



RUPAYAN GROUP

Rupayan Group Chairman LA Mukul presents a souvenir to Indian High Commissioner to Bangladesh Vikram K Doraiswami during a reception accorded to the latter by the group and Indian Importers Chamber of Commerce and Industry at a hotel in Dhaka on Sunday.



BKASH

Kamal Quadir, CEO of bKash, hands over emergency medical supplies to Abu Hena Morshed Zaman, director of Central Medical Stores Depot, at the Prime Minister's Office in Dhaka. Ahmad Kaikaus, principal secretary to the prime minister, was present. bKash handed over 300 ventilators along with 300,000 emergency health toolkits such as infrared thermometers, masks, protective clothing and medical goggles donated by China's Alibaba Foundation and Jack Ma Foundation to aid Covid-19 treatment this winter.

Housing sector sees almost complete rebound

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"If banks do not lend at times of crisis, investment will collapse," he said. The government provided a number of incentives to help address the corona crisis but due to negligence of the banks, the real traders were not able to take the opportunity. "So, real estate traders have no chance to take up any new project in 2021. We need to pay more attention to the ongoing projects before they are completed because we are already one year behind."

"As we have seen in the corona crisis, good companies in the real estate sector have done more or less business, which is an important message for investors," Alamin said. Reputation must also be gained by doing regular business, he added.

The REHAB chief went on to say that the government should expedite business initiatives. He urged the Rajdhani Unnayan Kartipakkha not to create barriers in the housing sector by enacting any new law which will conflict with the government's ease of doing business initiative.

If the government provides a new incentive package though, then the housing sector should also be included because the sector contributes a lot to the country's economy and GDP, he said. There are 35 lakh workers in the housing sector and 260 subdivisions are involved in housing.

Tanvir Ahmed, managing director of Sheltech Group, a leading developer in the country, said the economy is gradually gaining momentum while the low interest rate for home loan clients helped in increasing apartment sales.

"The clients prefer apartments that cost between Tk 1.2-2 crore and the demand increased from July, particularly after passing the budget by the parliament," he

said. Even the booking cancellation rate came down to nil during the last six months. Basically, banks and non-banking financial institutions feel secured to provide home loans due to mortgage, which is lifting the real-estate sector, Ahmed added. However, the demand for high-end apartments is yet to gain the same momentum. Shehab Ahmed, general manager of Shanta Holdings, another leading developer, said sales for most developers have returned to pre-pandemic levels thanks to the government policy.

The government initiative regarding not asking about source of income for investment in the housing sector helped the housing sector rebound by end of 2020, he said. Besides, the banks and non-banking financial institutions came forward to finance consumers and developers at the cheapest rates ever.

The lenders also felt secured to invest in this sector, which made it easy for the sector to recover, he added. Kamal Mahmud, vice-president of REHAB and managing director of Skiros Builders, said the demand for mid-range apartments of 1,000 to 1,500 square feet increased. According to him, less than 5 per cent of the clients are expatriates while the rest are Bangladeshi resident, proving that the government initiative to revive the housing sector was fruitful.

Mahmud believes that if the government continues to provide this scope, the real estate sector will do good this year and recover from the losses faced during early stage of the pandemic, when around 6,000 projects were halted.

"But now, almost all those apartments have been sold," he said, adding that there is now a scarcity of finished apartments for sale.

Amnesty for realtors behind money whitening binge

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The finance minister also mentioned that the country received more than Tk 40,000 crore in remittance at the same time. He hoped that remittance would hit Tk 70,000-80,000 crore by this year's end. "This money is transacted in the capital market," Kamal said. Thanks to this huge amount of money that is arriving officially, there seems to be an air of enthusiasm for the economy. One transaction circulates through ten hands in a week and this is how the economy has become stronger and more vibrant, according to the finance minister.

"I think we have been successful to a great extent in achieving our purpose. We want the black money to be legalised. Things have started happening and the black money will be whitened," he said.

"Money becomes black due to our policy. The same people keep paying tax but others do not pay. Our rate of taxation is high. We need to bring those to a competitive stage," Kamal added.

Bangladesh has very high interest rates due to which industrialisation in the country becomes difficult, said Kamal, adding that the government intervened in this regard.

Many people have TIN certificates but the government is not getting tax.

"So what will it do with these TIN numbers if we don't get tax? For this, we are thinking of only one area -- automation," Kamal said. "We have to go for full automation since this problem will remain until we are successful in digitalising our system. So, we are giving highest priority on automation of our revenue system," he added.

The finance minister also hinted that the government may need to recast the budget. "At the time when we gave the budget, our thinking was going on in a certain way. There come changes in those thoughts and that is why we need to recast the budget. We may have to bring some changes."

"Our target is to harness and exploit the resources we have to the satisfaction of the people. I think the government under the leadership of the prime minister has been able to do it successfully compared to other nations, particularly our neighbouring countries," he said.

"The prime minister is planning things in a pragmatic way so that it becomes conducive to the welfare of the people of the country and we, being part of her team, are following her directions," Kamal added.

Govt gives nod to import 12.85 lakh tonnes of

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Some 105,000 tonnes of mogas and 60,000 tonnes of marine fuel will also be imported, he said. The committee also approved a proposal of the shipping ministry to purchase four quay gantry cranes for Chattogram Port Authority (CPA) at Tk 243 crore.

Huawei to pack less of a punch in the new year after bruising 2020, analysts say

REUTERS, Shenzhen, China
Huawei Technologies Co Ltd this year will likely see slower 5G business and push further into software, while hoping its smartphones get a reprieve from US sanctions which last year struck the chip-reliant heart of its group, analysts said. Limited access to high-end semiconductors means rationing during China's network upgrade, they said, while the dissection of its mobile arm will send Huawei tumbling down rankings while it continues to develop a proprietary operating system. China's leading telecommunications equipment maker found itself on a US trade blacklist in May 2019 due to national security concerns. Huawei has repeatedly denied it is a risk.

That effectively banned US-based firms from selling Huawei essential US technology. Last August, the ban was extended to foreign firms with US business, reaching chief suppliers such as Taiwan Semiconductor Manufacturing Co Ltd (TSMC).

The change hit an Achilles heel as Huawei depends on TSMC to make advanced chips for its handsets, fifth-generation (5G) network base stations, servers, cloud computing and artificial intelligence products, said Paul Triolo, head of global

tech policy at Eurasia Group. Stockpiles only last so long, he said. "Passage of this death sentence does not involve a swift execution," technology analyst Dan Wang said in a client note. "Instead, the process is much more like a slow strangulation." Huawei declined to comment. Wang said Huawei will feel the impact most acutely in its consumer business, which brought in 54 per cent of revenue in 2019. In November, Huawei spun off budget smartphone line Honor in a sale founder Ren Zhengfei said would allow the brand to regain access to chips. Huawei could look to do the same with its premium lines this year, Triolo said.

Huawei was the world's biggest smartphone maker as recent as the second quarter of 2020, but the Honor sale and chip shortage will likely take it out of the top six this year, said data firm Trendforce.

Its luck may change with the US presidential inauguration of Joe Biden, from whom analysts expect more leniency towards Huawei's smartphone business. The inauguration this month comes as Chief Financial Officer Meng Wanzhou discusses a deal with US prosecutors over allegations of doing business with Iran.

World Bank revises up GDP growth projection

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Risks to the outlook of the region are tilted to the downside, the WB said. They include more severe and longer-lasting infection rates from the pandemic, financial and debt distress caused by an abrupt tightening of financing conditions or possible widespread corporate bankruptcies, adverse effects of extreme weather and climate change, weaker-than-expected recoveries in key partner economies, and a worsening of policy- and security-related uncertainty.

Additional stress on domestic banks in the region could be triggered by the economic consequences of a more protracted recovery from the pandemic, which in turn could lead to a rise in bankruptcies and weaken the balance sheets of the banking and non-banking sectors in Bangladesh, Bhutan, India, Sri Lanka.

Extreme weather events also remain an important regional risk, the report said.

Delta Spinners asked to reconstitute board

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In case of failure to reconstitute the board for a continuous period of two years, the BSEC can take the following steps. The sponsors and existing directors of the company shall not be allowed to represent or be elected as a director in the board of any listed company.

The commission shall appoint an auditor(s) at its own cost to conduct special audits of its financial statements and the affairs of the issuer company. The commission may nominate any official as an observer to the affairs of the issuer company.

As Delta Spinners failed to declare cash dividends for the last four years starting from 2015, general investors whose shareholding is 67 per cent are not getting dividends for a long period, the regulator said. "This is detrimental to the interest of the

investors of the company and undesirable to the commission," it added. The company was also directed to submit specific and detailed proposals along with appropriate action plans for improving its operational and financial performance. "We are sending letters to all other companies who are in the Z category for a long time," said Rezaul Karim, spokesperson of the BSEC.

The BSEC has already formed a committee to oversee the reform of Alhaj Textile board and is also taking action against directors who fail to hold a minimum 30 per cent stake jointly in their own company.

"All the junk companies will get letters soon," he added. Masudur Rahman, company secretary of Delta Spinner, did not respond for a comment by the time this report was filed yesterday.

Pran to collect 30,000 tonnes of cassava this season

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Cassava can also be used as a boiled food and animal foods, he said. "So, people can cultivate cassava in fallow lands around their house and it will help our economy." In 2014, Pran introduced contract farming of cassava and it started conducting training programmes to encourage people to grow the new crop, said Mahatab Uddin, chief operating officer at Pran Agro Business. The company also gave financial

assistance and provided instruments and seeds at a low cost, he said. "A growing number of farmers are now showing interest to cultivate cassava, as the crop gives high return."

The government has taken a project to increase the cultivation of cassava in fallow lands and hilly areas, Kamal said. "The initiative is playing a vital role to extend the cultivation of the crops. Now more publicity is needed to encourage farmers for yielding the crops."

Jute products from Jhenaidah break into export markets

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Dipa plans to set up a factory on her own land as the current one is located on a rented property. She has been trying for two years to secure a plot at the BSCIC in Jhenaidah to set up a factory where 300 to 400 women workers would be directly employed. "I have not given up hope. I may get a

large order from Canada. If I get the order, I will have some money. Then, I will revive the efforts to secure the plot at the BSCIC." Dipa is now strengthening her presence on the digital platform. Her husband, who has retired, and their daughter now help her run digital marketing. Dipa has a big dream: "I want to export my products to every country in the world."

BB moves to boost cashless transactions

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Clients will have to scan the code with their smartphones to make payments for products purchased from the stall. Some banks and MFS have already introduced QR codes for the expansion of their businesses but they will have to replace their existing digital payment system with Bangla QR by December this year in order to establish the interoperable method.

"This is a revolutionary measure beyond a doubt," said Md Arfan Ali, managing director of Bank Asia. Bangladesh Bank had earlier introduced personal retail accounts for micro and underprivileged businesses, which will give a boost to Bangla QR in the rural areas. Point of sales (PoS) terminals are now available at a large number of shops in urban areas, helping clients purchase goods and services by using their credit or debit cards through the machine.

But the growing popularity of QR codes is slowly phasing out the PoS terminals. Bangla QR will help both businesses and clients make settlements without

using PoS to a large extent. Besides, clients will be allowed to pay bills by debiting money from their respective accounts along with credit and debit cards.

The businesses, who can submit their trading licence, tax certificate and rent statement, are allowed to open merchant accounts. The merchant account holders are usually allowed to set up PoS. However, micro businesses are not required to supply such documents to open their personal retail accounts as per the central bank guidelines issued on November 16.

Instead, they will have to manage a certificate of their profession from the local public representative for opening a personal retail account. If such documents from public representatives cannot be managed, banks, MFS providers and PSPs will have to accept certificates from respective professional organisations of the micro businesses.

The personal retail account holders will also be allowed to hold Bangla QR, Ali said. In most of the cases, the small

businesses are unable to set up PoS due to the cost of a terminal, which ranges from Tk 20,000 to Tk 25,000 per unit.

Bank Asia has already opened 12,000 personal retail accounts in the rural areas which will be brought under the new payment system within this month, he added. This means the owners of grocery shops and other different businesses that have opened retail accounts with Bank Asia will be allowed to start using Bangla QR.

The country's lenders will have to add the specifications of Bangla QR to their respective mobile app, which is not a difficult task at all, a central bank official said. Clients will pay a maximum Tk 20,000 per transaction for their purchased goods and service, the Bangladesh Bank notice said.

Syed Mohammad Kamal, country manager of MasterCard Bangladesh, echoed Ali. "Cashless transactions will be like wildfire in the rural areas due to the latest initiative taken by the central bank," he said.

BGMEA to avail law firm's advice on GSP extension

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The first meeting among the BGMEA, Sidley and other officials concerned was held virtually yesterday, attended by tariff commission and Economic Relations Division (ERD) representatives.

"The BGMEA wants to ensure that the government representatives should also kindly be in sync with the private sector's engagement with Sidley so that a common view can be developed," said Huq. "Sidley Austin will help the BGMEA with framing the grounds based on the government's extended Everything But Arms (EBA) engagement request," she said.

Bangladesh has been trying to have its current GSP status extended past 2027 as the domestic economy was severely ravaged from the fallouts of Covid-19. Bangladesh has been lobbying with

the EU through an LDC group under World Trade Organisation (WTO), with the commerce ministry having already sent a letter seeking 10 more years past 2024. Being the country's largest trading bloc, the significance of the EU market is demonstrated by the rise of its share in Bangladesh's total exports, which has increased from 58 per cent to 61 per cent in the past 10 years.

Meanwhile the country's total garment export increased from \$12.49 billion in FY2009-10 to \$27.95 billion in FY2019-20. Bangladesh's garment sector will lose \$4 billion in export to the EU after the graduation and even if the standard GSP can be availed, the loss will amount to \$3.2 billion, according to a recent study by the BGMEA.

The dependence of Bangladesh's exports on zero-duty benefits of the EU's GSP has grown by 9.03 per cent

in the past 10 years to \$17.15 billion, the study said in November last year. Currently, some \$25 billion or 73 per cent of external trade of Bangladesh enjoys duty-free access for the LDC status, which will come to an end as the LDC graduation takes effect with the economic growth of the country.

To become eligible for the EU's GSP Plus criteria, Bangladesh will have to ratify and effectively implement 27 international conventions on labour rights, human rights, environmental protection and good governance.

In FY 2011-12 apparel export to the EU stood at \$ 11.38 billion, which increased to \$21.13 billion in FY2018-19, meaning an 86.6 per cent increase in the last 7 years, the study said. The EU is currently reviewing its GSP scheme for 2023 which will be finalised soon.