



AKM Delwer Hussain

New SAFA president

STAR BUSINESS DESK

AKM Delwer Hussain, former president of the Institute of Cost and Management Accountants of Bangladesh, has been appointed president of the South Asian Federation of Accountants (SAFA) for 2021.

Hussain twice served in the post, in 2004 and 2013, according to a statement.

He was elected board member and member of the strategic committee of the Confederation of Asian and Pacific Accountants (CAPA) in 2004.

Hussain is principal and CEO of AKM Delwer Hussain & Associates and a director of the Agrani Equity and Investment.

He was chairman of the state-run Bangladesh Sugar and Food Industries Corporation from 2014 to 2019.

Trade feuds will take on a new, green hue

REUTERS, London

Trade feuds will take on a different hue after the departure of Donald Trump. Slapping tariffs on countries out of the blue isn't US President-elect Joe Biden's style. But his determination to fight climate change could emerge as a new source of commerce tensions.

Biden wants the United States to rejoin the 2015 Paris Agreement to curb global emissions and reach net-zero emissions by 2050. But his focus isn't just domestic. The Democrat's election pledges included a plan to apply a carbon adjustment fee against countries that fail to meet climate and environmental obligations. He also said he would push for labour provisions in any commerce deal that his administration negotiates.

Meeting these promises could set the stage for new tensions with China, which accounted just over 14 per cent of the \$3 trillion worth of combined imports and exports reported by the United States in the year to October. Granted, President Xi Jinping is on board with the need to combat climate change. In September, he called for a green revolution and for the first time set a target date by which the world's biggest emitter of carbon dioxide would achieve carbon neutrality. But what Biden views as pro-green, labour-friendly policies, Xi could see as unreasonable hurdles that will hurt Chinese exporters. Global trade agreements typically



US President-elect Joe Biden

leave the door open to differing interpretations and disputes. Countries can take measures to protect the environment, human health, and animal or plant life as long as unnecessary trade barriers aren't thrown up, according to World Trade Organization rules. And America isn't the only country that can play the green card.

China said in November that some imported coal had failed to meet environmental standards. For Australia, whose coal exporters find their shipments stuck in Chinese ports, this was one of a series of

punitive trade measures that Beijing has taken since Canberra called for an independent inquiry into the origins of the coronavirus.

Trump was as apt to rile traditional allies such as Europe and Canada as he was long-term rivals like China. But America's partners in the West would probably back any push by Biden to promote environmental standards, especially ones they think they already meet. A fight that pits developed countries against emerging ones could be as ugly as the ones the outgoing president unleashed on the world.

Knitwear makers want 2-yr suspension of raise

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"We have submitted our demand and the government will take the decision as a neutral body, reviewing the export situation of the garment sector," Hatem told The Daily Star over the phone.

He said these were extraordinary times and different countries have been accordingly reducing salaries of workers.

"It is the toughest time in the hundreds of years of history. Our orders are fewer and our buyers are making abnormal delays in payments but at the same time order cancellations have been taking place in the garment sector," Hatem said.

Many factory owners could not even ship the goods they had made over the past seven to eight months. "We are under pressure. It is a temporary measure," he added.

The increment provision was incorporated in the labour law through a 2013 amendment. Currently, nearly Tk 5,000 crore is disbursed as salary to the garment workers in a month, he said.

However, the government could come up with an alternative solution, he said, adding that the labour secretary had not yet asked for holding a meeting.

Jafarul Hasan Sharif, an expert on labour law, said any such suspension would put workers in trouble in such challenging times. The labour ministry does not have the jurisdiction to suspend the increment. Only the minimum wage board for garment workers can do it, he said.

However, the board has turned defunct as it had already recommended a minimum wage which was implemented earlier, he added. Moreover, once any benefit is given, it cannot be taken away or curtailed under section 336 of the labour law, Sharif said.

Amirul Haque Amin, president of the National Garment Workers Federation, said during this time of Covid-19, workers' income has dropped.

The government, buyers and factory owners should rather provide some additional facilities, for instance, rice rations and transportation, he said.

The buyers should even tag a very small amount of money with the price they pay for garment items for the welfare of workers, he said.

"Instead of taking such initiatives, the owners are proposing something illogical, unacceptable, illegal and shameful," Amin told The Daily Star over the phone.

He threatened tough movements if any such increment suspension finally comes about.



Mohamed Alhammedi

Emirates appoints new country manager

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Emirates has announced appointing Mohamed Alhammedi as the Bangladesh country manager, effective from this year.

He replaces Saeed Abdulla Miran, who will take on the role of area manager for Hong Kong, according to a press release.

Alhammedi will be responsible for Emirates' operations in Bangladesh, supporting its commercial strategy and business operations.

Alhammedi joined Emirates in 2016 as part of the company's UAE National Commercial Management Trainee programme and since then, has held positions as commercial support manager in Egypt and Bangladesh.

In 2018, Alhammedi was promoted as commercial manager Far East, supporting commercial operations and successfully driving the airline's strategic initiatives across the region.

Present in Bangladesh since 1986, Emirates remains committed to its long-term commercial strategy in the country. It currently serves Dhaka with a double daily flight, offering customers enhanced connectivity to nearly 100 destinations via Dubai.



Sheikh Rakibul Karim

Guardian Life Insurance CFO promoted to acting CEO

STAR BUSINESS DESK

Guardian Life Insurance has recently promoted its chief financial officer, Sheikh Rakibul Karim, to the post of deputy managing director and acting chief executive officer.

Karim is a fellow member of the Institute of Chartered Accountants of Bangladesh and served Grameenphone, Banglalink and KPMG in senior financial management roles, according to a statement.

Decision soon on fresh import of onion: minister

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Munshi's comments come at a time when the onion prices have dropped amid an increased supply of the cooking ingredient following the resumption of imports from India on Saturday.

Onions retailed for about Tk 30-40 per kg yesterday, down 33 per cent from Tk 45-60 a week ago, data from the Trading Corporation of Bangladesh shows.

India banned onion exports in mid-September 2020 to contain domestic prices. The ban was eventually removed at the end of last month.

The restriction on outgoing shipments led to a spiral in onion prices in Bangladesh as the country does not produce enough to meet its domestic requirements.

At present, the local onion supply falls 8-9 lakh tonnes short of the annual requirement, according to the commerce ministry.

Munshi said India decided to withdraw its ban on onion exports for its own

convenience.

And this is why the government has taken various steps to attain self-sufficiency in onion production and come out of import dependence.

In three years, Bangladesh will be self-sufficient in this regard, he added.

The commerce minister also said that locally grown onions will hit the market in March.

"No dishonest traders will be allowed to take any opportunity as strict action is being taken against them. Import dependency on onion will no longer exist," he said.

In response to a query, the commerce minister said that potato prices had declined.

Meanwhile the price of edible oil rose in the international market and since it is an import dependent product, this has had a temporary effect on prices in Bangladesh.

However, the government is aware so that no one can increase the price of goods in a dishonest way, Munshi added.

Remittance hits \$21.7b, an all-time high

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Between January and March last year, 181,218 Bangladeshi citizens went abroad, according to data from the Bureau of Manpower, Employment and Training (BMET).

No data is available on the BMET website for April onwards.

On an average, the country sends 7 to 8 lakh people abroad as workforce per year.

As much as 700,159 workers went to different countries on job appointments in 2019.

The stagnation of hundi, an illegal cross-boundary financial transaction, has pushed the country's remittance up, said Zahid Hussain, a former lead economist at the World Bank's Dhaka office.

The act of sending workers to foreign nations has almost come to a stop due to the ongoing business slowdown, he said.

"The financial transaction for the export process of workers is usually settled through hundi," he said.

In addition, money laundering through imports has been almost brought to an end in recent months, he said.

A vested quarter usually dodges taxes by way of under-invoicing while settling imports, Hussain said.

Imports have nosedived in recent months as businesses have adopted a go-slow policy in setting up new industrial units or expanding existing ones.

Imports decreased 8.84 per cent year-on-year to \$20.24 billion in the

first four months of fiscal 2020-21.

Remittance may decrease to some extent when the pandemic comes to an end as the global hundi cartel will witness a revival, Hussain said.

He, however, said the pandemic would help a large number of migrant workers get accustomed to the formal channel for the transfer of their hard-earned money.

This will play a positive role in increasing remittance in the days to come, he said.

"But, the government will have to lay great emphasis on exporting manpower abroad in order to keep remittance inflow stable," Hussain said.

This was echoed by Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

A good number of migrant workers will not go back to the hundi system after the pandemic as they now feel secured and comfortable by way of using the formal channel, he said.

The platforms of mobile financial service (MFS) and agent banking are gradually turning into pivotal centres for transferring money from foreign nations, he said.

"Along with the migrant workers, some expatriate Bangladeshis, who run businesses abroad, may also have transferred funds to the country as part of their portfolio investment," he said.

A portfolio investment is an ownership of a stock, bond, or other financial assets with the expectation that it will earn a return or grow in value over time, or both.

Budget to see major cuts as earnings, spending drop

FROM PAGE B1

One of the reasons behind the likely downsizing of the budget is the mismatch between the ambitious revenue target and the actual generation: the target for the NBR is 53.60 per cent higher than the real receipts in the last fiscal year.

The revised target for the NBR was Tk 300,500 crore in FY20 and the actual collection stood at Tk 214,836 crore in FY20.

Official data from the finance ministry showed that the revenue

collection rose 3.4 per cent year-on-year in the July-October period. Non-NBR tax collection declined 18.95 per cent. As the government could not spend much amid the slowdown in economic activities, expenditure dropped 12.87 per cent from July to October, which was 26.27 per cent in the positive territory in 2019.

The implementation of the revenue budget was down 2.52 per cent during the period while it was 20.14 per cent in the black in the corresponding period a year ago.

It entails passive or hands-off ownership of assets as opposed to direct investment, which would involve an active management role.

"Many countries in North America and Europe have already entered into the deadlock of a zero per cent interest rate. A country usually will take several years to get rid of such a situation," Mansur said.

This has also created a deflation in the countries in the two continents.

Given the experiences of countries that had earlier faced deflation, an economy requires at least three to four years for the moribund state of affairs to fade away.

So the Bangladeshi diasporas now send money as the interest rate on deposit products offered by local lenders is much higher than those in the countries they are now based in.

Mansur went on to express hope that the upward trajectory of remittance will continue for at least four to five months.

But, remittances from the western nations may continue flowing in for the next three to four years given the zero per cent interest rate prevailing there.

Restrictions on cross-boundary travels has also pushed remittance up, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

The 2 per cent cash incentive introduced by the government in 2019 has also encouraged the expatriate Bangladeshis to send more money through the formal channel, he said.

Ship collisions recurring at outer anchorage

FROM PAGE B1

As Alpha Anchorage is of a deeper depth compared to its two peers, Bravo and Charlie anchorages, most vessels prefer to anchor at the former. The risk of accidents rises when too many vessels try to anchor there.

Against this backdrop, the CPA in October last year issued a circular passing some directives regarding making stopovers at the three anchorages.

They include availing mandatory pilotage assistance service from the port while sailing vessels from Kutubdia to the outer anchorage.

In the circular, the CPA made pilotage or navigational assistance service compulsory for incoming ships having a draft of more than 10 metres.

It was highly recommended for vessels of 9.5 metres to 10 metres of draft and simply recommended for any other vessel bound for the Chattogram outer anchorage from Kutubdia.

It also asked agents of vessels whose draft is over 9.5 metres to notify the CPA at least three days in advance before proceeding for the outer anchorage.

After receiving such notifications from the agents, individual spots would be demarked at Alpha Anchorage.

Such vessels need to take pilot from the CPA while a master mariner needs to stay on board until the draft reduces to 9.5 metres and the dragging tendency is eliminated.

CPA Deputy Conservator Captain

Faridul Alam said due to opposition from a section of shipping agents, the circular could not be brought into force.

Port officials said the circular that was issued in October last year was supposed to come into effect from December 1, 2019 but the association of shipping agents sought two more months to comply with it.

As the pandemic started spreading in March, no initiative could be taken so far in this regard.

Ahsanul Haq Chowdhury, president of Bangladesh Shipping Agents Association, said their members were opposed to taking pilotage assistance service fearing that it would raise cost.

He, however, said discipline at the outer anchorage should be maintained for the sake of safety and security.

He said the pilotage charge needs to be finalised through discussions with the shipping agents.

Market insiders said a section of shipping agents individually hired pilots at cheaper rates but collected huge sums of money from the vessel owners, which was why they were opposed to availing pilotage service from the port.

CPA Member (harbour and marine) Commodore Mostafizur Rahman said there was no alternative to maintaining discipline to avert accidents at the outer anchorage.

He said the difference in opinions among the agents about the directions could be resolved. He informed that necessary steps would be taken in this regard very soon.

Disbursement deadline extended again

FROM PAGE B1

On April 13, the BB announced the stimulus package to help the CMSME sector to tackle the economic slowdown brought about by the ongoing coronavirus pandemic.

The working capital will be given at 9 per cent interest of which 4 per cent will be borne by borrowers and the rest by the government, according to a guideline.

A bank or a financial institution was allowed to disburse a maximum of 10 per cent of their outstanding loans as of December 31, 2019 in the CMSME sector.

The central bank now provides half the Tk 20,000 crore stimulus package

announced by the government for the sector.

Extension of the deadline means there is a dire need for the stimulus for the CMSMEs, said Rizwan Rahman, president of the Dhaka Chamber of Commerce & Industry.

Blanket coverage can be given to cottage, small and micro industries while medium enterprises should have employment linkage, he said.

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Stocks surge on vaccine hopes

FROM PAGE B1

As the interest rate on bank deposits is low because lenders are flushed with additional cash amid lower credit demand, people will rush to the stock market.

The weighted average interest rate on deposits fell to 4.73 per cent in September, the lowest in a decade. The excess liquidity in the banking industry stood at Tk 169,651 crore in September, Bangladesh Bank data showed.

The change in the policy for a minimum investment for the initial public offering will bring in new investment, Pasha said.

The Bangladesh Securities and Exchange Commission decided that every stock investor would get primary shares, but they will have to have a minimum investment of Tk 20,000 in the secondary market.

Three to four lakh beneficiary owner's accounts are used for only IPO application, so around Tk 1,500 crore may enter the secondary market, Pasha said.

India's vaccine approval and Beximco's investment in its power company fuelled the stocks at the beginning of the day, and the momentum continued until closure.

Beximco bought 3.5 crore shares of Beximco Power for Tk 35 crore from Beximco Holdings, the company said in a disclosure yesterday.

With the purchase, Beximco will own 7.5 crore shares in BexPower, which is 75

per cent of the total shares issued.

BexPower holds 80 per cent shares in Teesta Solar and Korotoa Solar, which entered into a power purchase agreement with the Bangladesh Power Development Board and an implementation agreement with the government to supply 200 megawatt and 30MW solar electricity respectively.

The plants will be established in Gaibandha and Panchagarh.

Of the listed 361 companies on the DSE, 253 advanced, 58 declined, and 50 closed the day unchanged.

Beximco topped the gainers' list as it advanced 10 per cent followed by Saif Powertec, International Leasing & Financial Services, Islamic Finance & Investment, and Bangladesh Submarine Cables.

Beximco Pharmaceuticals was the most traded stocks with its shares worth Tk 198 crore changing hands, followed by IFC, Beximco, LafargeHolcim Bangladesh, and LankaBangla Finance.

Rahima Food Corporation gave up the most at 7.18 per cent, followed by Daffodil Computers, Eastern Insurance, Imam Button and Aman Cotton Fibrous.

The benchmark index of the Chattogram Stock Exchange, CSCX, gained 406 points, or 4.32 per cent, to stand at 9,810.

Of the traded stocks, 208 rose, 42 fell, and 33 remained unchanged.

Think about customers' needs to succeed in the long run

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In doing that, a CEO or a top leader must have the mentality to accept different views.

"If a top brass expresses his personal likings, the team will be biased. Such a person cannot run a team and cannot be a leader," he added.

Leading a technology-based company in Bangladesh is a huge challenge and Mishuk pointed out two key setbacks -- scarcity of resourceful people and senior investors.

The human resource problem will change in the next five years but it's very difficult to make the elder investors understand why they should invest in tech companies.

For newcomers to the corporate world, Mishuk said that listening to others will not change your life. Only if you are dedicated to your work and enjoy, it will change your life.

The Nagad top brass also believes that simply networking is not enough. "In networking -- dedication and passion are very important to keep it alive for long. Networking works when people accept you. You must show the commitment," he said.

He also believes in active listening with passion, patience and understanding.

"I spend five hours a week talking to the grassroots of the company. I sometimes get such a great solution from them which I didn't get from CXO level officials," he said.

"Don't think about what you are listening to and from whom. Try to list it all and accept only those you found helpful. There must be judgement; otherwise, you might be misguided," he added.