

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.09%	▼ 0.04%	\$1,722.56	\$68.65	▲ 0.50%	▲ 0.60%	▲ 0.85%	▲ 2.36%	BUY TK	83.95	99.08	116.08	12.68
5,568.85	9,749.95	(per ounce)	(per barrel)	51,279.51	29,211.64	3,106.01	3,436.83	SELL TK	84.95	102.88	119.88	13.33



Star

BUSINESS

DHAKA FRIDAY MARCH 12, 2021, FALGUN 27, 1427 BS • starbusiness@thedailystar.net

SMEs face long road to recovery

REFAVET ULLAH MIRDHA

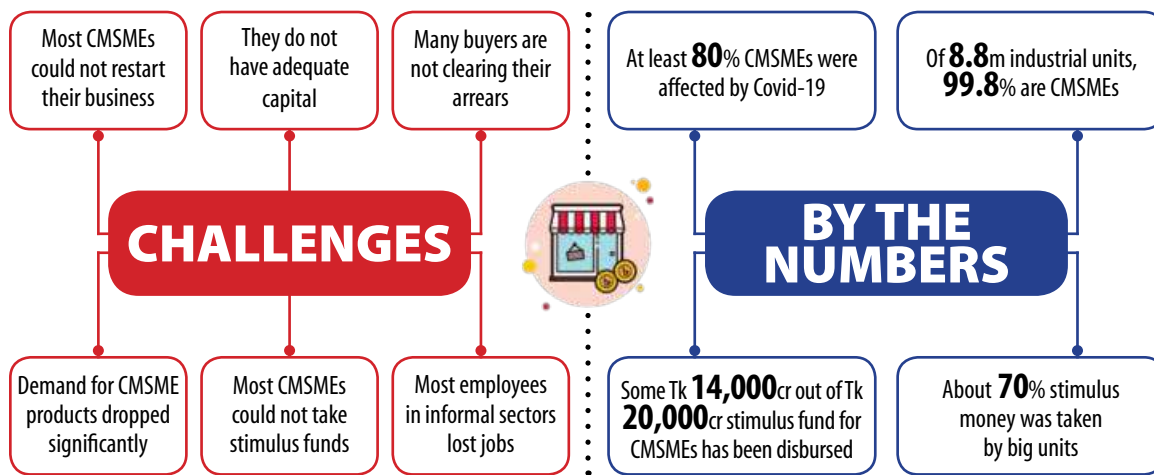
Cottage, micro, small and medium enterprises (CMSMEs), which are the backbone of the economy, have been struggling to revive their battered business as the country entered into the second year of the pandemic.

The income and profitability of CMSMEs took a massive beating from the pandemic that hit the country in March last year.

Activity in many sectors has picked up in recent months. But the recovery rate of the CMSME sector is weaker-than-expected because of feeble financial health compared to that of the medium and large industrial units.

Most of the CMSMEs were closed for a long time due to the countrywide lockdown announced by the government last year and for the shortage of funds.

The highest number of job losses also



took place in the CMSME sector.

For instance, Design by Rubina, a small leather and jute goods factory at Mirer Bazar in Gazipur, resumed its operation from December with only eight workers instead of 22 workers who were employed

before the pandemic.

The factory was closed between April and November last year. Its pre-pandemic monthly sales amount was \$5,000, which included exports.

The fallouts of Covid-19 shattered the dream of Rubina Akter Munni, managing director of Design by Rubina.

Her buyers in Dubai, the Philippines, Qatar and China are yet to pay her \$1 lakh yet, hurting her incomes, the fashion designer-turned entrepreneur said.

She is not alone.

The pandemic has shattered the dreams of thousands of budding entrepreneurs in almost all sectors,

from garments, leather, jute, food-processing to plastic goods, printing and packaging.

The country's main export-earning garment industry witnessed the severest impact when international clothing retailers and brands either cancelled or put hold work orders worth \$3.18 billion. As the situation has improved to some extent, 90 per cent of the cancelled orders have so far been reinstated.

Naim Bazul Karim, managing director of APT Sweater Ltd, a small garment exporter based in Kamarpara area in Dhaka, faced a significant loss as his factory was closed for three months from April to June.

READ MORE ON B3

BB to form Tk 500cr fund for startups

STAR BUSINESS REPORT

Bangladesh Bank yesterday decided to form a Tk 500 crore fund to help startups commence business.

The central bank's board of directors took the decision to enable the new entrepreneurs to avail financing from banks smoothly.

"It is really a good initiative, no doubt," said Syed Almas Kabir, president of the Bangladesh Association of Software and Information Services.

"Access to finance has been a big challenge for startups over the last couple of years. This will help address that challenge," he said.

An Entrepreneurship Support Fund formed earlier by the central bank is yet to become popular, he said. It is not possible for many IT entrepreneurs to comply with its collateral conditions, such as land and flats, said Kabir.

"We expect that the learnings of the fund should be taken into account during policy formulation related to the fund. Our asset is intellectual property and there is no guideline for valuation of intellectual property such as software," he said.

"If a guideline on valuation of intellectual property is developed, entrepreneurs will be able to get finance against their software. This will encourage startups and growth of a culture of innovation," he said.

Shameem Ahsan, president of the Venture Capital and Private Equity Association of Bangladesh, also welcomed the decision.

"We think the fund should be channelled through venture capital firms in order to ensure proper compliance with the regulation," he said.

"The startups will also get mentorship.



Expected outcome may not come if the finance is disbursed through government agencies," he said. Bangladesh Bank is yet to draw up a detailed policy to this end, said a central bank official.

However, a draft Bangladesh Bank guideline says it would be disbursed using a refinance scheme, meaning banks would first disburse loans among clients and the central bank would later reimburse the fund to banks.

Entrepreneurs of age 21 years and above will be eligible for a maximum of Tk 1 crore from the fund paying a maximum four per cent interest rate while banks will get it from the central bank at 0.50 per cent interest rate.

The repayment tenure will be a maximum five years.

Entrepreneurs with innovative ideas will get top priority while their educational qualification, technical expertise, experience and social acceptance will be taken into consideration in the same way collateral would.

READ MORE ON B3

Local pharma makers fare well

Thanks to sanitisers, face masks, says drug administration official

STAR BUSINESS REPORT

Local pharmaceutical companies have fared well amid the ongoing coronavirus pandemic due to increased sales and export of hand sanitisers and face masks, according to a senior official of the drug administration on Wednesday.

"When the Covid-19 made its outbreak, there were just three face mask manufacturers and seven hand sanitiser producers in the country," said Maj Gen Mahbubur Rahman, director general of the Directorate General of Drug Administration.

"Within a short period, the pharma industry of Bangladesh came forward and took initiative," he said.

"Today, more than 70 companies are producing hand sanitisers while more than 30 others are producing face masks and exporting them to other countries like the US," Rahman added. As of yet, there is no drug that can cure Covid-19 infections.

But Bangladesh's pharma sector took to boosting immune systems by manufacturing different vitamins, zinc tablets and other relevant medicine and making those widely available in the country at moderate prices, he said.

Rahman was addressing a webinar on the "Evolution & Success of Pharmaceutical Sector in Covid-19 Management", organised by the Bangladesh-German Chamber of Commerce and Industry (BGCCI).

One of the major challenges faced by the industry during the pandemic was in sourcing raw materials for medicine, said Nazmul Hassan, president of the Bangladesh Association of Pharmaceutical Industries (BAPI) and managing director of Beximco Pharmaceuticals.

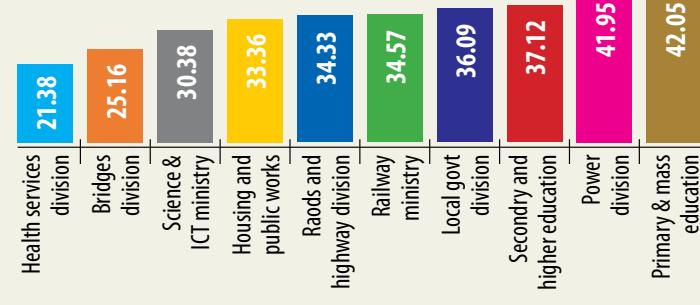
READ MORE ON B3

Development spending at decade low

ADP IMPLEMENTATION BY TOP 10 MINISTRIES

In % of total allocation; Jul-Feb period

SOURCE: IMED



STAR BUSINESS REPORT

Bangladesh's development

expenditure was recorded at its lowest in a decade during the July-February period of the current fiscal year as government agencies were able to spend just 33.83 per cent of the allocation, according to the Implementation Monitoring and Evaluation Division (IMED).

The annual development programme (ADP) dropped 9.4 per cent to Tk 72,603.35 crore in the first eight months of fiscal 2020-21, down from Tk 80,143.06 crore in the previous fiscal.

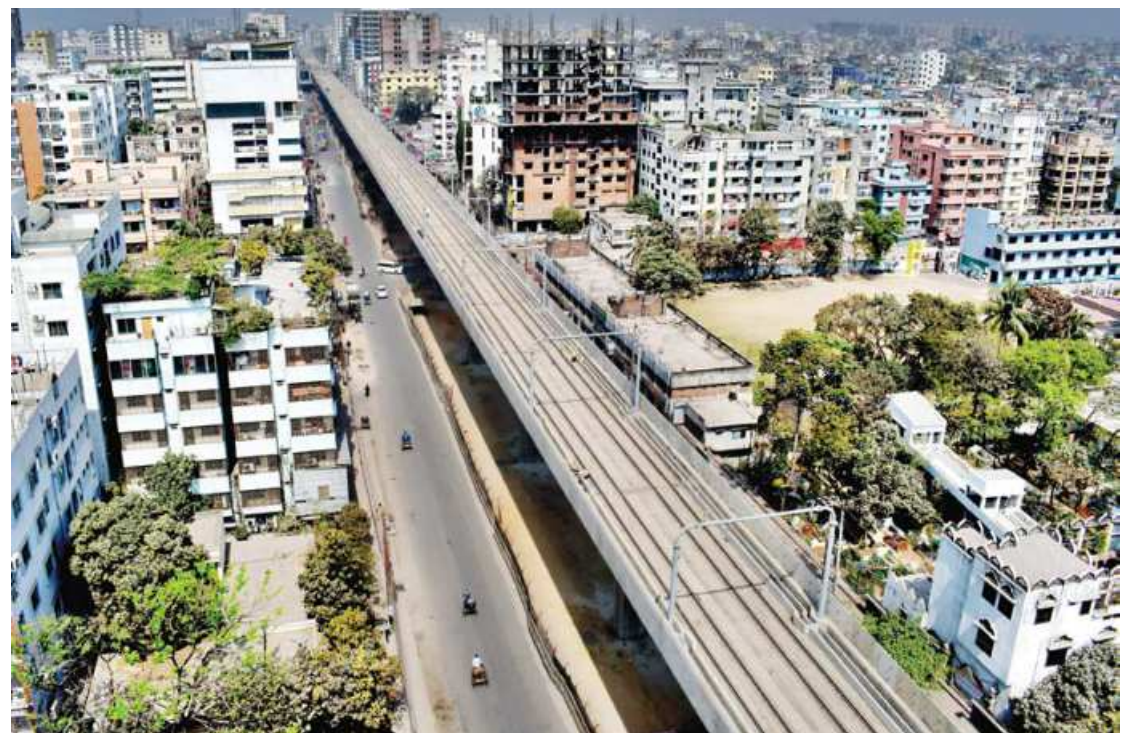
This means the country's

economy is still struggling to surge out fully of the pandemic-induced downturn.

The expenditure from the state coffers took a huge blow as it dropped 12.19 per cent to Tk 46,139 crore in the first eight months of the fiscal year.

Spending from foreign funds also declined marginally during the same period.

The government allocated Tk 214,611 crore to spend on development projects for fiscal 2020-21. However, the rate of spending on development projects in February suppressed that of pre-pandemic levels.



STAR

A view of the metro rail project in Dhaka. Implementation of many infrastructure projects slowed down due to Covid-19, planning ministry officials said.

The projects spent 5.38 per cent of the total allocation for ADP in the budget in February, up from 5.19 per cent in the same month in a year ago, due to an increase in

people's mobility that propelled economic activities.

"Many ministries typically lag behind in implementing the ADP, but since March last year, the

implementation has been further reduced due to Covid-19," an official of the planning ministry told The Daily Star.

READ MORE ON B2

Investors still chasing junk stocks

Misinterpreting BSEC initiatives

AHSAN HABIB

Junk stocks have frequently featured on the top gainers' list for the past few weeks, bringing into question investors' preference for such shares despite their substandard performance.

A company's stocks are termed as junk when its commercial production is shut or it is failing to provide dividends to shareholders or to hold an annual general meeting.

While hanging around Brac EPL Stock Brokerage in the capital's Motijheel on Tuesday, this reporter asked an investor the reasons for him buying a junk stock.

"Gamblers are going to play with the company," he said on condition of anonymity.

"On the other hand, the market regulators' recent steps to enable a rebound of their performance also instigated me," the investor



Investors watch price movements of stocks on a screen at a brokerage house in Dhaka.

STAR/FILE

added. The Bangladesh Securities and Exchange Commission (BSEC) has taken the initiative to restructure companies whose performance is below par.

Till date, the BSEC has replaced boards of directors of six listed

junk companies -- Emerald Oil, C&A Textiles, Ring Shine Textiles, United Airways, Familytex (BD) and Alhaj Textile Mills.

Market analysts believe that investors are misinterpreting the regulators' steps, which could

blow up their portfolios.

It cannot be said for certain whether the new boards will be successful in bringing the companies back on track.

Take the case of United Airways. Its newly formed board already

informed the BSEC that it would need a huge amount of fund to make a comeback.

A similar situation prevails for all other junk stocks and so bouncing back will be no easy task.

READ MORE ON B3

Denim Expert's Mostafiz 'sustainable fashion champion'

STAR BUSINESS REPORT

Mostafiz Uddin, managing director of Chattogram-based exporter Denim Expert, has been accorded a "Sustainable Fashion Champion" title at Drapers Sustainable Fashion Awards 2021.

Drapers, a 134-year-old fashion magazine based in the United Kingdom, introduced the awards last year at its annual Sustainable Fashion Conference, which brings together global fashion stakeholders.

The award is said to recognise strides in reducing the fashion industry's environmental impact and creating fairer working conditions across the supply chain so that lessons can be taken from the best practices, according to a message from Mostafiz.

This year the conference took place virtually on March 10 where he received the accolade from an independent panel of sustainability and fashion retail experts for promoting sustainability and driving expected changes.



Mostafiz Uddin

READ MORE ON B3



Walton Hi-Tech Industries directors SM Ashrafur Alam and SM Mahbul Alam and Managing Director Golam Murshed launch fireworks inaugurating a "Walton Meet the Dreamer" conference at the Royal Tulip Sea Pearl Beach Resort and Spa in Cox's Bazar last Sunday.



Syed Waseque Md Ali, managing director of First Security Islami Bank, inaugurates seven agent banking outlets through video conferencing yesterday.

An inspiration for new e-commerce entrepreneurs

FROM PAGE B4
Nipa then sold some 400 Falsa saplings and made a profit of Tk 22,000 in 15 days in June, 2020.

"It built my confidence but there was a lot to learn," she said.

Nipa then learned from WE forum's President Nasima Akter and Admin Rajib Ahmed about digital skills.

She continued selling the Falsa saplings and soon local nurseries became exhausted of their supply.

"The demand for Falsa saplings continued to rise, but I could not supply any."

So, Nipa started to loose heart.

But her husband Amreto helped her collecting some Falsa seeds from a tree at the Rajshahi Nagar Bhaban premises and he sent the seeds to his father who is a farmer in Natore to grow plants.

While the Falsa seeds were under the growing process, Nipa needed another product.

"My husband came up with an idea."

Rural Rajshahi has a heritage of eating Barley powder or Chhatu and a mix of five grains consisting Barley, Binni variety rice, wheat, chickpeas and red lentil, Amreto said.

And farmers of the water-starved region grow these grains in plenty as these require less irrigation, he added.

Nipa collected Barley powder and the five grains' mix and wrote about those in the e-commerce group.

Some 600 people bought these two items. Nipa made at least Tk 2.5 lakh profit in three months since July.

"Chhatu is such a popular item that I made it my signature product," Nipa

says. She usually buys Barley, wheat, rice and other agricultural products from local markets and employs rural women to prepare those for making powder.

She makes the powder both in automatic mills and in husking pedal. "Chhatu that was threshed in a husking pedal has its demand. Some of the buyers have ordered thrice and more," Nipa said.

This year, Nipa took 12 bighas of land on lease in Tanore upazila to cultivate barley without using any chemicals on it. She employed four sharecroppers and provided them with free seeds for cultivation.

"My intention is to save the local heritage of producing barley. It is fetching me money," she said.

Samir Saha, an Ayurvedic doctor, orders 10 kilogrammes of Chhatu every week for his orphanage in Netrokona. Some order for diabetic while others choose for their children.

Nipa's daily average sales now hover around Tk 10,000.

Her products include black gram, black gram threshed in Jata, a swirling traditional threshing tool, dusts of neem and drumstick leaves, wheat's red flour, water lily seeds.

She also sells date molasses, cane molasses, ghee, pumpkin seeds, barley flour, wheat flour, dried tamarind, dried jujube, black cumin and flax.

Nipa's products have already reached to 62 districts of the country, other than Chhainawabganj and

Naogaon. She even home delivers her products in Rajshahi city.

"My dream is now to expand more, to set up some infrastructure of my business and permanently employ the rural women who are helping me prepare the products on the basis of orders," Nipa said.

She said she was thinking of applying for a loan for her ventures.

"I now feel wonderful, self-reliant, and economically capable to feed my choices. I feel happy that I found an identity of my own," Nipa added.

About 70 per cent of the group's 11.5 lakh members are women and four lakhs of them are entrepreneurs of different local products, Nasima of the WE forum told The Daily Star.

"All the women entrepreneurs of our group were engaged in the sales driven by the need for self-development and upgrade their economic condition."

She said women entrepreneurs mainly suffer from two problems - the lack of access to internet and access to the product delivery chain.

"Internet speed is another problem for areas outside Dhaka city. Some of our members struggle while using internet through mobile data."

She said product delivery chain was limited within the district headquarters, sometimes the upazila levels.

"If the delivery chain can be extended to the union level, the entrepreneurs would have been benefited more."

She urged the authorities concerned to look into the problems of the entrepreneurs.

Development spending at decade low

FROM PAGE B1
"But now the implementation is slowly increasing," he added.

Despite the pandemic, which pushed for further spending on the health sector around the world, the Health Service Division managed to spend only 21.38 per cent or Tk 20,830 crore of its total allocation from the ADP in the first eight months.

The Bridges Division is also lagging behind in ADP implementation as its expenditure stands at Tk 25.16 per cent in the eight months.

And for that, annual allocation for Padma bridge reduced to Tk 2,099.93 crore. The original allocation was Tk 5,000 crore.

The science and ICT ministry spent only 30.38 per cent in the same period. The allocation for the 2,400

MW Rooppur Nuclear Power Plant, the biggest single project which is worth Tk 113,092 crore, witnessed significant reduction.

The project would now get Tk 10,166.78 crore this fiscal, which is Tk 5,524.35 crore less than the original allocation.

The power plant project made 34.34 per cent progress until December last year.

Despite this sluggish spending in the government-funded project, the overall allocation to the revised annual development programme was trimmed by only Tk 7 lakh even though the government had decided to put low-priority projects on hold in the beginning of the fiscal year because of the coronavirus pandemic.

ones and eventually the whole group becomes a defaulter.

So, the chamber proposed amending the law in this regard by keeping the rest of the profitable concerns of a group out of the purview of ceasing the flow of funds.

Pointing to the matter that businesses failed to make their expected profit due to pandemic, the chamber also placed a proposal for exempting fines in case of delays in paying quarterly tax on last year's tax return.

Other proposals include lessening the duration of realising advance tax for vehicles' tax token from two years

to one year, bringing down rates of VAT to single digit and fixing sector wise VAT rates and cancellation of 5 per cent VAT in retail sales of LPG cylinders.

CCI Director AKM Akhter Hossain; former director Mahfuzul Hoque Shah; BSRM Group Chairman Abul Bashar Chowdhury; Confidence Cement Managing Director Zahir Uddin Ahmad; REHAB President Abdul Qaium; Clearing and Forwarding Agents Association General Secretary Altaf Hossain; and leaders of Cox's Bazar, Bandarban and Rangamati chambers spoke among others.

Ctg chamber wants a raise in tax-free income limit

FROM PAGE B4
The CCI proposed cancelling the amendment in section 52 U (3) of the Income Tax Ordinance regarding the imposition of 2 per cent tax at source on local letters of credit for the purchase of commodities such as rice, wheat, onion, garlic, lentil, ginger, date, flour, salt, edible oil, sugar and computer accessories with an aim to keep the market stable.

In case of loan defaults by one or two concerns of a particular business group, its other profitable units are usually barred from getting bank funds, which actually leads those capable concerns to become losing

ones and eventually the whole group becomes a defaulter.

So, the chamber proposed amending the law in this regard by keeping the rest of the profitable concerns of a group out of the purview of ceasing the flow of funds.

Pointing to the matter that businesses failed to make their expected profit due to pandemic, the chamber also placed a proposal for exempting fines in case of delays in paying quarterly tax on last year's tax return.

Other proposals include lessening the duration of realising advance tax for vehicles' tax token from two years

to one year, bringing down rates of VAT to single digit and fixing sector wise VAT rates and cancellation of 5 per cent VAT in retail sales of LPG cylinders.

CCI Director AKM Akhter Hossain; former director Mahfuzul Hoque Shah; BSRM Group Chairman Abul Bashar Chowdhury; Confidence Cement Managing Director Zahir Uddin Ahmad; REHAB President Abdul Qaium; Clearing and Forwarding Agents Association General Secretary Altaf Hossain; and leaders of Cox's Bazar, Bandarban and Rangamati chambers spoke among others.

Government of the People's Republic of Bangladesh
Local Government Engineering Department
"Technical Assistance Project for My Village- My Town"
LGED, LGED Bhaban (Level-09)
Agargaon, Sher-e-Bangla Nagar
Dhaka-1207
www.lged.gov.bd

Memo No. 46.02.0000.982.11.001.21.10
Dated: 10-03-2021

Request for Expression of Interest (EOI)

1. Ministry/Division	Ministry of Local Government, Rural Development & Co-operatives/Local Government Division.					
2. Agency	Local Government Engineering Department (LGED).					
3. Procuring entity name	Project Director (Addl. Charge), Technical Assistance Project for "My Village-My Town".					
4. Procuring entity code	N/A.					
5. Procuring entity district	Dhaka.					
6. Expression of Interest (EOI) for Consultant	Selection of Individual Consultant		Selection of Individual Consultant (National).			
7. EOI Ref. No.	Memo No. 46.02.0000.982.11.001.21.10					
8. Ref. Date	10-03-2021					
KEY INFORMATION						
9. Procurement sub-method	Selection of Individual Consultant (National).					
FUNDING INFORMATION						
10. Budget and source of funds	GOB.					
11. Development partners (if applicable)	Not applicable.					
PARTICULAR INFORMATION						
12. Project code (if applicable)	223041300					
13. Project name	Technical Assistance Project for "My Village-My Town".					
14. Place of EOI submission	Office of the Project Director, Greater Chattogram Rural Infrastructure Development Project-3, LGED Bhaban, Level-8, LGED H/Q, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207.					
15. EOI closing date & time	Date		Time			
	30/03/2021		2:00pm			
INFORMATION FOR APPLICANT						
16. Brief description of assignment	Package No.	Proposed post, number & tentative duration	Minimum qualification	Minimum experience	Working station	Scope of works
	TAPP of MVMT/S-03	Senior Road Infrastructure Specialist 1 person (11 months)	MSc/BSc. in Civil Engineering discipline	General experience -25 years' experience in rural development sector Specific Experience -10 years' experience in rural road development sector	Dhaka. Frequent travel to anywhere in the country is expected.	Detail as TOR
	TAPP of MVMT/S-04	Senior Growth Center and Community Space Development Specialist 1 person (10 months)	MSc/BSc. in Urban and Regional Planning/Architecture/ Civil Engineering discipline	General experience -20 years' experience in development sector Specific experience -More than 8 years' experience in planning/development sector - Communication, writing, research skill will be preferred	Dhaka. Frequent travel to anywhere in the country is expected.	Detail as TOR
	TAPP of MVMT/S-05	Senior Rural Water Supply Specialist 1 person (9 months)	MSc/BSc. in Civil/Environmental / Water Supply & Sanitation discipline	General experience -25 years' experience in water supply sector Specific experience -10 years' experience in rural water sector	Dhaka. Frequent travel to anywhere in the country is expected.	Detail as TOR
	TAPP of MVMT/S-06	Senior Waste Management Specialist 1 person (9 months)	MSc/BSc. in Civil Engineering/ Environmental/ Engineering/ Environmental Science discipline	General experience -20 years' experience in environmental management/development sector Specific experience -10 years' experience in waste management sector	Dhaka. Frequent travel to anywhere in the country is expected.	Detail as TOR
	TAPP of MVMT/S-08	Land Development Specialist 1 person (9 months)	MSc/MA in Regional Planning/Geography/ Public Administration or related discipline	General experience -25 years' experience in development sector Specific experience -10 years' practical experience in land management and rural development in Bangladesh -Proven leadership, communication, negotiation and writing skills -Publication will be preferred.	Dhaka. Frequent travel to anywhere in the country is expected.	Detail as TOR
	TAPP of MVMT/S-07	Senior Upazila Master Plan Specialist 1 person (9 months)	MSc/BSc. in Urban and Regional Planning discipline	General experience -20 years' experience in Physical Planning Specific experience -8 years' experience in rural planning -Proven leadership, communication, negotiation and writing skills -Publication will be preferred.	Dhaka. Frequent travel to anywhere in the country is expected.	Detail as TOR
	TAPP of MVMT/S-10	Admin Officer 1 person (10 months)	Master's degree in related field.	General experience -8 years' experience in development sector Specific experience -3 years' experience as Admin Officer/Coordinator	Dhaka	Detail as TOR
17. Other information	<ul style="list-style-type: none"> Individual Consultant will be selected in accordance with the procedures set out in the PPR-2008. Detailed information may be collected from the undersigned office during office hour. 					
18. Association with foreign firm is	Not encouraged.					
PROCURING ENTITY DETAILS						
19. Name of official inviting EOI	Abul Monzur Md. Sadeque					
20. Designation of official inviting EOI	Project Director (Addl. Charge).					
21. Address of official inviting EOI	Level-8, LGED Bhaban, Agargaon, Dhaka-1207.					
22. Contact details of official inviting EOI	Telephone: 088-02-58155292 (Office), E-mail: monzursadeque@gmail.com mvtown@lged.gov.bd Cell No. 01678-054300					
<ul style="list-style-type: none"> The procuring entity reserves the right to accept or reject any or all EOI. A complete set of "Request for Application" including Terms of Reference may be obtained from the office of the undersigned. RFA must be delivered to the address below in sealed envelope on or before 30 March 2021 within 2.00pm with clearly mention the name of post. 						
Abul Monzur Md. Sadeque Project Director (Addl. Charge) Tel: 02 44826220 (Off)						

GD-506

NBR removes customs duty on yellow peas



STAR BUSINESS REPORT

The National Board of Revenue (NBR) has removed customs duty on yellow peas in order to allow importers to bring the essential commodity without facing hassles from customs.

Officials and importers said import of peas were exempted from customs duty. However, 5 per cent import duty had been kept unchanged unintentionally creating disputes with importers.

"That is why, we have exempted the duty so that no ambiguity arises," said a senior official of the NBR.

Bangladesh annually imports nearly 6 lakh tonnes of peas, including yellow peas, as domestic production was insignificant. Annual cultivation of peas locally known

as 'Anchor dal' has been hovering around 18,000 acres over the last three years. Production has been stagnant at 7,000 tonnes, according to data by Bangladesh Bureau of Statistics (BBS).

At present, 5 per cent advance income tax is applied on peas, imported mainly from Canada and Russia, said importers.

Abul Bashar Chowdhury, chairman of Chattogram-based BSM Group, one of the leading commodity importer, said the withdrawal of customs duty on yellow peas will remove misunderstanding between importers and revenue officials.

Yesterday, retail prices of yellow peas were Tk 38-45 per kilogram, 11 per cent higher year-on-year, according to data compiled by the Trading Corporation of Bangladesh.

SMEs face long road to recovery

FROM PAGE B1

During the period, he did not get the subcontracting orders from large factories he used to receive as even the bigger industrial units have been suffering from the shortage of orders from international clothing retailers and brands.

"I have been trying to get back more work orders from my buyers," said Karim, who received an order worth \$200,000 from a buyer this month.

He employs 150 workers. He has not terminated any worker despite the closure of the factory for three months.

"My business is reviving gradually, and I recently recruited a few workers," said Karim.

Despite the disastrous situation, some small entrepreneurs have done well, although their number is not high.

Z Pack, a small packaging factory at Salna in Gazipur, saw an increase in its business. The management of the factory did not close operations even during the pandemic.

"My buyers were satisfied as I supplied the products when almost all such factories were closed," said Mesbahul Alam, the proprietor of Z Pack.

"So, the buyers have continued placing work orders with me."

Alam recruited nearly 45 new employees, although he had wanted to hire 70 more workers to take the tally of the employees to 100.

During the pandemic, the entrepreneur helped many people financially. It came to his mind that it would be better if a job is offered to the workers so that they can earn money during the crisis, leading him to new hiring.

Before Covid-19, his monthly sale was Tk 30 lakh to Tk 40 lakh. Now, it has reached Tk 1 crore.

Alam said there had been about a 20 per cent rise in the prices of packaging raw materials such

as chemicals, ink and plastic granola due to the abnormal hike in freight charges.

He received Tk 15 lakh in loans from the stimulus package.

The emerging agro-machinery tools business in the country has not spared from the severe impact of the pandemic.

Thousands of small and medium enterprises involved in the manufacturing of modern agriculture equipment have grown across the country due to the emergence of modern technologies in the farming sector.

"I have been struggling to revive my business as the sales of agricultural equipment dropped significantly due to the income losses of rural traders and affluent farmers," said Md Sheikh Saadi, managing director of Agro Machinery Industry, which produces mainly paddy reapers and grass cutters at his Darshana factory.

More than half of his 25 employees were terminated because of the pandemic.

"I am in big trouble also because my buyers are not paying Tk 1 crore for the product I sold on credit. My buyers are also in big trouble now," said Saadi. He said he failed to receive any loan from the stimulus package because of stringent conditions.

At least 80 per cent of CMSMEs were affected because of the pandemic, according to Md Ali Zaman, president of the SME Owners Association of Bangladesh.

Almost all CMSMEs were closed for at least three months between April and July. Big industrial units were not closed during the period, he said.

"Many of them could not complete the orders they received before the pandemic, so they did not get the payment."

Zaman blamed the stringent banking conditions that made it difficult for most CMSMEs

to receive the loan from the stimulus package.

"So, the financial flow to CMSMEs was severely affected," he said.

Some 70 per cent of the stimulus money was taken by the big units, he said.

The CMSMEs have not made the turnaround fully. As a result, employment in the sector has not rebounded. Most of the CMSMEs have halved the number of their employees as they are struggling to survive now, said Ferdous Ara Begum, an expert on the CMSME sector.

"We are recovering, but it will take a long time," she said.

From the Tk 20,000-crore stimulus fund for CMSMEs, about 59 per cent has been disbursed so far, said Begum, also the chief executive officer of the Business Initiative Leading Development.

The introduction of a credit guarantee scheme, re-financing schemes, and some other facilities have expedited the disbursement of loans in the CMSME sector, she said.

Of the 8.8 million industrial units in Bangladesh, 99.8 per cent fall under the CMSME category, and most of the informal jobs for millions of people are generated by the CMSMEs in Bangladesh.

Md Masudur Rahman, chairman of the SME Foundation, said most of the CMSMEs missed two big business seasons, including Pahela Baishakh and Eid-ul-Fitr, last year.

"So, these units are struggling to survive," he said, adding that Tk 14,000 crore has been disbursed from the stimulus fund for the CMSME sector.

Another Tk 3,000 crore from the SME Foundation is set to be disbursed among the entrepreneurs at a 4 per cent interest rate.

"So, it is expected that the CMSMEs will revive within the next six months," he said.

Investors still chasing junk stocks

FROM PAGE B1

However, the BSEC's steps are definitely praiseworthy as they will try till all mean are exhausted to make companies perform well again.

Despite such drawbacks, investors continue to make a rush for these companies.

This reflected on Bangladesh Industrial Finance Company (BIFC), Imam Button Industries, Zahintex Industries, Tung Hai Knitting and Dyeing, Talu Spinning Mills, Aramit Cement and some other junk stocks prevailing in the gainers' list on a couple of days last week.

The Aramit rose 38 per cent, BIFC 14 per cent, Imam 15 per cent, Zahintex 13 per cent, Tung 19 per cent and Talu 10 per cent in the past two weeks.

The investors need to be cautious about their investment and should think about the damage to their portfolios if the companies cannot make a rebound.

They should invest in good companies

so that their dividend returns can offset losses even if stock prices of the companies fall.

In fact, investors should invest taking into consideration the performance of companies and hold stocks for long periods of time in order to benefit as investment in junk stocks is too risky.

"When you invest into a well-performing stock, you will worry less, so why should a rational investor invest into junk," said Shahidul Islam, CEO of VIPB Asset Management Company.

"We always prefer top-performing companies to make investments," he said, adding that uncertainty remained over whether any junk stock would be able to make a comeback, so seeing investor taking risks was confounding.

The DSEX, the Dhaka Stock Exchange's (DSE) benchmark index, fell 17 points last week.

The daily average turnover, an important indicator of the market, rose 20 per cent to Tk 866 crore.

Local pharma makers fare well

FROM PAGE B1

"Our medicine ingredients are mostly sourced from China and India but because of the Covid-19 situation, India banned the export of all raw materials related to Covid-19 medicine while China went into complete lockdown," he said. This led to a severe scarcity of medicine but still, the local pharma industry procured the ingredients at double the regular price while the cost of finished products remained the same, Hassan said in a statement from the BGCCI.

Hassan also said Beximco paid for the vaccine six months before it was approved, giving it the highest priority. The risk paid off and now the major challenge was ensuring vaccine supplies are adequate, he said.

"So, we are trying to find alternative sources along with AstraZeneca for 30 million more doses of vaccines. We are very confident that within the next few months we will come up with some good news," he added.

Abdul Mukhtar, chairman and managing director of Incepta Pharmaceuticals, said many countries do not have a fully developed pharma industry.

"Although officially we are still a least developed country, we have a fully developed pharma industry. Within a short time, our pharma industry will be at the same level of any developed country's pharma industry," he said.

Muktadir also said there were 265 registered pharmaceutical companies, of which 213 were in operation, including the importers. Currently, 97 per cent of the products are produced locally while the rest imported.

The current market size of the industry is \$3.09 billion and it has an annual growth rate of 13.17 per cent.

Mosharrar Hossain Bhuiyan, Bangladesh's ambassador to Germany, said prospects of exporting pharmaceutical products to Germany was bright as it was the 4th largest market in the world for pharmaceutical products.

He also said the export of Bangladeshi pharmaceutical products to Germany and other countries amounted to around \$150 million, which was still not an amount to be satisfied with. Given the capacity and capability of Bangladesh's pharmaceutical industry, the amount should surpass \$1 billion, he said.

The ambassador also assured providing full cooperation and following up with relevant authorities to facilitate the export of pharmaceutical goods to Germany and the import of machinery from there.

Muin Uddin Mazumder, managing director of Sanofi Bangladesh and vice-president of the BGCCI, moderated the webinar while Omar Sadat, BGCCI president also spoke.

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Office of the Executive Engineer
District: Sylhet
www.lged.sylhet.gov.bd

Memo No. 46.02.9100.000.07.001.20-662 Date: 09/03/2021

Tender Notice (Open Tendering Method)
Tender Notice No. 34/2020-21

Sealed tenders are hereby invited as defined in the tender documents for the under mentioned works as per terms and conditions stated below:

Sl No.	Name of works	Tender security (Tk)	Completion time (days)	Price of tender documents (Tk)
01	Supply of Spare Parts and Maintenance of China Road Roller No. SYL-RLS-10-008.	3,000.00	30	150.00
02	Supply of Spare Parts and Maintenance of Bomag VT Roller No. SYL-RLV-05-001.	8,000.00	30	300.00
03	Supply of Spare Parts and Maintenance of Bomag VT Roller No. SYL-RLV-4.5-011.	10,000.00	30	300.00

01. Method of procurement : Open Tendering Method (OTM).
02. Source of fund : GOB.
03. Date, time and place of pre-tender meeting : Date: 18 March, 2021, Time: 11:00am and Place: Office of the undersigned.
04. Last date, time and places of selling tender documents : 05-04-2021, Time: Up to office hour and a) Office of the Deputy Commissioner, Sylhet. b) Office of the Superintendent of Police, Sylhet. c) Office of the undersigned. d) Office of the Upazila Engineer, LGED, Upazila: Sadar, District: Sylhet.
05. Last date, time and places of receiving tender documents : 06-04-2021, Time: 12:00 Noon and a) Office of the Deputy Commissioner, Sylhet. b) Office of the Superintendent of Police, Sylhet. c) Office of the undersigned. d) Office of the Upazila Engineer, LGED, Upazila: Sadar, District: Sylhet.
06. Date, time and place of opening of tender : 06-04-2021, Time: 3:00pm and office of the undersigned.
07. Tender shall be valid for a period of 90 days after bid opening and must be accompanied by the tender security specified above. Interested tenderer may obtain further information from the office of the undersigned and purchase the tender documents in Cash/Treasury Chalan/Bank Draft from the places mentioned above. The tenderer or their authorized representatives are allowed to attend the opening of tenders. The authority reserves the right to accept or reject any or all the tenders without assigning any reason whatsoever.
08. The Tender Notice will be available on the website: www.lged.gov.bd & www.lged.sylhet.gov.bd

Md. Enamul Kabir
Executive Engineer
LGED, Sylhet
Phone: 0821-716116
E-mail: xen.sylhet@lged.gov.bd

GD-509

Government of the People's Republic of Bangladesh
Ministry of Cultural Affairs
Bangladesh National Museum
Shahbag, Dhaka-1000

Memo No. 03-A-602/2020-2021/3035 Date: 10/03/2021

e-Tender Notice

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

Sl No.	Tender ID No.	Name of work	Tender opening & closing date & time
01	556653	Creation and installation work of dinosaur sculptures at Bangladesh National Museum.	31-Mar-2021 17:00:00
02	556608	Maintenance and servicing of automatic fire suppression system for 03 years of Bangladesh National Museum.	31-Mar-2021 17:00:00
03	556492	Repair and Maintenance work of Main Building & Gallery of Bangladesh National Museum.	31-Mar-2021 17:00:00
04	556440	Maintenance and Painting of Residential Building-04 of Bangladesh National Museum.	31-Mar-2021 16:00:00
05	556164	Supplying of Chemicals for antique treatment and taxidermy of Conservation laboratory and Natural History Department of Bangladesh National Museum.	31-Mar-2021 16:00:00
06	556111	Repair renovation and maintenance of Residential Building-02 of Bangladesh National Museum.	31-Mar-2021 16:00:00
07	556072	Maintenance of surface water line of main building with other buildings of Bangladesh National Museum.	31-Mar-2021 15:00:00
08	556048	Construction of False Ceiling Septic Tank & Soakwell for Ansar and Police Barrack at Ahsan Manzil Museum	31-Mar-2021 15:00:00
09	555963	Repair Renovation Maintenance & Painting of Residential Building-03 of Bangladesh National Museum	31-Mar-2021 15:00:00
10	540237	Supplying of Books of Bangladesh National Museum.	31-Mar-2021 17:30:00

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

Gazi Md. Wali-ul-Hoque
Secretary
Bangladesh National Museum
Email: secretary@bnm.gov.bd
Phone: 02-9674796

GD-503

BB to form Tk 500cr fund for startups

FROM PAGE B1

Banks will be allowed to keep lower provisioning against the loans compared to that required for regular loans.

Currently 20 per cent of a classified loan of sub-standard category has to be kept as provisioning.

But lenders will be allowed to keep 5 per cent in provisioning against the start-up loans.

Banks will have to keep 30 per cent

provision for doubtful loans and 50 per cent for bad loans under the start-up fund whereas it is 50 per cent and 100 per cent for the two types of general loans.

Keeping lower provision against the start-up fund will encourage banks to disburse loans to new entrepreneurs.

In addition, every bank will have to form separate start-up funds by way of taking money from their own sources, said the central bank official.

Denim Expert's Mostafiz 'sustainable fashion champion'

FROM PAGE B1

Last year World Economic Forum made an honourable mention of Denim Expert in its "New Champion" award category for extraordinary leadership in sustainability and inclusivity in the apparel supply chain.

"Described as a pioneer by many in the industry, Mostafiz was the first contributor from Bangladesh to the Zero Discharge of Hazardous Chemicals Foundation, and the first denim manufacturer in the country to join the UNFCCC for Climate Action," said the Drapers judges.

They highlighted him being the founder and CEO of Bangladesh Apparel Exchange, which aims to bridge the gap between manufacturers, buyers and policymakers in the country to accelerate sustainability.

"During the pandemic our winner put his head above the parapet to campaign for the rights of Bangladeshi suppliers facing cancelled and unpaid orders," they added. Jill Geoghegan, acting editor of Drapers, said, "Despite the challenges thrown up by the coronavirus pandemic, fashion brands and retailers increasingly recognise that sustainability is a business imperative."

"Many businesses continued to invest in cleaning up their supply chains and introducing new models of working, despite the unprecedented trading conditions," according to Mostafiz.

"During the pandemic, I was vocal about the issue of buyer-supplier relationships and, in speaking out, I wanted to champion the cause of suppliers all over the world," he said.

"Too often suppliers in garment supply chains do not have a voice because they fear that by speaking out, they will be treated unfavourably by brands," he said.

"All I want to see is a fair, ethical and sustainable industry where buyers and manufacturers work in an environment of collaboration, not conflict," he added.

The judges were namely Kerry Bannigan, founder of Conscious Fashion Campaign, Sarah Ditty, global policy director of Fashion Revolution, Miriam Lahage, founder of Aequip, Samata Pattinson, CEO of Red Carpet Green Dress, Caroline Rush, CEO of British Fashion Council, Lucy Shea, group CEO of Futerra, Jane Shepherdson, chairman of My Wardrobe HQ, and Dilys Williams, director of the Centre for Sustainable Fashion.

EXPORT COMPETITIVENESS FOR JOBS (EC4J) PROJECT

EXPORT READINESS FUND

Enhancing Environmental, Social and Quality Standards of Bangladeshi Enterprises through the Export Readiness Fund - Apply for a grant today!

Funded by the World Bank and implemented by the Ministry of Commerce, the **Export Readiness Fund (ERF)** is a component of the **Export Competitiveness for Jobs (EC4J) Project**. The ERF is a **US\$10 million** programme which provides matching grants to eligible Bangladeshi firms to identify gaps, catalyse investment and improve Environmental, Social and Quality (ESQ) standards, and, thus, improve competitiveness on the export markets. Grants are provided for technical assistance, training and equipment investments to help eligible firms address their ESQ compliance gaps and upgrade their factories and operations, including improving production processes and enhancing product quality. ERF targets four key sectors: **leather and leather goods, footwear, plastics, and light engineering**, respectively.

ERF has already awarded grants to over 400 Bangladeshi enterprises to carry out ESQ assessments under funding Window 1 which is now closed for applications.

Grants are currently available on a **first come, first served basis** under the following funding streams:

- ✓ **Window 2:** The Small ESQ Grant Window, covering business and technical services of up to **US\$40,000**; and,
- ✓ **Window 3:** The Large ESQ Grant Window, covering projects in both services and fixed asset expenditures up to **US\$200,000**.

For more information on how to apply for a grant, please contact the ERF Management Unit and visit the ERF website (see details below).

Export Readiness Fund Management Unit
Navana Villa Akbar
House - 257/A (2F), Flat A - 2, Road - 19
Mohakhali DOHS, Dhaka-1206
Telephone: +88 02 9833736; +88 02 9833737; +88 02 9833738
Email: info@erf-bd.com Website: www.erf-bd.com

Don't miss out on this opportunity to upgrade your export potential!

Coming soon: COVID-19 Enterprise Response Fund! Stay tuned for more information! D-46

Ctg chamber wants a raise in tax-free income limit

STAFF CORRESPONDENT, Ctg

The Chittagong Chamber of Commerce and Industry (CCCI) has proposed an increase in the tax-free income limit for individuals, women, the elderly, physically-impaired and freedom fighters in the next national budget, considering the adverse impacts of the ongoing pandemic.

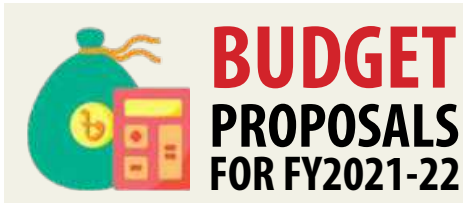
The chamber proposed that the tax-free income limit should be raised from Tk 3 lakh to Tk 4 lakh for individual taxpayers, Tk 3.5 lakh to Tk 4.5 lakh for women and elderly taxpayers above 65 years of age, Tk 4.5 lakh to Tk 5.5 lakh for the physically challenged taxpayers and Tk 4.75 lakh to Tk 5.75 lakh for war-injured freedom fighters.

CCCI President Mahbul Alam yesterday placed its 14-point proposal in a pre-budget meeting organised by the chamber at the World Trade Centre in Chattogram.

National Board of Revenue (NBR) Chairman Abu Hena Md Rahmatul Munim was the chief guest at the meeting.

The next budget is vital for the nation, which is progressing ahead even after facing pandemic-induced losses, the CCCI president said.

Apart from boosting the country's economy by creating employment through investments in industrialisation, everyone needs to be proactive about achieving the targeted revenue collection, he said.



Alam emphasised the need to focus on poverty alleviation, employment creation, investment enhancement and increasing revenue collection while formulating the upcoming budget for fiscal 2021-22.

In his speech, the NBR chairman said the government imposes tax with an aim to develop local industries, production and agriculture, achieve self-reliance as well as protect the environment.

Capable people should pay tax duly and play a role in the country's socio-economic development, he said.

The chamber also proposed for taking steps to expedite tax refunds as a huge amount of money paid as 5 per cent advance tax (AT) on imports by the steel sector industrialists remain held up at the revenue department.

Mentioning that the AT is mandatorily adjusted within six months during marketing and sales, the chamber proposed cutting short the time for refunding the money to 60 days.

Raising the issue at the meeting, BSRM Group General manager (Finance and Accounts) Shekhar Ranjan Kar demanded lowering the AT rate on imports to 1 per cent from the existing 4 per cent.

Kar later told The Daily Star that his group is not getting AT refunds worth around Tk 140 crore from the government since July 2019.

READ MORE ON B2

An inspiration for new e-commerce entrepreneurs



COLLECTED

(Clockwise from left) A traditional husking pedal, known as dheki in Bangla, is used to crush barley grain into powder, which is a little less fine than that generated by grinding machines. Powdered barley alongside mixtures of such textures of barley, Binni rice, wheat, chickpeas and red lentil have long been favourite eatings of rural Rajshahi. Such products now reach 62 districts from Rajshahi, thanks to entrepreneur Nipa Sen Gupta realising people's affinity for organic foodstuff and farm to plate models.

ANWAR ALI

Nipa Sen Gupta, a resident of Rajshahi district, had no idea that the lessons learnt in her school-life could help her grow into a successful entrepreneur amid the ongoing coronavirus crisis.

A bachelor's student in her final year at Rajshahi Government Women's College, Nipa sells heritage agricultural products and traditional food items.

She takes orders from the Women and e-Commerce (WE) forum on Facebook, which has more than 10 lakh members.

She also launched a separate buy and sell group on the popular social media platform on traditional agricultural products called "Oitijhobahi Krishir Amreto Swadh".

Nipa's journey began in 2013 without her knowing it.

Nipa had just passed her SSC from a school in her home upazila of Iswardi in

Pabna district. One day, along with her friends, she was returning home after collecting her mark sheet and certificate from the school.

"On our way home, there was a tree of Falsa fruit. The fruit was not known to everyone then, but it was tasty," Nipa said.

"We played with it and gossiped together by sitting under the tree on uncountable occasions," she added.

On her last day in school, Nipa took a number of photographs as a memorabilia of the tree.

"I loved the colour of the fruit." Bangladesh began recognising Falsa as a local fruit in January this year.

Two years later, she settled in Rajshahi city with her husband Amreto Sarker, who works at a nongovernmental organisation.

"From the beginning of our married life, I always wanted to do something. I wanted

to stand on my own feet and help my husband run the family."

She thought about selling cooked food from home but her husband opposed the idea and insisted on putting education first.

Then the pandemic crept in. "We had no problem in the first few months but eventually had to suffer when his salary became irregular for several months. It was then I became desperate to do something."

Then, one of her friends drew her attention to the WE forum.

"I surfed the group for several days and saw hundreds of women were successfully selling their products. I felt inferior. Everyone had a different product. I could not find a product for myself to start with."

But she kept following and posting questions in the group.

One day, she posted her school-life photograph with Falsa fruits in her hand.

"I shared the photograph to entertain the group members. Even I wanted to know if there is someone having any idea of the fruit," Nipa said.

The photograph received an enormous response.

"Many were enquiring about where to find Falsa saplings and if I could supply them."

One medical student from Jessore, Fatima Khatun, called her to ask for saplings and requested to help her finding one.

"She was telling me that she had some good memories with the fruit and she wants to raise a tree now at her home to carry the memories."

"It was for her that I began looking for the saplings at local nurseries. When I found one, I sent her a Falsa sapling by bus. She paid through bKash. It was my first earning."

READ MORE ON B2

GLOBAL BUSINESS

Zara owner Inditex's 2020 profits slump on virus hit

AFP, Madrid

Zara owner Inditex said Wednesday its profits plunged in 2020 as a surge in online sales failed to make up for enforced store closures due to the coronavirus pandemic.

The Spanish textile giant, which also owns the Bershka and Massimo Dutti brands, recorded a net profit of 1.1 billion euros (\$1.3 billion) last year, a 70 per cent drop over 2019. Total sales were down 28 per cent from last year at 20.4 billion euros, as lockdown restrictions forced the closure of stores around the world, it said in a statement.

At one point last year nearly 100 percent of Inditex's stores were closed as nations imposed strict lockdown measures to curb the spread of the virus, Chairman Pablo Isla told a news conference.

Only 18 per cent of its stores were operating normally as of January 31 when Inditex's fiscal year ends, he added. Thirty percent were closed in countries like Britain that reintroduced lockdowns while the rest faced restrictions such as limits on the number of customers that can be inside at a time.

Inditex, which operates nearly 7,000 stores worldwide, expects almost all stores



REUTERS/FILE

Shoppers walk out of a Zara store amid the coronavirus disease outbreak in Madrid.

to be open again by April 12. Total sales were down 28 percent from last year at 20.4 billion euros including 6.6 billion in online sales -- an unprecedented 77 percent

increase over 2019. "Inditex has emerged stronger after such a challenging year," Isla said.

The company was late to online sales

with Zara, its flagship brand, opening its first store online in 2010. But Inditex has since sought to quickly made up for lost time. It has spent 2.5 billion euros since 2012 to develop online sales and the company said Wednesday it plans to invest another 2.7 billion euros between 2020 and 2022. Inditex also said it had stepped up its restructuring of its shops, with the closure of 751 smaller shops and the opening of 111 flagship locations.

Euromonitor analyst Natasha Cazin said the company was "well positioned to rebound in the near future" thanks in part to its massive investment in online sales. The company has also managed to "diversify its line of products to attract consumers who are now more interested in self care and who spend more time at home" such as comfortable home wear and interior decoration items.

Inditex posted a net loss of 409 million during its first quarter which runs from February to April, its first quarterly loss in nearly two decades, as the country grappled with the first wave of the pandemic which brought the global economy to a virtual halt. Shares in Inditex closed up 1.20 per cent, outperforming Spain's Ibx35 index which ended up 0.34 per cent.

NEWS In Brief

Most CEOs see their firms recovering by end 2021

AFP, New York

US chief executives are more optimistic about rising sales and overwhelmingly expect a recovery from the Covid-19 downturn by the end of 2021, according to a survey released Wednesday.

The Business Roundtable reported jumps in expectations for the next six months in all three categories: expected sales, capital spending and hiring. And 72 per cent of CEOs said conditions have already recovered or will have recovered by the end of 2021. That is an increase from 67 per cent in the prior quarter.

The survey is the latest to point to broadening optimism about the economic recovery, and comes as the House of Representatives is set to approve a \$1.9 trillion fiscal spending package and send the measure to President Joe Biden for final signature. "These survey results suggest that the economy is recovering, which is encouraging news, as there are many American workers, families and communities who are still hurting," said Walmart Chief Executive Doug McMillon, who is chairman of the organization.

Nokia signs patent licence pact with Samsung

REUTERS, Stockholm

Nokia has struck a deal with Samsung to license patents covering its innovations in video standards, the Finnish telecom company said on Thursday.

While the companies did not disclose the financial terms of the agreement, Samsung will make royalty payments to Nokia. Nokia's patent portfolio is composed of around 20,000 patent families, including over 3,500 declared essential to 5G.

The deal comes months after rival Ericsson filed a lawsuit in the United States against Samsung in a dispute over royalty payments and patent licenses.

The U.S. International Trade Commission said last month it would open an investigation after Ericsson claimed Samsung had infringed on some of its patents in 4G and next generation 5G wireless cellular communications infrastructure systems.



Visitors gather outside the Nokia booth at the Mobile World Congress in Barcelona, Spain. REUTERS/FILE

Rolls-Royce plunges to worse-than-expected \$5.6b loss

REUTERS, London

British engine-maker Rolls-Royce plunged to a worse than expected 4 billion pound (\$5.6 billion) loss in 2020 as the pandemic stopped airlines flying, but stuck to its forecast to burn through less cash this year.

Rolls' model of charging airlines for the number of hours its engines fly meant much of its income dried up last year when travel stopped. In 2020, it secured a total of 7.3 billion pounds in debt and equity to help it survive.

Last year's cash burn of 4.2 billion pounds

was in line with analysts' expectations, and Rolls guided that would reduce this year to 2 billion pounds, turning positive in the second half when travel is expected to pick up. Rolls' civil aerospace arm accounts for just over half of group revenue in a normal year.

On an underlying pretax basis, Rolls posted a loss of 4 billion pounds, worse than the 3.1 billion pound loss forecast by analysts.

Despite that, the company said on Thursday its liquidity position was strong and it could cope with even in a severe downside scenario.

Its shares opened up 2.6 per cent at 116 pence.

After taking on 5.3 billion pounds of debt last year, Rolls is planning to repair its balance sheet by selling assets worth 2 billion pounds, the major part of which will be Spain-based ITP, which is currently on the block.

"Our planned sale of ITP Aero is progressing well with ongoing conversations with a number of potential buyers," Rolls said.

But its asset sale plan ran into problems this week when Norway suspended the 150 million euro sale of Rolls' Norwegian unit,

Bergen Engines, on security grounds.

Jefferies analyst Sandy Morris said Rolls had "much to do", but it was feasible. "The possibility of reaching modest net debt by end 2023 is alive," he said.

Rolls' cash flow improvement depends on airlines flying 55% of 2019 levels during 2021. The company said its assumption is for travel to gradually improve this year, accelerating in the second half as vaccine programmes progress.

Blaming tightening travel restrictions in the early part of this year, the company warned in January its 2021 cash burn would be worse than previously expected.