

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
Closed	Closed	\$1,698.80 (per ounce)	\$26.44 (per barrel)	Closed	2.84% 19,619.35	Closed	Closed	83.95	90.14	103.66	11.74	
								BUY TK	84.95	93.94	107.46	12.35
								SELL TK				

# Star BUSINESS

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## TAMING CORONAVIRUS RAMPAGE

# ADB now forecasts economic losses of \$13.3b

REJAUUL KARIM BYRON and MD FAZLUR RAHMAN

Where does this end? The Bangladesh economy now stands to lose a staggering \$13.3 billion for the coronavirus outbreak, according to the Asian Development Bank, which is more than four times the amount of damage the Manila-based multilateral lender had predicted back in March.

The estimated damage is now 4.9 per cent of the country's gross domestic product, up from 1.1 per cent as previously thought.

This means the announced stimulus packages, which are equivalent to 3.3 per cent of the GDP, would fall short in countering the destruction caused by the highly contagious, lethal virus originating from China.

Some 1.4 million to 3.7 million jobs would be lost for the economic fallout for the countrywide general shutdown enforced since March 26 to flatten the curve on the novel virus, according to the ADB.

The pandemic will affect the economy through three main channels: a slowdown in domestic economies, sharp decline in exports and reduction in remittances, the ADB said in a project document sent to the Economic Relations Division (ERD) of Bangladesh recently.

Subsequently, the Bangladesh government will seek \$500 million in budget support from the ADB board on



Bangladesh is now moving to the fourth stage of infection (community transmission). Millions had already left the cities for their village homes before the lockdown, possibly spreading the infection. It is, therefore, crucial to support Bangladesh's efforts to mitigate the impact and flatten the curve.

May 7 to soften some of the blows from the catastrophe, said an ERD official.

With 20.5 per cent of the population under the poverty line, and 10.5 per cent living in extreme poverty, Bangladesh is especially vulnerable to economic shocks such as the one thrown up by the global coronavirus pandemic.

Any economic shock would push a significant proportion of the near-poor under the poverty line and deepen the poverty of those already poor, reversing previous gains made in poverty reduction, the ADB document said.

Of the total workforce, 85 per cent operate in the informal economy, leading a hand-to-mouth existence, and social distancing and quarantine measures mean their livelihoods are effectively vanquished.

The official unemployment rate is 4.3 per cent in Bangladesh. However, many employed in the garment sector and micro, small, and medium enterprises may already have lost their jobs, and the economic downturn will further dampen the employment market.

The poor are especially vulnerable to infectious diseases such as COVID-19, due to overcrowding, unsanitary conditions, and poor access to health services.

As initial support, the ADB has provided

\$350,000 technical assistance grant to address the outbreak of coronavirus disease and potential outbreaks of other communicable diseases.

Complementing these health sector interventions is a \$500 million loan, comprising \$250 million from ordinary capital resources lending and \$250 million concessional loans for countercyclical support to address downstream effects of increased spending on social protection, salary support to workers, low-interest loans to affected sectors, and increased monetary supply.

A technical assistance grant of \$1 million to support strengthening the social safety net and institutional capacity has also been provided.

Bangladesh has undertaken a \$113 million project to fight COVID-19 and improve preparedness, and as part of the project, the ADB on Thursday approved a \$100 million loan.

The project will help meet the government's immediate and medium-term needs to prevent the spread of coronavirus, by supporting emergency procurement and the provision of the most crucial medical equipment and supplies, the ERD official said.

The loan will carry 1 per cent interest rate per annum, with a term of 40 years, including a grace period of 10 years, repayment of principal at 2 per cent per annum for the first 10 years after the grace period and 4 per cent per annum thereafter.

High population density, rapid urbanisation, a large population of migrant workers, and more than 20 per cent of its urban population living in slums without adequate sanitation, make Bangladesh vulnerable to infectious disease outbreaks.

But Bangladesh has limited capacity to prevent, detect, and respond to public health emergencies.

# ICT goes all out to fight COVID-19

MUHAMMAD ZAHIDUL ISLAM

The government has put its best foot forward in using ICT tools to figure out the COVID-19 challenges and has already brought on board popular mobile applications and locally-developed solutions to control the damages caused by the pandemic.

"So far, we have customised and launched a bunch of solutions partnering with global communication platforms and now we can predict what will be the scenario after 15 days," said Zunaid Ahmed Palak, state minister for information and communication technology.

The ICT division of the government has already established partnerships with all four popular mobile communication applications -- Messenger, WhatsApp, Imo and Viber -- and is offering different services using the channels.

As part of a series of initiatives, the ICT division yesterday declared its partnership with Viber, which has 1.5 crore active users in Bangladesh, and through online self-assessments, users can now find out if they are running the risks of coronavirus infections.

"We earlier launched coronavirus assessment tools on Messenger and some websites but our target is to offer ICT support to all the citizens of the country and that's why we have introduced the same service on Viber with extensive information," Palak said.



About 1.67 lakh people have so far taken services from a government website -- livecoronatest.com, said Ashraf Abir, managing director and chief executive officer of MCC Ltd, a local ICT firm that developed the site.

"We have shared all the contacts with the Directorate General of Health Services and doctors are talking with the patients who seem to bear high risks of contagion," Abir said.

Palak said there are options to call 333 or 16263 and use other platforms of the government to get coronavirus-related information and services.

Earlier the government sent short messages to mobile phone users and launched an interactive voice response service for the same purpose, he added.

Gathering all the information in a data analytics platform, the government is inching towards new estimation through the use of artificial intelligent and big data analytics, Palak added.

"A good number of local data analytics experts with the support of some non-resident Bangladeshi are trying to get an idea what the future holds for us," he said.

The state minister said though there is no data privacy act in the country, users should not worry about privacy protection as there will be no leakage of information.

In the next phase, the government needs to go for contact tracing, a method used to slow down the spread of infectious outbreaks, according to Palak.

The ICT division earlier launched bot on the WhatsApp platform to disseminate coronavirus-related information easily and introduced a healthcare call centre on Imo for 22 lakh Bangladeshi expatriates living in Saudi Arabia.

The government is taking support from Facebook and Google to spread the government's messages on coronavirus.

Palak said they are now trying to put in place a mechanism to run educational programmes on mobile phones as schools are closed because of the pandemic.



# Garment workers' salary disbursement from stimulus package starts from today

AKM ZAMIR UDDIN

Workers of the export-oriented industries can take a sigh of relief as banks would be disbursing their wages from today from the government's stimulus package of Tk 5,000 crore.

A good number of companies hit hard by the coronavirus pandemic have applied to 38 banks for the soft loans. The Daily Star spoke with at least 11 of the banks, which are now taking preparations to disburse the wage to the workers.

The BB has released Tk 2,000 crore to the respective banks soon after it got the loans applications, said its spokesperson Md Serajul Islam. The 38 lenders had claimed Tk 2,566.19 crore from the stimulus package.

"The rest of the claimed funds will be given out in the quickest possible time after getting approval from the finance ministry," he added.

To get the fund, the industries had to submit the loan application

to their respective banks within May 2.

The owners of the export-oriented industries, which are allowed to enjoy the loans, will have to pay back the fund within two years after a six-month of grace period starting from July. Or else they will be considered as defaulters, according to a BB notice.

The interest-free loan will carry a 2 per cent service charge.

The BB is depositing the funds with the banks in three phases from April to June. And the lenders, in turn, will deposit the funds to the bank or mobile financial service (MFS) accounts of the workers such that the factory owners cannot misuse the funds.

Since April 6, the MFS providers have been scrambling to open as many accounts as they can for implementation of the stimulus package. So far, about 30 lakh workers have opened MFS accounts.

The government should widen the volume of the stimulus

BANKS	NO. OF COMPANIES	AMOUNT CLAIMED (TK CR)
EXIM	122	540
Bank of Commerce Ltd.	150	480
DBBL	60	300
Bank of Dhaka	83	188
Bank of Asia	40	125
Bank of East Pakistan	48	302
Bank of Chittagong	45	210
Bank of Bengal	45	200
Bank of India	50	300

SOURCE: RESPECTIVE BANKS

package as the number of loan applications and the claimed fund is too high, said another managing director of a bank wishing not to be named.

The existing package will not fulfil the industries' demand for the next two months -- May and June.

Besides, banks should release the funds cautiously as the number of workers in some industries has increased suddenly last month.

There have been some difficulties in paying the wages smoothly as the BB has asked lenders not to give any funds to those that have temporarily or fully shuttered their plants, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

"It is difficult to identify those," he added.

Both the central bank and the finance ministry have taken prompt measures to implement the stimulus package, putting a positive impact on the country's economy, said M Kamal Hossain, managing director of Southeast Bank.

# Cheer for maize farmers amid the gloom

SOHEL PARVEZ

An early harvest of maize has come as a stroke of luck for farmers as they are getting better prices amid low imports as the coronavirus pandemic has fractured the supply chain, according to farmers.

Once little known to farmers, maize has emerged as the second-biggest crop after rice over the past decade sending wheat to the third place as farmers expanded acreage to profit from the burgeoning demand from mills that cater to the gigantic poultry, aquaculture and dairy sectors.

It is now selling for about Tk 17 each kilogram at the farm level, up 6 per cent year-on-year.

"It is good to see that the prices are better than the previous year's. The crop has also been good," said Muhammad Ali, a grower in Sherpur of the northwest district of Bogura,

over the phone.

He started harvesting his crop grown on two acres by the end of last month and sold one maund at Tk 700 recently.

The grain is bringing higher prices for farmers at a time when many vegetable and seasonal fruit growers are crying out for fair prices as they are finding it hard to send their produce to cities because of the ongoing shutdown.

Sanjoy Kumar Roy, a farmer at Patgram of Lalmonirhat, one of the main maize-producing districts, said if the current price trend continues for a while it will benefit them.

"But it appears that the prices may decline," he said.

The higher prices may not persist once the harvest begins in full swing as the shutdown has hit the poultry industry hard, said Moshir Rahman, president of the Bangladesh Poultry Industries Central Council.

The demand for feed is likely to drop by up to 40 per cent this year and so is the requirement for maize, said Rahman, who also has feed mills that produce more than 60 lakh tonnes of feed for poultry, fish and dairy.

Farmers bagged 47 lakh tonnes of the grain in fiscal 2018-19, a surge by a factor of six from a

decade earlier, according to the agriculture ministry.

Maize is planted in two seasons -- winter and summer, while the winter yield is the biggest and farmers cultivated the cereal on 4.57 lakh hectares this time.

The Department of Agricultural Extension expects that the total

production will hit 50 lakh tonnes, enabling the nation to cut back on imports.

The US Department of Agriculture (USDA) recently predicted that Bangladesh's corn import might fall 29 per cent year-on-year to 10 lakh tonnes in the May-April period of the marketing year of 2020-21 from a year ago.

Its estimates were based on the assumption of higher domestic production and slow progress in the feed industry's recovery from an economic loss in the poultry and feed sector as a result of the pandemic.

Bangladesh imports about 30 per cent of its total consumption needs, it said.

"Corn demand in the feed industry will be highly volatile in the upcoming marketing year of 2020-21 as a result of COVID-19," the US agency said in a report on Bangladesh.

The animal feed sector has started to

report decreased demand as livestock and poultry operations slowed in response to movement control and other COVID-19 related restrictions.

However, Lalmonirhat's farmer Roy expected that prices may not go below the last year's level.

Wasim Royal, a farmer at Darshana in Chuadanga, another major maize producing district, said production cost for each bigha of maize is Tk 14,000 and he bagged 30 maunds of the cereal for each bigha.

"We are happy with the current prices," he said, adding that import disruptions for coronavirus might have fuelled prices of domestically-grown maize.

"A major problem is uncertainty regarding the quality of seeds. Low-quality seeds increase risks of pest infestations and affect yield," he said, "If field officials of the agriculture ministry remain vigilant, businesses cannot sell these seeds."

