

| STOCKS   |          | COMMODITIES |              | ASIAN MARKETS |           |           |          | CURRENCIES    |        |        |       |
|----------|----------|-------------|--------------|---------------|-----------|-----------|----------|---------------|--------|--------|-------|
| DSEX     | CSCX     | Gold        | Oil          | MUMBAI        | TOKYO     | SINGAPORE | SHANGHAI | USD           | EUR    | GBP    | CNY   |
| ▲ 0.14%  | ▲ 0.27%  | \$1,812.60  | \$48.25      | ▲ 0.98%       | ▲ 0.91%   | ▼ 0.42%   | ▲ 0.22%  | BUY TK 83.95  | 99.05  | 111.46 | 12.60 |
| 4,869.09 | 8,406.60 | (per ounce) | (per barrel) | 44,259.74     | 26,537.31 | 2,857.48  | 3,369.73 | SELL TK 84.95 | 102.85 | 115.25 | 13.25 |



star

BUSINESS

DHAKA FRIDAY NOVEMBER 27, 2020, AGRAHAYAN 12, 1427 BS
 
 ●
 starbusiness@thedailystar.net

# Expand stimulus packages as second wave looms

Experts tell govt dialogue

STAR BUSINESS REPORT

The government should think of rolling out more stimulus packages to ensure a quick economic recovery and protect firms and people as the threat of a second wave of coronavirus infections looms, experts said yesterday.

Micro and small businesses are yet to benefit from the packages unveiled more than seven months ago, although they were the hardest hit because of the crisis. A large number of workers are still suffering for losing jobs, they said at a dialogue.

The finance ministry organised the dialogue on “Stimulus Packages for Sustainable and Inclusive Recovery from Covid-19 Fallout in Bangladesh” at the Osmani Memorial Hall in the capital and plans two more next month.

Yesterday’s one bore the title “Job Retention, Restoration of Demand and Maintenance of the Supply Chain”.

The government has so far declared 21 stimulus packages worth around Tk 121,000 crore, which is 4.34 per cent of the GDP.

Of them, 14 involving Tk 33,603 crore are being financed from budget allocations, said Abdur Rouf Talukder, senior secretary of the finance division, while making a



| KEY POINTS |   |
|------------|---|
| ➤          | Government declared <b>21</b> stimulus packages worth Tk <b>121,000cr</b> |
| ➤          | The fund is equivalent to <b>4.4pc</b> of the GDP                         |
| ➤          | More packages to be needed to get quick recovery                          |
| ➤          | Micro and small business are deprived of getting support                  |
| ➤          | Repayment of packages should be extended                                  |
| ➤          | The tenure of moratorium facility should be stretched                     |

keynote presentation.

The remaining seven packages involving Tk 87,750 crore are being financed from the banking system, according to data from the finance ministry.

Talukder said 55 per cent of the total stimulus packages had so far implemented.

The Covid-19 has seriously impacted the Bangladesh economy like other countries, said Mercy Miyang Tembon, World Bank’s country director for Bangladesh and Bhutan.

The business slowdown stemming from the pandemic has had an adverse impact on both supply and demand sides, she said.

[READ MORE ON B3](#)

## Deepening uncertainty downing credit growth

AKM ZAMIR UDDIN and REJAUl KARIM BYRON

Private sector credit growth dropped heavily in October due to the eroding confidence of businesses amid the potential threat of a second wave of coronavirus infections.

The year-on-year credit growth stood at 8.61 per cent in October, down 9.48 per cent from a month earlier, according to data from Bangladesh Bank.

Credit growth had increased substantially in the first three months of the ongoing fiscal year riding on the implementation of the stimulus packages, bankers said.

The quick implementation of the stimulus package for large industries and service sectors had a positive impact on credit growth, they added.

The government declared a stimulus package worth Tk 30,000 crore for the sectors. The fund size was later expanded to Tk 40,000 crore.

As of October 30, banks disbursed Tk 22,900 crore from the stimulus package for large borrowers.

A majority of the amount was given out before October, a central bank official said. However, the implementation process of the stimulus packages for other sectors is yet to gain momentum, he added.

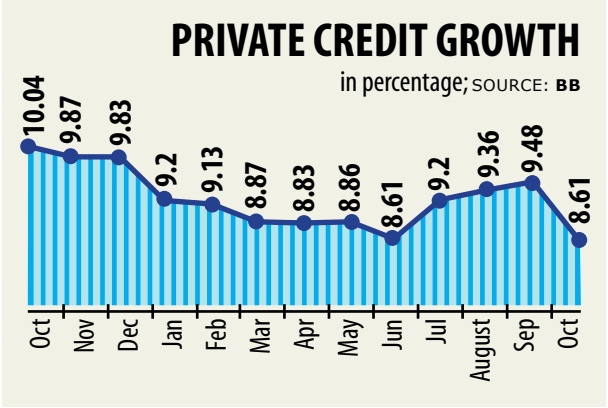
A good number of borrowers took loans soon after the government lifted lockdown measures in the last week of May, according to Md Arfan Ali, managing director of Bank Asia.

Businesses have adopted a cautious policy once again, given the rising Covid-19 infections.

Besides, demand has also gone down as people are now highly careful about purchasing anything amid all the economic uncertainty, Ali said.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, echoed the same, saying that credit demand is on the decline.

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## Robi’s profit plummets 77pc as it heads for a mega market debut

STAR BUSINESS REPORT

Robi’s net profit declined a massive 77 per cent year-on-year to Tk 38.9 crore in the third quarter of 2020 because of a higher turnover tax.

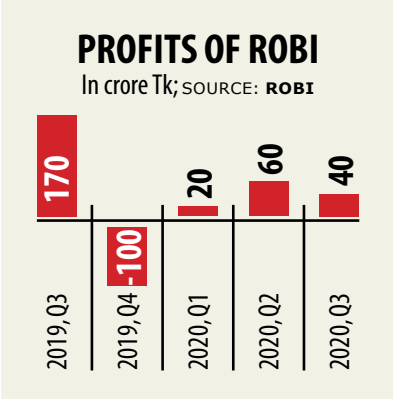
The profit was also 33.4 per cent lower than a quarter ago.

The operator’s revenue grew 9.7 per cent in the July-September period compared to the previous quarter, when it was Tk 1,934 crore. Revenue rose 1.7 per cent year-on-year.

“Despite the increased revenue, our profits fell due to the higher turnover tax,” said Mahtab Uddin Ahmed, managing director and CEO of Robi Axiata.

The National Board of Revenue imposed 2 per cent turnover tax on telecom companies, which were given a choice to pay either corporate tax or turnover tax depending on whichever is higher.

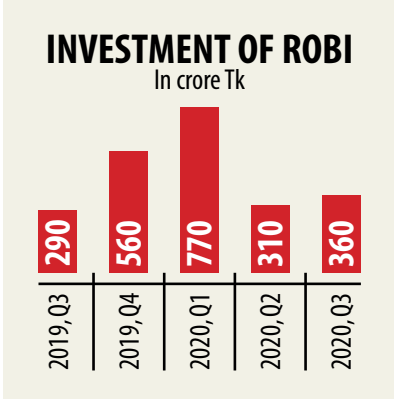
“Whether we make profits or not,



we have to pay the tax, which is much higher than the previous 0.75 per cent,” Ahmed said.

With the higher tax regime, Robi’s effective tax rate stands at 77 per cent while market leader Grameenphone is paying 40 per cent, according to the managing director.

“This is why we are lagging,” he



said, adding that the Significant Market Power guidelines are not in effect.

Robi has a subscriber base of 5.1 crore, which is 30 per cent of the total market. Of them, 3.47 crore use internet, according to a press release issued yesterday.

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## More funds made available for small traders

MD FAZLUR RAHMAN

Trade-based cottage, micro, small and medium enterprises (CMSMEs) would be able to borrow more from the government’s stimulus package after the central bank yesterday raised the ceiling by five percentage points.

While unveiling the Tk 20,000 crore stimulus package for the CMSME sector in April, the central bank included trade-based micro and cottage firms as a vast number of people are employed in the sector.

At the time, lenders were allowed to disburse 20 per cent of their total annual loans to trade-based CMSMEs. On October 28, the central bank said lenders could set aside 30 per cent of the loans for the sub-sector.

Yesterday, the central bank raised the ceiling by five percentage points. Now, banks and other financial institutions can channel up to 35 per cent of the stimulus package to the sub-sector.

If the amount of the loans goes past

30 per cent, the share of the funds for the manufacturing and service sub-sectors will go down proportionately. However, it would not be below 65 per cent combined for the two sub-sectors, the BB said in a circular yesterday.

The central bank move came after it found that banks and non-banks have put a significant portion of their investment in the trading sub-sector.

“If the investment ratio for the sub-sector increases, it would be possible to bring in more firms affected by the pandemic under the stimulus package,” said the BB.

The central bank brought in another change to make more funds available for the clients in the manufacturing, service and trading sub-sectors.

As of yesterday, lenders could lend to a borrower from the stimulus package up to 50 per cent of last year’s credit ceiling. Now, the ceiling would depend on the bank-client relationship.

“All of the changes are a good

move,” said Syed Abdul Monem, head of SME of Brac Bank.

“Now, we would be able to provide up 100 per cent of last year’s working capital to existing borrowers.”

The disbursement target of the loans from the package has been extended to December 31 this year, after the BB found that some banks and financial institutions have not been able to lend to the desired level.

As of November, lenders disbursed 35 per cent of the stimulus package.

The CMSMEs can take the working capital loan at 9 per cent interest. Of the interest, 4 per cent will be borne by the borrowers and 5 per cent by the government.

The CMSME sector represents 13 million business entities in Bangladesh, contributing 25 per cent to the GDP, 35.5 per cent to total employment and 80 per cent to export earnings, according to the Dhaka Chamber of Commerce and Industry.

## ICAB awards 23 corporates for best annual reports

STAR BUSINESS REPORT

Twenty-three firms in Bangladesh yesterday received the prestigious ICAB National Awards for Best Presented Accounts and Reports for the year 2019.

Commerce Minister Tipu Munshi handed over the prizes to the winners at an event at the Pan Pacific Sonargaon Hotel in Dhaka.

Among the awardees, IDLC Finance, one of the top non-bank financial institutions in the country, became the overall winner.

Eighteen 18 entities also received the certificates of merit from the Institute of Chartered Accountants of Bangladesh (ICAB), according to a press release.

In the banking sector (private) category, Brac Bank secured the first prize. Shahjalal

Islami Bank and Bank Asia came second jointly.

Mutual Trust Bank and Mercantile Bank won the third prize, also jointly.

In the category of the financial services sector, IDLC Finance scooped the first prize. IPDC Finance won the second prize and LankaBangla Finance the third prize.

British American Tobacco (BD) won the top honour in the manufacturing category.

Orion Pharma won the second prize, and Summit Power got the third prize.

Grameenphone was the winner in the communication and information technology category.

Green Delta Insurance was the top winner in the insurance category. Prime Insurance came second, and Reliance Insurance third.

[READ MORE ON B3](#)



Commerce Minister Tipu Munshi poses with the winners of ICAB National Awards for Best Presented Accounts and Reports for the year 2019, at the award giving ceremony at Pan Pacific Sonargaon Hotel in Dhaka yesterday.

| CATEGORIES                | TOP WINNERS                          |
|---------------------------|--------------------------------------|
| Private sector banks      | Brac Bank                            |
| Financial services sector | IDLC Finance                         |
| Manufacturing             | British American Tobacco             |
| Communication & IT        | Grameenphone                         |
| Insurance                 | Green Delta Insurance                |
| Public sector             | Investment Corporation of Bangladesh |
| NGOs                      | Sajida Foundation                    |
| Service sector            | Unique Hotel & Resort                |
| Agriculture               | Golden Harvest Agro Industries       |
| Integrated reporting      | LankaBangla Finance                  |
| Corporate governance      | IDLC Finance                         |
|                           | LankaBangla Finance                  |
| Overall winner            | IDLC Finance                         |

স্মরণ

এনসিসি ব্যাংক লিঃ এর অন্যতম উদ্যোক্তা ও সাবেক ডাইরেক্টর মোস্তাফিজুর রহমান-এর ৪র্থ মৃত্যুবার্ষিকী আজ।

আমরা তাঁকে গভীর শ্রদ্ধায় স্মরণ করছি এবং তাঁর বিদেশী আহ্বার মাগফেরাত কামনা করছি।

পরিচালনা পর্ষদ এবং ব্যবস্থাপনা কর্তৃপক্ষ



# Foxconn to shift some Apple production to Vietnam to minimise China risk

REUTERS, Taipei

Foxconn is moving some iPad and MacBook assembly to Vietnam from China at the request of Apple Inc, said a person with knowledge of the plan, as the US firm diversifies production to minimise the impact of a Sino-US trade war.

The development comes as the outgoing administration of US President Donald Trump encourages US firms to shift production out of China. During Trump's tenure, the United States has targeted made-in-China electronics for higher import tariffs, and restricted supplies of components produced using US technology to Chinese firms it deems a national security risk.

Taiwanese manufacturers, wary of being caught up in the tit-for-tat trade war, have moved or are considering moving some production from China to countries such as Vietnam, Mexico and India.

Foxconn is building assembly lines for Apple's iPad tablet and MacBook laptop at its plant in Vietnam's northeastern Bac Giang province, to come online in the first half of 2021, the person said, declining to be identified as the plan was private.

The lines will also take some production from China, the person said, without elaborating how

much production would shift.

"The move was requested by Apple," the person said. "It wants to diversify production following the trade war."

Foxconn said in statement: "As a matter of company policy, and for reasons of commercial sensitivity, we do not comment on any aspect of our work for any customer or their products".

Apple did not immediately

respond to a request for comment.

Taiwan's Foxconn, formally Hon Hai Precision Industry Co Ltd, on Tuesday announced a \$270 million investment to set up a new subsidiary called FuKang Technology Co Ltd - a move the person said was aimed at supporting the Vietnam expansion.

The contract manufacturer also plans to make television sets at the Vietnam plant for clients

including Japan's Sony Corp, with the beginning of such production slated for late 2020 to early 2021, the person said. Sony declined to comment.

The factory will also make other electronic products such as computer keyboards, the person said.

According to Taipei-based research group TrendForce, all iPads are assembled in China and so Foxconn's move would mark the first time that the iPad has been made outside China.

Foxconn already plans to spend up to \$1 billion expanding an iPhone assembly plant in India as "strongly requested" by Apple to diversify production beyond China, people with direct knowledge of the matter told Reuters in July.

It and peers such as Pegatron Corp are also considering building plants in Mexico, people with knowledge of the matter said, as Washington promotes near-shoring production.

Foxconn Chairman Liu Young-way in August told investors the Sino-US trade war had split the world into two, saying his firm aimed to provide "two sets of supply chains".

Other iPad assemblers include Taiwan's Compal Electronics Inc and China's BYD Electronic International Co Ltd.



REUTERS/FILE

A man walks past an Apple store in Taipei in Taiwan.

# German court refers Nokia-Daimler dispute to European Court

REUTERS, Duesseldorf/Berlin

A German court on Thursday referred a patent licensing dispute between Finnish telecoms equipment maker Nokia and German carmaker Daimler to the European Court of Justice to clarify the law as it applies to supply chains.

The Duesseldorf Regional Court said it would suspend proceedings in Nokia's fight against Daimler over royalties for technology used in navigation systems, vehicle communications and self-driving cars.

The long-running row revolves around standard technologies used in 4G mobile networks that support features in so-called connected cars, and whether Nokia is licensing them on fair, reasonable and non-discriminatory (FRAND) terms.

The dispute has made waves in Brussels, where the European Commission has stepped in with a proposal for a mechanism to establish whether certain patents are essential to a technology standard and reduce "friction" over their use.

Nokia has argued that it has discretion to determine the point in the supply chain at which it issues licences, the Duesseldorf court said in a statement explaining Thursday's ruling.

Daimler has countered that, under European Union single market rules, Nokia is obliged to offer unlimited licences for all uses relating to standard patents.

In its ruling, the court found Nokia had the right to seek an injunction against Daimler for patent violation. But it also raised the question over whether doing so would represent an abuse of Nokia's dominant market position.

It suspended proceedings pending clarification of a list of related questions it put to the European Court.

The referral of the case to Luxembourg effectively freezes the status quo in which Daimler uses Nokia's patents for free - a blow to the Finnish firm that earns 1.4 billion euros (\$1.7 billion) a year from licences.

Thursday's judgment can be appealed. "Daimler has been using Nokia's technology for 14 years and have looked for every avenue to avoid payment. In light of today's decision, we will now consider our options," Nokia said in a statement.

The Stuttgart-based carmaker welcomed the Duesseldorf court's referral, saying it would make it possible to clarify questions on standard essential patents "on a fundamental and Europe-wide level".

The Duesseldorf case is one of several between Nokia and Daimler that are working their way through German courts - a typical feature of patent litigation as parties seek a ruling that can establish a favourable precedent.

With the latest decision, Daimler has pulled level with Nokia on two wins each.

# Oil rally stalls on signs of more supply, demand doubts

REUTERS, London

Oil slipped from seven-month highs on Thursday as signs of growing supplies helped to halt a rally driven by optimism that vaccines will revive fuel demand.

Brent futures had risen to nearly \$50 a barrel this week after three major pharmaceutical companies announced progress on vaccines that could start to be rolled out before the year-end.

But Brent was down 75 cents at \$47.86 a barrel by 0918 GMT, after earlier falling by \$1. The contract rose around 1.6 per cent in the previous session.

West Texas Intermediate crude fell 72 cents to \$44.99 a barrel, after gaining 1.8 per cent on Wednesday.

"Despite a number of strong fundamentals rallying the markets, especially vaccine development supporting oil, bearish concerns remains," said Avtar Sandu, senior commodities manager at

Phillip Futures.

Lockdowns as the pandemic worsens, the rising number of rigs employed in the United States, along with increased production from Libya, were risk factors for bulls, he said.

US oil stockpiles fell 754,000 barrels last week, data showed. Analysts in a Reuters poll had predicted a 127,000-barrel rise. Stockpiles at the Cushing, Oklahoma, delivery point for WTI, fell by 1.7 million barrels.

But gasoline demand for the week fell by 128,000 barrels per day (bpd) to 8.13 million bpd, the lowest since June.

U.S. President-elect Joe Biden has urged people to forgo big family gatherings, wear protective masks and maintain social distancing for the Thanksgiving holiday. But Americans are defying pleas from officials to stay at home.

The United States has recorded 2.3 million new infections in the last two weeks.

# World shares hold close to all-time highs

REUTERS, London

European shares were mixed on Thursday and world shares held near all-time highs after a strong Asian session in which market euphoria around COVID-19 vaccines, Joe Biden's US presidential election win and hopes for further stimulus outweighed worsening US data.

World shares are having their best month on record this November, boosted by a slew of positive vaccine announcements and hopes that Biden's administration will deliver more economic stimulus and political stability.

The MSCI world equity index, which tracks shares in 49 countries, hit an all-time high on Wednesday and held close to this level on Thursday, up 0.2 per cent on the day at 0821 GMT, as markets shrugged off the latest rise in US jobless claims.

Europe's STOXX 600, which is also having its best month ever, up 14.5 per cent in November, was flat on the day, while London's FTSE 100 was down 0.4 per cent.

Markets also took a boost from minutes from the US Federal Reserve's Nov. 4-5 meeting, which showed that officials discussed how the central bank's asset purchases could be adjusted to provide additional support to the economy.

The minutes said policymakers may give new guidance about its



REUTERS

The German share price index DAX graph is pictured at the stock exchange in Frankfurt, Germany on November 24.

bond-buying "fairly soon".

"Downward pressure on the US dollar has been reinforced by the release of the latest FOMC minutes which signalled that the Fed is likely to strengthen their QE program at the next FOMC meeting on 16th December," wrote MUFG strategist Lee Hardman in a note to clients.

"A strong commitment to maintain QE stimulus would provide further reassurance that the

punch bowl is unlikely to be taken away as soon as next year," he said.

The US dollar slipped around 0.1 per cent and was at 91.922 versus a basket of currencies at 0828 GMT, having touched its lowest in nearly three months in early London trading. It also lost out versus the safe-haven Japanese yen, down 0.2 per cent on the day at 104.3 at 0832 GMT.

US markets are closed for Thanksgiving on Thursday. Biden

# Disney to lay off about 32,000 workers in first half of 2021

REUTERS

Walt Disney Co said on Wednesday it would lay off 32,000 workers, primarily at its theme parks, an increase from the 28,000 it announced in September, as the company struggles with limited customers due to the coronavirus pandemic.

The layoffs will be in the first half of 2021, the company said in a filing with the Securities and Exchange Commission.

Earlier this month, Disney said it was furloughing additional workers from its theme park in Southern California due to uncertainty over when the state would allow parks to reopen.

Disney's theme parks in Florida and those outside the United States reopened earlier this year without seeing new major coronavirus outbreaks but with strict social distancing, testing and mask use.

Disneyland Paris was forced to close again late last month when France imposed a new lockdown to fight a second wave of the coronavirus cases. The company's theme parks in Shanghai, Hong Kong and Tokyo remain open.

|  |                                      |  |                              |   |   |
|--|--------------------------------------|--|------------------------------|---|---|
| "শেখ হাসিনার নির্দেশ<br>জলবায়ু সহিষ্ণু বাংলাদেশ"  |                                      | Government of the People's Republic of Bangladesh<br>Divisional Forest Officer<br>Sylhet Forest Division, Sylhet<br><a href="http://www.forest.sylhetdiv.gov.bd">www.forest.sylhetdiv.gov.bd</a> |                              |  |   |
| Memo No .22.01.0000.672.02.033.20. 3645  |                                      |  |                              | Date: 25/11/2020.   |   |
| <b>e-Tender Notice</b>   |                                      |  |                              |   |   |
| This is to notify all concern that the following tenders have been published through e-GP Portal.  |                                      |  |                              |   |   |
| SL   | Tender ID,<br>Package No             | Name of Package  | Publishing date<br>and Time: | Online Tender<br>Last Selling<br>Date and Time  | Online Tender<br>Closing Date and<br>Time |
| 1  | 513001,<br>SFD/SUFAL/2020-2021/GD-01 | Supply of Poly<br>Propylene Bag for<br>Nursery   | 26-Nov-2020<br>13:00         | 10-Dec-2020<br>17:00  | 13-Dec-2020<br>13:00                      |
| 2  | 513279,<br>SFD/SUFAL/2020-2021/GD-02 | Supply of Loamy soil<br>for nursery  | 26-Nov-2020<br>13:30         | 10-Dec-2020<br>17:00  | 13-Dec-2020<br>13:30                      |
| 3  | 513280,<br>SFD/SUFAL/2020-2021/GD-03 | Supply of Maintenance<br>Materials   | 26-Nov-2020<br>14:00         | 10-Dec-2020<br>17:00  | 13-Dec-2020<br>14:00                      |
| 4  | 513283,<br>SFD/SUFAL/2020-2021/GD-04 | Supply of Chemical<br>Fertilizer for nursery &<br>maintenance  | 26-Nov-2020<br>14:30         | 10-Dec-2020<br>17:00  | 13-Dec-2020<br>14:30                      |
| 5  | 513288,<br>SFD/SUFAL/2020-2021/GD-05 | Supply of Decomposed<br>cow-dung for nursery   | 26-Nov-2020<br>15:00         | 10-Dec-2020<br>17:00  | 13-Dec-2020<br>15:00                      |
| 6  | 513293,<br>SFD/SUFAL/2020-2021/GD-06 | Supply of nursery<br>materials   | 26-Nov-2020<br>15:30         | 10-Dec-2020<br>17:00  | 13-Dec-2020<br>15:30                      |
| The interested Person/firms may visit the website <a href="http://www.eprocure.gov.bd">www.eprocure.gov.bd</a> to get the details of the tender. This is an online Tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender registration in the National e-GP system portal ( <a href="http://www.eprocure.gov.bd">http://www.eprocure.gov.bd</a> ) is Required. |                                      |  |                              |   |   |
| Further information and guidelines are available in the National e-GP system portal and from e-GP help desk<br>( <a href="mailto:helpdesk@eprocure.gov.bd">helpdesk@eprocure.gov.bd</a> , +8809609112233,+880176225528, +8801762625529 )   |                                      |  |                              |   |   |
|   |                                      |  |                              |   |   |
| (S.M. Sazzad Hossain)<br>Divisional Forest Officer<br>Sylhet Forest Division   |                                      |  |                              |   |   |
| GD- 1891   |                                      |  |                              |   |   |

|   |   |   |  |   |  |
|---|---|---|--|---|--|
|   |   | <b>Government of the People's<br/>Republic of Bangladesh</b>                            |  |  |  |
|   |   | Dhaka South City Corporation<br>Office of the Project Director                          |  | শেখ হাসিনার মূলনীতি<br>আমি শহরের উন্নতি   |  |
|   |   | Dhaka City Neighborhood Upgrading Project (DCNUP)<br>Nagar Bhaban, Fulbaria, Dhaka-1000 |  |   |  |
| Memo: 46.207.014.09.10.2020/214   |   |   |  | Date: 25.11.2020  |  |
| <b>Request for Bids<br/>Non-Consulting Services (Re-Tender-2nd)</b>   |   |   |  |   |  |
| Employer  | : | Dhaka South City Corporation, MoLGRD&C.   |  |   |  |
| Project   | : | Dhaka City Neighborhood Upgrading Project (DCNUP).                                      |  |   |  |
| Contract title  | : | Hiring of Vehicles (2 Microbuses & 5 Cars) for DCNUP.                                   |  |   |  |
| Country   | : | Bangladesh.   |  |   |  |
| Credit No.  | : | Cr 6361 BD.   |  |   |  |
| RFB No.   | : | DCNUP/NS-01   |  |   |  |
| Issued on   | : | 25 November 2020  |  |   |  |
| 1. The People's Republic of Bangladesh has received a credit in the amount of about US\$ 100.50 million from the International Development Association (IDA) towards the cost of Dhaka City Neighborhood Upgrading Project (DCNUP) to be implemented by Dhaka South City Corporation and it intends to apply a part of the proceeds towards payments for Hiring 7 Nos. (2 Microbuses & 5 Cars) Vehicles for DCNUP.  |   |   |  |   |  |
| 2. The Dhaka City Neighborhood Upgrading Project (DCNUP), now invites sealed bids from eligible bidders for Hiring 7 Nos. (2 Microbuses & 5 Cars) Vehicles for DCNUP in City Corporation Area up to project tenure.   |   |   |  |   |  |
| 3. Bidding will be conducted through national competitive procurement using a Request for Bids (RFB) as specified in the World Bank's "Procurement Regulations for IPF Borrowers, July 2016 updated in November 2018 and is open to all eligible bidders as defined in the Procurement Regulations.   |   |   |  |   |  |
| 4. Interested eligible bidders may obtain further information from the office of the undersigned and inspect the bidding document during office hours i.e. 0900 to 1700 hours BST.  |   |   |  |   |  |
| 5. The bidding document in English may be purchased by interested eligible bidders upon the submission of a written application to the address below and upon payment of a non-refundable fee of BDT 5000.00, shall be deposited directly to A/C 1623806000063, Dhaka City Neighborhood Upgrading Project (DCNUP) GOB Sonali Bank Ltd, Nagar Bhaban Corporate Branch, Dhaka 1000, and as a proof, the original challan shall be submitted with the tender and document collect from the undersigned office during office hours showing proof copy of deposited money submitted in the said account. |   |   |  |   |  |
| 6. Bids must be delivered to the address below on or before 15 December 2020 up to 15:00 hrs BST. Electronic bidding will not be permitted. Late bids will be rejected. Bids will be publicly opened in the presence of the bidders' designated representatives and anyone who chooses to attend at the address below on 15 December 2020 up to 1600 hrs BST.   |   |   |  |   |  |
| 7. All bids must be accompanied by a bid security of BDT 10,20,000.00 (Taka ten lac twenty thousand) in the form of Irrevocable Bank Guarantee/Pay Order/Bank Draft from any schedule bank of Bangladesh.   |   |   |  |   |  |
| 8. The address referred to above is:  |   |   |  |   |  |
| <b>Mohammad Sirajul Islam</b><br>Project Director<br>Dhaka City Neighborhood Upgrading Project (DCNUP)<br>Dhaka South City Corporation<br>Nagar Bhaban (Level-9), Room 919, West Block<br>Fulbaria, Dhaka-1000, Bangladesh<br>E-mail: <a href="mailto:upddcc@yahoo.com">upddcc@yahoo.com</a>  |   |   |  |   |  |
| DSCC/PRD/45/2020-21<br>GD-1893  |   |   |  |   |  |



# With new bank aid, BOJ makes stealthy retreat from negative rates

REUTERS, Tokyo

The Bank of Japan is quietly walking back its unpopular negative interest rates policy with a controversial scheme designed to drive mergers among weaker, smaller lenders, a move some insiders see as a risky deviation into industrial reform.

As COVID-19 adds pain for regional banks suffering from years of ultra-low interest rates, the BOJ this month unveiled a plan to pay 0.1 per cent interest on deposits held by lenders that cut costs, boost profits or consolidate.

The programme means the BOJ will for the first time offer payouts to a specific industry with the aim of driving reform in that sector. Critics warn such policy should be directed by elected officials, not central bankers.

"The BOJ is incentivising unviable banks to merge before they end up going under," said Tomoyuki Shimoda, a former BOJ official who is now professor at Hitotsubashi University. "It's a pretty bold decision. There's no turning back."

Some BOJ executives were against the scheme, which defied the central bank's tradition of being "a lender not a spender," according to three sources with direct knowledge of the matter.

But after more than a year of groundwork by BOJ bureaucrats and bank regulators, the plan went through, the sources said, a sign that regional banks were in worse shape than BOJ Governor Haruhiko



REUTERS/FILE

A Japanese flag flutters atop the Bank of Japan building in Tokyo.

Kuroda was willing to admit.

"It's a message to regional banks that time is running short," one of the sources said. "Were it not for the seriousness of the problem, the BOJ wouldn't have gone this far," another source said, a view echoed by a third source.

The BOJ declined to comment for the story.

The decision highlights how Kuroda's defense of his stimulus policies - and his view the cost of prolonged easing is manageable - is crumbling, forcing him to pay the price for his radical measures with an even more controversial programme.

It also marked another retreat from negative rates, a policy long criticised by banks as crushing yields across the curve and

narrowing already thin margins, two other sources said.

The policy was unpopular from the outset. Just eight months after its launch in 2016, the BOJ was forced to set a target for 10-year bond yields to avoid excessive falls in long-term rates.

It also shrank the pool of funds to which negative rates were applied to around 5 trillion yen (\$48 billion) - or 1 per cent of total reserves financial institutions park with the BOJ.

"The aid scheme is part of the BOJ's attempt to phase out the impact of negative rates, which has been going on over the past few years," said former BOJ executive Hideo Hayakawa, who retains close contact with incumbent policymakers.

"The BOJ can't openly concede the policy was a failure or ditch it altogether, so it's quietly dialing it back," he said.

Of nearly 70 trillion yen in reserves, around 50 trillion yen could be targeted for the 0.1 per cent interest for up to three years, according to Dai-ichi Life Research Institute.

Short-term rates may creep up if the banks tap markets for funds that they then shift to BOJ deposits to earn 0.1 per cent interest. That would complicate the BOJ's efforts to meet its -0.1 per cent short-term rate target and cast doubt on Kuroda's argument the scheme won't affect monetary policy, some analysts say.

The fact the BOJ crossed the line to forestall a banking crisis highlights a deepening concern among policymakers over the rising cost of prolonged easing. Combined net profits at Japan's 102 regional banks have tumbled 40 per cent over the past four years as lending margins sank to 0.2 per cent.

A recent stress test by the BOJ showed in the most severe economic downturn scenario, their average capital-to-asset ratio would slide to 7 per cent in fiscal 2022 from the current 10 per cent and a few points above the required 4 per cent.

Several BOJ board members have publicly warned an increase in pandemic-driven bankruptcies could saddle banks with bad loans and threaten Japan's financial system.

## Genex Infosys now distributor of Siemens software

STAR BUSINESS DESK

IT services provider Genex Infosys will be distributing Siemens software offerings across a broad spectrum of industry domains in Bangladesh.

Yesterday it announced to have joined a Siemens Digital Industries Software Solution Provider Partner Programme.

"(It) will play a key role in the digital transformation of our manufacturing sectors including RMC, and help them in their journey of Industry 4.0," said Abu Taiyab, executive director of Genex Infosys.

"It is now possible for our customers to use the same industry-leading technology that top manufacturing companies

throughout the world depend on every day," he said.

"Leveraging the Xcelerator Portfolio, the end-to-end digital innovation platform... will help enable our customers to realise innovation and optimise manufacturing performance," he added.

Team center PLM, Mendix Low Code Software development, Mindsphere Industrial IOT Platform, NX CAD/CAM Products and Preactor Planning Solutions will create significant contribution towards the industrial revolution of Bangladesh, according to a statement.

Genex Infosys has multiple operation centers in Bangladesh, Myanmar, Malaysia, Thailand and the UK.

## Indian mills sign sugar export deals without government sweetener

REUTERS, Mumbai

Indian sugar mills have for the first time in three years agreed export agreements without the support of government subsidies as they scramble to pay dues owing to farmers, four industry officials told Reuters.

So far they have contracted 10,000 tonnes of white sugar for exports in the new season that began on Oct. 1, which they face selling at a loss, potentially weighing on international prices.

India is the world's biggest consumer of sugar, but as the second biggest producer, produces more than required. The government uses subsidies to encourage exports and ensure mills make payments to cane farmers.

This year, disagreements among ministries has delayed the announcement

of the export subsidy, helping to drive global sugar prices to the highest levels in nearly nine months.

"Mills have started selling sugar to exporters after waiting for the subsidy announcement for months," said Rahil Shaikh, managing director of MEIR Commodities India, noting India has not allocated an export quota for the 2020/21 season. Three other sources that confirmed the export agreements could not be named because of their company policies.

They said the 10,000 tonnes of white sugar had been contracted to trading houses that are exporting the sweetener to Afghanistan for December shipments.

"When we compare overall export volume, 10,000 tonnes is a very small amount, but the deals are significant as it shows the desperation," a Mumbai-based dealer with a global trading firm said.

## ICAB awards 23 corporates for best annual reports

FROM PAGE B1

In the public sector entities category, the top honour went to the Investment Corporation of Bangladesh.

Sajida Foundation secured the highest accolade in the non-governmental organisation category. Ghashful and Codec became the joint second prize winners, and ActionAid Bangladesh won the third prize.

Unique Hotel & Resorts Ltd was the first prize winner in the service sector category, while Golden Harvest Agro Industries received the top award in the agriculture category.

In the integrated reporting category, the first prize went to LankaBangla Finance, the second prize to IDLC Finance, and the third prize to Bank Asia and Brac Bank.

IDLC Finance and LankaBangla Finance came out as the joint first prize winners in the corporate governance disclosures segment. Bank Asia came second, and Islami Bank Bangladesh and Brac Bank came joint third.

A nine-member jury board led by Md Matuil Islam, chairman of the Industrial and Infrastructure Development Finance Company, and a former finance secretary, reviewed the recommended list of the winners.

Speaking as the chief guest, the commerce minister said chartered accountants are not only dealing with the conventional area of accounting, taxation, auditing and management consultancy, they are also involved in overall strategic business planning and its effective implementation

for business growth and the overall economic development of Bangladesh.

"They are now a very vital part of financial and macro-economic management. Their expertise, input and contribution in generating government revenues as well as building confidence for investment are admirable."

"I hope your professional excellence will continue to add value to ensure good governance. It will create an environment of business confidence among stakeholders."

ICAB President Muhammad Farooq said the role of the ICAB is to promote, enhance and improve the framing of the financial statements and reports to reflect fair views of the entities to safeguard the interest of the investors, the government, stakeholders and other users.

The objective of the awards is to promote transparent reporting and adequate disclosures, through the application of accounting or financial reporting and auditing standards, thereby meeting stakeholder expectations and high levels of professional ethics, he said.

"This reflects ICAB's firm commitment to serving the public interest and contributing to the economic development of the country."

Jafar Uddin, commerce secretary, Md Hamid Ullah Bhuiyan, chairman of the Financial Reporting Council, and Mohammed Humayun Kabir, chairman of the review committee for published accounts and reports, also attended the event.

## Robi's profit plummets 77pc

FROM PAGE B1

Robi's revenue from voice call services dipped 8.2 per cent year-on-year to Tk 972 crore in the third quarter, indicating a sharp decline in 2G-based voice call services amid the ongoing coronavirus pandemic.

Data revenue rose 22 per cent year-on-year to Tk 684 crore.

Although Robi is going to be listed on the Dhaka Stock Exchange, it is yet to get any extra incentives for going public.

"And unfortunately, our conditions have yet to be fulfilled either," Ahmed said.

Robi included two conditions in its application for the initial public offering. The first is to reduce the turnover tax to 0.75 per cent from the existing 2 per cent and the second one was to reduce corporate tax by 10 percentage points.

Robi paid Tk 875 crore to the government exchequer in the third quarter, which is 45.3 per cent of its total revenue.

"We got the commitment from a high authority of the government on the conditions, but they were not fulfilled yet. We are disappointed, but we are still hopeful that the government will consider our conditions," the Robi CEO said.

"Otherwise, it will give a bad signal to foreign investors."

Replying to a query, Ahmed said that the telecom operator did not boost its assets through revaluations.

Robi is a technology company, and it

is currently growing. It is the only way to quantify its value since earnings per share are not yet available.

"We are in a massive expansion phase," Ahmed said.

Robi's capital expenditure rose 24.8 per cent to around Tk 360 crore this year.

"We have been running our business for the last 22 years and incurred losses in six of them because of the merger with Airtel," said Shahed Alam, chief corporate and regulatory officer at Robi.

The Robi-Airtel merger was completed in 2016.

"When a company merges with another, it is normal for it to incur a loss for a few years before a turnaround," Alam said.

"Besides, the increased tax on turnover also lowered our profits," he added.

In the last nine months, Robi's revenue grew by about 1 per cent year-on-year to Tk 5,644 crore. Profits rose 1.9 per cent to Tk 116 crore, the company's financial report shows.

Robi Axiata completed its IPO subscription last Monday and aims to raise a fund of Tk 523 crore from the stock market.

## Deepening uncertainty downing credit growth

FROM PAGE B1

Banks now face excess liquidity due to the collapse in credit demand, Rahman added.

The excess liquidity in the banking sector stood at Tk 160,979 crore as of August, up 105 per cent year-on-year.

The import of capital machinery and industrial raw materials went down alarmingly in recent months, signalling a sluggish investment scenario, Rahman said.

Settlement of letters of credit (LCs), generally known as import payments, for capital machinery declined 39 per cent year-on-year to \$822 million in the first

quarter of the ongoing fiscal year.

LC settlement for industrial raw materials declined 7.32 per cent to \$4.32 billion.

"The credit growth will pick up heavily once Covid-19 vaccines are available," Rahman added.

The managing director also predicted that the ongoing sluggishness would continue until next March.

The outstanding loans in the private sector stood at Tk 11,14,322 crore as of October in contrast to Tk 11,13,082 crore the previous month.

## Calls ring out for deadline extension

FROM PAGE B1

A taxpayer can file returns for the next the four months after the deadline by availing time extensions from tax offices. However, submission after the deadline is subject to 2 per cent monthly interest on the payable tax amount as per rule.

The National Board of Revenue (NBR) kept the period unchanged this year.

However, taxpayers said the two-month-long shutdown devastated incomes of many taxpayers as the economic activities plunged to historic lows during the April-May period of this year.

The shutdown and the continuation of new people getting infected every day affected regular office activities even after the government removed the restrictions from June.

Preparation of salary statements for employees by many offices was delayed while the collection of other required documents by taxpayers affected.

"We had to wait for getting papers for a longer period this year than the previous year because of the pandemic," said banker Mahmud Hasan.

"There are many who have been limited to homes after reporting positive. It would be a great respite for many if the government increases the time by 20 to 30 days," he said.

Nihad Kabir, president of the Metropolitan Chamber of Commerce and Industry (MCCI), said there appears to have been a sudden change in the Covid situation and concerns about a second wave was growing.

"We see a sudden rise in the infection numbers. It has become difficult to complete all the documentation required to be submitted because many people are unwell," she said.

The second thing is that this year there is no scope to file returns online.

So, she said, it would create another health hazard to have so many people trying to submit

their returns on the last day, "which we know always happens".

"Everybody will be trying to submit returns all at once. So to avoid further aggravating the situation, we would request that the NBR be kind enough to extend the time for submission," she said.

The MCCI president suggested for the revenue authority to consider staggering return submission and payment hours to avoid large crowds at a tax office or banks at a time.

"An increasing number of people are becoming Covid positive. And they include taxpayers, tax lawyers, bankers and even tax officials," said Syed Iqbal Mostafa, president of Dhaka Taxes Bar Association (DTBA).

"Taxpayers have to spend more time in banks to pay tax. Considering this and loss of jobs and incomes, we have appealed to the NBR for extension of the deadline," he said.

"Many senior taxpayers are afraid of visiting banks to pay tax while a number of our clients are sending documents by email," he said.

Iqbal said the NBR has legal tools in its hand as the parliament this June added a provision in the income tax law empowering the tax authority to waive or extend the time to enable taxpayers to comply.

Citing news reports in the media, Iqbal said India extended its deadline until December this year to facilitate tax payment by its citizens.

"We appealed for two months until January 30," he said, adding that tax lawyers from various districts also urged the NBR to provide the extension.

"The extension will increase revenue collection," said Iqbal.

Asif Ibrahim, chairman of Chittagong Stock Exchange (CSE), said retail investors of the capital market and small business owners had been affected by the economic woes caused by

the impacts of the pandemic.

"Hence we request the NBR to extend the filing deadline without the penalty," he said.

Shams Mahmud, president of Dhaka Chamber of Commerce & Industry (DCCI), echoed them.

"The business community as per a directive of the government has started to be careful regarding social distancing as the rate of transmission is going up," he said.

"Also with the change in season, people are catching a cold. Considering everything, the government should extend the time by a minimum of one month," he said.

Also, any form of penalty, especially during this time, will be a heavy burden on businesses, especially the micro, small and medium enterprises. "We expect the NBR to allow a time extension keeping in mind this year's special circumstances," he said.

A senior official of the NBR's income tax wing said taxpayers get five months to submit returns. "Taxpayers could have filed income tax returns had they wanted to," he said.

He, however, said the NBR was reviewing the situation.

"We are collecting information on return submission from field offices this year and the previous one to get a comparison of submissions. Let us see the data," he said in response to the demands for extension of the deadline.

Bangladesh has 55 lakh registered TIN holders as of now. Last year, the NBR received nearly 22 lakh returns, according to the officials.

All registered taxpayers will have to submit income statements irrespective of whether they have taxable income or not.

This excludes non-residents alongside those who have either credit cards or have registered for taxpayer-identification numbers (TIN) for having to sell land but do not have taxable income.

## Expand stimulus packages as second wave looms

FROM PAGE B1

"But, the country's government has taken swift actions by way of declaring stimulus packages to reduce the negative impact," she said.

The disbursement of the stimulus packages for the small and micro-enterprise (SME) sector is sluggishness as 30 per cent of the fund was given out as of September, Tembon said.

Given the uncertainties going forward, the government should be ready to expand the size of the stimulus packages, she said.

The rising number of coronavirus cases in Bangladesh and around the world may put negative pressure on domestic economic activities, according to the WB official.

"In order to resolve the crisis, the government should be ready to provide additional support whenever required."

The experiences of the current packages should be used in the upcoming economic programmes. This will help implement the new packages in a smooth manner, Tembon said.

"We need to continue our joint cooperation to tackle the economic slowdown," said ITO Naoki, Japanese ambassador to Bangladesh.

"Japan is ready to provide support to the Bangladesh government."

Salary support for the export-oriented industries and working capital loans in the form of stimulus packages have played a positive role in meeting the immediate needs of the industries.

The exports in the country's readymade garment sector faced a negative growth of 18 per cent last fiscal year due to a tremendous shock deriving from the business slowdown everywhere, said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

The RMG export growth has declined in different countries in the last couple of months to a large extent, she said.

"We need a fresh package to protect the sector. The current tenure of loan packages should be extended by at least five years," she said.

The Covid-19 has impacted the three major social indicators - poverty, inequality and employment, said Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem).

But both Bangladesh and India, among the south Asian countries, have promptly declared stimulus packages, he said.

The Sanem conducted two surveys to assess the crisis facing the people.

In a sector survey, which was conducted in October, the think-tank had assessed 502 firms in 14 sectors.

Four per cent of the firms informed that they made a strong recovery, and 29 per cent had not enjoyed any recovery. Some 41 per cent attained a moderate recovery while 26 per cent called the recovery weak.

"The findings are encouraging as around 70 per cent are on the recovery stage," Prof Raihan said.

"But the recovery is largely dependent on what is happening in the global economy. We are going to witness the second wave of the pandemic, which will put an impact on the ongoing recovery process."

Against the backdrop, the effectiveness of the stimulus packages is extremely important, he said. The economist recommended three issues to make the stimulus packages effective.

"First is financing, but this is not a major barrier," he said.

"The second one is the management and the third is monitoring."

The government has announced massive funds to get rid of the crisis, which is unprecedented in the history of Bangladesh. "Management is essential to achieve the success," Raihan said.

The survey also found that 19 per cent of

firms had received funds from the packages.

Only 8 per cent of micro and small businesses managed to avail funds from the stimulus packages. It is 20 per cent for medium-sized firms, and it is 41 per cent for large firms.

It means the large firms have so far enjoyed the facility from the packages and micro and small firms are lagging.

"Probably, we need to revisit the stimulus packages. In this context, we must have an independent evaluation of the packages that have been executed so far," Raihan said.

"We must look at the challenges of the SMEs such that they get the funds they need."

On getting these evaluations, the government needs to consider another round of stimulus packages because of the upcoming second wave of infections, Prof Raihan said.

"Many factories could not sustain themselves in the wake of demand collapse. And workers of the industries lost jobs," said Nazneen Ahmed, a senior research fellow of the Bangladesh Institute of Development Studies

"We all want recovery. So, fresh packages have to be devised so that we can support the suffering workers."

As of now, Bangladesh has survived in a better way in comparison to many other countries, said Ahmad Kaikaus, principal secretary to the prime minister.

All developed nations faced negative growth, but Bangladesh grew by 5.4 per cent last year, which is a positive thing, he said.

Attending as chief guest, Commerce Minister Tipu Munshi said the government had taken lots of initiatives to tackle the economic slowdown.

The wheels of the economy have started moving riding on the proper implementation of the stimulus packages, he said.

The government took the time-befitting initiatives, which helped avert any unexpected losses, Munshi said.



# Turning waste into wealth

*Bogura weavers are producing yarn, warm clothes worth Tk 200 crore annually from waste fabric*

MOSTAFA SHABUI, Bogura

Bogura, which has always been a district town known for centuries-old archaeological sites, is also home to around 10,000 families of weavers.

These weavers have been making a fortune for the last four decades out of a by-product of Bangladesh's multi-billion-dollar apparel sector – waste fabric or jhoot.

The artists at Adamdighi upazila in the district situated on the bank of the Karatoya river have dedicated their lives producing yarn and warm clothes since the British era.

They now produce different items like blanket, shawl, sweater, towel, socks, muffler, caps, neck warmers and bedsheets worth over Tk 200 crore every year.

The weavers mostly sell their produce at the Shaul Haat, a temporary bazar, which sits twice a week. Buyers from all parts of the country flock to the place in large numbers.

"Of the Tk 200 crore, 60 per cent comes from the sales of yarn," said Mofazzal Hossain, president of the Tontubahi Somobay Samity of the Haat.

There are around 1,200 small traders, and they sell products worth nearly Tk 3.5 crore a week, said Hossain, who is also the owner of Baraka Traders, which sells warm clothes worth Tk 1 crore a year.

"I buy waste fabric at Tk 10-20 per kg and rejected yarn at Tk 100-300 per kg," said Nazrul Islam, another trader of Shaul Haat.

"I collect those items from Dhaka's Mirpur-10 Jhoot Palli and sell them in my upazila. My annual sales figure hovers around Tk 1-2 crore."

In Shaul Bazar, there are over 1,500 local shopkeepers who separate yarn from garment waste and sell them to the weavers.

Nearly 1,500 traders are also there to collect warm clothes from the local manufacturers to sell to the buyers in different districts.

Md Duranta, a trader hailing from Tangail, told The Daily Star that he came to the bazar with six other traders to buy yarn.

"We will buy around seven tonnes of yarn and make shawl for women in



**Clockwise from bottom left, Traders take a look at dyed yarn made from waste fabric. Weavers are processing yarn. A woman is making bundle of dyed yarn with the help of a spinning-wheel. Sellers are waiting for customers at the Shaul Haat. The pictures were taken from Adamdighi in Bogura last week.**

Tangail. This bazar is our only source for this type of cotton-yarn at low prices."

"Last year we bought ready yarns at Tk 140-180 a kg, which has increased to Tk 210-300 a kg because of the coronavirus pandemic," said Hossain.

The Covid-19 epidemic has taken a heavy toll on the weavers, especially women, who play an important role in separating yarn from garment wastage.

Not a single product was sold in the

first two months of the countrywide shutdown the government imposed in March, Hossain said.

However, the pandemic could not stop the local weavers from producing quality products.

Nurul Amin, a shopkeeper who came from Narayanganj, said he is impressed with the quality and price of the shawls that are sold in the bazar.

"I usually buy 1,000-2,000 pieces of shawls every year from the bazar."

Some of the families of weavers



MOSTAFA SHABUI

## Minister urges OIC member countries to implement preferential trade agreement

STAR BUSINESS REPORT

Commerce Minister Tipu Munshi has urged the leaders of the member countries of the Organisation of Islamic Conference (OIC) to fully implement the preferential trade agreement to increase trade and business among the members.

The minister has also stressed the need for forming an emergency fund to develop the tourism sector of the OIC member countries.

Munshi made the call at the 36th session of a virtual meeting of the standing committee for economic and commercial cooperation of the Organisation of the Islamic Cooperation (COMCEC) from his official residence on Wednesday.

The COMCEC is the main multilateral economic and commercial cooperation platform of the Islamic world and it serves as a central forum to address the common development problems of the Islamic Ummah and provide solutions to them.

As one of the four standing committees of the OIC, COMCEC was established by the Third Islamic Summit Conference held

in Mecca/Taif, in 1981. The COMCEC has 57 member countries as well as 5 observer countries, which are spread over four continents.

The minister also invited the entrepreneurs of the OIC member countries to invest in Bangladesh.

He informed the meeting participants that Bangladesh has a very investment-friendly environment and the government has been developing 100 special economic zones across the country.

The minister in another event on "Facing the challenges of the fallout of Covid-19, stimulus package and recovery of the economy" said the economy has started recovering from the fallout of pandemic.

At the discussion organised by the finance ministry at Osmani Memorial Auditorium in Dhaka, the minister also said his government has already approved 21 stimulus packages involving Tk 1.22 lakh crore to help the economy recover fast.

The government has successfully ensured the smooth supply of basic commodities at fair prices to the consumers during the ongoing epidemic, the minister said.

## Business rights or human rights? Swiss vote shines spotlight on companies

REUTERS, Zurich

A billboard of a runny-nosed, dour-faced girl framed by Glencore's sprawling zinc mine in Peru greets commuters at Zurich's main train station with an ominous slogan: "Water contaminated. Child poisoned. Commodities firm liable."

As the only large mining firm based in Switzerland, Glencore has become the unwilling poster child of a campaign to change the constitution so Swiss companies are liable at home for human rights abuses or environmental harm they cause abroad.

Voters will now choose in a referendum on Sunday between the new proposals and a milder government version that would force firms to step up checks on their overseas operations and supply chains but stops short of extending liability to Swiss courts.

In a campaign that has polarized the nation, the government and multinationals say the Responsible Business Initiative goes too far, while activists, religious groups and various political factions say Switzerland risks falling behind other countries in tackling progressive social and economic issues without it. Glencore for one says the accusations levelled against it by the campaign are misplaced, and wrong.

Since taking a majority stake in 2017 in the Cerro de Pasco mine pictured in the billboard, Glencore said it had done much to address concerns about pollution from the site which occurred before it took over. "It hurts us to see these accusations," Glencore Chief Executive Ivan Glasenberg told Swiss newspaper NZZ.

SwissHolding, which represents Swiss multinationals such as pharmaceutical giants Novartis and Roche, food company Nestle, and Glencore, says it is self-evident the issues raised by the initiative need to be addressed.

But it says the proposed measures could push up compliance costs and legal risks for companies to the point where they shun some parts of the world, potentially

leaving businesses in the hands of firms that may not take the same precautions.

"The worst that could happen would be that people like us who are at the forefront of sustainability ... are forced to move out of certain geographies because of a law that has a good purpose but is poorly executed," said Antoine de Saint-Affrique, chief executive of Swiss chocolate maker Barry Callebaut.

"You wouldn't solve the issue,

economically controlled by multinationals liable for their own damage, usually in foreign courts.

But for Florian Wettstein, a business ethics professor at the University of St. Gallen and co-organiser of the Responsible Business Initiative, it's also about Switzerland keeping up with global progress on sustainable business practices.

"Switzerland tends to fall more towards the bottom of the pack, not just in terms of human rights

major trading operation there.

Anneke Van Woudenberg, executive director of RAID, an NGO in London which exposes corporate wrongdoing, said the Swiss initiative could also have a preventive effect, by giving companies incentives to take more care.

RAID submitted a complaint to the Organisation for Economic Co-operation and Development in September against Glencore.

The complaint says a spill at an oilfield in Chad owned by PetroChad Mangara Ltd, a Glencore subsidiary, caused injuries and environmental damage. Glencore denies wrongdoing. Under the Swiss initiative, Glencore would have to show that it took all necessary measures to alleviate the spill and any harm caused, if a lawsuit were filed in Switzerland.

"That would be critical to any defence if Chadian citizens came forward claiming human rights harms," Van Woudenberg said.

Both sides have poured money into the campaign and leading Swiss newspaper Tages-Anzeiger has estimated it will be the most expensive voting campaign of all time in a country that holds more referendums than any other nation.

If the initiative is passed, large companies and those in high-risk businesses would have to check that activities throughout their supply chains complied with internationally recognised human rights and environmental standards.

More critically, they would also be liable in Swiss courts if victims can show damage was caused by firms they control.

The initiative would be more progressive than similar rules in France as it places more burden on companies to show they took steps through their due diligence to avoid harm – rather than victims having to prove they didn't.

Denise Laufer, head of economics at SwissHolding, said its members work with up to 400,000 direct suppliers and a million downstream suppliers globally, and the initiative could increase compliance costs and legal risks by 20 per cent and 25 per cent respectively.



REUTERS

**A banner reading: "Responsible Business Initiative - Yes on November 29" is seen beside a road near Stallikon, Switzerland on November 23.**

you would make the issue bigger," he told reporters.

Home to some of the world's biggest companies and a major hub for finance and commodities trading, Switzerland has become one of the world's leading commercial centres thanks to its business-friendly laws, regulations and low taxes as well as its history of political neutrality and economic stability.

Yet with three days to go, polls suggest the companies and the government are losing the argument. A survey by Swiss broadcaster SRF showed 57 per cent of those polled backed the responsible business initiative over the government proposal.

The government says it supports the ethos of the initiative but that its version is in line with international standards as it leaves foreign subsidiaries and suppliers

## UK cuts development aid budget

DIPLOMATIC CORRESPONDENT

Amid the global coronavirus pandemic that has slowed economies, the UK has announced a temporary reduction in overseas development aid from 0.7 per cent to 0.5 per cent of its gross national income.

The UK Chancellor of the Exchequer on Wednesday made the announcement, as part of the Spending Review, saying the seismic impact of the pandemic on the UK economy has forced the government to take tough but necessary decisions.

This includes the temporary reduction in the overall amount the UK spends on aid.

"We will return to 0.7 per cent when the fiscal situation allows," said Dominic Raab, secretary of state for foreign, commonwealth and development affairs, in a statement on Wednesday.

The UN has set that the world's richest countries will provide 0.7 per cent of their national income for the developing

countries.

As of now, only five countries have provided or exceeded the percentage of their official development assistance (ODA): Denmark (0.71 per cent), Luxembourg (1.05 per cent), Norway (1.02 per cent), Sweden (0.99 per cent) and the United Kingdom (0.70 per cent).

There are fears the ODA could go down as economies suffer from the disruptions of productions and supply chains caused by the pandemic.

In the statement, Raab said the UK government remains a leading aid donor spending 0.5 per cent of its national income.

"We will spend more than £10 billion next year to fight poverty, tackle climate change and improve global health."

"We will combine aid with diplomacy, focusing our efforts where the UK can make a world-leading difference ensuring the UK is a force for good across the globe."