

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
0.88%	1.09%	\$1,864.44	\$55.59	5.00%	1.55%	0.21%	0.64%	83.95	100.80	114.41	12.79	
5,599.80	9,833.02	(per ounce)	(per barrel)	48,600.61	28,091.05	2,896.32	3,505.28	BUY TK	84.95	104.60	118.21	13.45



Star BUSINESS

DHAKA TUESDAY FEBRUARY 2, 2021, MAGH 19, 1427 BS • starbusiness@thedailystar.net

Exports, cheap foreign loans to take a hit for LDC graduation

Finds planning ministry study

REJAUL KARIM BYRON and REFAAT ULLAH MIRDHA

Bangladesh's export earnings and the flow of concessional foreign financing and grants will decline once it becomes a developing country, according to a government study.

The projected loss of exports and grants and higher debt service costs would lead to higher current account deficit, said the study styled "Impact assessment and coping up strategies of graduation from LDC status for Bangladesh" prepared by the General Economics Division (GED), a wing under the planning ministry.

The study was prepared before the coronavirus pandemic hit the country.

In August, it was sent to all ministries to come up with strategies to make up for the losses caused by the crisis, said Prof M Shamsul Alam, a member of the GED.

DOWNSIDERS OF LDC GRADUATION

Biggest blow will come from the loss of duty-free market access

Loss in exports to stand at \$13b in FY31

Absence of concessional loans will lead to increased debt servicing costs

Loss of grants will be \$700m per annum

Current account deficit may swell to 0.9-1.4% of GDP in FY27

The ministries will incorporate the risk factors in their strategies. For example, the commerce ministry has taken steps to sign trade agreements with various



Garment accounts for about 84 per cent of Bangladesh's total exports.

countries as Bangladesh would lose duty-free market access following the graduation, he said.

The biggest blow will emerge in the form of the loss of duty-free market access. The projected export loss from garment products in the European Union and non-EU markets estimated to be about 5 per cent of the total exports in the fiscal year of 2017-18, the study said.

This amounts to a loss of \$7 billion in FY27, which would steadily increase to \$13 billion by FY31.

"Policy actions will be necessary to counter these projected losses," the study said.

The proportion of concessional assistance will continue to fall while the proportions of non-concessional loans will increase in the coming years.

This is not the direct result of the LDC graduation, but a continuation of the ongoing trend owing to the increase in per capita income.

The concessional debt is already declining: the ratio came down to 51.3 per cent of the total external debt in FY16. Bangladesh has accessed a significant amount of non-concessional financing in recent years.

Remittance stays robust

AKM ZAMIR UDDIN

Remittance flow to Bangladesh has maintained its robust growth in January despite the persisting pandemic although it dropped below \$2 billion for the first time in the last five months.

Expatriate Bangladeshis sent home \$1.96 billion last month, up 19.78 per cent year-on-year, data from the central bank showed yesterday.

Remittance fetched more than \$2 billion for Bangladesh between September and December. The inflow, however, has started to slow since September.

Between July and January, the country received \$14.9 billion in remittance, up 34.95 per cent a year ago, BB data showed.

"The magnificent growth of remittance has given a boost to the confidence of the government in managing the macro-economy in times of crisis," said Mustafa K Mujeeri, executive director of the Institute

for Inclusive Finance and Development.

But he raised a question: why has remittance been increasing during the pandemic?

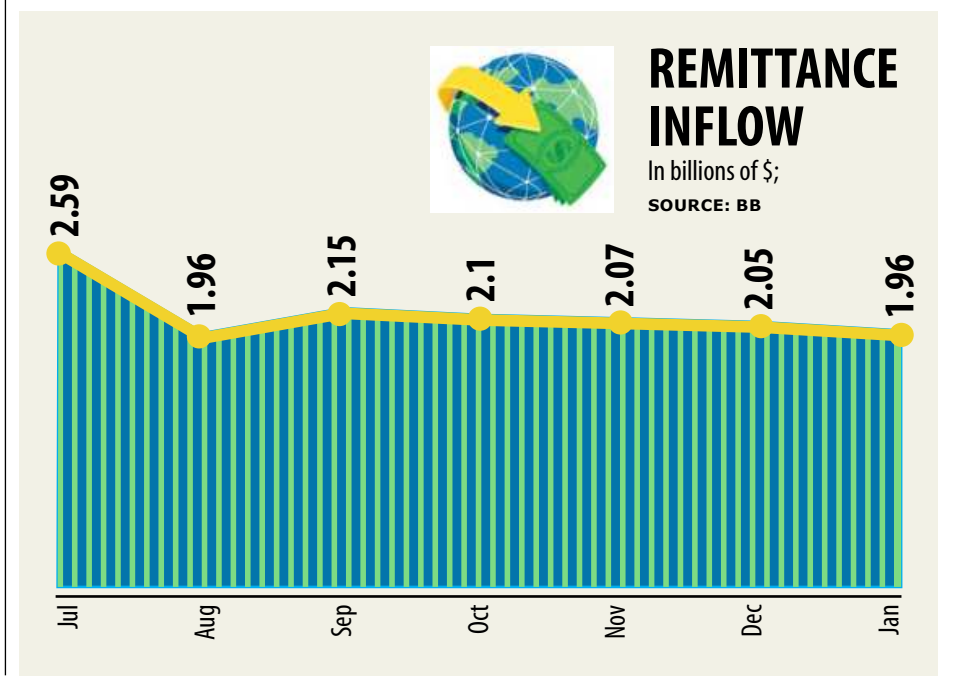
"We do not have any research to find out the reasons for the growing trend of remittance during the pandemic."

Mujeeri, a former chief economist of the central bank, said migrant workers might have sent more money to support family members during the crisis.

Many migrant workers lost jobs as their host countries have imposed lockdowns to contain the deadly virus, which might have compelled the migrants to send all assets back home.

The hundi system, an illegal cross-border money transfer system, has come to a halt because of the restriction on movement and this might have taken remittance to a new high, Mujeeri said.

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GP hasn't set aside funds against govt's audit claim: auditor

STAR BUSINESS REPORT

Grameenphone has not set aside any funds against the government's claim of Tk 12,580 crore in unpaid taxes and fees, prompting its auditor to include it as an emphasis of matter paragraph in the financial statement.

An auditor's emphasis of matter paragraph indicates that the auditor's opinion is not modified with respect to the matter emphasised.

The Dhaka Stock Exchange (DSE) disclosed the view of the auditor of the listed telecom company on its website yesterday.

The Bangladesh Telecommunication Regulatory Commission (BTRC) in 2019 asked the operator to pay Tk 12,580 crore in dues concerning the audit conducted by the commission from the period from the company's inception in 1997 to December 31, 2014.

The management of GP has contested the demands in the court. Pending final outcome of the court proceedings, the management has concluded that significant uncertainty exists to enable any reliable estimation of a potential obligation, the auditor said.

"No provision for these demands and consequential interest thereon has been made in the accompanying financial statements."

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Dhaka hotels bear the brunt of pandemic

AHSAN HABIB

Business for hotels in the capital was sluggish during the July-December period of 2020-21 as there were fewer events and programmes and a lower presence of guests.

But those located in places known for tourism continued to see higher profits thanks to people continuing to visit those areas.

Among four listed hotels, a year-on-year increase in the profit was marked by the Sea Pearl Beach Resort & Spa, the owing company of the Royal Tulip Sea Pearl Beach Resort & Spa and The Peninsula Chittagong.

Meanwhile Dhaka-based the Unique Hotel & Resorts, the owing company of The Westin Dhaka, and Bangladesh Services, the owing company of Hotel InterContinental Dhaka, incurred losses whereas both had earlier been in profits.

"We were impacted initially but now we bounced back," said Md Alamgir, managing director of Hotels International, the owing company of Pan Pacific Sonargaon, Dhaka.

"Our hotel was closed for three months till June 8 as per the government's direction so we

incurred loss in that period," he said.

"We started to book profit from October and it became enhanced in December, which will be higher in the current month," said Alamgir, also an additional

secretary to the government.

"We are giving some promotional offers for bazar shop, saloon, swimming pool, laundry and food to attract people," he said.

"As there are a limited number

of foreign guests so we are focusing on local guests," he said.

Responding to a question, he said a number of events like wedding and government programmes had reduced but now those were starting to be

organised.

Hotels located in the capital faced a bigger impact in contrast to those in places visited by tourists, said Azaharul Mamun, company secretary to the Sea Pearl.

This is because people who were confined to their homes started visiting places when the general leave was withdrawn, resulting in a higher number of guests in hotels located in Cox's Bazar and Sylhet, he said.

As people's movements were limited to their homes for a long period, they immediately took the opportunity to go out for leisure, he said.

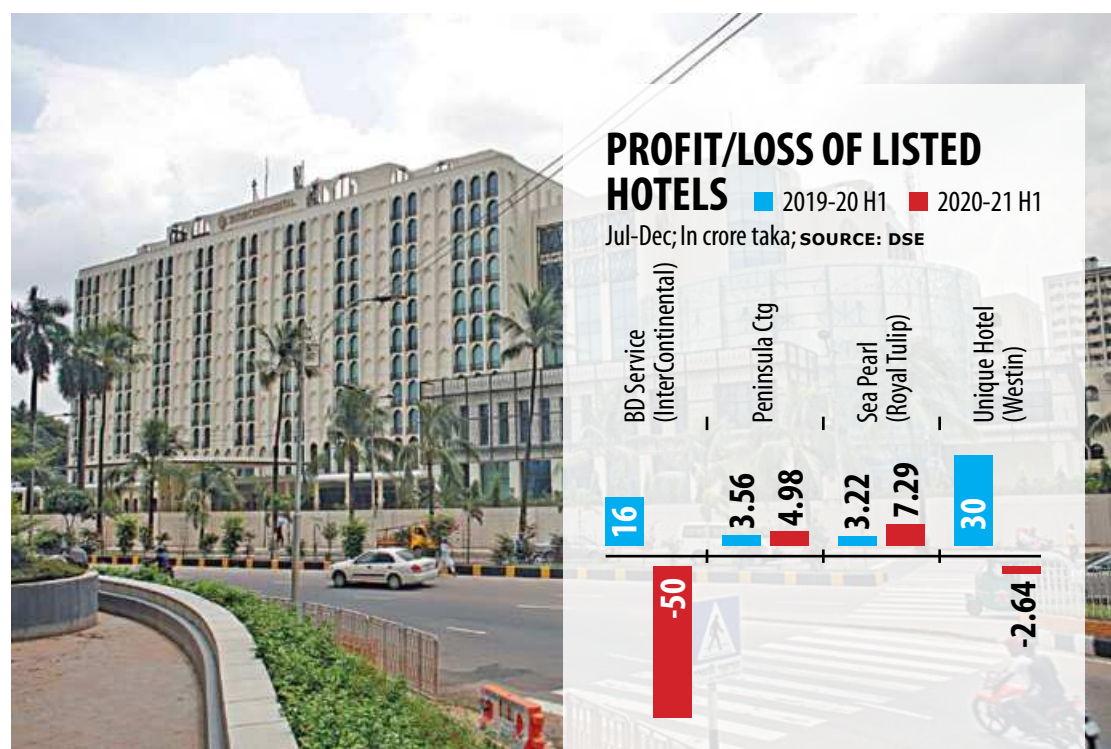
"When the country was under a lockdown for two months, we upgraded our hotels' safety materials with modern amenities to ensure our guests' safety from the pathogen," he said.

"We ran our marketing activities focusing the safety measures...and it had an impact on our performance," Mamun said.

Profits of the Sea Pearl doubled to Tk 7.29 crore.

"Our building is not a compact building but one that ensures fresh air so people had confidence on us," he said.

READ MORE ON B3



Pran to make Gillette razors for P&G

STAR BUSINESS REPORT

Pran yesterday said to have entered into a contract with the Procter & Gamble (P&G) to manufacture and supply razors for the American multinational consumer goods corporation.

The facility to produce "Gillette Guard Razor Blades" was virtually inaugurated yesterday, said Pran in a press statement.

"It sends a very strong signal not only to other US companies but all over the world. That is because of P&G's size, reputation and position as a successful global company," said Salman F Rahman, the prime minister's private industry and investment adviser.

Advance Personal Care, a sister concern of Pran, will operate the manufacturing facility at Habiganj. Annually it targets to make around 75 lakh razors.

Pran will not market the P&G's products which it would be making, said the statement.

This is yet another step by Pran to manufacture products under contract arrangements as part of its business expansion drive.

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Sugar refiners relieved of advance tax

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has relieved sugar refiners of advance tax (AT) on import of raw sweeteners for processing -- a move that will reduce pressure on their working capital.

The move comes one and a half years after the revenue authority introduced the AT in July 2019 under the VAT law 2012 in order to ensure that firms maintain records of transactions.

The NBR said the value added tax (VAT) was 5 per cent and refundable after adjustment of the payable VAT. In reality, a number of businesses are yet to get refunds of excess VAT.

Sugar refiners are one of those. A senior official of the NBR said it decided to remove the AT on raw sugar import as the VAT was exempted at the production stage.

"As no VAT is generated at manufacturing stage, refunds are generated and refiners have to wait for refunds. As there is no VAT at production stage and cost of funds of refiners increases because of obligation to pay the AT, we have withdrawn the AT on raw sugar

import," he said. Biswajit Saha, director for corporate and regulatory affairs of City Group, welcomed the NBR step.

"No refund will be generated in future as we will not have to pay AT during imports," he said, adding

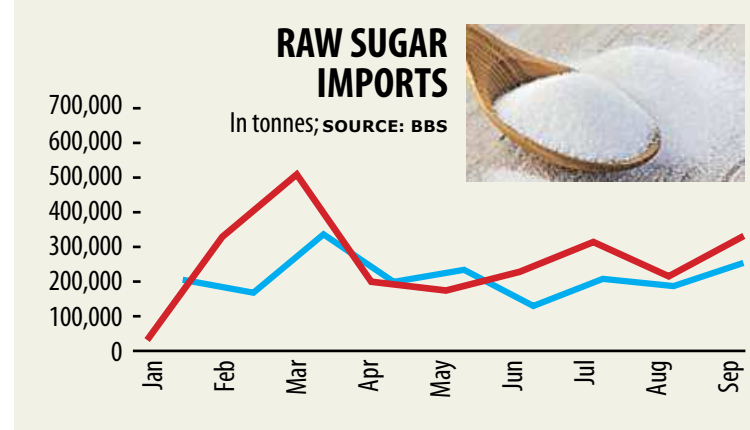
that refund claims of roughly Tk 400 crore from sugar refiners remained pending for clearance at the NBR.

The City runs one of the biggest refineries having a processing capacity of 5,000 tonnes a day. Bangladesh annually requires 18-20 lakh tonnes of sugar and imports meet 95 per cent of the domestic demand as local production is scanty.

Raw sugar imports soared 36 per cent year-on-year to 27 lakh tonnes in the January-September period of 2020, according to data of the Bangladesh Bureau of Statistics.

The NBR issued the notification at a time when prices of sugar were increasing, thanks to its upward trend in the international market.

Prices of each kilogramme of sugar rose 6 per cent to Tk 65-Tk 70 yesterday in the city markets from Tk 62-65 a month ago.



BSEC to launch audit of BD Welding

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has appointed independent directors at Bangladesh Welding and decided to run a special audit on the company to protect the interests of general investors holding 65 per cent of its stakes.

The stock market regulator has nominated and appointed two distinguished persons as independent directors of the company, said the Dhaka Stock Exchange yesterday in a disclosure.

The BSEC sent a letter to the company on January 26 stating that the company went under the z category on May 4, 2016 and the shares of the company have

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Monzurur Rahman, chairman of Pubali Bank, attends the first conference of the regional and corporate branch managers for 2021 through a digital platform recently. Md Abdul Halim Chowdhury, CEO, was present.



MA Mannan, chairman of Butterfly Marketing, hands over new motorcycles to showroom managers and dealers for being the "Top Remittance Contributors of 2019" at an event recently.



Debabrata Roy Chowdhury, director for legal and tax and company secretary to Nestlé Bangladesh, and Jafrul Hassan, executive director of the House of Volunteers Foundation, attend a deal signing ceremony in Dhaka recently. The entities will sponsor "Bangladesh Stockholm Junior Water Prize" along with WaterAid to arrange a national water science project competition to prepare Bangladeshi students for international competitions.



Dong Heon Kim, country manager at Woori Bank, and Shubhashish Bose, CEO of The Institute of Chartered Accountants of Bangladesh (ICAB), attend a deal signing ceremony at ICAB Bhaban in Dhaka. The ICAB members will get the bank's retail loans at "attractive rates and fees".



Mominul Islam, CEO of IPDC Finance, and Syed Ashiqur Rahman Rean, general manager of Bproperty, attend a deal signing ceremony recently. Bproperty will do price valuation and legal validation of mortgaged properties of IPDC Finance.



Syed Habib Hasnat, managing director of Global Islami Bank, launches the bank's internet banking service, "Go Fast", at its head office in Dhaka recently.

Office of the Convener
Central procurement cell
Noakhali Science & Technology University
Noakhali-3814.

Memo No: NSTU/CPC/Tender/framework(G)/20-21/10-05/ 78 (01)
Dated : 28.01.2021

INVITATION FOR Framework contrat

01. Ministry/Division	Ministry of Education				
02. Agency	University Grants Commission/ Noakhali Science & Technology University.				
03. Procuring entity name	Vice-Chancellor / Convener, CPC				
04. Procuring entity Code	nil				
05. Procuring entity District	Noakhali				
06. Invitation for	Supply of Printing & Other goods of Carpentry, Masonry, Plumbing, Examination, Electric & Electronics, Toner, Printing, Computer accessories & Transport goods for NSTU. (for 2 years with frame work contract.				
07. Invitation Ref. No.	Memo No. NSTU/CPC/Tender/framework(G)/20-21/10-05/ Dated : 28.01.2021				
08. Procurement method	Frame work contract				
09. Budget and source of funds	GOB				
10. Tender Package no.	01 & 02				
11. Tender publication date	02.02.2021				
12. Tender Last selling date	17.02.2021				
13. Tender Closing Date & Time	Date:22.02.2021 Time: 12.00.				
14. Tender Opening Date & Time	Date:22.02.2021 Time :12.30 pm.				
15. Pre-Tender meeting	Date :18.02.2021 Time:12.00am. Conference room, 1 st floor, Administrative building, NSTU				
16. Name & address of the office(s)					
a) Selling Tender Document	1) Office of the Convener CPC, (Ground floor, Admin building) Noakhali Science & Technology University, Noakhali-3814				
b) Receiving Tender Document	1) Office of the Convener CPC, (Ground floor, Admin building) Noakhali Science & Technology University, Noakhali-3814				
c) Opening Tender Document	Tresure Office (1 st floor), Admin Building Noakhali Science & Technology University, Noakhali-3814, Bangladesh.				
17. Qualification of Tenderer	This invitation for Tenders is open to all eligible Tenderers as mentioned below: a) Enlisted Supplier of Govt./Semi Govt./ Autonomous Organizations or propiter of related goods/ materials who have minimum 03 (Three) years general experience. b) The minimum specific experience as Supplier in supply of similar Goods of at least [01] contract(s) for all lots successfully completed within the last [03] years c) The tenderers shall have Liquid Assets certificate, sanctioned credit line facilities of at least Tk. 70% (Seventy percent) of Quoted value. d) Up to date Trade License, Income Tax clearance & VAT Registration certificate. e) Other required eligibility & condition of the Tenderers as stipulated in the Tender Data Sheet of Tender Document.				
18. Brief description of works	Supplying Examination materials, Carpentry, plumbing & sanitary, store & ict cell goods for 3years. Details in BOQ.				
19. Identification of Lots, Tender Security, Completion Time and Price of Tender Document					
Package no.	Name of work	Price of Tender document (non-refundable)	Location	Tender Security Amount in Tk. (BDT)	Completion time in month
Pack-01 lot-(1-5)	Supply of Printing & Other goods of Carpentry, Masonry, Plumbing Examination, Electric & Electronics Goods for NSTU.	Tk. 1000.00	NSTU	Tk. 2% of quoted value of each Lot.	36 (Thirty Six) months
Pack-02 lot-(1-4)	Supply of Toner, Printing goods, Computer accessories & Transport goods for NSTU.				
20. Name of official inviting tender	Mohammad Saidur Rahman				
21. Designation of official inviting tender	Convener CPC				
22. Address of official inviting tender	Noakhali Science & Technology University, Noakhali-3814 Bangladesh.				
23. Contact details of Official inviting tender	Telephone No- 0321-72785 Fax: 0321-72721				
24. The procuring entity reserves the right to accept or reject any or all tenders without assigning any reason whatsoever.					

Mohammad saidur rahman
Convener
Central Procurement Cell
Noakhali Science & Technology University.

Asian markets mostly rise in respite from recent rout

AFP, Hong Kong

Most Asian markets bounced Monday following last week's blood-letting as bargain-buyers moved in, but dealers remain on edge as surging infections and a stuttering vaccination rollout offset long-term hopes for the economic recovery.

Worries about online retail investors' attack on Wall Street short traders was also causing angst on trading floors, with fears they are being forced to sell some equities to cover their backs while silver rallied as it became the new target of buying.

Global markets were a sea of red last week owing to a combination of issues including rising virus cases, problems with countries' immunisation programmes and worries about high valuations following a months-long rally. New York's three main indexes all ended Friday with steep losses and there is talk that equities will see a correction.

Still, the new week started on a positive note, with Hong Kong, Seoul and Jakarta all up more than two percent, while Tokyo, Mumbai and Taipei jumped more than one percent.

Manila soared more than three percent and there were also big gains in Shanghai, Sydney and Bangkok. Singapore and Wellington both edged down. US futures were all higher. "Despite lockdown and mobility restrictions tightening, leading to a first-quarter slowdown, the global economy will register the most vigorous global growth explosion in decades in 2021," said Axi strategist Stephen Innes.

"And when combined with the continued policy support, it should ultimately outweigh any risk parity-driven sell-off in stocks."

He added that while the vaccine rollouts were having teething problems, they "will ultimately be the linchpin for the global recovery".

But he warned there was a growing

fear that the spread of more highly infectious variants of the virus could slow the easing of containment measures, which would affect the global recovery and could lead to some nations seeing a double dip recession.

Data out of China at the weekend showed growth in economic activity appeared to have slowed in January as officials imposed fresh containment measures to counter new clusters of the virus in parts of the country.

But economist Lu Ting said: "Bad news on PMIs could be good for sentiment on policies. Markets have in the past week been worried about a potentially sharp shift in Beijing's policy stance, but (the) relatively poor news... could convince Beijing that now is not the time to make such a sharp shift in its policies and may also assuage those market concerns."

"The spotlight was also still on Washington with lawmakers urged to push through a new stimulus for the struggling US economy."

Government of the People's Republic of Bangladesh
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Memo No. 35.01.3330.427.07.001.21-206
Date: 31/01/2021

e-Tender Notice

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

Sl.	Tender/Proposal ID, Reference No. & name of works	Last date & time for tender/proposal selling	Tender/proposal opening date & time
1.	e-GP/18/GRD/2020-2021 (Tender ID # 542210) Supplying Asphalt Mistry Skilled Semi-skilled and Unskilled Labour for Routine Maintenance Works at Different Roads of Gazipur Road Sub-Division under Gazipur Road Division during the year 2020-2021.	15-Feb-2021 17:00	16-Feb-2021 12:00
2.	e-GP/19/GRD/2020-2021 (Tender ID # 542401) Repair of Potholes, Profile Correction by Khoa Grouting & Carpeting, HBB work and DBS Wearing Course at 36th Km (p), 38th Km (p), 39th Km and 40th Km of Modanpur-Joydebpur (Dhaka Bypass) (N-105) Road under Gazipur Road Division during the year 2020-2021.	22-Feb-2021 17:00	23-Feb-2021 12:00

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required. Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@www.eprocure.gov.bd).

Mohammad Saifuddin
ID No. 601964
Executive Engineer, RHD
Road Division, Gazipur

GameStop saga may provide early test of Biden administration ethics pledges

REUTERS, Washington

Arguably the last thing new US Treasury Secretary Janet Yellen wants to take up during her first days in office is a financial market imbroglio involving one of her last private sector business relationships.

But as hedge fund Citadel LLC emerges as one of the key actors in the trading frenzy last week involving GameStop Corp - and questions arise over whether the activity exposes deeper risks for the financial system - Yellen could find herself pulled into the fray.

Citadel, together with another fund, extended a \$2.75 billion financial lifeline to hedge fund Melvin Capital Management, which had suffered heavy losses by betting against GameStop. Citadel also pays for the right to process Robinhood users' trades, a practice that has drawn some concern from investor advocates.

The White House has said Yellen is among a handful of officials monitoring the fracas. As head of the Financial Stability Oversight Council (FSOC), Yellen is broadly responsible for the health of the entire trading and investing system.

A sticking point for her to clear, though, may be \$700,000 in speaking fees she accepted from Citadel, as recently as last fall. Yellen has pledged not to involve herself in an official capacity in matters involving the firm without first seeking a written waiver from Treasury ethics officials.

Ethics experts say that pledge is not a hard wall for her to scale should the need arise. After ethics violations dogged the Trump administration, some groups are urging Yellen to pre-emptively seek a waiver, and set a precedent.

"This example is a good test of Biden's ethics executive order and the transparency that follows, but it also highlights the revolving door and why restrictions are necessary to protect the integrity of government missions, policies, and programs," said Scott Amey, general counsel at Project On Government Oversight, a nonpartisan government watchdog group.

The Treasury secretary normally does not get involved in matters involving individual stocks and concentrates instead on broad systemic risks to the financial system, which the department monitors through daily market surveillance.

"Secretary Yellen of course will abide by her ethics agreement and ethics pledge in all instances," Treasury spokesman Calvin Mitchell said. He did not indicate how she would approach the specific Citadel issue.

Like many former government officials, including her former Federal Reserve chair predecessor Ben Bernanke, Yellen took speaking fees from private companies after she left government.

Yellen filed an ethics agreement here with the Office of Government Ethics in December saying she would "seek written authorization to

participate personally and substantially in any particular matter" related to any companies that paid her speaking fees prior to joining President Joe Biden's administration - for a year after her last speech to each firm.

Yellen spoke several times at Citadel, most recently on an Oct. 27 webinar, according to the filing. She was paid at least \$700,000 in speaking fees by the Citadel while she was in private practice at the Brookings Institution think tank, another disclosure here shows.

These speaking engagements, which also include financial heavyweights such as Barclays, Citigroup, and Goldman Sachs, are not likely to impact her ability to give Biden broad advice on the stock trading matter, government ethics experts say.

"If this becomes a situation where regulators are considering new rulemaking with Citadel as the poster-child, that's different," said Lisa Gilbert, executive vice president of Public Citizen, a group pushing for stronger financial regulation.

A major question is whether volatility from Gamestop and similar retail investor revolts against short-squeezes boil over into a systemic event that sends markets crashing broadly.

Typically a matter involving an individual stock or equity market trading and brokerages would fall to the Securities and Exchange Commission, which has said it is examining the matter.

Pran to make Gillette razors for P&G

FROM PAGE B1

One of the major business entities operating in diversified areas, namely processed foods and plastics, Pran-RFL Group manufactures a host of products in food and non-food categories in its facilities.

These range from juice, beverage, yogurt drink, biscuit, puffed rice and noodles to confectionery items. It also makes products for Coca-Cola, Del Monte Foods, Dollarama, Engel Foreign Food, Sherwood Food Distributors and Global Food Trade, said Pran.

Pran said it was engaged in contract manufacturing to earn foreign currency, generate employment and gain experience by working with multinational companies.

Another aim is to make complete use of its production capacity.

The new manufacturing facility to make razors will go into operation this month.

"We are proud to be P&G's partner in manufacturing superior products for

Bangladeshi consumers," said Ahsan Khan Chowdhury, chairman and chief executive of Pran-RFL Group which has a yearly turnover of over Tk 14,000 crore.

Madhusudan Gopalan, chief executive of P&G South Asia, said the arrangement would enable it to serve its consumers further.

"It also builds on our commitment to invest in Bangladesh which will contribute towards advancing the country's social and economic development by creating employment and partnering opportunities," he said.

US Ambassador to Bangladesh Earl R Millar termed the day vital as the P&G joined with other US firms to tap into the potential of Bangladesh as a major manufacturing base.

Md Sirazul Islam, executive chairman of Bangladesh Investment Development Authority, hoped for jobs to be created for youths through the initiative.

BSEC to launch audit of BD Welding

FROM PAGE B1

been trading under that category for a period of more than four years.

"But the company and its board of directors failed to improve the performance of the company during the period," it read.

On the other hand, the company declared 1 per cent stock dividend for shareholders without earning any profit in the period of 2019, which is contrary to what the securities laws stipulate, it said.

The company received Tk 23.80 crore against agreed value but its cash received against disposal of fixed assets is Tk 8.70 lakh. So, it is clear that there is a mismatch

in the cash received amount, the BSEC's letter read.

"At the same time, the property still exists in the balance sheet which is misleading," it said.

The company did not shown its documents on assets and debts to the auditor so its net asset value and earnings per shares is likely to be fabricated, the BSEC said.

So, the BSEC has taken the step to protect the interest of the investors of the company, the BSEC said.

The company's stocks rose 3.07 per cent to Tk 16.80 yesterday.

GP hasn't set aside funds against govt's audit claim: auditor

FROM PAGE B1

The BTRC's claim to the mobile operator stood at Tk 8,494.01 crore. The operator owed another Tk 4,085.94 crore to the National Board of Revenue from 1996 to 2017.

GP has paid Tk 2,000 crore to the BTRC as per a Supreme Court order.

The operator has a reserve of Tk 1,692 crore, according to the DSE. It provided 275 per cent cash dividend to shareholders for 2020.

British govt working on Covid recovery plan for economy

REUTERS, London

Britain's government is working on a recovery plan for the country's COVID-battered economy, a source said on Sunday, as ministers direct their attention to trying to restore growth for businesses hit hard by the pandemic.

Prime Minister Boris Johnson and finance minister Rishi Sunak have broken with the traditional, pro-market instincts of their Conservative Party and are on course to spend 280 billion pounds of public money in the

current financial year to support jobs and businesses.

The government source said the finance ministry and cabinet office were working on a recovery plan after the Sunday Times reported that the government would provide a long-term blueprint that is likely to mean high state spending for a decade.

The Sunday Times also said Sunak would use his March 3 budget to extend government relief, including the furlough job protection scheme, business support loans, cuts in value-added tax,

and perhaps the cut to stamp duty on property purchases which is due to expire at the end of March, until the virus is under control.

Earlier this month, a leading British employers group called for another 7.6 billion pounds of immediate government help, saying they could not wait until the March budget.

The Sunday Times said Sunak would also announce that the support programmes will be phased out, probably this autumn, in favour of a plan for jobs to kick-start employment and a plan for growth to promote new industries.

Exports, cheap foreign loans to take a hit for LDC graduation

FROM PAGE B1

Under the hypothetical scenario, where Bangladesh had remained an LDC in the foreseeable future, the proportion of concessional external debt would have remained high at more than 65 per cent.

The loss of concessional loans will lead to increased debt servicing costs, the study said.

Since the level of foreign currency reserves is assumed to be kept unchanged, the gap will be filled up by the accumulation of external debt.

The LDC graduation will open up the door for market-based borrowing by both the public and private sectors. And Bangladesh will become more dependent on borrowing from relatively higher-cost sources. The private sector external debt will also see an increase.

The third important factor will be the loss of foreign grants, currently received by the public and private sectors.

Bangladesh's dependence on foreign grants has come down significantly over the last several decades. In recent years, grants received by the public sector are estimated to be about 0.1 per cent of GDP, or less than \$300 million per annum.

There are no definitive estimates for grants from the foreign private sector to the domestic private sector.

However, based on the data on private transfers as reported in the balance of payments, the amount could be up to \$400 million.

The total grant amount of about \$700 million may disappear over time as Bangladesh graduates from the LDC group and firmly moves towards an upper-middle-income country status.

The combined impact of the three types of losses will directly affect the BoP, and the current account deficit

may swell to 0.9-1.4 per cent of GDP in FY27.

Most of the losses are on account of export loss in both EU and non-EU markets. The widening of the current account deficit from garment market loss in the EU alone contributes a 0.9 per cent increase in the current deficit.

If the export losses from the non-EU readymade garment, other exports and the loss of grants are considered, these add another 0.5 per cent to the current account deficit in FY27.

The higher debt-servicing costs and higher borrowing to finance the increased current account deficits will reduce the economy's capacity to invest, build up reserves or consume by the same amount under unchanged policies, according to the study.

The loss of grants will be primarily reflected through adjustments in budgetary outlays and private NGO activities. The study also suggested ways to offset the losses accrued from graduation.

The first approach could be to cover the full amount of BoP financing requirement by external borrowing. In this case, external debt will increase by the full amount of the shortfall, and there will be no need for import compression, also known as import reduction.

There will be no need to adjust the exchange rate and other policies, including monetary.

This may be a short-term and politically quite attractive solution but not a very desirable outcome from a medium and long-term perspective, the study said.

The adverse effects on GDP could be substantial, and associated negative implications for employment and poverty will create social problems.

Importantly, Bangladesh will deviate from its long-term development objectives associated

with the Perspective Plan 2041.

Furthermore, the debt sustainability situation may be compromised over time. The debt accumulation will increase rapidly that could jeopardise debt sustainability and debt servicing owing to reliance on high-cost commercial debt in market prices.

The second approach could be to allow the market mechanism to initiate the necessary adjustment process, including trade reforms and other policies to diversify exports and adjustments (depreciation) in the exchange rate to contain imports and provide incentives for exports.

Under this scenario, exports will be more competitive, and the consequent boost in exports, along with the containment of imports due to the exchange rate adjustment, will offset the impact of the loss in overseas sales.

In order to minimise the export loss, the authorities should engage in economic diplomacy, including initiatives for continued market access in the post-LDC period regionally, bilaterally or multilaterally.

The study suggested for reforms in the tax administration, macro-economic management strategy and stability in the BoP to offset the impacts of the LDC graduation in the economy.

Bangladesh was recommended for LDC graduation by the Committee for Development Policy (CDP), a United Nations panel that analyses the status of LDCs, in its triennial review in 2018 as the country met the graduation criteria in Gross National Income (GNI) per capita, Human Assets Index (HAI), and Economic Vulnerability Index (EVI).

The CDP will review the country's performance later this month. If Bangladesh can meet the requirements, it will be recommended for graduation.

Remittance stays robust

FROM PAGE B1

"These are all hypothesis. The government should carry out research to unearth the actual reasons for the upward trend of remittance."

The research will help find out whether the trend is temporary or will last long, he said. "The findings will assist the government in taking measures to maintain the flow."

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said it would take at least a couple of months to understand the trend.

Although labour export has almost come to a halt, remittance has been on the rise,

raising a natural question, he said.

Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem), said that remittance had created a mismatch from both micro and macro-economic perspectives.

Remittance has helped swell the country's foreign exchange reserve, which stood at \$42.91 billion yesterday compared to \$32.38 billion a year ago.

In a study conducted between November and December, the Sanem found that remittance to households declined during the pandemic.

Dhaka hotels bear the brunt of pandemic


FROM PAGE B1

"On the other hand, our hotel is away from the sea beach so people think our hotel is safer," he said.


Mohammad Nurul Azim, company secretary to the Peninsula, said the Chattogram-based hotel registered increased sales of foods owing to a demand for hygiene from the well-off and middle-class in the port city.

"Our overhead cost also declined. Our directors stopped receiving remuneration from July last year amid the pandemic. The need for casual staff also declined and we keep them under an on call basis," he said.

"We also got business travelers from Dhaka and other parts," he said.



Dhaka Power Distribution Co. Ltd.
ঢাকা পাওয়ার ডিস্ট্রিবিউশন কোম্পানি লিমিটেড (ডিপিডিসি)
(An Enterprise of the Government of the People's Republic of Bangladesh)
বিদ্যুৎ ভবন (৩য় তলা), ১ আব্দুল গনি রোড, ঢাকা-১০০০।
Web site : www.dpdpc.gov.bd



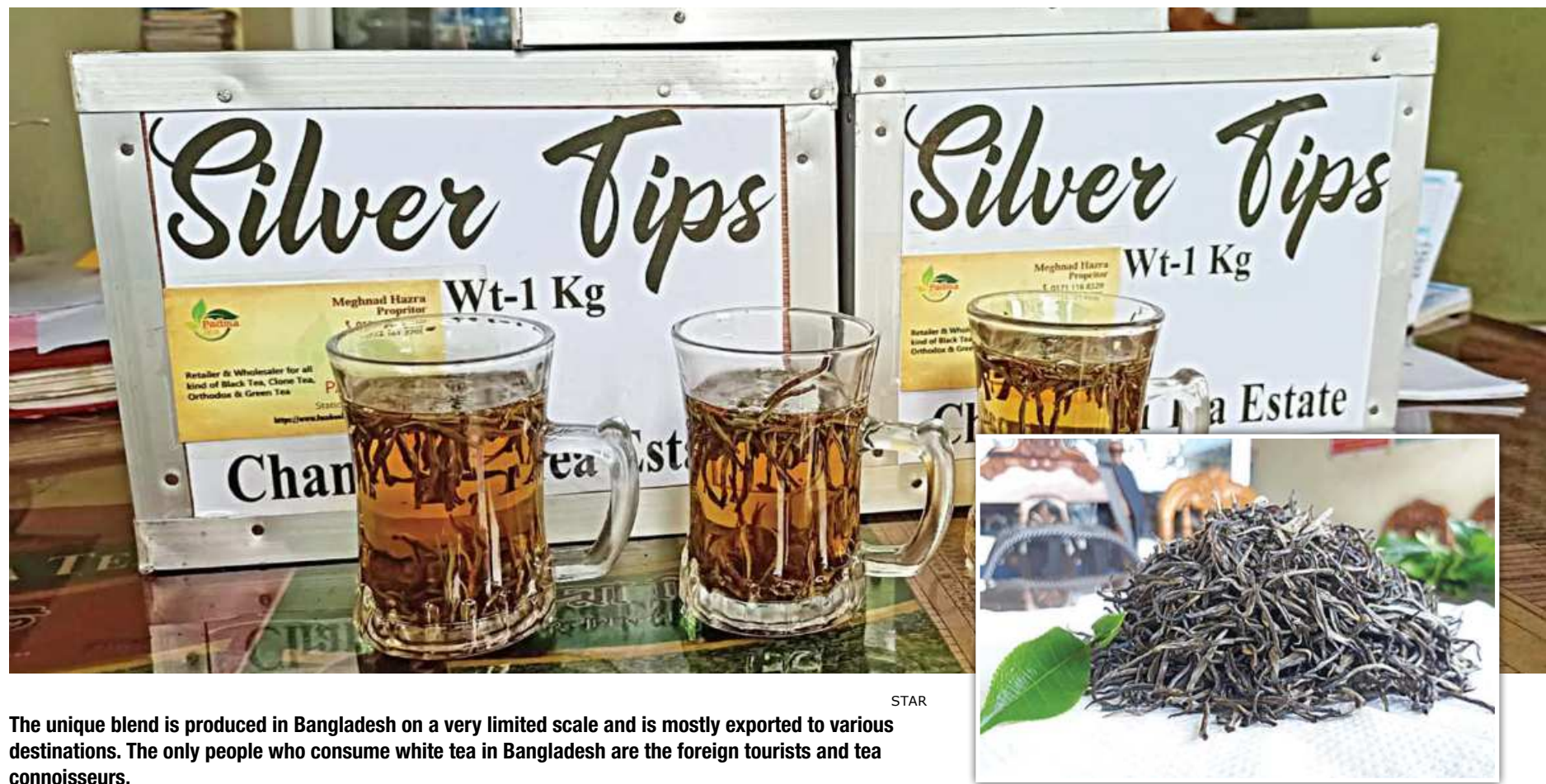
Invitation for Bids

Date: February 02, 2021
Loan Agreement No: BD-P97
IFB No: 787/2021
Reference Identification No: 87.402.105.00.00.182.2017.787
Deadline for submission of Bid: May 03, 2021
Ministry/Division: Ministry of Power, Energy & Mineral Resources/ Power Division
Executing Agency: Dhaka Power Distribution Company Limited (DPDC)

- The Government of the People's Republic of Bangladesh has received a loan from Japan International Cooperation Agency (JICA) towards the cost of "Dhaka Underground Substation Construction Project". It is intended that part of the proceeds of this loan will be applied to eligible payments under the Contract for the project named "Dhaka Underground Substation Construction Project at Kawranbazar under DPDC".
- Bidding will be conducted through procedures in accordance with the applicable Guidelines for Procurement under Japanese ODA Loans, and is open to all Bidders from eligible source countries, as defined in the Loan Agreement.
- Dhaka Power Distribution Company Limited (DPDC) now invites sealed Bids from eligible Bidders for "Design, Fabrication, Supply, Installation, Testing and Commissioning of 132/33 kV & 33/11 kV Underground Substation, Civil works, Underground Building Construction, 132 kV Underground Transmission line and 33 kV & 11 kV Distribution line facilities at Kawranbazar on Design Build Turnkey Basis" ("the Works"). International Competitive Bidding will be conducted in accordance with JICA's Single-Stage Bidding Procedure.
- Interested eligible Bidders may obtain further information at the following address:
Attention: Project Director, Dhaka Underground Substation Construction Project at Kawranbazar under DPDC
Address: Office of the Superintending Engineer, Contract & Procurement Circle, DPDC
Biddut Bhaban (3rd Floor), 1-Abdul Gani Road, Dhaka-1000, Bangladesh
Email: pdugss@dpdc.org.bd; Telephone: +8802-9567258
- A complete set of the Bidding Documents can be purchased by interested Bidders on the submission of a written application to the address above and upon payment of a non-refundable fee of Bangladeshi **Taka 30,000.00 (Taka Thirty Thousand Only)** in the form of Pay Order issued by any scheduled bank in Bangladesh in favor of Dhaka Power Distribution Company Limited.
The bidding document can be purchased in any working days after 03 (three) days of publishing Tender Notice. The Bidding Documents shall not be sent through a courier for an additional fee even so requested.
- Bids must be delivered on or before **11:00 AM (Bangladesh Standard Time) on May 03, 2021** and must be accompanied by a **Bid Security of USD 1,500,000.00 (US Dollar One Million Five Hundred Thousand Only) as stated in Clause 21.1 of the Bid Data Sheet (BDS)** to the following address:
Address: Office of the Superintending Engineer, Contract & Procurement Circle, DPDC
Biddut Bhaban (3rd Floor), 1-Abdul Gani Road, Dhaka-1000, Bangladesh
Email: pdugss@dpdc.org.bd; Telephone: +8802-9567258
- Bids will be opened in the presence of Bidders' representatives [limited two members from each Bidder who submitted the bids and the bid security acceptable to representative of DPDC] at the following schedule:
Time: 11:30 AM (Bangladesh Standard Time), Date: May 03, 2021
Address: Office of the Superintending Engineer, Contract & Procurement Circle, DPDC
Biddut Bhaban (3rd Floor), 1-Abdul Gani Road, Dhaka-1000, Bangladesh
Email: pdugss@dpdc.org.bd; Telephone: +8802-9567258
- Other Details:**
Invitation for Bids (Tender Notice) along with 'General Information & Scope' is posted on DPDC website: www.dpdpc.gov.bd & CPTU website: www.cptu.gov.bd and hard copies of the same are available from the office address above mentioned.
Name of Official Inviting the Bids : Md. Asaduzzaman
Designation of Official Inviting the Bids : Company Secretary, DPDC
Address of Official Inviting the Bids : Office of the Company Secretary, DPDC, Biddut Bhaban (2nd Floor), 1-Abdul Gani Road, Dhaka-1000, Bangladesh.
Email: cs@dpdc.org.bd; Telephone: +8802-9570066

Md. Asaduzzaman
Company Secretary, DPDC

White tea heralds new opportunities



The unique blend is produced in Bangladesh on a very limited scale and is mostly exported to various destinations. The only people who consume white tea in Bangladesh are the foreign tourists and tea connoisseurs.

MINTU DESHWARA
Although tea is an extremely popular beverage in Bangladesh, very few people in the country know about its various flavours.
For example, white tea is hardly heard of as most locals are accustomed to consuming the more common varieties.
White tea can only be harvested by hand for a short period each year, making it one of the most expensive sorts of tea in the market.
The unique blend is produced in Bangladesh on a very limited scale and is mostly exported to various destinations but for the first time in the country's history, Silver Needle grade white tea was auctioned off in Chittagong earlier this month.
East Bengal Brokers had previously

catalogued 10 kilogrammes of white tea produced by the National Tea Company (NTC) at Champarai Tea Garden in Kamalganj upazila of Moulvibazar.
The tea was later purchased for Tk 2,500 per kilogramme by Padma Tea Supply, according to Arifur Rahman Shahin, director of East Bengal Brokers.
The auction was held at Progressive Tower in Agrabad, Chattogram.
"This is the first time that white tea has been sold by auction at the Chattogram Tea Auction Centre," Shahin said.
Noor Hossain, a tea taster and blender of the National Tea Company, told The Daily Star that when the tea is prepared, it bears a slightly pale yellow colour.
The tea leaves are collected at dawn. If the plant is harvested after this period, then the quality of the tea becomes compromised.

Besides, the buds are separated from the leaves with special care, which is a time-consuming process.
"So, white tea is not produced very much," Hossain said, adding that production is limited even at the Champarai Tea Garden.
The only people who consume white tea in Bangladesh are the foreign tourists and tea connoisseurs.
Meghnad Hajra, proprietor of Padma Tea Supply, said they have high hopes for their purchase.
"Foreign buyers ask us for the best quality of tea available and now, with this white tea, we will try to quench their thirst," Hajra said.
Padma Tea Supply also aims to bring the variety within the reach of middle-class consumers.

After paying VAT and other expenses, the tea is worth about Tk 3,500 per kilogramme.
"We are selling it for Tk 4,000 per kilogramme," he added.
Johar Tarafdar, member secretary of the Tea Traders and Planters Association of Bangladesh, said the integration of white tea at the retail level was a major step for the local tea industry.
The industry will further develop if the production and marketing of high quality blends are increased, Tarafdar added.
Mohammad Ali, director of the Bangladesh Tea Research Institute, said white tea was initially cultivated in China, mainly in Fujian province.
It is now produced on a very limited scale in eastern Nepal, Taiwan, northern Thailand, southern Sri Lanka, India and Bangladesh.

CASE AGAINST NASIR GROUP OFFICIALS

HC wants to know why BFIU failed to complete probe in 4yrs

STAR BUSINESS REPORT

The High Court yesterday wanted to know why the Bangladesh Financial Intelligence Unit (BFIU), the anti-money laundering wing of the Bangladesh Bank, has failed to complete the investigation into a money laundering case in the last four years that was filed against four high officials of Nasir Group of Industries.

The court ordered the governor of the central bank and senior secretary to the finance division to submit a report to the court in 40 days, explaining the reasons behind the long delay in completing the investigation.

During hearing of a revision petition filed by the accused of the money laundering case, the HC directed the BFIU to complete the investigation into the case in next four months.

The HC bench of Justice M Enayetur Rahim and Justice Md Mostafizur Rahman exonerated the four accused from personal appearance before the lower court concerned in connection with the case.

The bench also fixed March 14 for further hearing and passing order on this issue, Deputy Attorney General Sarwar Hossain Bappi told The Daily Star.

He said the Anti-Corruption Commission filed the case in 2015 against Nasir Group of Industries' Chairman Nasir Uddin Bishwash, its General Manager (import) Alfaz Uddin, Assistant General Manager Mobaiddul Islam and GM (marketing) Shamim Ahmed alias Shamsul Islam bringing allegation of laundering Tk 56.33 crore abroad through under-invoice from 2009 to 2014.



ACC's Director Mir Joynul Abedin Shibli submitted the final report to the lower court concerned in 2016 exempting the four accused from the charges of the money laundering case.

The same year, the trial court refused to accept the final report submitted by the ACC official and ordered the BFIU to conduct a further investigation into the case.

The four accused filed a revision petition with the HC seeking cancellation of the trial proceedings of the case against them on the ground that the investigation of the case was not completed yet.

After examining the documents annexed with the revision petition, the HC bench yesterday issued the directives, DAG Sarwar said, adding that the investigation is still now going on.

Lawyer Mahbubur Rahman appeared for the accused while lawyer Tanvir Parvez represented the BFIU.

GLOBAL BUSINESS

India spends big to revive pandemic-hit economy

AFP, New Delhi
India unveiled a massive spending plan focused on healthcare and infrastructure on Monday, as the government sought to boost a coronavirus-ravaged economy on course for its biggest annual contraction on record.
The nation of 1.3 billion was badly hit by one of the world's strictest virus lockdowns, with growth slumping by a historic 23.9 percent in April-June, and the economy expected to contract 7.7 percent in 2020-21.
"This budget provides every opportunity for our economy to raise and capture the pace that it needs for a sustainable growth," Finance Minister Nirmala Sitharaman told parliament in her annual budget speech.
Indian Prime Minister Narendra Modi added: "We have presented a proactive budget... that will speed up progress in terms of wealth and wellness."
The planned expenditure of US\$30.6 billion on health and well-being schemes was more than double the equivalent outlay in the previous budget, although it included US\$4.8 billion for the country's ambitious Covid-19 immunisation drive, with plans to vaccinate 300 million by July.
The health sector has long suffered from chronic underinvestment. As of 2017, the



A man watches a live streaming of the 2021 union budget on his mobile phone, in Kolkata yesterday.

country had 0.8 doctors per 1,000 people, around the same level as Iraq, according to the World Bank.
Infrastructure was another big-ticket item in the budget, with US\$76 billion -- 34.5 percent more than in the previous budget -- to be sunk into major projects, including roads and railways.
Divestments -- including of national carrier Air India and part of the government's stake in the country's largest insurer, Life Insurance Corporation -- would help raise US\$24 billion, Sitharaman said.

But the sales of both state-run firms have been on the cards, with the mooted IPO of the insurer sparking a walk-out by nearly 100,000 staff last year.
With lenders struggling with a mountain of bad debt, Sitharaman said \$2.74 billion would be put aside for the next financial year to recapitalize state banks.
Social security benefits, including minimum wages, would be extended to workers in the gig economy, which has flourished amid cheap mobile data and abundant labour.

The spending measures will blow out the fiscal deficit to 9.5 percent of GDP for the financial year ending March, Sitharaman said, from a forecast 3.5 percent.
The government plans to borrow an additional US\$1.1 billion to fund the deficit, she added.
As fears of higher income taxes proved unfounded, markets soared with Mumbai's Sensex index up 4.87 percent Monday afternoon.
In its annual economic survey, the government said there would be a "V-shaped" recovery after the severe contraction, forecasting growth to hit 11 percent in 2021-22.
With Asia's third-largest economy in the throes of a slowdown even before the pandemic, analysts said the budget provided much-needed stimulus.
"On the whole it is a pretty positive signal and a pro-investment budget," Sujana Hajra, chief economist at Anand Rathi Securities, told AFP.
"Given the relatively low outlay by the government last year, India... had the space to provide more stimulus."
But some also warned that millions of poorer workers left jobless during the virus shutdown needed more support.
"The budget does not adequately address concerns over inequitable growth," HDFC Bank chief economist Abheek Barua said in a note.

African Dev Bank backs young 'agripreneurs' to beat climate change

REUTERS, Barcelona
The African Development Bank plans to deploy billions of dollars to help young people build a new digitally-driven model of agriculture that can feed the continent's people and boost prosperity even as the planet heats up, its president said.
At a global summit this week, the bank and the Global Center on Adaptation announced an initiative to strengthen African efforts to become more resilient to extreme weather and rising seas, threats worsened by fast-accelerating climate change.
The African Development Bank plans to put half of its climate finance towards the initiative - \$12.5 billion between now and 2025 - and raise an equal amount from donor governments, the private sector and international climate funds.
Akinwumi Adesina, a former Nigerian agriculture minister who leads the bank, told the Thomson Reuters Foundation that Africa is struggling on two fronts - with the economic and health fallout from the COVID-19 pandemic, as well as climate shocks.
Drought, floods, creeping deserts and climate-fuelled locust attacks are forcing down crop yields and driving up hunger

and migration on the continent, he said.
"It's a double disaster," the bow-tie-wearing official said in a video interview. "We've got to change this and give Africa what it needs to be able to adapt well to climate change." Patrick Verkooyen, CEO of the Netherlands-based Global Center on Adaptation, which has a regional office in Abidjan, said Africa was the continent most vulnerable to climate change, despite producing only 5% of global planet-heating emissions.
The new programme is an opportunity "to put adaptation on steroids", by focusing on improved food production, climate-resilient infrastructure, youth entrepreneurship and better access to finance, he said in an online interview.
African countries are putting more of their financial resources towards adapting to climate change, he noted, even as their budgets are stretched by the pandemic.
"But there is still a massive gap. That gap needs to be filled, and it needs to be filled urgently," he added.
Two goals of the new Africa Adaptation Acceleration Program are increasing farmers' access to digital services to help them cope with erratic weather and providing finance to young entrepreneurs to set up agricultural businesses, Adesina said.



Farmers harvest maize crop facilitated by the Safaricom DigiFarm App, that helps agribusinesses and small holding farmers to share information and transact easily, in Sigor village of Bomet County, Kenya.

Smartphone giant Xiaomi sues to reverse US blacklisting

AFP, Washington
Chinese smartphone maker Xiaomi said Sunday it had filed a lawsuit seeking to overturn the former Trump administration's last-minute blacklisting of the electronics giant.
Xiaomi said it filed the appeal with a Washington federal court Friday after former president Donald Trump's administration barred investment in the firm, saying the Beijing-headquartered company was a part of the Chinese military.
In a statement, Xiaomi said it "believes that

the decision ... was factually incorrect and has deprived the company of legal due process." "With a view to protecting the interests of the global users, partners, employees and shareholders of (Xiaomi), the company has pleaded to the courts to declare the decision illegal and that it be reversed," the statement added.
Just six days before Trump left office, his officials made a series of announcements targeting Xiaomi and other Chinese firms including state oil giant CNOOC and embattled social media favorite TikTok.

Xiaomi -- which overtook Apple last year to become the world's third-largest smartphone manufacturer -- was one of nine firms the Pentagon classified as "Communist Chinese military companies."
"The measure was seen as an attempt to cement Trump's trade war legacy with China after four years of turbulent relations with Beijing.
The blacklisting means US investors cannot buy Xiaomi securities.
The company's stock price dropped more than 10 percent following the blacklisting.