STOCKS	Week-on-week
DSEX	CSCX
▲ 1.65%	▲ 1.44%
4,873.18	8,384.94

COMMODITIES	As of Friday
Gold ▲	Oil ▲
$1,961.60	$45.81
(per ounce)	(per barrel)

ASIAN MARKETS			Friday Closings
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.90%	▼ 1.41%	▲ 0.79%	▲ 1.60%
39,467.31	22,828.65	2,539.63	3,403.81

CURRENCIES — As on Thursday STANDARD CHARTERED BANK

	USD	EUR	GBP	CNY
BUY TK	83.95	98.27	109.94	11.99
SELL TK	84.95	102.07	113.74	12.60

Star BUSINESS

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MISLEADING, EXAGGERATED, DATED

Garment sector stakeholders lambast BILS study

Refayet Ullah Mirdha

PALASH KHAN

Laid off amidst the coronavirus pandemic, job seekers wait outside a factory in Ulail, Savar hoping for vacancy announcements. The photo was taken recently.

The findings of the Bangladesh Institute of Labour Studies (BILS) on job losses and shuttering of garment factories for the coronavirus pandemic have been trashed by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Department of Inspection for Factories and Establishments (DIFE).

At a press conference in National Press Club on Thursday, BILS said the layoffs and shuttering involved some 1,915 garment factories while some 324,684 workers lost their jobs between April and July.

Moreover, some 60 per cent of the workers were apprehending losing their jobs as a fallout of the coronavirus, the report stated.

The BILS higher-ups said the study was carried out with information provided by DIFE, BGMEA and the Industrial Police.

However, both DIFE and BGMEA said the number of layoffs and shuttering was not as high as was presented in the study.

In a press statement yesterday, BGMEA categorically disagreed with the findings.

"It would not be an exaggeration if the study report is termed as the default of morality," the statement read.

Some 300 small and medium factories, most of which work on subcontracts, had shut down during the study period, said Rezwan Selim, a director of BGMEA who handles labour issues and factory shutdowns.

These small BGMEA-member factories could not avail government soft loans at 2 per cent service charge as they could not fulfil a lot of the terms and conditions, he said.

About 48,000 workers have lost their jobs in and around Dhaka and they are from the subcontracting factories that were not receiving work orders from their mother factories.

"The BILS figures are too high and misleading," he said, adding that the factories, by and large, are running at 90 per cent capacity now as the buyers are coming back.

He went on to cite recent export figures to further his point about the inaccuracy of the BILS figures.

Between 1 and 22 August, garment export from Bangladesh increased 45.8 per cent year-on-year to $2.4 billion.

"If the job terminations and shuttering of factories had been as high as BILS mentioned, the export figures would not have risen by such a margin," he added.

The study's findings were inconsistent with what was in reality, said Shibnath Roy, inspector general of DIFE.

About 26,000 workers were terminated during this pandemic, according to DIFE.

A few factories did shut down and some workers had been laid off at the beginning of April but the figures are not as high as BILS stated, he said.

Moreover, some small and medium factories either shut down or went for layoffs for a brief period in April and May, he said.

Though the government instructed a general shutdown from 26 March, it was not applicable on factories with production ongoing based on work orders at hand.

Officially, DIFE never instructed the factory owners to shut down or go for layoffs during the pandemic, Roy said.

"The situation in the garment sector is quite peaceful now because the number of incidents of labour unrest is very few, almost zero."

The international retailers are coming back and the factories are running quite well.

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Bangladesh still among top sourcing destinations

Less than stellar pandemic response failed to take shine off among Western buyers

Refayet Ullah Mirdha

Bangladesh remains one of the top sourcing destinations after China for international clothing retailers and brands even during the coronavirus pandemic because of its competitive prices, according to a new report by leading supply chain compliance solutions provider QIMA.

After Vietnam, India and Bangladesh, alternative sourcing options of choice are still largely countries in Asia, including Taiwan, which enjoyed overwhelming preference as a sourcing market among US-based respondents.

The survey named "Evolution of Sourcing in 2020" was conducted in July 2020 by Hong Kong-based QIMA.

It is said to be drawn on input from more than 200 businesses around the world across a variety of consumer product segments and built on previous QIMA research.

The report analyses the evolution of global sourcing in response to the ongoing Covid-19 pandemic, US-China trade tensions and other disruptions to global supply chains.

It says China is down, but not out.

Although China still takes the crown for global sourcing, its dominance is noticeably less dramatic compared to previous years, especially in industries such as textile and apparel, where supplier portfolio diversification has been a priority for a while now, the QIMA report said.

Nevertheless, 75 per cent of the respondents globally named China among their top three sourcing geographies, with 55 per cent reporting that Chinese suppliers accounted for over half the buying volumes in the first half of the year.

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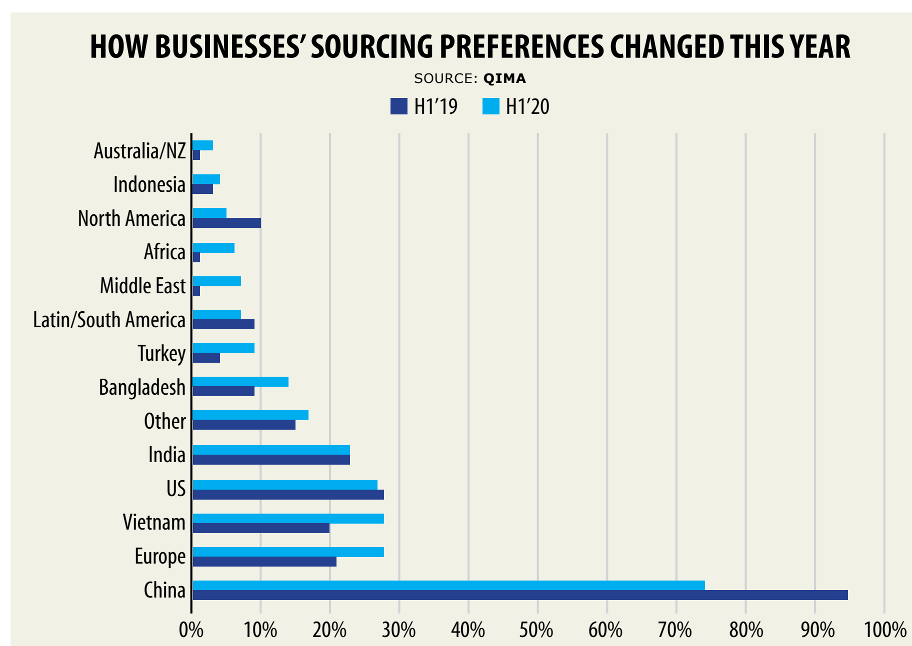

Australian biotech firm to set API plant at BSMSN for $30m

Jagaran Chakma

Australian biotechnology company HA TECH will invest up to $80 million, or roughly Tk 700 crore, to establish a large-scale active pharmaceutical ingredient (API) manufacturing facility in Bangladesh that could help the country meet its growing demand.

"We aim to fulfil the demand for quality APIs in Bangladesh," Abdullah Al Mahmud, executive chairman of HA TECH, told The Daily Star.

Initially, the Sydney-based company, which produces APIs mainly for cardiovascular, diabetic, ulcer and oncology applications, will invest $30 million to develop the facility.

But within the next five years, the total investment could reach $80 million if the company wants to increase the product range.

There are about 10 local companies, including Eskayef, Square, Beacon and Beximco, that produce API materials on a limited scale, according to SM Shafiuzzaman, secretary general of Bangladesh Association of Pharmaceutical Industries (BAPI), a collective of about 250 local drug markers.

Local production can at best meet 5 or 6 per cent of the annual demand from the pharmaceutical sector, which has only grown in stature with the onset of the coronavirus pandemic, according to Monjurul Alam, director for global business development at Beacon Pharmaceuticals.

Subsequently, Bangladesh spends about $1.3 billion each year to import APIs from the US, Taiwan, Italy, Germany, Spain, Switzerland, France and the UK.

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Prime Bank to get on agent banking bandwagon this year

Md Fazlur Rahman

Prime Bank plans to step into the agent banking arena this year as part of its push to widen footprint and cut reliance on branches, said its top executive.

The bank received the agent banking licence from the central bank recently, Rahel Ahmed, its chief executive officer, told The Daily Star last week. "We would go for the implementation this year."

With this, Prime Bank joins a growing number of lenders who are putting less emphasis on branch-led banking and embracing agent banking as part of their move to reach the rural areas and cut costs.

Prime Bank has not opened any new branches in the last four years and has no plans to open any in the future either, Ahmed said.

The central bank introduced agent banking in 2013 to provide a safe alternative delivery channel of banking services to the underprivileged, under-served population who generally live in the remote locations that are beyond the reach of the traditional banking network.

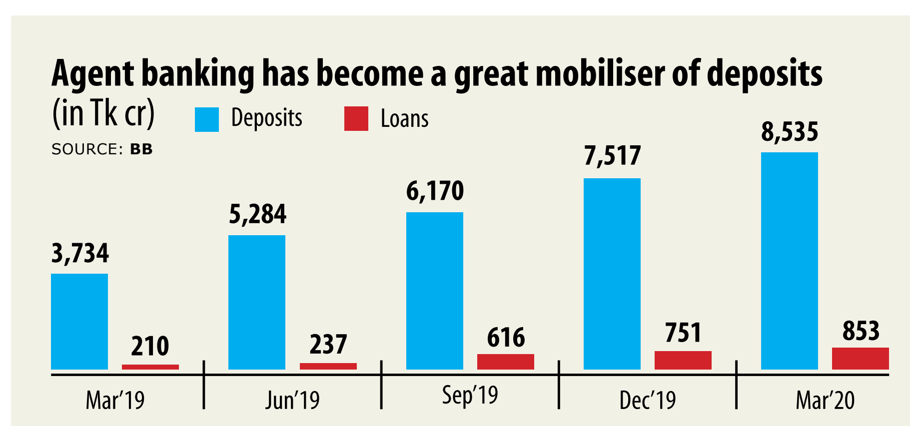
It has so far issued licences to 27 banks for operating agent banking activities. Of them, 22 are in operation.

Bank Asia has been a pioneer in popularising the model, followed by Dutch-Bangla Bank.

Agent banking has allowed banks to expand businesses and accelerate financial inclusion using agents as intermediaries, according to the central bank.

It has now gone beyond the basic banking services such as cash deposits, cash withdrawal, and receipt of remittances. Rather, banks have started giving out small loans through these outlets.

The method is gaining popularity as a cost-effective delivery channel as well as a convenient way of getting banking services, the Bangladesh Bank said in its quarterly report for the January-March period.



Deposits soared 129 per cent year-on-year to Tk 8,535 crore at the end of March, the latest for which data is available. Loan disbursement grew 306 per cent to Tk 853 crore.

As of March, the total number of accounts, which could be opened with deposits ranging from Tk 10 to Tk 100, under the programme stood at 2.13 crore and aggregate deposits Tk 2,385 crore.

There are outlets 11,875 under 8,260 agents in the country.

About 65 lakh accounts were opened through the outlets, out of which 29.6 lakh are owned by women, BB data showed.

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ADB adjusts financing plan to speed up Bangladesh's economic recovery

Rejaul Karim Byron

The Asian Development Bank has redesigned its financing plan in Bangladesh for the next three years in the wake of the coronavirus pandemic to help the country spring back from the economic whiplash faster.

Bangladesh is one of the worst-hit countries from the coronavirus-induced pandemic, which brought the economy to a standstill and wiped out livelihoods of millions of people.

The Manila-based multilateral lender has committed $5.28 billion under the Country Operations Business Plan (COBP) for 2021 to 2023, which was unveiled last week.

"Responding to the COVID-19 pandemic, financing priorities of the COBP have been adjusted to include policy-based loan covering social protection, economic recovery, and medium-term health programmes," it said.

ADB would lend $2.39 billion in 2021. For example, it would give $500 million to mitigate the medium-and long-term economic and social impact of the pandemic.

Some $200 million would come for the Agriculture Productivity Improvement Project and $300 million for the Second Skills for Employment Project (Phase 1).

To jumpstart economic recovery after the pandemic-induced slowdown, social protection initiatives, public expenditure and fiscal management were added as key areas of assistance.

It would be ready to lend $200 million for the small and medium-sized enterprises development programme (additional financing) and $100 million for the second microenterprise development project as they are included in the list of standby projects.

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