

Five industrial parks for light engineering on cards

STAR BUSINESS REPORT

The government will set up five light engineering industrial parks in Dhaka, Narayanganj, Jashore, Bogura and Narsingdi to utilise the potential of the growing domestic sector.

At the same time, a light engineering training institute will be established to provide the industrial parks with skilled workforce.

Moreover, initiatives will be taken to increase the skills of indigenous manpower at the training institute with the help of world-class instructors and technologies.

The decisions were taken at an inter-ministerial meeting yesterday, which was organised to decide how to implement the activities identified by the industries ministry to develop the light engineering industry.

The industries ministry has started the work to draw up a policy for the light engineering industry, said KM Ali Azam, industries secretary, who presided over the meeting at the ministry,

according to a press release.

The policy will be finalised in consultation with stakeholders, he said.

Besides, initiatives will be taken to enact subcontracting laws to ensure marketing of products produced by the entrepreneurs at the industrial parks.

The importance of the light engineering industry has increased a lot when Prime Minister Sheikh Hasina declared it as the 'Product of the Year 2020' on January 1 this year, said Azam.

"There is no alternative to setting up dedicated industrial parks to harness the potential of the industry," he said.

For the convenience of the entrepreneurs, full-fledged one-stop services should be ensured at the eight industrial cities of Bangladesh Small and Cottage Industries Corporation (BSCIC), including the light engineering industrial parks, he said.

Low-cost funds and financial incentives will also be extended to the entrepreneurs,

who will train workers and managers, market manufactured goods and develop subcontracting industries.

Md Helal Uddin, additional secretary of the ministry, highlighted the recommendations made for the development of the light engineering industry.

Md Shafiqul Islam, managing director of SME Foundation; Anwar-ul Alam Chowdhury Parvez, president of the Bangladesh Chamber of Industries; Md Abdur Salam, a director of BSCIC; and Md Abdur Razzak, president of the Bangladesh Engineering Industry Owners' Association, also spoke.

Around Tk 30,000 crore worth of light engineering products are sold every year in Bangladesh. Of the sum, products worth Tk 9,000 crore are produced locally while the rest are imported.

Bangladesh exports \$349 million worth of light engineering products a year while the annual global demand hovers around \$6 trillion.

Pragati Life's share traded at higher price on DSE despite rights issuance

AHSAN HABIB

Stock prices of Pragati Life Insurance were not adjusted on the trading board of Dhaka Stock Exchange (DSE) yesterday despite issuance of right shares, causing the securities to change hands at a higher price.

When a company issues new shares through bonus shares or rights shares, the price has to be mandatorily revised downwards to reflect the availability of a higher number of shares so that the total market value remains the same.

The stock of Pragati Life traded at Tk 113.7 on the DSE board while it was Tk 97.3 on Chittagong Stock Exchange. The port city bourse adjusted the price based on the floor price.

The "A" category life insurer got approval from the Bangladesh Securities and Exchange Commission (BSEC) to issue the right shares.

It raised Tk 23 crore by issuing the shares at a premium of Tk 5 to strengthen the capital base. It issued one right share for every shareholder.

The record date for the issuance of the

rights shares was September 7 or Monday so it was obvious that the new stock price would be adjusted on the following trading day, meaning yesterday.

The record date is the last date when shareholders are eligible to receive a dividend or right shares.

"As the share price is not allowed to go down below the floor price, we did not adjust the price," said a top official of the DSE, preferring anonymity.

The stock market regulator set the floor price of all stocks in March to stop the freefall amid the coronavirus pandemic.

Pragati Life's floor price was Tk 88.3, so its adjusted price should have been Tk 70.65. The closing price before the record date was Tk 126.3.

DSE Managing Director Kazi Sanaul Hoq did not receive phone calls.

"How has the DSE allowed the trading of the stock at the previous price?" asked a top official of the BSEC. "We are going to ask the bourse," he added.

Pragati Life's shares were down 9.98 per cent on the DSE yesterday. It was up 0.3 per cent on the CSE.



CONCORD

Concord Officials of Concord Engineers & Constructions Ltd and Aviation Dhaka Consortium (ADC) attend an agreement signing ceremony for the construction of Terminal 3 (package 1) at the Hazrat Shahjalal International Airport in Dhaka, recently, Shahrir Kamal, managing director of Concord Group, was present. Mitsubishi Corporation, Fujita Corporation and Samsung C&T Corporation formed the consortium.

Govt plans handouts for the laid-off

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"The workers who have not received salaries in June, July and August are really in trouble."

"It is good that the welfare of the workers is being looked into. We hope it would be implemented properly," said Hossain Zillur Rahman, executive chairman of the Power and Participation Research Centre.

The economist said surveys showed that the government's social protection schemes were mostly giving attention to formal sector workers. But 87 per cent of the country's workforce lies outside the formal sector.

"The thinking about the informal sector workers is still weak. Now, there should be vigorous policy thinking about the informal sector."

"The informal sector is no longer a sea of unknown workers. There are specific occupations where workers can be identified, according to Rahman.

"We have to address the informal sector. Otherwise, there would be inequality within the working group."

Tanvir A Mishuk, managing director of Nagad, a digital financial service arm of the postal division, said this was a timely initiative and the right approach to stand beside the employees who have already lost their jobs.

It is already proven that mobile financial services (MFS) are the trusted players to disburse the government's funds that can ensure full transparency, he said.

"And I am quite sure that only through MFS platforms, the right

person can get the support and no other channels can offer this type of cost-efficient service maintaining high transparency."

The director-general of the labour department would lead an eight-member implementation committee.

It will include the additional director-general of the labour department, the additional inspector general of the Department of Inspection for Factories and Establishments and the chief accounts and finance officer of the labour ministry.

Representatives of the BCGMEA, the BKMEA, LFMEAB and BFLFEA and the EU will also be there.

A 10-member committee led by the labour secretary would monitor and evaluate the scheme. The factories under the four associations would prepare a primary list of the affected workers and bring relevant information under a management information system (MIS).

The information includes names of the workers, their addresses, national identification numbers, bank or mobile financial service account numbers and mobile phone numbers.

The factories would send the data to the associations. The association would forward the list to the labour department.

The labour department would verify the data and place it at a meeting of the implementation committee.

The list recommended by the implementation committee would be approved by the director-general of the

labour department. A bill would be submitted to the Chief Accounts and Finance Office.

The chief accounts office would send the electronic payment transfer to the central bank, which would transfer the cash to the banking or MFS accounts of the beneficiaries.

Workers who were employed until February this year would be eligible for the support. Besides, the workers who tested positive for Covid-19, are suffering from other diseases or are unable to work are also eligible.

The finance ministry would scrutinise the list the same way it did in case of distributing the government's support for 50 lakh families which were affected by the pandemic.

The government has distributed cash support among 35 lakh beneficiaries.

Nagad distributed Tk 324.47 crore among 12.9 lakh beneficiaries. Bkash channelled Tk 233.99 crore among 9.3 lakh beneficiaries, Rocket Tk 177.44 crore among 7.05 lakh recipients and SureCash Tk 120.79 crore among 4.8 lakh beneficiaries.

On the eve of Bangladesh embarking on a countrywide shutdown on March 26, the government announced a Tk 5,000-crore special package to pay the wages and allowances of export-oriented industries' workers for three months starting from April.

As the fund was later found to be inadequate, the government released another Tk 2,500 crore from the bailout package rolled out for the large industries affected by the pandemic.

E-commerce: a bright spot amid the gloom

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However, Alim believes that online sales have not grown as much as was expected.

"All the media hype led people to believe that Bangladesh's e-commerce industry would grow 10 times larger due to the pandemic but this is not true," he said.

The Chaldal CEO also pointed out the inadequacy of their existing delivery mechanisms and absence of a smooth supply chain as the main obstacles for growth in the overall industry.

In an effort to meet the excessive number of orders made each day, Chaldal has had to make some technological and strategic changes to its organisation, including replacing old servers and automating the refund process.

On the other hand, Daraz, another leading e-commerce platform, lost around 5,000 of its import-dependant merchants soon after travel bans were issued around the world in order to curb the spread of coronavirus.

But then in May, the company added more than 10,000 local retailers to its platform.

"Products that had never been sold on an e-commerce platform are now regularly sold online," Syed Mostahidul Hoq, managing director of Daraz Bangladesh, told The Daily Star yesterday.

Even items such as plants, seeds, fertilisers and honey are now on the top selling products list, Hoq said, adding that due to this change in consumer habit, small and medium entrepreneurs can now cater to more people than ever before.

Before the coronavirus pandemic emerged, the top selling product range for Daraz, a subsidiary of e-commerce giant Alibaba, was electronics.

Since then though, the demand for those items has dropped drastically while incoming orders for daily necessities and hygiene products has increased exponentially, according to the managing director.

The company's overall sales fell significantly in the April-May period but business has been on the rebound since June. In a testament to the country's economic recovery from the Covid-19 fallout, the number of orders made daily surged to 55,000 in August, up 20 per cent when compared to pre-pandemic levels.

To provide customers with a better shopping experience amid the coronavirus crisis, Daraz has completely revamped its logistics technology, Hoq said.

As such, the company improved its integration with bKash, the largest mobile financial service (MFS) provider in Bangladesh, to streamline its payment system.

Customers from across 48 districts can now order their daily necessities or engage in gaming facilities available on the Daraz app, he added.

PriyoShop, which typically retails lifestyle products such as clothes, smartphones and other high-tech gadgets, added groceries to its roster

after observing the changes in consumer demand in early April.

"Orders started flooding in during April, particularly for masks and sanitisers. But our suppliers and logistic companies were not able to provide smooth services because it happened all of a sudden and no one was prepared," said Asikul Alam Khan, CEO of PriyoShop.

For instance, the e-commerce platform received a total order for 3,000 units of various antibacterial personal care products in a single day in mid-April. However, the company was able to handover just 1,700 units of the order due to insufficient supply.

Despite the increased sale of groceries, personal protective equipment and sanitisers during the April-May period, profits were offset by a plunge in demand for PriyoShop's lifestyle and tech products.

However, the sale of smartphones and laptops rose sharply from July onwards and is currently 400 per cent higher than what it was ahead of the pandemic.

People are now working from home and therefore need laptops and smartphones to that end, Khan said.

"Although we can't meet the high demand for laptops due to decreased imports following flight cancellations, we are able to meet the demand for smartphones thanks to local manufacturing," he added.

PriyoShop now executes 5,000 deliveries daily, a 128 per cent increase from its value during the pre-pandemic time, when it stood at 2,200.

The online retailer integrated some new digital technologies with its operation, including automatic transactions and QR payments.

Revenue was on a steep decline during the early stages of the pandemic, said Zeeshan Kingshuk Huq, co-founder and CEO of Sindabad, a business-to-business and wholesale online retailer.

The company recently shifted its business model to include selling products directly to its customers.

"As we are a wholesaler, we had a big stock of staples and hygiene products but most brick-and-mortar shops, who are our customers, were closed during the two-month lockdown. So, our employees came forward to take these products to the customer's doorstep," Huq said.

The government had declared a nationwide general holiday that lasted from March 26 to May 30 in a bid to curb the spread of Covid-19 within Bangladesh.

Sindabad, which has a workforce of over 200 people, reinvigorated its business following the dip in sales by directly supplying small and medium sized shops.

As a result, the number of orders received is 2.5 times higher on average than what it was before the pandemic.

"If we had not pivoted, our business would have been in bad shape," Huq added.

Similarly, AjkerDeal, one of Bangladesh's first e-commerce

platforms that focuses on customers from outside Dhaka, took a significant hit due to the pandemic as the two-month shutdown of all economic activities led to a drastic fall in revenue.

"Our sales nosedived because we mainly sell lifestyle products, which have decreased in demand since March," said Fahim Mashroor, CEO of AjkerDeal.

Mashroor, a former president of the Bangladesh Association of Software and Information Services, had hoped the Covid-19 situation would push the expansion of MFS and broadband internet services to remote villages.

Transactions made through MFS platforms hit an all-time high of Tk 62,999 crore in July with an active user base of about 4.3 crore as an increasing number of private individuals, businesses and government agencies have relied on such services since early April. Besides, the use of debit and credit cards to make digital payments is also increasing.

"Those developments will pave the way for e-commerce to grow further in the coming years," Mashroor said.

Food home delivery and logistics

Online food delivery platforms suffered the most since late March, when all of the restaurants in Bangladesh were closed for the nationwide lockdown.

Till date, those platforms have not been able to recover more than 50 per cent of the losses incurred during that time.

"The situation for every online food delivery platform is dire. With insignificant help from the government and their financiers, many such start-ups are destined to perish," said Ahmad AD, CEO of HungryNaki.

Meanwhile, Shohoz Food had regained 75 per cent of its business, according to Maliha M Quadir, CEO of Shohoz.

"Business is returning to normalcy as we are giving a lot of discounts," Quadir said.

Likewise, Pathao Food, the market leader for this sector, has seen slow recovery.

"But at least orders are still coming in," said Hussain Elius, chief executive of Pathao.

The restaurants were closed for months due to the pandemic and even now, those that have reopened are still not operating on a full scale.

Because of weak logistics infrastructure and travel restrictions, e-commerce consumers suffered a lot at the beginning of the outbreak, Elius said. But with new innovations and technology integration, business for the logistics services providers has expanded since July.

Paperfly, an e-commerce-based logistics company, witnessed a 10 per cent slump in daily deliveries in May.

In August though the number of shipments made each day surged to 13,000, a 44 per cent increase from its value during the pre-pandemic period, when it was just over 9,000, according to Rahath Ahmed, chief marketing officer of Paperfly.

Gathering ban spells dry year for event organisers

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"Now we are thinking about adopting digital event planning to bring changes under the 'new normal' situation," Azam added. According to the managing director, event management companies organise various international conferences, cultural events, social awareness programmes and corporate events but now the industry was totally inactive.

As a result, some smaller firms have

already been forced to shut down their operations due to a lack of working capital. Rashid Khan, chief executive officer of Creato, echoed the same, saying that the service sector has also been seriously affected by the pandemic.

To help the industry survive the Covid-19 fallout, Khan urged the country's banks to provide loan facilities at low interest rates.

Similarly, the EMMAB demanded deferrals on VAT payments and a

reduction in advance income tax to help the event management sector pull through.

"We contribute towards business development by providing different ideas and programmes but the current situation is unfavourable for our industry," he said.

Khan also said his company organises at least 150 events each year but this time around, almost 80 per cent of their work had shrivelled up.

Bourses learnt a lesson: all-out digitalisation is a must

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The BSEC has already approved Abdus Salam Sikder as the company's chairman along with appointing a few directors.

"For revenue, stock brokers mostly depend on brokerage charges. So they were earning almost nothing during the closure," said Rahmat Pasha, chief executive officer of UCB Capital.

Share trading is a two-pronged system: share transfer and money transfer, he said.

The Central Depository Bangladesh

executes share transfers while money transfers are handled by a department of the DSE, he said.

The money transfer process is mostly manual, so brokers fell in hot water when trading stopped, Pasha said. The prolonged closure also had a negative impact on the global image of the domestic stock market, he added.


The DSE already has a platform that facilitates real-time trading of shares from mobile devices or a computer from anywhere in the world.

However, the country's premier

bourse is yet to be integrated into a unified system with the platform, which is why it has to depend on manual labour to complete trade settlements and other similar tasks, he added.

"We are working on the issue and the BSEC will appoint a strategic person to complete the entire digitalisation process, said Asif Ibrahim, chairman of Chattogram Stock Exchange.

The digitisation process will become easier as soon as the Central Counterparty Bangladesh starts operations in full swing, he added.



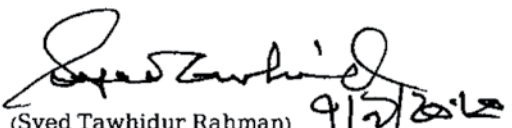
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Corrigendum -1

e-Tenders are invited in e-GP System Portal (www.eprocure.gov.bd) for the tender ID-482859, Tender ID- 482861 and Tender ID -482862. Tender Notice was published in The Daily Star and The Daily Jangantor on 17/08/2020, the tender notice shall be replaced as follows.

Tender ID	Particular Information	Original Circulated	Amendment
482859	Document last selling date & time	07/09/2020 12:00	17/09/2020 12:00
	Closing Date & Time	07/09/2020 16:00	17/09/2020 16:00
	Last date & time for Tender Security Submission	07/09/2020 14:00	17/09/2020 14:00
482861	Document last selling date & time	07/09/2020 12:00	17/09/2020 12:00
	Closing Date & Time	07/09/2020 16:30	17/09/2020 16:30
	Last date & time for Tender Security Submission	07/09/2020 14:00	17/09/2020 14:00
482862	Document last selling date & time	07/09/2020 12:00	17/09/2020 12:00
	Closing Date & Time	07/09/2020 15:30	17/09/2020 15:30
	Last date & time for Tender Security Submission	07/09/2020 14:00	17/09/2020 14:00

All other terms and conditions of the Tender document will remain unchanged and this corrigendum notice will be the integral part of the tender document.


 (Syed Tawhidur Rahman)
 Project Director

GD-1417