

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

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## 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 **21** stimulus packages worth Tk **121,000cr**
- The fund is equivalent to **4.4pc** 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.

## 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.

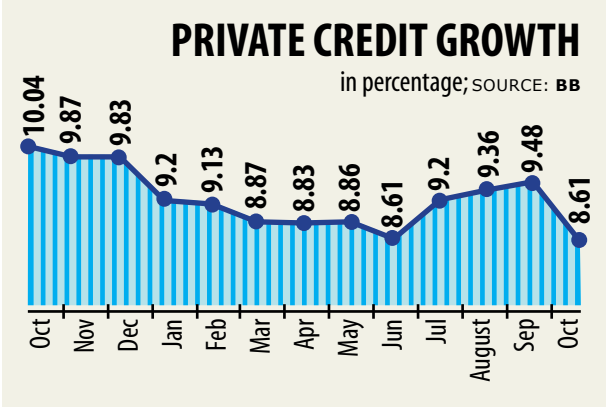
A good number of borrowers took loans soon after the government lifted lockdown measures in the last week of May, according to Md Arfan Ali, managing director of Bank Asia.

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.

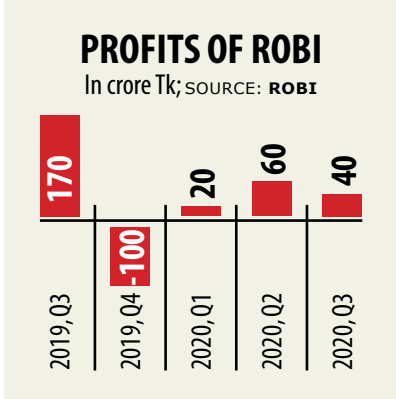
The profit was also 33.4 per cent lower than a quarter ago.

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.

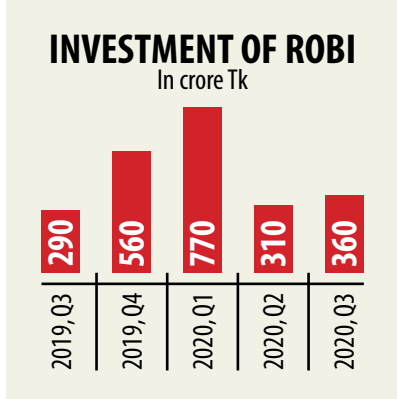
“Whether we make profits or not,



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.

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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

এনসিসি ব্যাংক

অপসার সড়কা, ঢাকা