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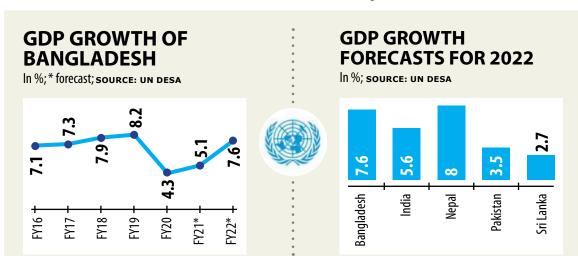
# Economy will return to high growth path next fiscal year: UN

REJAUL KARIM BYRON And MD FAZLUR

Bangladesh's economy will return to the high growth trajectory in the next fiscal year overcoming the scarring impacts of the coronavirus pandemic, according to a United Nations report.

The country's gross domestic product (GDP) will grow by 7.6 per cent in the fiscal year of 2021-22 following a 5.1 per cent expansion in the current fiscal year, said the World Economic Situation and Prospects 2021 report produced by the United Nations Department of Economic and Social Affairs.

The UN forecast is higher than the projection made by the World





the International Monetary Fund

The WB has said Bangladesh's economy will expand by 3.4 per cent in the FY22 from 1.6 per cent in the current fiscal year. The IMF has forecast 7.9 per cent growth in

The government has lowered the GDP growth projection for the

Bank and is in line with that of current fiscal year to 7.4 per cent taking into account the fallouts of the coronavirus pandemic.

Achieving resilience to external shocks should be among the most important considerations within the decision framework for policymakers in South Asia who are currently rethinking their industrial policies, the report said.

READ MORE ON B3

## Commerce Bank, Janata run into a quagmire

Struggle to recover Tk 633cr deposits from six NBFIs AKM ZAMIR UDDIN

Bangladesh Commerce Bank and Janata Bank Ltd are in a difficult situation to recover Tk 633 crore they deposited with six non-bank financial institutions as the latter's financial health deteriorated because of massive scams and lack of good

Private lender BCB and state-run Janata kept the fund with Peoples Leasing & Financial Services, First Finance, FAS Finance Investment, Bangladesh Industrial Finance Company (BIFC), International Leasing and Financial Services (ILFS), and Premier Leasing & Finance Ltd several years

Although the funds have matured, the NBFIs are unable to return the money to

The two banks requested the central bank to intervene to help them realise the money. But they have received a feeble response from the regulator.

Recently, BCB has informed the central bank that as much as Tk 502 crore was stuck with the six NBFIs as of November 15

The NBFIs also have stopped paying interests to the bank since fiscal 2018-19, according to a central bank paper. The amount, which was kept in the form

Bangladesh Commerce and Janata banks can't get back deposits of Tk **633**cr from six NBFIs who are suffering from a fund crisis resulted mainly from a lack of governance

of term deposits, can't be renewed as the NBFIs are not paying the interest against

"This has created an obstacle to carrying out the banking operation, including liquidity management and making profits from the fund," the bank told the BB.

BCB has served legal notices on BIFC and ILFS as part of its effort to file a case. But the lender has been forced to backtrack due to the central bank intervention.

"Against the backdrop, the bank has been in a quagmire," a senior official of the bank said.

READ MORE ON B3

# Banks fail to pay import bills, tarnish country's image

Bangladesh Bank report says; meeting with bankers today



Bankers said banks should settle import bills on time for the sake of the country's image abroad.

AKM ZAMIR UDDIN

The image of the country's financial sector has been tarnished in the international arena as a good number of local banks have not made import payments on

The number of allegations placed by foreign embassies in this regard has been rising as the to get their export earnings in due time, according to a Bangladesh Bank report.

Against this backdrop, the central bank will raise the issue

before the bankers' meeting today. Bangladesh Bank arranges the bankers' meeting every three months with the managing directors of all local banks and the central bank higher-ups taking

The failure to settle import bills has increased the 'add confirmation charge' as well, the report said.

The charge for confirming letters of credit (LC) remains between 2 and 3 per cent annually depending on the client, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank. "But tne failure to settie import bills on time may push it up," he added.

Confirmation fees are a security mechanism that eliminates risks for exporters.

When exporters are not satisfied with the LC-issuing bank, mainly for its insolvency risks, political issues in the importing country or both, they may seek an additional guarantee for the LCs.

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#### E-payment of import taxes over Tk 2 lakh a must from July

STAR BUSINESS REPORT

Business will require to pay import tariff and taxes over Tk 200,000 electronically from the first day of July this year as the National Board of Revenue (NBR) is gradually automating customs systems in order to provide faster service and bring about transparency, said NBR chief vesterday.

"We have prepared a roadmap for e-payment," NBR Chairman Abu Hena Md Rahmatul Muneem said during a webinar organised by the NBR yesterday to mark International Customs Day. The NBR made payments of import tariffs and taxes

totalling more than Tk 2 lakh compulsory from April 1 this year for businesses who bring goods through Customs House, ICD Dhaka. The customs house then brought several firms under the

e-payment scheme as a part of its preparation to launch a pilot of the electronic payment system for import duties and taxes from April, Mobara Khanam, commissioner of the Customs House, ICD Dhaka, told The Daily Star.

And so, e-payments for import duties and taxes of over Tk 2 lakh will be made compulsory for the rest of the customs houses from July this year.

Currently, businesses can pay import tariffs via bank drafts, pay orders and cash.

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# Stocks fall, Beximco companies end rally amid profit taking

STAR BUSINESS REPORT

Concerns of Beximco Group witnessed corrections yesterday after leading from the front to raise the benchmark index of the Dhaka Stock Exchange (DSE) to a three year high just a week ago.

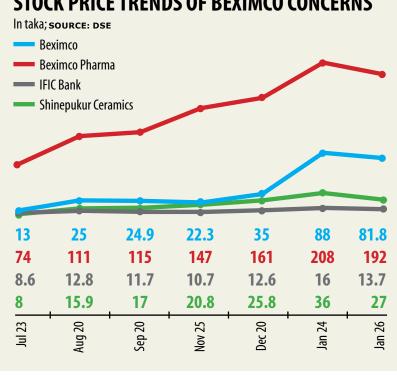
DSEX, the benchmark index of the DSE, dropped 94.55 points, or 1.63 per cent, to 5,695 yesterday.

This year, the stock market rose thanks to the run-up of insurance companies along with Beximco Group's concerns, which are all now facing a profit booking tendency, said a stock broker preferring anonymity.

Stock prices of Beximco Limited, whose paid-up capital is Tk 876 crore, fell 8.1 per cent while Beximco Pharmaceuticals with a paid-up capital of Tk 446 crore dropped 4 per cent.

IFIC Bank, which has a paid-up capital of Tk 1,619 crore, fell 2.84 per cent and Shinepukur Ceramics, another listed concern of Beximco Group, declined 8.39 per cent. It has a paid-up capital of Tk 146 crore.

STOCK PRICE TRENDS OF BEXIMCO CONCERNS Beximco Beximco Pharma



Among the 49 listed insurance companies, only 8 rose while 37 dropped.

"As Beximco's concerns are big, their impact on the index is also large," the stock broker said.

Just because of the drop of Beximco Pharmaceuticals, Beximco the DSEX lost around 14 points, according to amarstock.com, a stock market analysis-based website.

This is a normal trend of the stock market because no share can rise without witnessing some corrections, he added.

The stock market has continued to fall for the last three consecutive trading days, which is still considered as profit booking by market analysts.

Trigger sales from some merchant banks is one of the reasons behind the market fall, said a top official of a merchant bank preferring anonymity.

The regulator fixed the interest rate on margin loans at no higher than 12 per cent, and the trigger sales came as a result, he said.

Many merchant banks have no scope of lending at this rate as their cost to maintain the fund is higher, he

Thanks to the recent high jump of the index, many scripts have increased by more than 50 per cent.

"So, investors are taking profits and this is a good sign," another merchant banker said. When investors take profits, the

market gets its depth for further rise. "If investors remain cautious about their investment decisions, then they will profit or otherwise incur loss," the

merchant banker said.

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#### UTTARA MOTORS LAUNCHES THE ALL NEW POWERFUL AND STYLISH SUZUKI VITARA BREZZA

digital event. The Vitara Brezza, offers enhanced sportiness, bolder looks, stronger stance, premium interiors and a host of new features.

The Vitara Brezza comes with powerful 1.5 liter K-series petrol engine with Smart Hybrid Technology and equipped with Advanced Automatic Transmission. Vitara Brezza is sure to delight customers by providing a lot of attractive features like: Auto Folding ORVMs, Automatic Dual chamber LED projector headlamps, Automatic Rain Sensing Wipers, Cruise Control System, Voice Command, Steering Mounted Audio & Calling Controls, Engine Push Start/Stop with Smart Key, 7" Touch-screen New-age Smartplay Studio, Dual SRS Airbags, Reverse Parking Camera & Sensors, ABS with EBD and much more. Detail specifications are available on www.suzukicar.com.bd Keeping up with its strong, urban and premium appeal, the all-new Vitara Brezza is bolder, sportier and more powerful.

The honorable Deputy Managing Director, Mr. Durand Rahman and Head of Business Planning, Mr. Nayeemur Rahman jointly inaugurated the exclusive digital launching

Uttara Motors Limited, yesterday introduced the all new event through SUZUKI CAR BANGLADESH Facebook page SUZUKI Vitara Brezza, the WICKED SUV through an exclusive and YouTube channel.

The SUZUKI Vitara Brezza is available in two different variants, The SINGLE TONE VARIANT & the DUAL TONE VARIANT. The single tone variant comes in 4 attractive colors: Granite Grey, Premium Silver, Pearl Arctic White & Autumn Orange The dual tone variant comes in three fun colour combinations: Sizzling Red with Midnight Black Roof, Torque Blue with Midnight Black Roof & Granite Grey with Autumn

The Vitara Brezza single tone variant is priced at a very competitive 24 lac 50 thousand Taka. And the dual tone variant is priced at 25 lac 50 thousand Taka. Both these prices are inclusive of 3 years or 55,000km SUZUKI standard warranty and 12 free services from Uttara Motors. Customers can also avail easy auto loans from partnered financial institu-

Uttara Motors is always committed to customer satisfaction and provides sales and service through 11 branch offices and 8 service centers all over Bangladesh. They have been selling SUZUKI cars since early 80's and have delivered over 50,000 units all over the country to happy and satisfied customers.



MA Mannan, planning minister; Salman F Rahman, private industry and investment adviser to the prime minister; Li Jiming, China's ambassador to Bangladesh; Mohammad Sirazul Islam, executive chairman of the Bangladesh Investment Development Authority (BIDA), and Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, attend the China-Bangladesh Investment Summit, styled "Showcase Bangladesh: 2021 China-Bangladesh Investment Virtual Forum", jointly organised by the BIDA and the bank recently.



Tipu Munshi, commerce minister, hands over a trophy to Nasimul Baten, managing director of Delta Brac Housing Finance Corporation, as the company was awarded with the "Seventh ICSB National Award 2019" for corporate governance excellence in the category of non-bank financial institutions at an event at Radisson Blu Dhaka Water Garden on Saturday.

## Hyundai Motor's Q4 net profit jumps 78pc

South Korean automaker Hyundai Motor defied the coronavirus pandemic to post a surprise 78 percent surge in fourth-quarter profits Tuesday, as robust domestic sales offset weak overseas demand.

Net profit in the October-December period jumped to 1.38 trillion won (\$1.24 billion) from 772 billion won a year earlier, Hyundai, which along with its affiliate Kia is among the world's top 10 automakers, said in a

Domestic sales in the final three months rose five percent, driven by its luxury Genesis line, while foreign sales dropped by 6.6 per cent, the company said.

"Robust sales of SUV models and Genesis luxury models as well as declining incentives helped lift revenue in the fourth quarter despite an adverse economic environment,

Full-year profits came to 2.12 trillion won, down 33.5 per cent from 2019, demonstrating the financial toll the pandemic has taken on global carmakers. GM, Toyota and Fiat Chrysler all reported double-digit declines in US sales



Md Ekramul Haque, managing director of Taufika Foods and Agro Industries Ltd, the manufacturer of Lovello Icecream, attends an event at a hotel in Dhaka yesterday, when the lottery draw of the initial public offering of the

#### German business morale drops to six-month low

German business morale slumped to a six-month low in January as a second wave of COVID-19 has brought to a halt a recovery in Europe's largest economy, a survey showed on Monday.

The Ifo institute said its business climate index fell to 90.1 from an upwardly revised reading of 92.2 in December. A Reuters poll had pointed to a January reading

"The second Corona wave has temporarily ended the recovery of the German economy," Ifo President Clemens Fuest said in a statement.

Unprecedented government rescue and stimulus measures helped lessen the shock of the pandemic in Germany last year, when the economy shrank by 5.0 per cent, less than expected and a smaller contraction than during the global financial crisis.

However, Chancellor Angela Merkel and state leaders agreed last week to extend a lockdown until mid-February as Germany, once seen as a role model for fighting the pandemic, struggles with a second wave of infections.

"The first quarter remains a difficult one for the German economy," said Thomas Gitzel, an economist at VP Bank.

# Nissan flips the switch on electric reboot in China

Nissan Motor is accelerating the rollout of electric vehicles in China under its main brand and its local, no-frills Venucia marque as it overhauls its strategy in the world's biggest auto market, four sources told Reuters.

Besides the focus on green vehicles, the plan involves using more locally made parts and technologies to reduce costs and help the struggling Japanese carmaker compete better with lower-cost Chinese firms and major global rivals, the sources said.

The China strategy is a key pillar of Nissan's turnaround, which involves focusing on producing profitable cars for China, Japan and the United States, rather than chasing all-out global growth as it did under disgraced former boss Carlos Ghosn. "Before we were saying global, global, global, and China was just part of that strategy,' one of the four people familiar with the plans told Reuters.

"With regionalisation now replacing globalisation, we have to improve the cost competitiveness of all the components and technologies that go into a car by going totally local," he said.



Nissan Chief Executive Officer Makoto Uchida speaks at Nissan booth via video link during the presentation of Nissan's Ariya model during the Beijing International Automotive Exhibition, or Auto China show, in

board of its China joint venture Dongfeng Motor Company have backed the plan and some elements of the new strategy will be unveiled at the Shanghai auto show in April, the sources said.

cars in China this year: the new all- fully electric or hybrids equipped

Both the Nissan board and the electric Ariya crossover, a significant redesign of its X-Trail sport utility vehicle (SUV) and a hybrid Sylphy compact car using its e-Power technology, the sources said.

At least one new Nissan car will hit the Chinese market each year Nissan plans to launch three through 2025, with most either

Two of the sources said the plan also involves turning Venucia more into a brand for affordable electric vehicles (EVs), though details are still being worked out.

The idea is to price new Venucia EVs well below its current cheapest EV - the e30 mini car - which starts at 61,800 yuan (\$9,540).

All four sources work for Nissan and spoke on condition of anonymity because they are not authorised to speak to reporters.

Nissan declined to comment on its future product strategy.

"China is a core market for Nissan and Nissan is getting prepared to launch a slew of technologies including e-Power technology to fulfil customers' aspirations," a Nissan spokesman said. He also confirmed the Ariya would be launched in 2021.

Despite being one of the world's first automakers to fully embrace fully electric cars with its bestselling Leaf, Nissan has fallen behind Toyota and Honda, analysts said. Both launched a slew of new hybrids in China in 2019 and 2020 which has helped boost their sales.

# Indonesia says new sovereign wealth fund with autonomous and smart driving technology, the sources said. One is likely to be an e-Power X-Trail. attracts \$10b commitment

Indonesia has received investment commitments of up to \$10 billion from global firms for its ambitious sovereign wealth fund, a senior minister said on Tuesday, ahead of its launch expected this

The Indonesia Investment Authority (INA) aims to attract foreign funds as coinvestors, unlike other sovereign wealth funds set up by more developed countries to manage oil revenues or foreign exchange

Airlangga Hartarto, Indonesia's chief economic minister, told a business forum the INA had been promoted among more than 50 global investors and more commitments had been secured.

With a target of managing \$20 billion, the INA will be seeded by Indonesia's government with \$5 billion in cash and other assets.

Canadian pension fund Caisse de dépôt et placement du Québec (CDPQ) has signed an informal letter of interest about investing up to \$2 billion, alongside an up to \$1.5 billion commitment from Dutch pension fund APG, the minister's presentation showed.

Also listed was Singapore sovereign wealth fund GIC, while Australia's

investment bank Macquarie has offered to manage a toll road fund and could contribute another \$300 million, the presentation showed.

APG, Macquarie, CDPQ and GIC did not immediately respond to separate requests from Reuters for confirmation.

Indonesia has previously reported investment interest of up to \$6 billion by the U.S. International Development Finance Corporation and Japan Bank for International Cooperation. Airlangga said the Abu Dhabi Investment Authority (ADIA) had also been approached.

The fund's supervisory council will include finance minister Sri Mulyani Indrawati and state-owned enterprise minister Erick Thohir.

Erick told Tempo magazine the council had considered about 30 names as possible candidates for chief executive.

Those included tech investor and coal businessman Pandu Sjahrir, Indika Energy's Arsjad Rasjid, and Arief Budiman, a former chief financial officer of state energy firm Pertamina, Erick said in the interview.

Bloomberg News reported last week Pandu, a nephew of a senior government minister, was considered a frontrunner.

Airlangga made no mention of the candidates in Tuesday's presentation.



CHEVRON BANGLADESH



Symphony officials and sales representatives unveil Symphony Z30 Pro, a new smartphone with 4GB RAM, 64GB ROM and a 5,000 mAh battery. Priced at Tk 10,890 and available in Persian blue, Indigo blue, and Amazon green colours, the device is also equipped with Android 10.0 as the 64-bit operating system.

Murad Ahmed, senior coordinator for community engagement at Chevron Bangladesh, and Srinibash Chandra Nath, senior coordinator for government affairs and social investment, pose at an event at a high school near Bibiyana Gas Plant in Habiganj, where the US oil major distributed scholarships to the local students for achieving excellent grades in the Secondary School Certificate exams in 2020.

## **HSBC** introduces e-commerce facility on debit card



STAR BUSINESS DESK

HSBC in Bangladesh has launched ecommerce facility on HSBC Visa Debit Card for customers.

Along with enabling online transaction facility and mobile wallet top up for customers in local and global sites, the bank has also announced a 50-day reward campaign

During the campaign, customers will get cashback on any purchases made using the card, smartwatch as a reward for top users and additional rewards and discounts from its

"Digital Bangladesh started off with a set of promises and dreams for every individual in this country," said Zunaid Ahmed Palak, state minister ICT, at a webinar marking the launch.

"And with the launch of online transaction facility on HSBC Visa debit cards, I must say HSBC Bangladesh building on to the steps in realising yet another vision and fulfilling yet another promise made by the bank for its

"With the significant increase of online spending and payment driven by the pandemic, we have stepped up our investment and focus on digital solutions," said Md Mahbub ur Rahman, CEO of HSBC Bangladesh.

"We are pleased to launch ecommerce facility on HSBC Visa Debit Card, enabling customers to manage their expense digitally both in domestic and international markets.

# Dollar gains as stimulus nerves nudge investors to safety

The US dollar rose on Tuesday as rising coronavirus cases and doubts over the speed and size of US stimulus tempered traders' upbeat mood, while investors were also cautious ahead of the Federal Reserve's policy review later in the week.

US Treasuries held onto gains, equity markets fell in Asia, and the cautious move into safer assets pushed the dollar index higher. The greenback rose 0.1 per cent to 90.462, close to a one-week high and near the middle of a range it has held for most of the month.

The euro, which fell on Monday as German business morale slumped is also trading in a range between support around \$1.2050 and resistance at \$1.2215. It slipped 0.1 per cent to \$1.2128.

The yen was steady at 103.71 per dollar. The risk-sensitive Australian dollar hit a one-week low and the New Zealand dollar fell 0.4 per cent.

"Markets have come a long way on the hope that COVID goes away and governments spend a lot of money," said Westpac currency analyst Imre Speizer.

"Both of those have stalled at the moment, and so markets will stall as well," he said, adding that this had left the kiwi in a mode of "indecision" between \$0.7150 and \$0.7240.



REUTERS/FILE

A US dollar note, bottom, is pictured alongside an Australian 10 dollar, left, and 20 dollar bill in this picture illustration.

"One of those needs to break to give you direction for the next couple of weeks," Speizer said. The kiwi was last at \$0.7174 and the Australian dollar was down 0.4 per cent at \$0.7685. Sterling slipped 0.2 per cent to \$1.3645.

Tight liquidity supported the Chinese yuan. One-year onshore yuan forwards rose to their highest levels of 2021, while the onshore spot price edged up 0.1 per cent to 6.4733.

Investors last week added to bets that the dollar's months-long downtrend would extend, weighed by US budget and trade deficits. Short dollar positions have hit their highest in almost ten years, according to data last week.

But currency markets have entered a holding pattern while waiting to see whether the Democrats' big virus relief package can clear Congress and whether COVID-19 vaccines actually start turning the tide on the pandemic.

US Senate Majority Leader Chuck Schumer said Democrats may try and pass much of President Joe Biden's \$1.9 trillion spending package with a majority vote, but it is not clear if they have the numbers to override Republican objections.

#### IMF lifts global growth forecast for 2021, still sees 'exceptional uncertainty'

The International Monetary Fund on Tuesday raised its forecast for global economic growth in 2021 and said the coronavirus-triggered downturn in 2020 would be nearly a full percentage point less severe than expected.

It said multiple vaccine approvals and the launch of vaccinations in some countries in December had boosted hopes of an eventual end to the pandemic that has now infected nearly 100 million people and claimed the lives of over 2.1 million globally. But it warned that the world economy continued to face "exceptional uncertainty" and new waves of COVID-19 infections and variants posed risks, and global activity would remain well below pre-COVID projections made one year ago.

Close to 90 million people are likely to fall below the extreme poverty threshold during 2020-2021, with the pandemic wiping out progress made in reducing poverty over the past two decades.

#### Bureaucratic tangles mar aviation prospects

"The industry is making a tremendous contribution to our economy. But every possible harness is tying up the helicopter horse.

Helicopters have the ability to operate from elevated helipads and rooftops and even land on hospital roofs with patients. All of these are allowed in every country of the world except for Bangladesh, he said.

"We need to correct our course of actions following examples of the surrounding countries." Senior officials of CAAB and AOAB were also present at the programme.

#### E-payment of import taxes over Tk 2 lakh a must from July

Muneem said the NBR took several initiatives to ensure transparency and electronic payments are a part

The revenue administration also took the initiative to buy 13 scanners to install at the ports to examine imported and exported consignments. "This will speed up deliveries," he added. At the event, Finance Minister AHM Mustafa Kamal directed the NBR

to quickly procure the scanners and install them at all ports.

He also suggested that the revenue collector form an estimate on the duties and taxes it exempts to reduce the cost of goods imported for implementation in the country's mega projects and various public agencies.

"It would give us an idea about the amount of duty we are waiving,"

The duty that has been exempted

would have been added to the total revenue collected and Bangladesh's revenue-GDP ratio would have been higher in that case.

Bangladesh's tax-GDP ratio is less than 10 per cent.

Calculating the exempted amount will give an idea about the collection of revenue. The country's overall revenue-GDP ratio will be higher once the exempted tax is taken into consideration, he added.

#### Stocks fall, Beximco companies end rally amid profit taking

Turnover, one of the important indicators of the market, fell 29 per cent to Tk 1,125 crore.

Beximco topped the turnover list, trading shares worth Tk 142 followed by Energypac Power Generation, Robi Axiata, LankaBangla Finance, and Beximco

Jute Spinners topped the gainers' list, rising 7.53 per cent followed by Agrani Insurance, BATBC, Daffodil Computers, and Green Delta Mutual

Energypac Power Generation followed by Shinepukur Ceramics, 179 fell and 50 remained unchanged.

Beximco, Robi Axiata and Midas Financing.

The port city bourse also dropped. The general index of the Chittagong Stock Exchange (CSE), CASPI, fell 299 points, or 1.77 per cent to 16,578 yesterday. Among the 251 stocks that shed the most, falling 9.93 per cent were traded at the CSE, 22 advanced,

#### Banks fail to pay import bills, tarnish country's image

FROM PAGE B1

Confirmation is a definite and legal undertaking from the importer's bank to the exporter's bank.

The central bank recently verified the unsettled import bills of 29 banks, of which the performance of some lenders was not good at all, the report

As of September last year, the overdue of unsettled import bills stood at \$23.79 million.

Rahman said that banks should

settle the import bills on time in the interest of the country's image.

In some cases, there are some genuine reasons to not settle the foreign import bills but if there is no genuine cause, banks should not delay in making import payments.

"The sovereign rating of Pakistan is lower than Bangladesh but our confirmation charge is higher than theirs," Rahman said, adding that the charge would decrease if local banks settle the import bills on time.

Besides, the banks did not settle the local import bills amounting to \$31.22 million.

Local banks are engaging in disputes with each other to settle import bills. The number of allegations has also been rising to this end, according to the central bank report.

To address the issue, the central bank will give a strong message to local banks so that they settle both local and foreign import bills on time, an official of Bangladesh Bank said.

#### Commerce Bank, Janata run into a quagmire

The central bank has unearthed massive financial scams at a number of the NBFIs out of six. Some of them have failed to repay the deposits to common savers.

Janata Bank deposited Tk 110 crore with Premier Leasing, ILFS, and FAS finance. The NBFIs have not paid any interests for more than one year, said Md Abdus Salam Azad, managing director of the state-run lender.

The interest of the deposited fund stood at Tk 21 crore, he said.

bank in March last year, seeking permission to sue the three NBFIs. But the BB has suggested not to file any case as it will send a bad signal to the depositors in the NBFI sector, the BB paper said. "We are in a difficult situation,"

Pritish Kumar Sarker, managing

The bank wrote to the central quickest possible time.

director of FAS Finance and

would repay the money in the "We are not getting deposits

from the common savers at this moment. We have requested the banks to renew the term deposits," Abdul Hamid Mia, managing

director of Premier Leasing & Finance, said his company was now paying the interests.

Investment, said that the NBFI 100 crore to BCB. The rest will be returned soon.'

Premier Leasing has requested Janata Bank to renew the term deposit, he said

Prashanta Kumar Halder and his associates embezzled a large amount of money from four NBFIs, creating a haphazard situation in the financial sector, according to a central bank report. Halder, a former managing

"We have already repaid Tk director of NRB Global Bank,

misappropriated Tk 2,500 crore from ILFS, Tk 2,200 crore from FAS Finance, Tk 3,000 crore from Peoples Leasing, and Tk 2,500 crore from Reliance Finance between 2015 and 2019. He fled to Canada.

The central bank applied to the High Court in 2019 to liquidate Peoples' Leasing due to the deterioration of its financial health. The court accepted the plea and appointed a liquidator.

### Economy will return to high growth path next fiscal year: UN

The report urged the policymakers with a view to rendering them in South Asia to strengthen their efforts to formalise labour markets and strengthen their social protection systems to dampen the impact of the crisis on the most vulnerable and improve macroeconomic resilience.

Informal workers account for more than 80 per cent of workers in Bangladesh, India and Pakistan and they have been far more exposed to the loss of employment than formal workers during the crisis.

widespread Asia's South informality has almost certainly magnified the impact of the

pandemic. The Covid-19 fiscal response in South Asia has consisted of a vast ad hoc expansion of social assistance and direct cash kind of special support is neither

sufficient nor sustainable. Policymakers in South Asia, taking stock of recent lessons, will, therefore, have to design

more inclusive, especially for those in the informal sector, and more flexible and resilient, the UN Desa said.

However, they will need significantly more fiscal space to achieve all of these goals.

While increased domestic revenue mobilisation can make up for some of the shortfalls, both bilateral and multilateral creditors will still need to adopt a concessionary stance to avert protracted debt crises in an already deeply wounded region.

Several South Asian countries ran fiscal deficits of about 10 per cent of GDP in 2020, and government debt is forecast to grow significantly for most

"Yet, fiscal austerity is not transfers for the neediest, but this desirable until South Asian countries are back at or close to their economic growth potential, which might still take several years," the report said.

Economic growth in South Asia

their social protection systems in 2021 will be insufficient, at 6.9 the virus in South Asia and the per cent, to make up for the losses of 2020, as pandemic hotspots re-emerge and, increasingly, the ability of governments to deal with the multitude of challenges becomes exhausted, the UN report said.

While trade, remittances and investment are expected to pick up in 2021, as much of the global economy moves towards recovery from the widespread lockdown, investment and domestic consumption in many South Asian countries will nevertheless remain subdued owing to the continuing threat of the pandemic and the

scarring effects of the crisis. South Asian countries that are relatively more exposed to global economic conditions, such as Bangladesh and the Maldives with their high share of foreign trade and Nepal with its dependence on tourism and remittances, will enjoy a stronger rebound.

to significant risks. The forecasts stronger and regain its position assume effective containment of as the global development

rest of the world, including no further lockdowns in 2021, the resurgence of global trade, and the effective continuation of fiscal stimulus and containment efforts in South Asia and other regions.

"Failure of any or all of these base-line assumptions to materialise could plunge the region deeper into crisis. Opportunities exist as well, but they are less likely and would be less impactful than the downside risks.

The agency said development of new growth sectors, aided by targeted fiscal stimulus and the disruptive effects of the crisis, could propel South Asia's development trajectory and allow the region to make up lost ground much more quickly.

"A forceful global commitment counter the negative consequences of the pandemic, in developing countries, could also allow the The recovery is subject, however, region to build back better and

But to grow back stronger, South Asian countries will need first to redouble their efforts to diversify their economies, while at the same time taking stock of global trends initiated by the crisis, such as reshoring of global value chains (GVCs) and a decreased appetite for contact-intensive services.

The report said economic diversification is low or minimal in many South Asian economies, with the near single-trade economies of Bangladesh (garments), Iran (oil) and the Maldives (tourism) especially exposed to external demand shocks.

Garment shipment accounts for more than 80 per cent of annual exports of Bangladesh.

"South Asian governments should promote, in particular, the development of more complex, high-skills and high value-added sectors that could reach a broader base of trade partners within and outside of South Asia or even the domestic market," the UN agency

STATEMENT OF FINANCIAL POSITION (UN - AUDITED)

		As at 31 December 2020			As at 30 June 2020				
			<u>Taka</u>			aka			
ASSETS									
Non-current assets			EO 034 3E	2	70	410 220			
Property, plant and equipment Investments:			59,034,359	9	/ 6	3,410,238			
At cost	1		88,527,133	3	88	3,527,133			
Fair value adjustment			570,722,598	- 1		3,678,180			
			659,249,73	_		7,205,313			
Loans and deposits			4,975,848	В	4	,715,197			
Total non-current assets			723,259,938	8	510	,330,748			
Current assets									
Inventories			453,715,384	4	403	3,980,033			
Trade and other receivables			84,468,640	0	130	,606,869			
Advance, deposit and prepaym	ents		32,646,116			3,070,316			
Advance income tax			370,313,708			5,703,583			
Cash and cash equivalent  Total current assets		_	59,270,50			3,175,927			
TOTAL ASSETS			l,000,414,35! l,723,674,29:			2,536,728 2,867,476			
		_	1,723,074,23	_	1,402	.,007,470			
EQUITY & LIABILITIES									
Capital and reserves Share capital			93,706,080	n	93	3,706,080			
Reserves and surplus			688,508,368			3,367,682			
Shareholders' equity			782,214,448			2,073,762			
Non-current liabilities			,			,,			
Deferred liability - gratuity pay	able		54,960,01	8	5	4,734,999			
Deferred tax liability	abic		43,558,69			3,982,297			
Total non-current liabilities			98,518,714			8,717,296			
Current liabilities									
Short term finance			384,140,42	25	42	7,847,816			
Trade and other payables			169,628,17			8,774,239			
Other liabilities			74,379,837		89,854,070				
Unclaimed dividend account			14,804,13	13	1	4,863,486			
Provision for tax			199,988,56			0,736,807			
Total current liabilities			842,941,13			2,076,418			
TOTAL EQUITY & LIABILITIES			1,723,674,29		1,46	2,867,476			
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN - AUDITED)									
			: (UN - AUDITED) 31 DECEMBER 20	20					
	1 July to		1 July to		ctober to	1 October to			
	31 Decem	_	31 December		December	31 December			
	2020		2019		2020	2019			
	Taka		Taka		Taka	Taka			
Revenue	669,978,	690	554,023,453	35	2,090,380	274,710,614			
Cost of sales	(503,332,	530)	(420,270,541)	(26	1,963,880)	(211,375,089)			
Gross profit	166,646,	160	133,752,912	- 8	7,126,500	63,335,525			
Other income/(loss)	12,115,	925	5,147,835		(4,004)	3,371,169			
Operating expenses	(140,578,	_	(152,283,413)	_	1,983,321)	(77,743,235)			
Profit/(loss) before net finance cost	38,183,	441	(13,382,666)	1	5,139,175	(11,036,541)			
Finance cost	(12,262,	449)	(29,306,828)	(4	1,294,654)	(16,215,601)			
Finance income	1,688,	792	4,430,532		865,460	2,234,162			
Net finance cost	(10,573,		(24,876,296)		3,429,194)	(13,981,439)			
Profit/(loss) before contribution to WPPF	27,609,		(38,258,962)	1	1,709,981	(25,017,980)			
Contribution to WPPF	(1,314,		- (20.050.000)	_	(557,619)	(25.047.000)			
Profit/(loss) before income tax	26,295,	032	(38,258,962)	1	1,152,362	(25,017,980)			
Income tax : Current tax	(9.251	757)	(3 632 782)	-	1,202,948)	(1,956,905)			
Deferred tax	(9,251, 3,628,		(3,632,782) 2,222,576	(-	2,675,141	1,190,816			
Net profit/(loss) for the period	20,671,		(39,669,168)	_	9,624,555	(25,784,069)			
Other comprehensive income :	,		, , , , , , , , , , , , , , , , , , , ,						
Changes in fair value of financial assets	232,044,	418	(140,239,854)	6	5,746,956	(75,307,211)			
Deferred tax income/(expenses)	(23,204,	442)	14,023,985	(	5,574,696)	7,530,721			
Other comprehensive income/(loss)	208,839,		(126,215,869)		9,172,260	(67,776,490)			
Total comprehensive income/(loss)	229,511	,294	(165,885,037)	6	8,796,815	(93,560,559)			
Earnings per share (par value Tk. 10 each)		2.21	(4.23)		1.03	(2.75)			

Loi	mings per share (par value in. 10 each)		(4.23)	1.03 (2.73)				
STATEMENT OF CASH FLOWS ( UN-AUDITED ) FOR THE HALF YEAR ENDED 31 DECEMBER 2020								
			1 July to	1 July to				
			31 December	31 December				
			2020	2019				
			Taka	Taka				
A.	Cash flows from operating activiti	es						
	Collection from customers		809,346,710	767,936,228				
	Payment to suppliers		(428,900,720)	(475,055,408)				
	Payment to employees		(102,139,436)	(96,897,487)				
	Payment for services received		(97,007,908)	(139,323,909)				
	Cash payment of VAT		(126,402,540)	(86,100,285)				
	Contribution to provident fund		(3,484,896)	(4,669,285)				
			51,411,210	(34,110,146)				
	Cost recovery		8,800,923	4,590,520				
	Collection from sale of scrap and o	thers	-	166,550				
	Interest paid		(10,081,352)	(26,993,024)				
	Income tax paid		(23,610,125)	(19,323,315)				
			26,520,656	(75,669,415)				
В.	Cash flows from investing activities	25						
	Dividend received		28,619,775					
	Proceeds from sale of property, plant and	equipment	2,971,546					
	Payment for acquisition of property, plant and	equipment	(1,574,398)	(8,240,073)				
			30,016,923	(8,240,073)				
C.	Cash flows from financing activities	es						
	Dividend paid		(1,735,608)	(9,190,812)				
			(1,735,608)	(9,190,812)				
D.	Effect of exchange rate changes in cash a	nd cash equivalent		(2,109,050)				
E.	Net cash inflows/(outflows) for the p	eriod (A+B+C+D)	54,801,971	(95,209,350)				
F.	Opening cash and cash equivalent	ts	(379,671,889)	(484,870,076)				
	Cash and cash equivalents		48,175,927	115,128,810				
	Short term finance		(427,847,816)	(599,998,886)				

Cash and cash equivalents 118,811,836 (384,140,425) Capital Taka Taka 562,073,762 Balance as at 1 July 2020 (92,542,983) ransferred to general reserv 101,913,591 Net profit/(loss) for the period 20,671,318 93,706,080 2,305,167 151,881,545 513,650,338 20,671,318 782,214,448 Balance as at 31 December 2020 Balance as at 1 July 2019 93,706,080 2,305,167 243,262,420 496,740,698 29,273,932 865,288,297 (18,741,216) Net profit/(loss) for the period (39,669,168) (126,215,869) 93,706,080 2,305,167 253,795,136 370,524,829 (39,669,168) 680,662,04

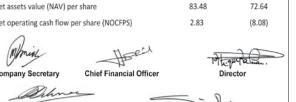
(580,079,426)

(4.23)

(324,869,918)

G. Closing cash and cash equivalents (E+F)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020 Taka



of Bangladesh Lamps Limited. The address of the website is www.bll.com.bo Disclosure regarding shifting of plant & the process of manufacturing GLS (General Lamp Service).

Due to expiry of the Lease Agreement on 31st December, 2020 and shifting the Manufacturing Plant at the new rented premises at Ghashirdia, Narshingdi; and also for not getting the gas connection from the respective authority concerned, the process of manufacturing GLS (General Lamp Service) is not possible to get started now. But there is no possibility for shortage of product in the market, as prior to shifting from Dhaka, following the market demand for the next couple of months, adequate products have been manufactured meanwhile, which are remaining within our future market plan. Moreover, to meet the market requirements, some products will be manufactured from the capacity of the present setup. Hence, the question of shortage of

products in the market or deviation of market shares in any way, does



# Gaibandha Sweater Palli expanding against all odds

MOSTAFA SHABUJ, Bogura

For decades now, a community of weavers in Gaibandha has been producing over 20 varieties of warm clothing items without any modern technology, transportation or banking

About Tk 500 crore worth of warm clothes, including sweaters, mufflers, socks, caps and cardigans, are made in the area each year, according to local

There are around 300 wholesale shops in the area that collectively sell about Tk 3-4 crore worth of the products each day, they said.

A market named Kochashahar-Nawarhat Sweater Palli in Gaibandha's Gobindaganj upazila is the focal point of this local industry, where at least 50,000 weavers from all over the district are involved.

Kochashahar Shilpanagari located 50 kilometres away from the district town of Gaibandha and 11 kilometres away from the upazila town of Gobindaganj.

The epoch of how this little garment industry came to be begins with the story of just one man.

In 1930, Rahim Uddin of Pepulia village under Kochashahar union tried to escape acute poverty by travelling to Kolkata for work.

There, he worked in a socks factory for 13 years but after failing to adequately provide for his family from abroad, Uddin returned home with two handlooms.

Thanks to his experience in Kolkata, Uddin was then able to start producing socks in his village. His success later encouraged other locals to bring handlooms from Pakistan to make both socks and mufflers.

Since then, the business has continued to spread to the adjacent

After the Independence War









About Tk 500 crore worth of warm clothes are made in the area each year, while around 300 wholesale shops collectively sell goods of about Tk 3-4 crore each day.

importing some old cotton warm when some other weavers from clothes and the Kochashahar Shilpa Bogura's Adamdighi upazila found Palli was established, said Mizanur rejected yarns in Dhaka's Narayanganj. Rahman, president of the Nawarhat Hosiery Owners Samity.

some handlooms from India to weave sweaters. Since then the sweater of Bogura's Shaul Bazar then started industries in Kochashahar area started flourishing and expanded to over 20 adjacent villages under the Gobindaganj upazila.

However, the weavers struggled their yarns from the Shaul bazar. in 1972, the government started to manage raw materials until 1995,

They also brought some modern power looms from Dhaka to the Shaul In 1990, local traders imported Bazar and Kochashahar area.

> On the other hand, local weavers producing yarn from the rejected garments and created a market worth Tk 200 crore annually. Now, the Kochashahar weavers and traders buy

By 2005, the industry got expanded

to over 40 villages under Gobindaganj and Bogura's Sonatala and Shibganj upazila, which caused the revenue to see a sharp fall because of overproduction.

Therefore, many businessmen left But since 2010, they started making

profits again by including some modern power looms and quality designs, Rahman said.

During a recent visit to the area last December, this reporter found that weavers from almost every village

busy producing warm clothes.

Rahman said there are nearly 3,000 families that have their own handlooms.

There are 50,000 people in the industry and among them, 60 per cent are women, he added.

Md Amir Sheikh, owner of Aziz Garments, a wholesaler of warm clothes in Keraniganj, told The Daily Star that around 60-70 traders from Dhaka, Keraniganj, Narayanganj visit the Kochashahar's Nawarhat bazar to buy clothes worth Tk 3-7 lakh every

"Traders from Dhaka used to visit the remote Kochashahar village market as the price of warm clothes there is cheaper than in Dhaka," Sheikh said.

Asaduzzaman Mojnu, owner of Kashmiri Fashion in Nawarhat bazar, said he produces 50,000 to 80,000 sweaters every year worth around Tk

Anisur Rahman, another local warm clothes maker of the Kochashahar Sweater Palli, produces around 50,000 to 60,000 special warm blouses worth

Tk 87 lakh every year. "But due to the short winter this year, I have to sell this blouse in the next year at lower prices," Rahman

Among the 50,000 workers, some make yarn from bobbins while others sew clothes, do embroidery, piping, attach buttons or packaging.

Ayesha Khatun, who works for the Nazim-Nirab Hosiery, mainly does piping and buttoning.

"After finishing my homestead work, I earn Tk 4,000-5,000 each month," she said.

Amid a lack of banking support, the SME foundation chose Kochashahar Shilpa Nagari as a cluster and started distrusting loans from a Tk 5 crore fund since 2018.

However, many small industry Barman added.

under the Kochashahar union were owners alleged that they are not getting any such loans.

Among them, Akramul Hossain, owner of the Bishal Hosiery, said there are 10-13 weavers working in his socks

"I tried twice to get loan from the SME Foundation but it denied giving loan to a small trader like me," he

Asked, Abu Monjur Saif, assistant general manager for cluster development of the SME Foundation, told The Daily Star that the traders who are bankable are getting loans.

"We have a contact with the local Brac Bank to distribute loans for the Kochashahar cluster," he said.

When contacted, Nurul Islam Parvez, officer of the Brac Bank's branch in Gobindaganj, said they distributed loans to 60 manufactures worth around Tk 3.5 crore in the Kochashahar area last year.

Nawarhat Hosiery Owners Samity President Rahman went on to say that although there are huge sales every day during winter, there are no banks in the area to handle the large transfers.

When contacted, Ramkrishana Barman, upazila nirbahi officer of Gobindaganj, said "We are aware of the problems. The weavers of the Kochashahar area are producing warm clothes worth over Tk 500-600 crore annually and the government also is getting good revenue from them."

But the area lacks good transport facilities and stable mobile network,

"I have already contacted and urged the mobile operators to establish a strong network here. I have also urged some bank authorities to set up new branches here.

"We also sent a plan to the department concerned to acquire 3 acres of land to set up a training centre for the artisan and weavers,

# NRB Commercial Bank's IPO subscription begins Feb 3

STAR BUSINESS REPORT

The subscription for initial public offering (IPO) of NRB Commercial Bank is set to start from February 3 and it will continue until February 9, which will remain open for all kinds of investors.

The fourth generation bank, which will raise Tk 120 crore through the IPO, is the first private commercial bank in the last 12 years to get listed with the stock market.

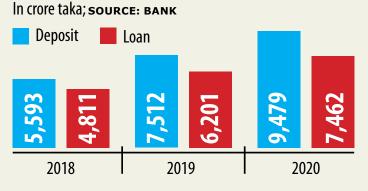
Earlier in 2008, First Security Islami Bank got listed with the stock market. NRB Commercial, a private

commercial bank, will issue 12 crore ordinary shares at a face value of Tk 10 each. With the IPO proceeds, the

bank will use Tk 110 crore to buy government securities, Tk 6 crore in the secondary market for buying shares and the rest for IPO related

The bank's weighted average earnings per share for the last five years and net asset value per

#### NRBC'S LOANS AND DEPOSITS



share were Tk 1.55 and Tk 13.86 respectively as of June 30, 2020.

AFC Capital and Asian Tiger Capital Partners Investment are the IPO's issue managers.

"Our bank has been doing good, as we focus more on financial inclusion instead of doing traditional banking business," said Parvez Tamal, chairman of NRB

Commercial Bank (NRBCB).

The bank has been booking higher profits for the last few years. Its gross profit rose 22 per cent yearon-year to Tk 323 crore in 2020, according to the banks' financial statements.

"We lend small amount also and we have over 500 service points across the country for our

The bank has now 589 agents,

according to the bank's data. "Our bank is involved in bill collection and disbursement of government allowances, which has made our bank popular among the

general mass," the chairman said. The bank's cost of deposit is so low that it can extend loans to even blue-chip customers at 8 per cent, he said.

To implement the single digit interest rate, banks need to hunt down low-cost deposit, he said, adding: "Making 1 per cent profit from the business between depositors and borrowers is enough for a bank."

On November 18 last year, Bangladesh Securities and Exchange Commission (BSEC) approved NRBCB's IPO proposal through fixed price method.

bank established on February 20, 2013 had a pre-IPO paid-up capital of Tk 582 crore.

The bank has 83 branches across the country till 2020.

# Bureaucratic tangles mar aviation prospects

Operators say in a dialogue

STAR BUSINESS REPORT

The delays in obtaining permission for import of spare parts for rectifications and overhauling of aircraft, age-old import payment options and absence of modern airport approach facilities are holding back the local aviation industry to flourish further.

The absence of modern airspace and air traffic management at the airport and high price of jet fuel are also a constant source of worry for the industry.

The Aviation Operators Association of Bangladesh (AOAB) identified the obstacles and shared their observation at a dialogue with the Civil Aviation Authority of Bangladesh (CAAB) yesterday. The event on the "Regulator-operator

dialogue on essentials to develop aviation sector" took place at Hazrat Shahjalal International Airport (HSIA) in the capital. AOAB President Anjan Chowdhury

presided over the seminar while CAAB Chairman Air Vice Marshal M Mofidur Rahman was present as the chief guest.

Entrepreneurs enter Bangladesh's aviation industry with a dream to establish and turn an airline into a unicorn enterprise, said AOAB Secretary General

Mofizur Rahman while presenting his keynote speech at the seminar. But the dream unicorn turns into a back-

breaking donkey when the airline fails to sustain because of piling up burdens of different kinds of problems, he said. For example, he said, "We need

hundreds of spares to import and export parts for rectifications and overhaul of aircraft. Sometimes it takes months to obtain permission for import and export."

Besides, worldwide parts trading is done on advance payments through telegraphic transfer of funds, he said.

In Bangladesh, only mode of payments is the letter of credit, which makes it impossible to keep servicing the aircraft.

"Most of our airports run with age-old airport approach facilities. Even gateway airport of the country HSIA has CAT 1 approach."

"We heard almost over a decade and a half ago that the country is going to have modern ATM facilities. But nothing tangible is still in sight."

Bangladesh has a very thriving helicopter industry with over 10 operators and 35 helicopters, which will soon hit 50, he said.

READ MORE ON B3

#### GLOBAL BUSINESS

# India to impose permanent ban on 59 Chinese apps, including TikTok

India's ministry of electronics and information technology has issued fresh notices to make permanent a ban imposed on video app TikTok and 58 other Chinese apps in June, Indian media reported late on

When it first imposed the ban, the Indian government gave the 59 apps a chance to explain their position on compliance with privacy and security requirements, the Times of India reported on

The companies, which include ByteDance's popular video-sharing app TikTok, Tencent Holdings' WeChat and Alibaba's UC Browser, were also asked to respond to a list of questions, the newspaper said.

"The government is not satisfied



by these companies. Hence, the ban

A smartphone with Chinese applications is seen in front of a displayed flag in this illustration.

REUTERS/FILE

with the response/explanation given were issued last week. The ministry's June order stated for these 59 apps is permanent that the apps were "prejudicial to now," business newspaper Livemint sovereignty and integrity of India, quoted a source familiar with the defence of India, security of state notices as saying. It said the notices and public order".

The order, which India referred to as a "digital strike", followed a skirmish with Chinese troops at a disputed Himalayan border site when 20 Indian soldiers were In September, India banned

another 118 mobile apps, including Tencent's popular videogame PUBG, as it stepped up the pressure on Chinese technology companies following the standoff at the border.

A TikTok representative told the Economic Times newspaper that the company was evaluating the notice and will respond to it as appropriate.

The ministry of electronics and information technology could not be reached for comment outside regular working hours. TikTok did not respond to a request for comment.

# Google workers to form global union alliance

Google employees from across the globe are forming a union alliance, weeks after workers at the search engine giant and other units of parent company Alphabet Inc formed a labor union for US and Canadian offices.

UNI Global Union, that represents about 20 million workers globally, said on Monday it helped form Alpha Global, Google's union alliance that includes multiple countries such as the United States, Germany, Switzerland, Sweden and

Alpha Global will fight for the rights of full-time Alphabet employees as well as temporary, vendor and contract workers, UNI Global said.

"The problems at Alphabet ... are not limited to any one country, and must be addressed on a global level," UNI's General Secretary Christy Hoffman said.

Alphabet did not immediately respond to a request for comment.



A Google sign is pictured near the company's headquarters in Mountain View, California.

After years of protests over working conditions and business practices, 200 Google workers formed Alphabet Workers Union, a so-called "minority union," in early January.

Under US labor law, Alphabet can ignore the union's demands until a majority of employees support it.