

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	BUY TK	EUR	GBP	CNY
▼ 1.24%	▼ 1.14%	\$1,853.31	\$55.41	▼ 1.50%	▼ 0.44%	▼ 0.85%	▼ 0.40%	83.95	100.79	113.98	12.80
5,836.18	10,272.43	(per ounce)	(per barrel)	48,878.54	28,631.45	2,991.53	3,606.75	84.95	104.59	117.78	13.46

Star BUSINESS

DHAKA SUNDAY JANUARY 24, 2021, MAGH 10, 1427 BS • starbusiness@thedailystar.net



Pandemic wipes out 3.57 lakh apparel jobs: study

STAR BUSINESS REPORT

The coronavirus pandemic wiped out 3.57 lakh jobs in the garment industry in Bangladesh in 2020 as factories went for layoffs and closures because of the collapse in demand, a new study found.

More than 50 per cent factories had fewer workers in September in 2020 compared to what they had in December 2019, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD), during a virtual dialogue yesterday.

The impact caused by the crisis has been so devastating that only 44 per cent factories said they were certain about the work orders for the six months from November 2020 to April 2021.

Some 56 per cent of factories face different levels of uncertainty and 11 per cent indicated high uncertainty, according to the survey of the CPD and the Mapped in Bangladesh (MiB), a project of Brac University.

The outcome of the study was presented during the dialogue on "Vulnerability, Resilience and Recovery in the RMG Sector in view of Covid-19 Pandemic: Findings from the Enterprise Survey".



Laid off in the pandemic-induced economic downturn, garment workers wait patiently outside a factory in Ulail, Savar yesterday in hopes of work, refusing to be put off by a sign that reads "No Vacancies! Appointment Activities Suspended!"

PALASH KHAN

Out of 3,211 enterprises listed with the MiB, 610 were surveyed on a sample basis. Of them, 54 per cent are small in size, 40 per cent medium and 6.7 per cent large.

The primary survey was conducted between October and November in four major industrial clusters, namely Dhaka, Gazipur, Narayanganj and Chattogram.

Some 357,450 workers out of

2,562,383 workers covered lost jobs from January to September, about 14 per cent of the total.

The number of workers that were laid off was 2.2 per cent.

"It was informally agreed that the factories that received the stimulus package would not retrench workers," said Moazzem.

Majority of the factories did not follow the layoff and termination rule. Only 3.6 per cent complied

KEY FINDINGS

- ▶ As many as **232** factories were shut -- **180** of them are BGMEA members
- ▶ Some **50%** factories had less workers in Sep 2020 than in Dec 2019
- ▶ Most factories did not follow lay-off or termination rules
- ▶ Only **3.6%** factories complied with compensation standards
- ▶ About **70%** factories paid only salary
- ▶ About **58.7%** factories recruited new workers
- ▶ Factories now seeing a shortage of workers as orders are coming back

with the compensation principle, meaning they paid salary and compensation and cleared dues the CPD said.

About 70 per cent of the factories paid the salaries only. "Non-compliance is much higher in the factories located in Narayanganj and large factories," the think-tank said.

Factories have recruited workers during the pandemic to keep operations running. Thanks to the continued demand for production workers, 58.7 per cent of factories recruited new workers.

READ MORE ON B3

Trade agreement with Nepal soon: minister



STAR BUSINESS REPORT

The government will sign a preferential trade agreement (PTA) with Nepal within a short time in order to improve bilateral trade, said Commerce Minister Tipu Munshi yesterday.

"Discussion is underway with more countries regarding the signing of trade agreements. This will be beneficial for us in the long term although it may not appear advantageous for the time being," he said.

Munshi shared the info at the inauguration of the campus of Bangladesh Institute of Plastic Engineering and Technology in Dhaka's Keraniganj, according to a press release.

The event was jointly organised by the institute and Bangladesh Plastic Goods Manufacturers and Exporters Association. The development came more than a month after Bangladesh inked a PTA with Bhutan to safeguard the trade benefit after graduation from the least developed country status in 2024.

The commerce ministry is negotiating with 11 other countries and trade blocs like Australia, Japan and Canada for PTA with the aim to secure market access after Bangladesh's LDC graduation.

Dhaka demanded zero-duty entry for 140 products to Kathmandu in October last year.

Munshi stressed the need for improvement of efficiency and quality of products to compete in the global market.

He said plastic industry has huge potential and demand for plastic goods is increasing day by day.

"We have to tap this opportunity. There is a big market for plastic products. We have to gain increased market share by providing quality and improving design and efficiency," he said.

The government is providing support for the development of plastic goods manufacturing industry.

Munshi said Bangladesh once imported plastic goods to meet requirement for export oriented garments industries.

Now plastic goods are exported after meeting local demand, he said.

INTRODUCING NEW
HOTLINE NUMBER **16704**
dbi CERAMICS
16704
dbiceramics.com

Set up specialised bank for small enterprises: DCCI

STAR BUSINESS REPORT

The Dhaka Chamber of Commerce and Industry (DCCI) yesterday suggested creating a specialised bank or fund to help cottage, micro, small and medium enterprises (SMEs) recover from the pandemic-induced losses alongside formulating an act enabling their development.

"Local industrialisation must be emphasised to achieve an increased export target of \$40 billion by 2030. The (small-sized enterprises) can add value to the local industry," said DCCI President Rizwan Rahman.

The small-scale firms generate 80 per cent of industrial employment and 45 per cent of the manufacturing sector's value addition, he told a press conference at the DCCI auditorium in the capital's Motijheel.

Regarding two fresh government stimulus packages involving Tk 2,700 crore for small-sized businesses, Rahman said only 54.13 per cent of the first Tk 20,000-crore stimulus package announced in March last year was disbursed as of December.

Entrepreneurs of such small



DCCI President Rizwan Rahman

undertakings are unable to properly complete documentation processes, he noted, hoping that Bangladesh Bank will make the conditions more flexible for disbursement of such stimulus loans.

Suggesting that the SME Foundation and Palli Karma-Sahayak Foundation jointly prepare a database, he said the DCCI was interested in providing skill-development training to these entities.

READ MORE ON B3

Tk 428cr project to boost women entrepreneurship

REJAUJ KARIM BYRON

The government plans to take a Tk 428 crore project to develop the skills of 256,000 unemployed and disadvantaged women to turn them into entrepreneurs and create jobs.

Besides, the project will aim to make 1,600 women self-employed by setting up 80 sales and display centres and an equal number of food corners and beauty parlours.

The project proposal may be placed at the weekly meeting of the Executive Committee of the National Economic Council on Tuesday, said an official of the planning ministry.

The Jatiyo Mohila Sangstha, a women welfare organisation under the women and children affairs ministry, will execute the project between January 2021 and December 2025.

Although women make up half the population of the country, they are yet to participate in socio-economic development in a bigger way, the ministry official said.

READ MORE ON B3



STAR/FILE

The project aims to create job opportunities for unemployed and disadvantaged women and make them self-employed.

Bourses see extensive profit booking Stocks ride on increased liquidity

AHSAN HABIB

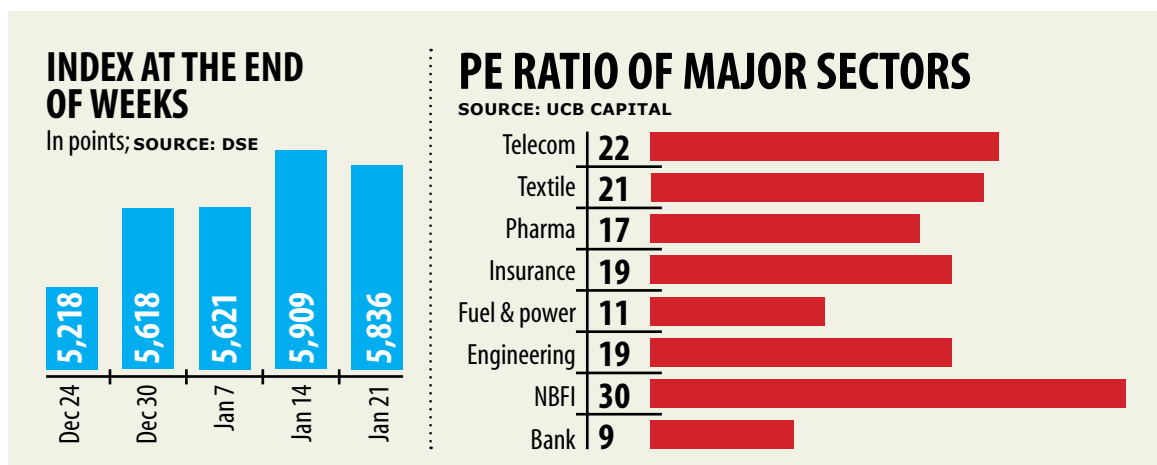
Bourses witnessed widespread profit-booking last week when the insurance stocks rose the most thanks to a regulatory move on minimum shareholding compliance.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 73.14 points, or 1.24 per cent, during the week.

Meanwhile, insurance stocks went upward riding on news that the regulator issued letters to all the companies to maintain a paid-up capital of Tk 30-40 crore.

Almost all the top gainers were from the insurance sector. For instance, Agrani Insurance rose 21.9 per cent in the week followed by Provati Insurance and Islami Insurance.

The Insurance Development and Regulatory Authority asked all insurance companies to comply



with the minimum shareholding rule of 60 per cent by the sponsors in their respective companies and maintain a minimum paid-up capital of Tk 30-40 crore in a month.

After this the insurance stocks

started rising. Among listed 49 insurance stocks, 37 advanced and 12 declined in the last week.

The IDRA's circular impacted the insurance stocks positively, which saved the index from a massive fall, a stock broker said.

The market fell because of the profit-booking tendency among all sectors while the high market capital-based insurance sector impacted the index positively, he added.

READ MORE ON B3

Major global markets also soaring

AHSAN HABIB

Although Bangladesh's stock market is not connected with global markets and does not follow the usual global trends, nowadays it has been different.

Dhaka stocks are soaring like other major markets which are hovering around all-time highs.

The reason, analysts said, is a global availability of liquidity, including in Bangladesh.

The S&P index of the US now stands at a record 3,841 points while the Dow Jones is also at an all-time high with 30,996.

Similarly, Nasdaq reached a personal best of 13,543 points.

Meanwhile, Dhaka Stock Exchange (DSE) witnessed its highest-ever market capitalisation on January 14.

The DSEX, the benchmark index of the DSE, also touched 5,900 points last week

Various markets, including Bangladesh's, have been rising thanks to the fiscal stimulus, which brought down interest rates, says an expert

and remains in a positive trend. Its all-time high is 6,336 points.

However, the local stock market is practically disconnected from the rest of the world, according to Shahidul Islam, chief executive officer (CEO) of VIPB Asset Management Company.

READ MORE ON B3