



**Md Sheikh Rakibul Karim, acting CEO of Guardian Life Insurance, and Md Mesbah Uddin Khan, CEO of Sheltech Brokerage, exchange documents after signing a deal recently to provide life insurance coverage benefits to the latter's employees.**

## Amid pandemic, HK-based apparel maker trying to sell EPZ unit

FROM PAGE B1  
"I have never faced any labour unrest as I always stood beside my workers whenever they raised any demand," he said, adding that his annual exports were worth nearly \$100 million.

"The buyers have demanded such long deferrals in making payments that no one can survive as the banks will not spare the loan repayment. Nobody can survive as the retailers do not pay and the profit margin is so low," he said.

"I have to send 20 containers of garment goods if I want to recoup the discount that I had to provide to one buyer during the pandemic time," Mahtani said.

When the pandemic surfaced, Mahtani had kept the Kwun factory shut for one month and faced a lot of losses ensuing from work order cancellations and discount demands.

Later on September 12, the factory management decided to go for lay-offs, paying Tk 13.60 crore to workers as compensation as per the rules of the Bangladesh Export Processing Zones Authority (Bepza), the regulatory body of export processing zones (EPZ).

Mahtani said by the time the government changed rules, making companies inside EPZs eligible for its stimulus package, it was too late for the Kwun factory.

The government offered export-oriented sectors Tk 10,500 crore through stimulus packages at only 2 per cent service charge, mainly aiming

to ensure payment of workers' wages and allowances for four months.

Moreover, garment exporters situated inside EPZs are not eligible for incentives offered on export receipts to those outside, something the Kwun factory could have utilised to alleviate its financial crunch.

Meanwhile, banks have been sending him notices for loan repayments. Mahtani wrote about these issues in a letter sent to Bepza last week. The Daily Star obtained a digital copy of the letter.

Mahtani had written that he was unable to pay the compensation because the banks were not providing support amidst the ceasing of the unit's commercial production and business.

He had already paid out a handsome amount from funds he had in hand and the only option left for paying the rest of the compensation was selling off the factory.

Regarding his business in Bangladesh, Mahtani said he started off by opening a buying office and then moving on to establish factories.

"I have a lot of reputation in garment business in Bangladesh as I am one of the pioneering garment entrepreneurs in the country," he said.

Talking about the Kwun factory, Nazma Binte Alamgir, general manager (public relations) of Bepza, said her office had not yet received any formal letter or application from Mahtani or anybody of the Kwun proposing selling off the unit.

As per rules, Bepza's approval is

needed to sell off any factory operating inside the EPZs, she said, adding that the Kwun would also need the nod if it wants to sell the unit to any investor.

She confirmed that the Kwun had been facing problems from buyers either demanding unusually long payment deferrals or cancellation of work orders because of the pandemic.

She said Bepza has been lobbying with the government to make factories inside the EPZs eligible for a cash incentives on export receipts.

Alamgir also pointed out that Kwun produced woven garment items, the demand for which had now waned because people were limiting movement outdoors due to the pandemic.

"So, the company was receiving fewer work orders for which it has to face such troubled times," she added.

Kutubuddin Ahmed, chairman of Envoy Group, another leading local garment group and former president of the Bangladesh Garment Manufacturers and Exporters Association, who is familiar with the incident, said the Kwun employs nearly 7,000 workers.

The workers need to be paid and if the factory gets sold, Mahtani will be able to pay the compensation, he said. Ahmed, however, also said the interests of foreign direct investments should also be protected as these were from very important entrepreneurs creating jobs and turning the wheels of the economy through their businesses inside the country.

## Air cargo charges double in fresh blow to RMG exporters

FROM PAGE B1  
Currently, 400 tonnes of cargos are transported through air from the airport every day, with garment accounting for 80 per cent. The volume was 900 tonnes before the pandemic hit the country in March.

About 40 local and international airlines used to carry the goods. Nearly 50 per cent of them have either suspended carrying goods or stopped flights from HSI as they deem them unprofitable as they do not get enough goods to carry.

In 2020, the air shipment of garment items declined 33.68 per cent to 134,806 tonnes from 203,256 tonnes in 2019, according to data from the Bangladesh Garment Manufacturers and Exporters Association.

"A month ago, I even asked one of my European buyers to cancel work orders when he asked me to send the goods through air, which is more expensive than my production costs and profit," said Ahmed F Rahman, managing director of Kappa Fashions.

"I will face a major loss if I send the goods to him via air. Luckily, the buyer agreed to bear the air shipment cost." The shipping charges through sea have also surged from last month on the excuse of higher port operational costs, the entrepreneur said.

Currently, the shipment to carry a 40-foot equivalent unit through seas is being charged \$6,000 from \$2,000 a month ago, Rahman said.

"Since many international airlines have suspended carrying cargoes from the HSI, passenger flights have been turned into cargo flights in some cases," said an executive of an international cargo airliner working at the HSI.

The air shipment of garment items has increased as buyers want quick delivery, he said.

In some cases, buyers bear the cost of the expensive air shipment. But in most of the cases, the suppliers have to pay the expenses, he said.

The air shipment charge may go higher when the transportation of Covid-19 vaccines begins, the airline executive said.

"The air freight business has not restored yet. The airfare almost doubled compared to the pre-pandemic period," said Kabir Ahmed, president of the Bangladesh Freight Forwarders Association.

Since there is no option to carry cargoes in passenger flights, goods are flown out through cargo freighters. The freighter rate is always higher than the passenger flight, he said.

Syed Ershad Ahmed, country manager and managing director of Expeditors (Bangladesh), said because of the coronavirus outbreak, important supply chains in the logistics and transportation industry have been hampered.

He said gross value-addition for the global logistics industry dipped by 6.1 per cent. The estimated impact of

Covid-19 on logistics markets varies country to country, from a 0.9 per cent decline in China to an 18.1 per cent fall in Italy.

The global freight forwarding market was expected to shrink by 7.5 per cent in the worst-case scenario in 2020 compared with 2019.

Ahmed said once airlines resumed operations after the outbreak of the coronavirus, the rate per kg rose by 100 per cent to 200 per cent compared to the pre-Covid-19 period.

KI Hossain, president of the Bangladesh Garment Buying House Association, said sea fare went up significantly.

One and a half months ago, shipping companies used to charge \$1,600 for carrying a twenty-foot equivalent unit (TEU) of goods. Now, they charge \$4,700 to carry goods to Europe.

In case of 40-foot equivalent unit, the charge rose to \$7,800 from \$2,600 to \$3,000. The charge goes higher when other costs are added, he said.

Mohammed Mansur, general secretary of the Bangladesh Fruits, Vegetables & Allied Products Exporters' Association, said Middle-East-bound airlines had already increased the rates by 50 per cent as the usage of air cargo was increasing gradually.

For instance, the airlines that had levied a rate of \$1.90 in December 2019 are now charging \$3.20 to \$3.30 per kg, he said.

## Pent-up demand lifts spending through credit cards

FROM PAGE B1  
City Bank is the top player in the country's credit card market. It has issued around 5.50 lakh cards.

The hospitality and tourism sector has recovered its business to a large extent, putting a positive impact on the spending through credit cards.

He went on to express hope that the upward trend in spending would continue in the months ahead as a good number of people have become habituated to using credit cards in recent periods in order to maintain social distancing when purchasing goods.

The fear of the coronavirus has come down as people have learnt to live with the pandemic, Arefin said.

This has helped people spend money more, he said.

Mamun Rashid, a financial sector analyst, echoed the same, saying that pent up demand has played a pivotal role in fuelling spending through credit cards.

People now avoid kitchen markets and are increasingly preferring supermarkets in order to protect themselves from Covid-19, he said.

The pandemic has also pushed the volume of e-commerce sales, making a good impact on purchases through credit cards, he said.

Mahul Islam, head of retail banking at Brac Bank, said his bank now issues a good number of credit cards per month due to surging demand from clients.

The bank, one of the largest card-issuers in Bangladesh's banking sector, is also enjoying an upward trend in transactions through the digital tool.

People have little concern over the pandemic, helping banks strengthen their credit card business, Islam said.

The number of transactions totalled 25.58 lakh in November in contrast to 23.54 lakh in October.

Monzur Hossain, a research director of the Bangladesh Institute of Development Studies, said the

purchasing power of people was getting stronger in the wake of the fast pace of the economic recovery. This has led to an increasing trend in spending through credit cards, he said.

Syed Mahubur Rahman, managing director of Mutual Trust Bank, said they too were enjoying the same experience as that of City and Brac banks.

The bank, which has so far provided 55,000 credit cards, now issues 4,000 to 5,000 cards per month.

He, however, said there was a possibility that a good number of cardholders have been forced to depend on credit cards due to the ongoing business slowdown.

The crisis may also fuel the rise in use of credit cards as well, Rahman said.

The issuance of credit cards was on the increase in November when the outstanding number of banks' credit cards stood at 16.51 lakh whereas it was 16.31 lakh a month ago.

## Nissan CEO says Renault's strategic plan is strong

REUTERS, Paris

Nissan Chief Executive Makoto Uchida said on Thursday that Renault's strategy overhaul, aimed at focusing on fewer and more profitable models, was a strong plan that would help cement progress within the two firms' alliance.

"The complementary and collaborative nature of our business plans makes me very confident of the opportunity the alliance presents," Uchida said by video link during Renault's online presentation. "We all need to be prepared to face a very challenging business environment ahead of us."

Renault and Nissan have been trying to patch up their partnership, which was shaken by the late 2018 arrest and departure of former boss-turned-fugitive Carlos Ghosn.

## Cross-check data on crop output to avoid discrepancies

FROM PAGE B1

He said Bangladesh has become self-sufficient in food production due to increased cultivation of improved varieties developed by the BRRI scientists.

However, the main challenge for ensuring food security is maintaining a balance with population growth, he said, citing that the population grew by 22 lakh to 23 lakh people each year.

On the other hand, available farmland is declining for various reasons, Razzaque added. "We will have to introduce more improved varieties and introduce

technology in order to double productivity by 2030," he said.

The BRRI has so far developed 105 high yield varieties and 250 agricultural technologies to increase rice production, said BRRI Director General Md Shahjahan Kabir.

The state research agency also developed 12 saline, three drought and four submergence tolerant rice varieties.

Razzaque suggested taking the best performing varieties at farmers' doorsteps so that they come to accept the varieties and start cultivating those.

## Tk 10,000cr incentive for SMEs awaits final nod

FROM PAGE B1

"We have to save the micro and small enterprises which provide supplies to the big enterprises. If we are not able to bring them under the incentive package, they will not be able to survive," he said.

The PKSF's associate organisations distributed around Tk 27,500 crore in rural areas during the July-December period of 2020 to keep the rural economy vibrant, according to a PKSF press statement.

"The PKSF continued its activities during the pandemic of Covid-19 for the recovery of the rural economy and welfare

of marginalised people," the statement said.

The PKSF distributed Tk 2,200 crore among rural people during the last six months and handed over Tk 4 crore to the prime minister's relief fund.

Information Minister Hasan Mahmud as chief guest addressed the event, which was presided by PKSF Chairman Qazi Kholiuzzaman Ahmad and attended by, among others, Managing Director Mohammad Moinuddin Abdullah and Deputy Managing Director (Operations) Fazlul Kader.

## Export-import cost rises as sea freight rate trebles

FROM PAGE B1

"It needs several hundred containers for bringing those goods, and the suppliers informed that they would not be able to deliver the shipment until the end of February due to the shortage of containers," said the commodity importer.

"Due to the higher freight rates, the import cost of the goods will go up by \$20 to \$25 per tonne."

Masudur Rahman Bhuiyan, a Chattogram-based fruit importer, is looking to import 70 containers of apple from China this month.

In October, he paid \$1,800

to \$2,000 to bring each 40-foot refrigerated container from China, but now the freight charge reached \$5,000.

"The increase import cost will surely have an impact on the price of goods when they are sold," Bhuiyan said.

The hike in the shipping freight will also affect the country's export of readymade garment since the raw materials are imported.

Syed M Tanvir, a director of Pacific Jeans Group, a denim exporter, said the company was already counting higher import costs to buy fabrics and

other accessories from China since suppliers were adding the hike in container freights with the price of the products. "We have to compromise on our profit margin as we can't adjust the higher cost to the price of our finished products that have been pre-ordered," said Tanvir.

The delays in the shipment of the raw materials from China are disrupting production and forcing exporters to use expensive air shipment to meet the deadlines, he said. If they can't supply products within the agreed date, buyers may seek a discount.



**বাংলাদেশ কৃষি গবেষণা ইনস্টিটিউট**  
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Memo no. 12.21.0000.010.41.468.20. Date: 14.01.2021

**e-TENDER NOTICE**

Tender is invited Through National e-GP System Portal (<http://www.eprocure.gov.bd>) for procurement of following works:

Sl no	Tender ID No.	Tendering Method	Description of works	Online (e-GP system) tender publication date & time	Online (e-GP system) tender closing date & time
1.	518634 Re-Tender	OTM	Construction of two storied tissue Culture lab. Building and net house at RARS, BARI, Jeshore	13-Jan-2021 16:30	28-Jan-2021 14:30
2.	537340	OTM	Repairing & Renovation of DG Bungalow at BARI Campus, Joydebpur, Gazipur	14-Jan-2021 12:00	31-Jan-2021 15:00

This is online tender, only e-Tender will be accepted in National e-GP Portal and no offline/hard copy will be accepted. Registration is essential to submit e-Tender.

Fees have to be deposited for downloading the tender documents from e-GP Portal through any registered bank. For further information please contact e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

Sd/-  
Engr. Md. FerozurRahman  
Superintending Engineer (In-charge)

GD- 92

**Government of the People's Republic of Bangladesh**  
Local Government Engineering Department  
Office of the Executive Engineer  
District: Cumilla  
[www.lged.gov.bd](http://www.lged.gov.bd)



"শেখ হাসিনার মূলনীতি গ্রাম শহরের উন্নতি"

Memo No. 46.02.1900.000.07.001(Part-2),18-153

**e-Tender Notice**  
**Tender Notice No: 26/2020-2021**

e-Tender is invited in the National e-GP Portal (<http://www.eprocure.gov.bd>) for the Procurement of Works as stated below:

Sl. No.	Package No.	Name of Works	Tender/ Proposal ID No.	Method of Tender
1.	CW-09b/RCIP/CUM	01. Improvement of Barura GC -Modaforganj RHD Road from Ch.00m-10049m Effective Length-9.314km under Barura Upazila Road ID419092013. 02. Improvement of Paranpur Bazar R&H-Payelgacha UP office Road from Ch.00m-8107m Effective Length 7687m under Barura Upazila Road ID419093004. 03. Improvement of Laksam H/Q - Natherpetua RHD via Munshirhat GC Road.Monohargonj Portion.at Ch 3758m - 9100m. Under Monohargonj Upazila Road ID419902009. 04. Improvement of Laksam Upazilla HQ-Chitoshi RHD Moulana bazar via Sreeyang Road at Ch 3000-8000m. Laksam Upazila Road ID 419722005. Total Cost of Salvage Materials Tk. 2983891.00(2nd call)	536078	OTM
2.	e-Tender/LGED/Cum/GOBM/20-21/W-34	Periodic Maintenance of Kalikapur UP Office(Nowa Bazar)-Sofua Bazar via Badarpur Road from Ch.00m-1350m Road ID. 419313029 under Chouddagram Upazila, District: Cumilla(3rd call).	536978	LTM
3.	e-Tender/LGED/Cum/GOBM/20-21/W-122	Rehabilitation of Gazipur-Kaligonj Road from Ch. 00m-1000m (Road ID. 419814039) under Muradnagar Upazila, District: Cumilla.	537235	LTM
4.	CHSMMP/CHU/SAD/LS-R.57/20/C-285	Conservation of Historical Sites of Liberation War & Construction of MuktiJuddho Memorial Museum at Cumilla Victoria Collage under Adarsha Sadar Upazila in Cumilla District	536747	LTM
5.	CHSMMP/CHU/SAD/SL-R.56/20/C-284	Conservation of Historical Sites in Liberation War and Construction of MuktiJuddho Memorial Museum at Cumilla Zilla School under Adarsha Sadar Upazila in Cumilla District.	536746	LTM

This is an online Tender, where only e-Tender will be accepted in the National e-GP Portal and no Off-line/Hard copies will be accepted.

To submit e-Tender, registration in the National e-GP Portal (<http://www.eprocure.gov.bd>) is required.

The fees for downloading the e-Tender Documents from the National e-GP Portal have to be deposited through online at any Branches of registered Bank up to 03-02-2021, 17:00 pm.

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

The Tender Notice will be available on the website: [www.lged.gov.bd](http://www.lged.gov.bd).

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