STOCKS		COMMODITIES		ASIAN MARKETS			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.31%	▲ 0.33%	▲ $1,964.04 (per ounce)	▲ $41.37 (per barrel)	▲ 0.70%	▲ 0.09%	▲ 0.78%	▼ 0.36%
5116.81	8,768.94			39,318.51	23,475.53	2,505.15	3,283.92

CURRENCIES — STANDARD CHARTERED BANK

	$USD	€EUR	£GBP	¥CNY
BUY TK	83.95	98.40	107.36	12.18
SELL TK	84.95	102.20	111.16	12.80

Star BUSINESS

DHAKA THURSDAY SEPTEMBER 17, 2020, *ASHWIN 2, 1427 BS* ● starbusiness@thedailystar.net

Runner ties up with Bajaj to make three-wheelers

Will set up a Tk 300cr plant in Mymensingh

AHSAN HABIB

Local motorcycle maker Runner Automobiles has joined hands with Bajaj Auto, a global market leader based in India, to set up a Tk 300 crore manufacturing plant for CNG and LPG-run three-wheelers in Mymensingh.

"We want to contribute towards the development of Bangladesh's automobile industry by providing safe, high quality vehicles to our customers at an affordable price," said Reazul Chowdhury, managing director and CEO of Runner Automobiles.

The company, which recently got listed with the country's bourses, plans to finish development of the new state-of-the-art facility within 12 to 15 months.

On the plant's production capacity, Chowdhury said, "We have just signed the contract and are working on some details."

Runner always keeps the needs of the present and future in mind, so there is scope for operations to expand, he added.

Runner's board of directors gave the nod to get into this agreement, the specifics of which were disclosed on the Dhaka Stock Exchange (DSE) website yesterday.

Under the agreement, Runner will manufacture and distribute Bajaj RE 4S three-wheelers in Bangladesh.

It will take necessary technical support from Bajaj Auto for localisation of parts and components, assembling and manufacturing of vehicles, the disclosure read.

"This will be the first ever international three-wheeler manufacturing plant to be set up in Bangladesh," it added.

"Bajaj's line of three-wheelers are the market leaders in Bangladesh and so, our objective is not so much about grabbing market share but to expand it instead," Chowdhury said.

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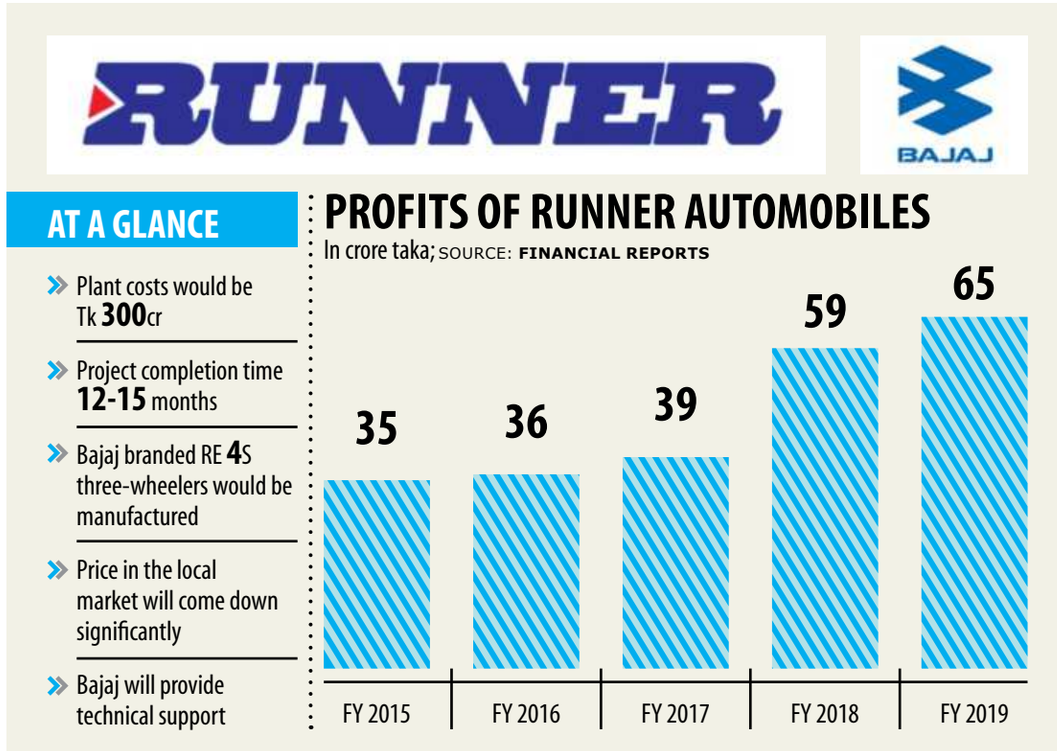


ADP spending dips in August

REJAUL KARIM BYRON

Development expenditure dropped 10.18 per cent year-on-year to Tk 5,097.79 crore in August as activities are yet to pick up because of the lingering coronavirus pandemic.

August's spending from the government's annual development programme (ADP) was, however, 56.63 per cent higher than what it was in July, according to data from the Implementation Monitoring and Evaluation Division of the planning ministry.

Ministries and divisions managed to expend only Tk 3,254 crore in the first month of the fiscal year. ADP spending in August last year was Tk 5,675.73 crore.

The combined development expenditure in the July and August period stood at Tk 8,351 crore, accounting for 3.89 per cent of the Tk 214,611 crore set aside to carry out development activities in 2020-21.

Despite the significant reopening of the economy from the two-month long countrywide lockdown in June, development activities have not yet gained momentum as the deadly virus is not showing any signs of abating.

The power division was the top performer in the first two months of the fiscal year as it spent Tk 1,322.32 crore.

Other top performers include the local government division (Tk 1,045.95 crore), the road transport and highways division (Tk 1,018.16 crore), the secondary and higher secondary division (Tk 969.16 crore), the railways ministry (Tk 774.71 crore), the science and technology ministry (Tk 554.76 crore) and the primary and mass education ministry (Tk 553.83 crore).

The parliament secretariat could not spend any money in the last two months from their ADP allocation.

Other low spenders are the law and justice division (Tk 0.02 crore) Bangladesh Public Services Commission (Tk 0.03 crore), the land ministry (Tk 0.13 crore) the statistics and information management division (Tk 0.24 crore), the defence ministry (Tk 0.30 crore), the Anti-Corruption Commission (Tk 0.36 crore), the financial institutions division (Tk 0.46 crore), the internal resources division (Tk 0.53 crore), the public security division (Tk 0.96 crore) and the information ministry (Tk 0.97 crore).

READ MORE ON B3

Cards triumph amid pandemic

Debit card transactions reach a new high in July

MD FAZLUR RAHMAN

Debit card users transacted a record Tk 18,123.6 crore in July as they opted for the digital money over cash to keep the coronavirus at bay.

The transaction is the highest at least since December 2018, Bangladesh Bank data showed.

July's figure is 29.08 per cent higher than Tk 14,040.5 crore transacted in the same month a year ago and 44.66 per cent up from Tk 12,528.1 crore in June this year.

In the first month of the fiscal year, credit card-holders spent Tk 1,252.4 crore, which was the highest in six months and up 19.49 per cent year-on-year.

Their spending stood at Tk 898 crore in June this year and Tk 1,048.1 crore in July last year.

Though restrictions have been easing off since June, both debit and credit card-holders have still been relying on digital money to pay for goods and services owing to the persisting coronavirus pandemic.

"July was a good month. Eid was a factor as the religious festival was celebrated at the end of the month," said Syed Mohammad Kamal, country manager for Mastercard.

For the card business, April was the worst month. It recovered a bit in May and made a moderate comeback in June.

"In July, the card business has returned to almost the February-level. It can be said it was a turning point," Kamal said.

A significant portion of the card business is international transaction but that has been largely non-existent since April because of the pandemic.

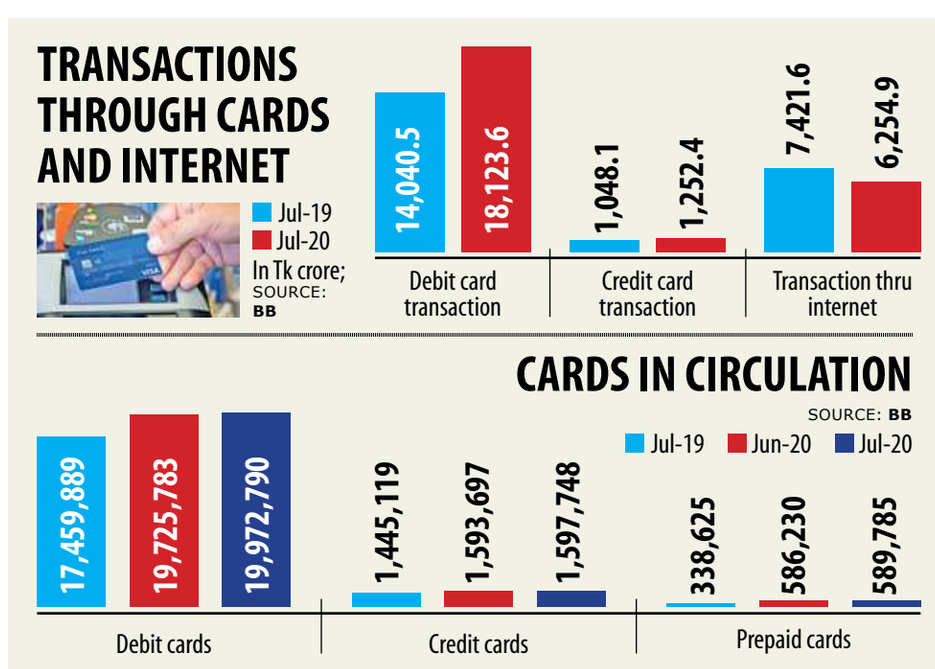
People from Bangladesh used to travel a lot and at the same time, a lot of people used to visit Bangladesh before the deadly virus arrived on the shores of the country.

"Usually, we see a lean period after Eid, but this year August was also not a bad month if the pandemic is taken into account," said Kamal.

Restaurants are opening after remaining shut for the most of the April to May period. During the pandemic, food delivery was largely suspended as people were cautious but that too has rebounded strongly.

The reopening of the domestic airlines is helping the card business breathe a sigh of relief. Domestic hotels and resorts have reopened after Eid.

E-commerce is booming and mobile recharge through cards has gone up, while adding money to mobile financial service accounts has increased. Lifestyle shopping also went up during Eid. People started going to restaurants and groceries by maintaining social distancing and taking safety measures.



The electronics sector also performed well in the first month of the fiscal year. People tend to buy deep freeze during Eid-ul-Azha, when crores of animals are sacrificed.

Normally, the lifestyle segment does not do well during Eid-ul-Azha. But as people could not shop during Eid-ul-Fitr this year owing to the lockdown, they came out ahead of Eid-ul-Azha and spent money on clothes and other items.

"All of these helped the overall volume in the card business grow in July onwards," Kamal said.

Banks issued a total of 19,972,790 debit cards as of July, which is up 14.39 per cent from 17,459,889 in the same month a year ago and 1.25 per cent from 19,725,783 in June this year.

The number of credit cards in circulation stood at 1,597,748 in July, up 10.56 per cent compared to 1,445,119 in the same month last year. The number stood at 1,593,697 in June this year.

Thanks to an increase in online shopping, local transaction by cards rose 29.35 per cent year-on-year to Tk 19,625 crore from Tk 15,172.3 crore in the same month a year ago. It is up from Tk 13,603 crore in June this year.

Foreign currency transaction through cards, however, nosedived by 75 per cent to Tk 65.9 crore in July from Tk 264.8 crore in the same month last year, reflecting the drop in cross-border trading activities owing to the pandemic-induced shutdown at home and abroad.

July's figure, however, is the highest since April, according to data from the central bank.

In Bangladesh, credit cards were launched in 1997, debit card in 2004 and internet banking in 2006, all by Standard Chartered Bank.

READ MORE ON B3

COLLECTED

Markers meant for keeping shoppers apart at the checkout being removed in an outlet of a fashion brand on Ring Road between Mohammadpur and Shyamoli yesterday afternoon. Businesses are attempting to restart their trade in full swing in an attempt to recoup revenue losses for the Covid-19 pandemic-induced lockdown.

Pran-RFL to set up Tk 153cr plant in Adamjee EPZ to make PPE, toys

STAR BUSINESS REPORT

Banga Plastic International, a sister concern of Pran-RFL Group, plans to establish a personal protective equipment (PPE) and toy manufacturing plant at a cost of $18.08 million or Tk 153 crore inside Adamjee Export Processing Zone.

Work to set up the factory will start by next month and production for export will begin within a year, said Rathendra Nath Paul, chairman of Banga Plastic.

Around 2,000 Bangladeshis will be employed in the factory, for which the company is now working to mobilise overseas financing, he said.

The company will annually produce 850 tonnes of PPE, including surgical, KN 95 and N 95 face masks, surgical hand gloves, shoe covers, mop caps, medical gowns, sanitary napkins, diapers and hand sanitisers.

It will also produce 4,857 tonnes of baby toys, rider toys, slipper toys, sports toys, educational toys, building toys, alphabet toys, soft and hard animal toys etc.

Paul shared the information after signing a deal with Md Mahmudul Hossain Khan, member for investment promotion at Bangladesh Export Processing Zones Authority (Bepza), at the Bepza Complex in Dhaka yesterday.

Banga Plastic will enjoy all government facilities as an investor inside the EPZ, including a five-year tax holiday, Nazma Binte Alamgir, general manager for public relations at Bepza, told The Daily Star.

Bepza is ready to provide plots and provide cooperation to investors from home and abroad, she said.

"The export volume increases and many jobs are created when an investor invests in in any EPZ."

There is scope to produce some products for the local market also, she said. Major General SM Salahuddin Islam, executive chairman of Bepza, also witnessed the deal signing ceremony along with Ahsan Khan Chowdhury, chairman and CEO of Pran-RFL Group.

KEY POINTS

BEPZA — RFL PLASTICS

- Annually **850** tonnes of PPE and **4,857** tonnes of toys will be produced
- $**18.08** million will be invested in the factory
- Construction work will start by October
- Production will begin within a year
- **2,000** Bangladeshis will be employed