garment exporter, said it started manufacturing PPE yesterday.

"I will produce 50,000 pieces initially," said SM Khaled, managing director of the company.

"Of the quantity, I will distribute 17,000 pieces free of cost," he said, adding that he would not make any



profit from making the PPE.

There is a lot of work orders from companies and organisations to make the PPE. Banks and hospitals have already placed orders with Snowtex, said Khaled.

The production cost is around Tk 600 per PPE, Huq said, adding that a team from the BGMEA is coordinating the production and distribution of the PPE.

From next week, at least eight more factories will join the effort in producing PPE, according to Huq.

In Chattogram, Smart Jacket (BD)

Ltd, a manufacturer in the Chattogram Export Processing Zone, is making one lakh sets of surgical jackets for doctors to combat the coronavirus after receiving orders from the health ministry.

The company, a concern of Smart Group of Industries, had ready items of 50,000 sets of surgical jackets in its stock and it delivered the items to the

government on Tuesday afternoon.

Another 20,000 sets of jackets, produced by the company's 2,000 workers within a day, were sent to Dhaka through three trucks yesterday, officials said.

"We regularly manufacture surgical jackets for an American buyer. The health ministry on Monday asked us to produce one lakh sets and after receiving the order, we delivered 50,000 sets," Mujibur Rahman, a director of the company, told The Daily Star.

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