

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 1.34%	▼ 2.10%	\$1,811.00	\$59.34	▲ 0.71%	▲ 1.54%	▲ 0.05%	▼ 0.16%	BUY TK 83.95	99.86	113.39	12.79
5,647.67	9,853.68	(per ounce)	(per barrel)	50,731.63	28,779.19	2,907.11	3,496.33	SELL TK 84.95	103.66	117.19	13.45



# Star BUSINESS

DHAKA SUNDAY FEBRUARY 7, 2021, MAGH 24, 1427 BS • starbusiness@thedailystar.net

## Loans to weak sectors face significant pressure: Moody's

Non-performing loans may increase in coming quarters as recovery from pandemic remains slow

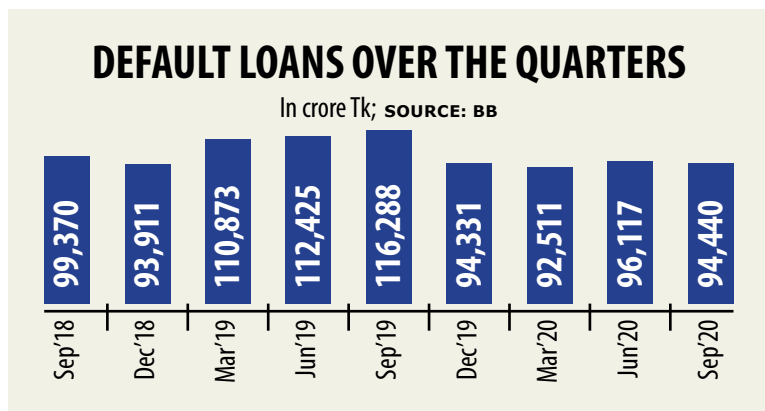
REJAUL KARIM BYRON and MD FAZLUR RAHMAN

Loans to the vulnerable sectors in Bangladesh such as garment, textile, cement and tanneries will face significant pressure as they are yet to see expected recovery from the shock of the coronavirus pandemic, Moody's said.

"The true asset quality of loans will emerge across all sectors, and we expect significant pressure in loans to vulnerable sectors such as readymade garment and textile," said the global credit rating agency in an analysis.

Garment and textile sectors accounted for 19.4 per cent of banking system loans at the end of 2019.

In the nine months to September, garment-related exports fell by 19.8 per cent from the year-earlier period, according to Moody's.



Between July and January, the first seven months of the fiscal year, the shipment of garment declined 3.44 per cent year-on-year to \$18.40 billion as Bangladesh's key export destinations have been struggling to contain the impacts of the pandemic for more than a year, data from the Export Promotion

Bureau showed. Of the earnings from the apparel export, \$9.98 billion came from the knitwear shipment, which was up 3.84 per cent. The export of woven items declined 10.85 per cent to \$8.41 billion.

"We also expect loans in sectors such as cement manufacturing and tanneries to contribute to asset-quality stress because they have yet to recover from the economic slowdown," Moody's said.

The analysis said non-performing loans would increase in the coming quarters because of the expiration of credit moratorium period and weakening of the repayment capacity of borrowers as a result of the coronavirus shock.



### MOODY'S SAYS

Loan tenure extension will alleviate pressure on borrowers

Moratorium's end is credit positive because it restores transparency and payment discipline

It will allow banks to identify borrowers that are truly affected by the economic slowdown

Revealing the extent of asset-quality problems will provide regulators with more visibility on the health of banking system

"We expect the system-wide NPL ratio to increase in the coming quarters."

READ MORE ON B2

## STIMULUS FUND DISBURSEMENT

### Small enterprises, farmers still languish in neglect

AKM ZAMIR UDDIN

The implementation of stimulus packages for small and medium enterprises, the agriculture sector and underprivileged professionals and businesses is still weak because of lukewarm response from banks although they were unveiled more than a year ago.

The lacklustre execution of the three packages has had an adverse impact on the recovery of the economy from the pandemic-induced slowdown, bankers say.

The government has rolled out 23 bailout packages since March to help various sectors of the economy absorb the coronavirus shock. The majority of the packages were declared in April.

The total amount under financial assistance stands at Tk 124,053 crore, which is 4.44 per cent of the gross domestic product. Of the sum, the central bank has come up with Tk 87,750 crore in the form of seven packages.

The central bank has formed a stimulus package worth Tk 20,000 crore for CMSMEs (cottage, micro, small and medium enterprises). Under the package, loans are given at 9 per cent.

Of the rate, 4 per cent is borne by the borrowers and 5 per cent by the government. Banks disbursed 58 per cent of the fund as of January 28, data from the central bank showed.

The central bank had earlier asked lenders to implement the package by September last year, a target lenders could not meet, prompting the BB to extend the deadline several times.

It has recently asked banks to implement the package by March this year.

Some banks have shown reluctance to disburse loans from the fund as the

**STIMULUS DISBURSEMENT STATUS**  
As of Jan 31; SOURCE: BB

58pc of Tk 20,000cr fund disbursed for CMSME sector

69pc of Tk 5,000cr for farm sector

47pc of Tk 3,000cr for marginal businesses

92pc of Tk 33,000cr for large borrowers

majority of CMSME clients are not running business in an organised manner, a central banker said.

"Lenders don't know whether they would be able to recover the loans," said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

He, however, said banks had already taken initiatives to disburse loans to CMSMEs.

Banks are also far from reaching the disbursement deadline for farm loans under the stimulus package of Tk 5,000 crore.

When the package was announced in the form of a refinance scheme, the central bank asked banks to distribute it by September last year. But banks performed poorly, forcing the central bank to push back the deadline twice.

READ MORE ON B3

## Women entrepreneurs need digital skills: experts

STAR BUSINESS REPORT

Women entrepreneurs need to be skilled in digitalisation in order to avail the advantages of modern technology so that they can give a boost to their businesses, according to Shirin Sharmin Chaudhury, speaker of Bangladesh Parliament.

"We have seen many potentials in e-commerce businesses during the pandemic so technology can help women," she said.

E-commerce has shown its importance

from a gender perspective because it is a strong platform for empowerment, she said.

"Our women are suffering from some problems even in normal times such as low access to finance, training, markets and mobility," Chaudhury added.

Other major challenges faced by women entrepreneurs are inadequate access to credit facilities and a lack of accounting and managerial knowledge, she said.

READ MORE ON B2



## Steel exports jump 83pc

JAGARAN CHAKMA

Bangladesh's steel export, mainly semi-finished casting products, leaped 82.91 per cent year-on-year during the July-January period of the ongoing fiscal, interestingly coinciding with the ongoing pandemic-induced economic slowdown.

Of the export, \$10 million worth of goods went to China.

Bangladesh's steel mills primarily import scrap metal to produce the intermediate casting products which need further processing to be turned into finished goods.

The industry deals with ferrous waste and scrap, re-melted ingots and products made from such metal of all shapes and sizes such as angles, rods, plates and pipes.

The export destinations are mainly the United Arab Emirates, India, Malaysia, Japan, Thailand, Pakistan and Myanmar.

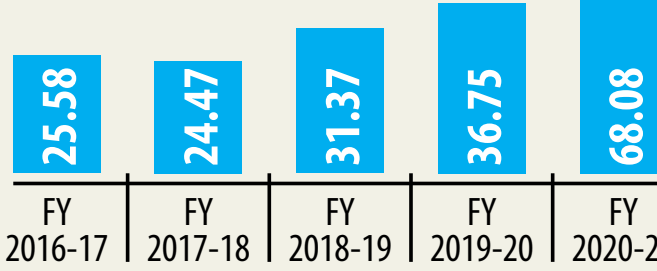
"The export increased due to a leading steel maker exporting around 45,000 tonnes of billet during the pandemic which showed a big jump in steel export," said Manwar Hossain, president of Bangladesh Steel Mills Owners Association.



### STEEL EXPORTS

Jul-Jan period; In million \$;

SOURCE: EPB



The leading steel makers tried to bring in cash instead of making a profit by selling at less than the production cost as the situation was not favourable during that time, he said.

According to him, such strategies in steel export are good for building images but not commercially viable.

Tapan Sengupta, deputy managing

director of Bangladesh Steel Re-Rolling Mills, said Bangladesh's steel mills export by-products which they themselves cannot make use of including air pollution control dust and parts of scrapped ships such as scrapers.

He said the ferrous waste and scrap were exported to India, China, Taiwan etc.

As for finished products, he said Bangladesh had attained quality of international standard but not export volumes as per expectations. Though some were exported to north east India, the amount is very insignificant, he said.

Shahriar Jahan Rahat, deputy managing director of Kabir Steel Re-Rolling Mills Group, said there was no scope of exporting finished steel as the millers were capable of only catering to local demand.

He said the sector was dependent on importing the raw materials.

Rahat said Bangladesh's annual consumption had risen by 15 per cent to 20 per cent between 2017 and 2019 whereas earlier it was increasing by some 10 per cent.

He believes the demand would persist for a long time in Bangladesh.

READ MORE ON B2

## Get ready for gradual end of LDC-specific support: Tipu Munshi

STAR BUSINESS REPORT

Bangladesh should start preparing for the gradual withdrawal of international supports as the country is set to graduate from the group of least developed countries, Commerce Minister Tipu Munshi said yesterday.

The country should move towards signing of free trade agreements (FTAs) or preferential trade agreements (PTAs) to cope with the post-graduation scenario, he said.

He was addressing a virtual workshop on "Effective Partnership with the Private Sector for Sustainable Graduation". The Support to Sustainable Graduation Project of the Economic Relations Division (ERD) organised the event.

The graduation is likely to create new dynamics in international trade and businesses due to the loss of LDC-specific supports, speakers said.

"Likewise, we would be able to adjust very well with the upcoming dynamics," said Finance Minister AHM Mustafa Kamal.

The minister called on the private sector to enhance research and development capacity to cope with the upcoming Fourth Industrial Revolution and the LDC graduation.

ERD Secretary Fatima Yasmin said the government would prepare a smooth transition strategy in consultation with the stakeholders, including the private sector to grab the opportunities and cope with the challenges of graduation.

READ MORE ON B3

## Improve infrastructure, business climate to remain competitive

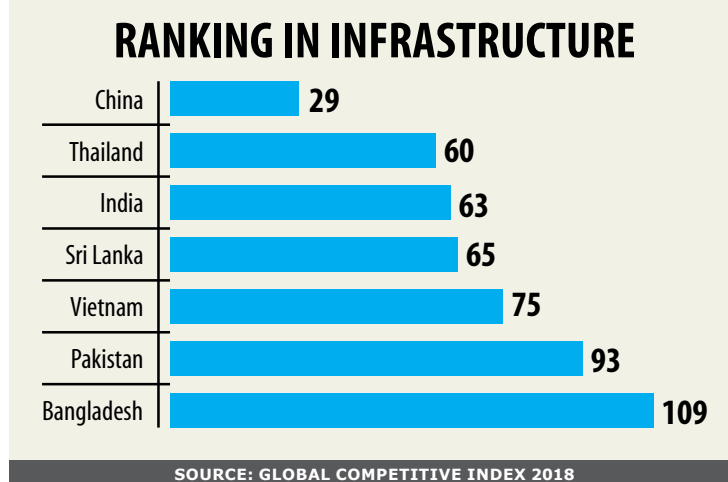
Planning ministry report suggests measures for Bangladesh to offset post-LDC fallouts

REJAUL KARIM BYRON and REEYET ULLAH MIRDHA

Development of physical infrastructure, improvement of the business climate and labour productivity and technological adoption are the key to making Bangladesh competitive in global trade by offsetting the fallouts of the LDC graduation.

"Improved infrastructure and labour productivity will reduce the costs and smoothen the business in the post-LDC period," the General Economics Division (GED) said in a study report.

The wing of the planning ministry carried out the study styled "Impact assessment and coping up strategies of graduation from LDC status for Bangladesh" as the country is set to graduate from the group of the least developed countries in 2024.



It said although the government must be lauded for increasing the number of power plants to 108 in 2020 from 27 in 2009, most of them are small scale.

Keeping in mind the rise of projected demand for electricity to 34,000 MW by 2030, the government is planning to invest around \$70 billion in the power

### TIME NEEDED TO GET ELECTRICITY

COUNTRY	TIME (IN DAYS)
Bangladesh	150.2
India	55
Indonesia	34
Malaysia	24
Myanmar	77
Nepal	70
Philippines	37
Singapore	30
Thailand	30
Vietnam	31

SOURCE: WORLD BANK; DOING BUSINESS 2019

sector over the next 15 years.

"It is important that this investment is based on using least-cost options and renewable energy

to the extent technically possible to lower the cost of electricity, ensure the sustainability of primary energy supply and reduce carbon pollution.

"Proper pricing of primary energy will be of critical importance."

Emphasis will also have to be given to power transmission and distribution, upgrading of grid capacities, and energy trade in the region.

Cooperation with neighbouring countries such as India in the field of energy trade is ongoing, and this should be broadened to include Bhutan and Nepal, the report said.

The GED report said the current road network was inadequate to provide infrastructural support to a country with a population of more than 160 million and that is aspiring to become a high-income country in 2041.

READ MORE ON B3



# Biden vows to 'act fast' on US stimulus amid weak January hiring

AFP, Washington

US President Joe Biden on Friday seized on feeble US employment data to argue the world's largest economy needs his \$1.9 trillion pandemic relief package, which cleared a key Senate hurdle without support from the Republican opposition.

The closely-watched jobs data showed the unemployment rate dropped to 6.3 percent in January, but the economy added only 49,000 jobs, the Labor Department said.

The anaemic report made plain the ongoing struggles in the United States as Americans cope with the largest Covid-19 outbreak in the world.

"I believe the American people are looking right now to their government for help," Biden said after a meeting with top

Democratic lawmakers.

"So I'm going to act, I'm going to act fast," Democratic House Speaker Nancy Pelosi said she would push for rapid approval of the package. "Hopefully in a two-week period of time, we'll send something over to the Senate," she told reporters after the White House meeting.

The House of Representatives approved a budget proposal by a narrow margin on Friday, following Senate Democrats who in the wee hours of the morning won a procedural vote setting the stage for passage of the president's relief bill.

The package includes a host of measures aimed at boosting the recovery, including aid to small businesses and the unemployed, and funds to speed up vaccine distribution to contain the pandemic.

But in a sign of just how



US President Joe Biden exits Air Force One as he arrives at Newcastle, Delaware, US.

narrow the path to approval, Vice President Kamala Harris cast the tie-breaking vote to overcome the

criticism. "The way I see it, the biggest risk is not going too big," he said. But he did have to concede somewhat on issues such as his proposal for a hike in the federal minimum wage to \$15, telling CBS in an interview Friday that the measure likely would not pass. "I don't think it's going to survive," he admitted.

Nevertheless Biden's efforts received a big endorsement, when IMF chief Kristalina Georgieva offered her support for the plan, and rejected the notion it was excessive. "The US does have fiscal space to take additional relief and support measures," she told reporters Friday.

And it is "appropriate" to use that firepower "given the exceptional uncertainties, and most importantly, given the fact that there is still a lot of pain for households and businesses.

# Dollar drops

REUTERS

The dollar lost out to the euro after Friday's US jobs report suggested that some traders may have over-played a stronger American recovery from the coronavirus pandemic.

The euro rose 0.7 per cent to \$1.2042 in its biggest daily gain in more than two months after the report, which Marc Chandler, strategist at Bannockburn Global Forex, said did more to force short-term traders to adjust long-dollar and short-euro positions than it changed the economic outlook for a US recovery that is stronger than peers.

The dollar index of a basket of currencies was down 0.5 per cent at 91.028, but still holding a weekly gain of 0.6 per cent. "This forces some of the late dollar-longs out," Chandler said.

"It doesn't really change what to expect for Q1 GDP in the US Market positioning is a different story."

The report showed US employment growth rebounded less than expected in January and job losses the prior month were deeper than initially thought, strengthening the argument for additional relief money to aid the recovery from the COVID-19 pandemic. The greenback was off 0.1 per cent against the yen at 105.42.

The more modest change against the yen, Chandler said, was consistent with yields on longer-term US Treasuries edging up in reaction to the report and the support it gives for additional government spending to stimulate the economy. The spread between yields on two-year and 10-year Treasuries, seen as an indicator of economic expectations, widened to as much as 106 basis points and the most since May 2017.

# Cuba opens door to most small business initiatives

REUTERS, Havana

In a major reform of the state-dominated economy, the Cuban government will allow small private businesses to operate in most fields, eliminating its limited list of activities, state-run media reported on Saturday.

The measure, coming as the Caribbean island seeks to recover from an economic slump, will expand the field from 127 activities to more than 2,000 Labor Minister Marta Elena Feito Cabrera was quoted as saying. She spoke at a council of ministers meeting that approved the policy.

She said there would be 124 exceptions, but the media reports provided no details.

Reform-minded Cuban economists have long called for the role of small business to be expanded to help jump-start the economy and to create jobs.

The economy has stagnated for years and contracted by 11% last year, due to a combination of the coronavirus pandemic that devastated tourism and tough U.S. sanctions. Cubans have been dealing with a scarcity of basic goods and endless lines to obtain them.

The crisis has forced a series of long promised but stalled reforms, from devaluation of the peso and reorganization of the monetary system to some deregulation of state businesses and foreign investment.

President Miguel Diaz-Canel said last year the country faced an international and local crisis and would implement a series of reforms to increase exports, cut imports and stimulate domestic demand.

He said the measures would include the improvement of the non-state sector, with immediate priority in the expansion of self-employment and removal of obstacles.

# Loans to weak sectors face significant pressure: Moody's

FROM PAGE B1

On January 31, the central bank announced that it would not extend the loan repayment moratorium that was introduced after the start of the coronavirus outbreak in March.

Instead, the central bank allowed banks to extend the repayment period for term loan instalments for up to two years.

"The extent of NPL formation will, however, depend on banks' willingness to extend loan repayment periods and the effectiveness of the stimulus measures announced last year," Moody's said.

As much as 70 per cent of the total outstanding loans amounting to Tk 1,063,626 crore were term loans as of September 30 last year, according to a BB official.

NPLs stood at Tk 94,440 crore as of September, the latest for which data is available. This is down 1.74 per cent from three months earlier and 18.73 per cent year-on-year.

The NPL declined to 8.9 per cent in September from 12 per cent a year earlier despite disruptions caused by the coronavirus pandemic.

"The decline was driven by the loan moratorium and the prohibition on banks downgrading loans until December 2020, which delayed the recognition of NPLs," the

credit rating agency said.

The actual picture of defaulted loans would be apparent in the middle of 2021 when the moratorium facility will not be available, said MA Halim Chowdhury, managing director of Pubali Bank, in December.

The toxic loans would go up at a faster pace once the moratorium is lifted, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, earlier.

The extension of loan tenure - a type of loan rescheduling - is credit positive because it will reduce the risk of a sudden surge in NPL ratios, Moody's said.

With the expiry of the moratorium, borrowers face higher monthly instalments because the maturities remain the same, resulting in amortisation of loan balances over a shorter period.

"The loan tenure extension will alleviate pressure on borrowers because they will have up to an additional two years to make repayments."

The agency said the moratorium's end was also credit positive because it restored transparency and payment discipline in the banking system, ensuring the comparability of asset quality between banks.

It will allow banks to identify

those borrowers that are truly affected by the economic slowdown and those that are wilful defaulters.

In addition, revealing the extent of asset-quality problems will provide regulators with more visibility on the financial health of the banking system and enable implementation of effective support measures, it said.

Yesterday, Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said the recovery of industries, particularly the export-oriented ones had been relatively slowly.

"We hope the recovery will gain momentum in the coming months."

The mild impact of the second wave of coronavirus infections, an expected positive trend in growth and employment in the United States following the election of a new president, and the mass vaccination in the developed countries may help push up demand, the economist said.

"If demand goes up, our export-oriented industries will make a turnaround and their incomes will go up. This will allow them to pay instalments regularly."

Moazzem also said the current uncertainty would be short-term. "The small factories may face some challenges."

**Government of the People's Republic of Bangladesh**

Directorate General of Family Planning  
Mohammadpur Fertility Services & Training Centre  
and 100 Bedded MCH Hospital  
Augrangzeb Road, Mohammadpur, Dhaka-1207

Ref. No. 59.11.0000.651.07.02.2020-68 Dated: 06/02/2021

**Invitation for Tenders (Goods) (2020-2021)**

Sealed tenders are hereby invited as per "PPR-2008" from the eligible tenderers as defined in the tender document for the under mentioned goods as per terms and conditions stated below:

1	Ministry/Division	Ministry of Health & Family Welfare.				
2	Agency	Mohammadpur Fertility Services & Training Centre and 100 Bedded MCH Hospital, DGFP.				
3	Procuring entity name	Director, Mohammadpur Fertility Services & Training Centre and 100 Bedded MCH Hospital, DGFP.				
4	Procuring entity code	N/A.				
5	Procuring entity district	Dhaka.				
6	Invitation for	1. Supply of MSS (Lot-1) under package 1. 2. Supply of Consumable Stores (Lot-1) under package 2.				
7	Invitation Ref No.	No. 68				
8	Date	06-February-2021				
9	Procurement method	OTM.				
10	Budget and source of funds	Development Budget (GOB) as per released fund.				
11	Development partner	N/A.				
12	Project/programme code	N/A.				
13	Project/programme name	CCSDP under HPNSP.				
14	Tender Package No.	1. DGFP/MFSTC/cdev/1/2020-2021/ 2. DGFP/MFSTC/cdev/2/2020-2021/				
15	Tender package name	1. Supply of MSS (Lot-1) under package 1. 2. Supply of Consumable Stores (Lot-1) under package 2.				
16	Tender publication date	06-February-2021				
17	Tender last selling date	08-March-2021				
18	Tender closing date and time	09-March-2021 at 1:00pm.				
19	Tender opening date and time	09-March-2021 at 1:45pm.				
20	Name & addresses of the offices	<b>Selling &amp; receiving tender document:</b> 1. At the Office of the Director, Mohammadpur Fertility Services & Training Centre and 100 Bedded MCH Hospital, Aurangzeb Road, Mohammadpur, Dhaka-1207. 2. At the Office of the Line Director, CCSDP Unit (12th Floor), Directorate General of Family Planning, 6, Kawran Bazar, Dhaka-1215. <b>Opening tender document:</b> 1. At the Office of the Director, Mohammadpur Fertility Services & Training Centre and 100 Bedded MCH Hospital, Aurangzeb Road, Mohammadpur, Dhaka-1207.				
21	Brief eligibility & qualification of tenderer	The tenderer shall have a minimum of 5 (five) years of overall experience in the supply of goods and related services. The tenderer shall have successfully completed minimum 1 (one) number of supply contract of similar goods and related services within last 3 (three) years, i.e. years counting backward from the date of publication of IFT in the newspaper and also as described in tender document.				
22	Brief description of goods	1. Supply of MSS (Lot-1) under package 1 and 2. Supply of Consumable Stores (Lot-1) under package 2 (detailed in tender schedule).				
23	Brief description of related services	1 (one) year warranty of goods as described in tender document.				
24	Price of tender document	Tk 1000/- (one thousand) for each tender (per package) should be paid in Bangladesh Bank through Treasury Challan in Code No. 1-2781-0000-2366 in favour of Director General, DGFP, 6, Kawran Bazar, Dhaka-1215 and online verification copy must be submitted.				
25	Pkg. No.	Identification	Location	Tender security amount (Tk)	Completi on time in weeks	Remarks
1.	DGFP/MFS TC/cdev/1/ 2020-2021/	1. Supply of MSS (Lot-1) under package1	At MFSTC, Moham madpur, Dhaka	10,000/- (ten thousand) per lot	4 weeks after the signing of the contract	"N.B. Tender security for each lot should be submitted in the form of Bank Draft/Pay Order from any scheduled Bank of Bangladesh in favour of Director, Mohammadpur Fertility Services & Training Centre, Aurangzeb Road, Mohammadpur, Dhaka-1207.
2.	DGFP/MFS TC/cdev/2/ 2020-2021/	2. Supply of Consumable Stores (Lot-1) under package2	At MFSTC, Moham madpur, Dhaka	10,000/- (ten thousand) per lot	4 weeks after the signing of the contract	
26	Name of official inviting tender	Dr. Md. Muniruzzaman Siddiqui.				
27	Designation of official inviting tender	Director.				
28	Address of official inviting tender	Mohammadpur Fertility Services & Training Centre and 100 Bedded MCH Hospital, Aurangzeb Road, Mohammadpur, Dhaka-1207.				
29	Contact details of official inviting tender	Phone: 48119621, 48116557				
30	The procuring entity reserves the right to accept or reject any/all tender(s) without assigning any reason whatsoever. If schedule submission and opening is interrupted due to unavoidable circumstances, it will duly be conducted in the next working day. All other terms and conditions will remain same.					

**Dr. Md. Muniruzzaman Siddiqui**  
Director  
MFSTC

GD-253

**Office of the Project Director**  
Bangladesh Regional Connectivity Project-1:  
Bangladesh Land Port Authority, Ministry of Shipping  
TCB Bhaban (12th Floor), 1, Kawran Bazar, Dhaka-1215  
[www.bsbk.gov.bd](http://www.bsbk.gov.bd)

Memo No. 18.15.0000.023.14.171.20/1489 Date: 04.02.2021

**Corrigendum of Specific Procurement Notice for Development of Ramgarh Land Port**  
RFB Reference No.: BLPA-W4, IDA Credit No. 6002-BD

The following corrigendum has been made in the Specific Procurement Notice for Development of Ramgarh Land Port (Memo No. 18.15.0000.023.14.171.20-1466, Date: 24.12.2020), published in the Daily Ittefaq on December 27, 2020 and on The Daily Star on December 27, 2020.

Para 6 of the Specific Procurement Notice will be replaced as below:

6. Bids must be delivered to the address below on or before 28 February, 2021, 2.30pm Bangladesh Local Time (Local time is GMT+6 hours). Electronic Bidding will not be permitted. Late Bids will be rejected. Bids will be publicly opened in the presence of the bidders' designated representatives and anyone who chooses to attend at the address below on 28 February, 2021 at 3:00pm Local time.

The detail addendum of the Bid Document will be available in the project website [brcp1.bsbk.gov.bd](http://brcp1.bsbk.gov.bd).

**Md. Sarwar Alam**  
Project Director (Joint Secretary)  
Bangladesh Regional Connectivity Project-1  
TCB Bhaban (12th Floor)  
1, Kawran Bazar, Dhaka-1215, Bangladesh  
Phone: +88 02 55014035  
E-mail: [pdbrcp1b1pae@gmail.com](mailto:pdbrcp1b1pae@gmail.com)

GD-249

## Women entrepreneurs need digital skills: experts

FROM PAGE B1

If they want to avail all the opportunities of the government's digitalisation activities, then they have to be trained well, the Speaker said, adding that capacity building must also be strengthened.

Chaudhury made these comments while addressing as chief guest the inaugural session of Asian Women Entrepreneurs' Summit 2021 organised by the Bangladesh-India Business Council of Women's Indian Chamber of Commerce and Industry.

"Women entrepreneurs still have problems of formalisation because their entities are mostly informal, so when they go to banks, the lenders ask for a trade licence which they cannot present," said Atiur Rahman, former governor of Bangladesh Bank.

"Banks should not ask for trade licences from women entrepreneurs, rather ask whether they have a bank account or national identity card," Rahman said.

"At least for the pandemic, they should have been waived from paying VAT and tax," he said, adding that the recovery process of the pandemic should be through green initiatives.

For developing countries, poverty has increased due to the pandemic, according to Vikram Kumar Doraiswami, Indian high commissioner to Bangladesh.

"I think we need to ensure greater access to financial resources and access to information and technology, enhance opportunities for training using digital platforms and training to use digital tools to enter the marketplace, ensuring women safety and intervention against gender based violence," he said.

Financial institutions should finance women considering their business ideas since financial inclusion has a direct impact on empowering women," he said.

Participation in the supply chain, enhancing skills and capacity building are necessary for women to bounce back in achieving financial resolution, he added.

Mai al-Kaila, health minister of the state of Palestine, Selim RF Hussain, managing director of Brac Bank, and Mantasha Ahmed, president of the Bangladesh-India Business Council of Women's Indian Chamber of Commerce and Industry, also spoke at the event.

## Steel exports jump 83pc

FROM PAGE B1

Rod consumption reached about 6 million tonnes in 2019 while the sector has an installed annual production capacity of about 110 million tonnes.

There are about 40 active manufacturers with a combined capacity to produce nine million tonnes of steel a year. Of them, Abul Khair Steel, GPH Steel, BSRM and KSRM meet more than half of the annual demand of eight million tonnes.

**Office of the Project Director**  
Bangladesh Regional Connectivity Project-1:  
Bangladesh Land Port Authority, Ministry of Shipping  
TCB Bhaban (12th Floor), 1, Kawran Bazar, Dhaka-1215  
[www.bsbk.gov.bd](http://www.bsbk.gov.bd)

Memo No. 18.15.0000.023.14.170.20/1488 Date: 04.02.2021

**Corrigendum of Specific Procurement Notice for Improvement and Expansion of Bhomra Land Port**  
RFB Reference No.: BLPA-W1, IDA Credit No. 6002-BD

The following corrigendum has been made in the Specific Procurement Notice for Improvement and Expansion of Bhomra Land Port (Memo No. 18.15.0000.023.14.170.20-1465, Date: 24.12.2020), published in the Daily Ittefaq on December 27, 2020 and on The Daily Star on December 27, 2020.

Para 6 of the Specific Procurement Notice will be replaced as below:

6. Bids must be delivered to the address below on or before 28 February, 2021, 12.00pm Bangladesh Local Time (Local time is GMT + 6 hours). Electronic Bidding will not be permitted. Late Bids will be rejected. Bids will be publicly opened in the presence of the Bidders' designated representatives and anyone who chooses to attend at the address below on 28 February, 2021 at 12:30pm Local time.

The detail addendum of the Bid Document will be available in the project website [brcp1.bsbk.gov.bd](http://brcp1.bsbk.gov.bd).

**Md. Sarwar Alam**  
Project Director (Joint Secretary)  
Bangladesh Regional Connectivity Project-1  
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E-mail: [pdbrcp1b1pae@gmail.com](mailto:pdbrcp1b1pae@gmail.com)

GD-250





**Mamoon Mahmood Shah  
NRB Bank  
gets new  
MD**

**STAR BUSINESS DESK**  
NRB Bank has recently witnessed the appointment of a new managing director (MD) and chief executive officer (CEO).  
The appointee, Mamoon Mahmood Shah, joined the bank as an additional managing director in 2019, according to a statement.  
He started his banking career as a probationary officer of IFIC Bank. Shah also worked at EBL, HSBC, Standard Chartered and ANZ Grindlays.  
He held the position of MD and CEO at ICB Islamic Bank, National Finance and GSP Finance.  
Shah attained a postgraduate degree in accounting from the University of Dhaka.

**US trade gap soars in 2020 amid pandemic disruptions**

**AFP, Washington**  
The US trade deficit surged in 2020 to its highest level since 2008, the government reported Friday, in the pandemic-roiled year that upended the global economy.  
Business shutdowns and global shipping disruptions caused by Covid-19 were a major factor for most of last year, leading to the largest trade gap since the start of the global financial crisis, according to Commerce Department data. And even as activity began to pick up, exports lagged and services continued to suffer, while the easing of US pandemic restrictions fuelled a rebound in imports.  
The total US trade deficit in goods and services surged, adding \$102 billion to the 2019 total to reach \$678.7 billion, as exports fell more than imports, according to the data. "Still-weak global demand and travel restrictions will keep trade subdued in the near term, with total exports clearly lagging imports," said James Watson of Oxford Economics.  
The report showed exports of goods and services fell by nearly \$400 billion to \$2.1 trillion last year, while imports fell just under \$300 billion to \$2.8 trillion.  
Weak net exports subtracted from GDP growth last year, and economists caution it could get worse before it gets better, especially since services like travel and hotels may be the last to improve. "Restrictions are being relaxed in the US, which will likely provide further support to imports, but ongoing lockdowns across Europe could weigh on export demand in the near term," said Rubeeela Farooqi of High Frequency Economics.  
In the most fraught US trade relationship under former president Donald Trump, the gap with China in goods trade alone

narrowed by \$34.4 billion to \$310.8 billion last year, on a modest gain in exports and a small decline in imports, the data showed.  
Trump promised his "America First" focus on domestic industry and aggressive trade policies and high tariffs on allies and rivals alike would boost sales of American-made products, but the total trade gap increased every year he was in office with the exception of 2019.  
After a steady escalation of trade tensions and tariffs on hundreds of billions of dollars in annual goods imports, Trump signed a "phase one" deal with Beijing a year ago, but many economists say the policy has failed to achieve its stated goals and in some areas did more harm than good.  
"Rather than benefiting the economy, it has reduced US economic growth and employment, resulting in an estimated peak loss of 245,000 jobs," the US-China Business Council said in a report last month, adding that "Tariff rates remain at a multi-decade high" in spite of the agreement.  
What kind of course correction President Joe Biden will press for in trade relations remains unclear, but he has indicated he will not immediately roll back tariffs on China.  
His policy efforts may be delayed as his pick to lead the Commerce Department has been held hostage by Republicans demanding he continue the hardline stance against Chinese tech firm Huawei.  
Republican Senator Ted Cruz put a hold on Biden's nomination for Gina Raimondo to head the agency that will play a key role in trade relations, effectively blocking her confirmation. "I'll lift the hold when the Biden admin commits to keep the massive Chinese Communist Party spy operation Huawei on the Entity List," Cruz tweeted.



**Winners of a "Smart Fridge, Smart Maker" video contest centring Walton refrigerators pose with top officials and the contest's jury at Walton Corporate Office in the capital last Thursday. The first prize was Tk 1 lakh while second and third Tk 50,000 and Tk 30,000 respectively. The rest who secured fourth to tenth positions each received Tk 15,000 and a crest.**

**Sound business climate needed to draw Japanese investment: envoy**

**FROM PAGE B4**  
director and chief representative of MUFG Bank; Tareq Rafi Bhuiyan, secretary general of JBCCI, and Ali Reza Iftekhar, chairman of the Association of Bankers, Bangladesh (ABB) and managing director and CEO of EBL, were also present among others.  
The Jetro country representative opined that the terms and conditions of letters of credit (LCs) should be more simplified for business growth

in Bangladesh.  
"Bangladesh has the most complicated LC opening conditions. There are terms and conditions, unique to Bangladesh. Simplification in LC opening conditions is crucial for business growth," said Hideaki Kojima, managing director and chief representative of MUFG Bank.  
Iftekhar, the chairman of ABB, assured to take up the issues with the Bangladesh authorities concerned and try to resolve those.

EBL Deputy Managing Directors M Khurshed Alam and Ahmed Shaheen, Head of Retail and SME Banking M Khorshed Anwar, Head of Communications and External Affairs Ziaul Karim, Heads of Relationship Units Corporate Banking Riad Mahmud Chowdhury and Mehdi Zaman, Head of Treasury Md Obaidul Islam and Senior Manager Communications and External Affairs Seefat Jahan also participated at the roundtable discussion.

**Improve infrastructure, business climate to remain competitive**

**FROM PAGE B1**  
In global connectivity, Bangladesh is given a score of 34.3 out of 100 and a ranking of 121th out of 140 countries. The quality of roads is also considered to be below average, with a score of 3.1 out of 7 and a rank of 111th out of 140.  
"Export competitiveness can be adversely affected by the high cost of trading, both for imports of raw materials and capital goods and exports of products."  
The importance of efficient, low-cost trade logistics is now well-recognised as an essential determinant of export competitiveness.  
Bangladesh is ranked 100th out of 160 countries in the Index of Trade Logistics Performance (LPI) of the WB, much behind China, Thailand, India and Vietnam.  
China, India and Vietnam are major competitors of Bangladesh for garment in the European Union, and the higher cost of trade logistics may have serious adverse consequences for maintaining market share post-LDC graduation, the report said.  
Once Bangladesh graduates from the LDC group, the competitiveness challenge will intensify.  
"In order to maintain the market share in the more competitive environment, it will be vital for firms to have timely and less costly access to raw materials, maintain production schedules and ship products to their buyers on time."  
Ship turnaround time and cargo clearance from container yards at the Chattogram port, which handles 75 per cent of Bangladesh's \$90-billion international trade, are longer than the most ports in the region. Reforms should be done to improve the efficiency of the Mongla port.  
Additionally, after holding dialogue with all stakeholders, decisions should be taken as to whether some of the handling

operations in the ports of Chittagong and Mongla should be contracted out to private entities, the report said.  
Despite progress with the policy environment for the private sector that has spurred the expansion of private investment from a low of 6 per cent of GDP in the fiscal year of 1988-89 to 23 per cent of GDP in FY2018, the overall investment climate for Bangladesh remains substantially weaker than those found in competing countries.  
This is reflected in the global rankings of investment climate prepared by the WB as well as by the World Economic Forum. The WB 2020 Ease of Doing Business ranks Bangladesh 168th out of 190 countries.  
Bangladesh has taken some positive steps to address the serviced land constraint through industrial parks and special economic zones.  
"This is a welcome move. Speedy completion of all ongoing facilities and making them available on a timely and business-friendly way will be an important factor to spur domestic and foreign investment," the GED report said.  
"Bangladesh should focus on reducing the time it takes to get electricity, register property, obtain credit, trade across borders, enforce contracts and resolve insolvencies."  
Export expansion and diversification are often constrained by limited domestic capital, technology and market knowledge.  
The foreign direct investment (FDI) with their better technological and managerial skills and knowledge about international marketing conditions is expected to improve the productivity and export performance of host country firms.  
It has been argued that Bangladesh needs to get on the bandwagon of the global value chain (GVC) as a means to export-oriented industrialisation.  
Cross-border FDI flows have been the

lifeline for the growth of GVC trade that helps sustain the growing production networks across borders.  
Bangladesh's record in mobilising FDI is disappointing, the GED said.  
FDI in Bangladesh reached \$2.2 billion in 2017, as compared with \$134 billion in China, \$40 billion in India and \$14 billion in Vietnam. Currently, Bangladesh faces the dual challenge of mobilising more FDI and integrating into the GVC operation.  
Its best chance of getting on the GVC bandwagon lies in aggressively courting FDI from multinationals that are seeking low-cost locations for producing parts and components or for final assembly within the framework of cross-border production integration.  
FDI thus becomes critical for Bangladesh not only to develop a wider base of intermediate goods industry but also to diversify exports into intermediate goods by vertically integrating with cross-border production entities.  
Bangladesh needs to translate its RMG experience with GVC on to other sectors such as footwear and leather goods, electronics, light engineering, toys, and plastics with an aggressive strategy of FDI-driven GVC over the course of the next decade, the report said.  
"That would constitute a new form of export-oriented industrialisation for Bangladesh on way to graduating out of LDC status and becoming an upper middle-income-country."  
Bangladesh is abundantly endowed with low-cost labour that provides the basis for comparative advantage in producing and exporting labour-intensive products.  
Indeed, the RMG revolution is a prime example of how Bangladesh gained global market share based on low labour cost. Yet, it is also recognised that labour productivity in Bangladesh is very low.

"A major challenge in the post-graduation world for Bangladesh would be to increase labour productivity through large investments in human capital and other policy changes. This perhaps holds the key to successful graduation from LDC status."  
Using land, employing labour and investing capital away from agriculture to industry is not enough if the labour force is not trained and productive.  
Bangladesh has made important inroads in improving human capital as suggested by favourable human development indicators relative to comparators at the same level of development.  
Major gains have been made in both health and education front. Yet, the 2016-17 labour force survey shows that 32 per cent of the labour force did not have any education, 26 per cent had only primary education, 31 per cent had secondary education, and 12 per cent had higher secondary and tertiary education.  
The quality of labour force in terms of skills is also low on average although the government undertook the National Skills Development Policy in order to increase the capabilities through spreading the extent of technical and vocational education and training.  
Building on the progress achieved in basic education and strengthening of other levels of education, including vocational and higher education are important to have a well-educated and skilled population with the capacity to contribute effectively to the country's development.  
"In addition to reducing red tape, lowering tariff barriers and the time spent while complying with different procedures to set up businesses, it is also important to have a competent and well-organised customs service to make Bangladesh competitive in the world market."

**Britain must focus on Asia and US not EU post-Brexit, Barclays boss says**

**REUTERS, London**  
Britain's financial services industry should focus on winning business in the United States and Asia rather than the European Union in the aftermath of Brexit, Barclays CEO Jes Staley said.  
While still the only global financial centre to rival New York, the City of London has seen some business and job losses since Britain's shock 2016 Brexit vote and has been largely cut off from the EU, its biggest single customer, by the divorce. However, some see the distancing of London from Europe as an opportunity for it to carve out a more dynamic global role.  
"Brexit is more than likely on the positive side than on the negative side," Barclays CEO Staley told the BBC.  
"What London needs to be focused on is not Frankfurt or Paris, needs to be focused on New York and Singapore," Staley, an American banker who spent 30 years in senior roles at U.S. financial services giant JPMorgan, added.

**Get ready for gradual end of LDC-specific support: Tipu Munshi**

**FROM PAGE B1**  
Abdur Rouf Talukder, senior secretary of the finance division, emphasised intensifying skills development programme to increase the productivity of the workforce.  
He called for necessary improvement of the education system, providing special incentives to explore new export markets, extending support to start-ups, and improvement of the country's position in the Ease of Doing Business ranking.  
Commerce Secretary Md Jafar Uddin said the government was in talks with many countries to ink FTAs or PTAs.  
Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industries, stressed on effective involvement of the private sector in the formulation of transition strategy.  
Zuena Aziz, principal coordinator for SDG affairs at the Prime Minister's Office, presided over the workshop.

**Small enterprises, farmers still languish in neglect**

**FROM PAGE B1**  
On December 29, banks were asked to reach the target by March 31 this year. They distributed Tk 3,466 crore as of January, which is 69 per cent of the package.  
Forty-three banks signed participation agreements with the central bank to disburse loans from the fund dedicated to reviving the agriculture sector. Of them, 16 banks lent less than 30 per cent of the funds they were given the responsibility to disburse.  
The central bank has repeatedly asked banks to expedite the disbursement, but some of them did not take the issue with the utmost importance, the BB official said.  
The BB now plans to re-allocate

the undisbursed portion of the 16 banks to the lenders that fared well, he said.  
Banks gave out 47 per cent of Tk 3,000 crore package introduced for the marginal businesses and farmers as of January 31.  
The BB asked banks to give out the fund through microfinance institutions (MFIs), but MFIs are not interested given the lower interest rate, another central banker said.  
Under the package, the BB provides the fund to banks at 1 per cent interest rate. MFIs get the fund from banks at 3.5 per cent interest and are allowed to charge its clients a maximum of 9 per cent interest.  
MFIs charge about 24 per cent interest on their regular loans as their

cost of operation is high.  
Some banks and MFIs are being forced to disburse the loans due to the central bank's pressure, the BB official said, adding that the central bank should have considered the issue of the interest rate when it announced the package.  
The situation is completely opposite for the stimulus package for the large industries and the service sector.  
As much as 92 per cent of the Tk 33,000-crore package was disbursed by January 21.  
The central bank has expanded the fund size to Tk 40,000 crore to cater to the industries located in the economic zones, export processing zones and hi-tech parks.

**Chemical-free vegetables prove a boon for Kalapara farmers**

**FROM PAGE B4**  
Although vegetable cultivation in Nilganj started in the traditional way, now the farmers are cultivating with new technology. It can be seen on the ground that many farmers have started cultivating in their own way in the form of greenhouse methods.  
Bombay pepper, tomato, green chilli, carrot, red spinach, spinach and coriander have been planted there, according to Zakir Hossain, a vegetable grower of Kumirmara village who used to work as a construction worker in Dhaka.  
After being injured in a road accident, he returned home and after

seeing the success of the farmers in cultivating vegetables, he started cultivating vegetables himself. He is cultivating various vegetables throughout the year.  
Gazi Hemayet Uddin, a farmer of the same village, studied at Patuakhali Government College.  
He also grows vegetables on his father's land all year round. He cultivates various types of vegetables including coriander, red spinach, radish, cauliflower, sweet potato and watermelon.  
His two brothers, Mahfuz Gazi and Abdullah, also works in the vegetable fields whenever their studies allows.

"We earn around Tk 5-6 lakh a year by cultivating vegetables and we are doing very well," said Hemayet.  
To market the agricultural products, the farmers opened an agricultural marketing centre at Pakhimara Bazar on their own.  
It is called a "Collection Point". From there, wholesalers take the produce to different upazilas and districts of the country including the capital, said Hemayet.  
Upazila Agriculture Officer Abdul Mannan said about 10,275 metric tonnes of vegetables were being produced here every year, with an economic value of Tk 15.42 crore.

**Rangamati Government College**  
Sadar, Rangamati Hill District  
[www.rangamaticollege.gov.bd](http://www.rangamaticollege.gov.bd)

Memo No. RGC/RGCEDP/2021 Date: 06/02/2021

**e-Tender Notice 01/2020-2021**

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

Sl. No.	Tender ID No.	Name of works	Last date and time of tender security submission	Tender closing date & time
1.	544822	Furniture & Fixture for Classrooms and Labs	23/02/2021; 2:00pm	23/02/2021; 3:00pm

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copy will be accepted.  
To submit e-Tender, registration in the National e-GP Portal (<http://www.eprocure.gov.bd>) is required.  
The fees for downloading the e-Tender documents from the National e-GP System Portal have to be deposited online through any registered banks' branches up to **22/02/2021 at 4:00pm**.  
Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk ([helpdesk@eprocure.gov.bd](mailto:helpdesk@eprocure.gov.bd)).

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GD-251



# Pran steps up in making transformers

STAR BUSINESS REPORT

Pran-RFL Group, country's one of the largest businesses, yesterday said it started manufacturing power transformers to cater to the nearly Tk 15,000 crore market for electric equipment thanks to increasing generation capacity.

The group, operating in diversified areas namely processed foods, beverages, plastics and furniture, said demand for electric equipment was growing in line with expanding power generation capacity, now at 24,594 megawatts.

"This is why, Pran-RFL Group has

establish the associated plant and other facilities. Apart from the Sylvan, companies namely Energypac, SQ Group and Adex operate in this segment.

Local companies meet 80 per cent of the domestic requirement for transformers, said Kamal.

The Pran-RFL said their transformers were made with imported raw materials.

"These kinds of activities will play an important role to ensure 100 per cent electrification," said Md Sirazul Islam, executive chairman of Bangladesh Investment Development Authority, on inaugurating the plant recently at the Pran-



COLLECTED

**Md Sirazul Islam, executive chairman of Bangladesh Investment Development Authority, visits the power transformer plant at Habiganj industrial park recently. Ahsan Khan Chowdhury, chairman and CEO at Pran-RFL Group, was present.**

invested in this sector," said Director Marketing Kamruzzaman Kamal.

The Pran-RFL signed up for making transformers in 2014 through its sister concern Sylvan Technologies.

Until recently, it used to make single-phase and three-phase transformers that are used for power transmission from main lines to homes. Now it will be making ones used in sub-stations. The equipment are supplied to various government and non-government organisations under the Sylvan brand, said the group in a press release.

The Pran-RFL invested Tk 70 crore to

RFL's Habiganj Industrial Park.

Chairman and Chief Executive of Pran-RFL Group Ahsan Khan Chowdhury and Managing Director of Pran Group Eleash Mridha were present.

Engr Mostafizur Rahman Khan, chief operating officer of the Sylvan, said the company manufactures products following the standard of International Electrotechnical Commission.

The plant has created job opportunities for around 100 people, said a press release.

Kamal said Pran-RFL Group has plans to export transformers in the days ahead.

# Chemical-free vegetables prove a boon for Kalapara farmers

SOHRAB HOSSAIN, Patuakhali

There once was a time when only one crop was produced across 15 villages in Nilganj union of Patuakhali's Kalapara upazila due to the high salinity of the soil.

After people were done with harvests, they earned their keep by either working as fishmongers or day labourers.

Now though, there is year-round cultivation of various types of chemical-free vegetables in the area.

Local vegetable growers sell their vegetables in Pakhimara bazar. Later, these vegetables are transported from here to the upazila town, district headquarters, divisions, and even the capital.

A tributary or canal of the Andharamanik river flows through Nilganj. It is known as "Pakhimara Khal" in Pakhimara area and "Kumimara Khal" in Kumiramara area. Due to the salinity of this canal, once only one crop used to grow in Nilganj.

In 2005, local farmers united to conserve fresh water in the canal to cultivate crops year round.

They built four temporary dams on the canal and as a result of this effort, they were able to conserve fresh water and the farmers of 15 villages of the union started getting huge success in vegetable cultivation along with aman.



Various types of chemical-free vegetables such as cabbage, coriander, red spinach, cauliflower and brinjal are produced round the year in the area.

PHOTO: SOHRAB HOSSAIN

Shafiuddin started cultivating year-round vegetables in Nilganj a few years ago. Due to the success of his vegetable cultivation, 15 villages of the entire union were filled

with greenery. Here vegetables are grown without the use of harmful pesticides and chemicals. Shafiuddin, once a sharecropper, has become the owner of 2.66 acres

of land by cultivating vegetables. He has divided his land among his seven sons who are now self-sufficient in vegetable cultivation.

READ MORE ON B3

# Sound business climate needed to draw Japanese investment: envoy

STAR BUSINESS REPORT

Japanese companies are eager to invest in Bangladesh but it is important to remove bottlenecks first to create favourable business climate for Japanese companies, said Japanese Ambassador to Bangladesh ITO Naoki.

His comment came at a roundtable on Japan-Bangladesh trade and business growth and the

role of private sector banks organised by Eastern Bank Ltd (EBL) at its headquarters on February 4.

To attract Japanese companies to invest more in Bangladesh it is important to address the existing issues of the Japanese companies operating in Bangladesh, the Japanese envoy said.

"If that can be addressed there will be a greater flow of Japanese investment."

Some bottlenecks have been removed over

the last six months, but there are still issues need to be addressed on an urgent basis, he added.

Hayakawa Yuho, country representative of Japan International Cooperation Agency (JICA); Yuji Ando, country representative of Japan External Trade Organisation (Jetro) and president of Japan-Bangladesh Chamber of Commerce and Industry (JBCCI); Hideaki Kojima, managing

READ MORE ON B3

## GLOBAL BUSINESS

# Old but gold: Tokyo's retro car owners revel in modern classics

AFP, Tokyo

Fast and furious they aren't, but for a group of Japanese retro car enthusiasts the sleek lines and high shine of their old-school models hold a much more special charm.

A loose club of fans rolls up most weekends in central Tokyo to show off their Cadillacs, Chevrolets and other modern classic vehicles from the mid to late 20th century.

"Each time I drive it, I still get a thrill. There aren't many vehicles that give you that feeling," Masamune Isogai told AFP of his Knight Rider replica -- a Pontiac Trans Am, the car made famous by the hit 80s TV drama.

Sliding into the driver's seat -- which he calls the cockpit -- he is surrounded by futuristic displays, illuminated buttons and a wheel that looks like an oversized gaming controller.

These sci-fi touches were installed to give the ride the look and feel of the show's AI-powered talking car called Knight Industries Two Thousand, or KITT.

"I speak to the car when I drive," laughed the 46-year-old, who has owned the streamlined black vehicle -- complete with sound effects and a "KIT scanner" light on the front -- for around a decade.

These days Japan is known for its practical cars that economise on fuel and space, and rarely break down -- a world away from the group's painstakingly maintained wheels.

The casual society has around 10 members and the oldest cars they own are a 1941 Cadillac and a restored 1929 Ford Model-A.

People cheer and take snaps as the cars go by, from the 1956 Ford F100 Pumpkin to the 1961 Volkswagen Karmann Ghia.

"The shape of old cars is very charming, impossible with today's mass production," said Hiroyuki Wada, 49, next to his red 1959 Cadillac Coupe de Ville.

"When you get older, you are more likely to appreciate a car that requires lots of care," Wada said. "Old engines often need 10 minutes or so to warm up before



AFP/FILE

**Car owners during a gathering of auto enthusiasts in Urayasu, an eastern suburb of Tokyo.**

you can drive them. That's what's really charming about them."

Wada, who runs a car valet business near Tokyo, will spend three to four days on each old-fashioned ride to give it a shiny new look.

He says his heart belongs to American vehicles including old police cars, which he rents out for film and photography shoots. "Someday I want to valet old fire engines in the United States. That is my dream," he said.

# Provide more resources to low-income countries

IMF chief urges advanced economies

REUTERS, Washington

The head of the IMF on Friday urged advanced economies to provide more resources to low-income countries, warning of an emerging "Great Divergence" in global growth that could risk stability and trigger social unrest for years to come.

International Monetary Fund Managing Director Kristalina Georgieva told reporters that 50 per cent of developing countries were at risk of falling further behind, which raised concerns about stability and social unrest.

To avert bigger problems, she said rich countries and international institutions should chip in more. She also urged heavily indebted countries to seek debt restructuring sooner rather than later, and to boost conditions for growth.

"Last year the main focus was on the 'Great Lockdown.' This year we face the risk of 'Great Divergence,'" Georgieva told reporters during a videoconference. "We estimate that developing countries that have been for decades converging in income levels will be in a very tough place this time around." Setbacks for living standards in developing countries would make it much more difficult to achieve stability and security for the rest of the world, she said.

"What is the risk? Social unrest. You can call it a lost decade. It may be a lost generation," she said.

Georgieva said advanced economies had spent about 24 per cent of GDP on average on support measures during the pandemic, compared to 6 per cent in emerging markets and 2 per cent in low-income countries.

A former top World Bank executive, Georgieva said vaccination efforts were uneven, with poor countries facing "tremendous difficulties" even as official development funds were going down.

Only one country in Africa - Morocco - had begun vaccinating its citizens, she said, citing grave concerns about increased mortality in many African countries.

"We must do everything in our power to reverse this dangerous divergence," she said, noting developing countries could also miss out on a major shift underway in rich countries to more digital and green economies.

She said accelerating vaccinations could add \$9 trillion to the global economy by

2025, with 60 per cent of benefits going to developing countries.

Georgieva said she was still working with IMF shareholders to win support for a new allocation of the IMF's own currency, or Special Drawing Rights (SDRs), which could provide resources to poorer countries.

Former U.S. President Donald Trump had blocked such a move, akin to a central bank printing money. Support from the United States, the IMF's dominant shareholder, is more likely under President Joe Biden whose administration is open to a new allocation, according to sources familiar with their views. The Biden administration has not addressed the issue publicly.



IMF Managing Director Kristalina Georgieva

Georgieva said an SDR allocation of \$250 billion in 2009 had helped stabilize the global economy during the global financial crisis, and the current situation was more grave.

She said the IMF was completing a periodic review of long-term liquidity needs that might justify a new SDR allocation, but gave no further details.

Group of Seven finance officials will discuss a possible new SDR allocation when they meet on Feb. 12, the sources said.

# Coca-Cola's South African bottler to increase black ownership stake to 20pc

REUTERS, Johannesburg

Coca-Cola Beverages South Africa (CCBSA) will increase the stake held by employees and black empowerment investors in the company to 20%, it said on Friday, in a bid to meet merger conditions laid out by competition authorities.

In 2014, the Coca-Cola Company and SABMiller Plc reached an agreement with the majority shareholder of a company which bottled Coca-Cola's products to combine the bottling operations of their non-alcoholic beverages businesses in Southern and East Africa, which led to the creation of CCBSA's parent company.

The parent company is Coca-Cola Beverages Africa.

The merger required the parties to increase black empowerment ownership of CCBSA, a government rule meant to reverse decades of



**Companies in South Africa are required to meet rules of a scheme called Black Economic Empowerment, which allows black employees and investors to hold equity in the company.**

REUTERS

economic exclusion of black people under apartheid.

Companies in South Africa are required to meet rules of a scheme called Black Economic Empowerment (BEE) which allows

black employees and investors to hold equity in the company. This makes a company more likely to qualify for government tenders.

The deal will see nearly 8,000 employees increase their current holding of around 5% in CCBSA to an approximate 15% shareholding, CCBSA Managing Director, Velaphi Ratshefola and Minister of Trade, Industry and Competition Ebrahim Patel said in a joint statement.

Adding to the company's external BEE partners, the combined equity stake will be 20%, Patel said.

In June the company said every employee will receive an equal allocation of shares regardless of staff level, race or years of service.

CCBSA, a bottler for the Coca-Cola Company, will also be contributing 80 million rand (\$5.39 million) per year for three years to the government's localisation initiatives.