

## Prime Bank now provides PrimePay

STAR BUSINESS DESK

Prime Bank has introduced PrimePay, a service doing away with branch visits by enabling corporate clients to instantly make VAT, excise and import payments from anywhere, anytime and receive SMS and email confirmations.

The digital platform facilitates account-to-account fund transfers, corporate cheque, pay order and real-time payment, the bank said in a statement yesterday.

It will "greatly benefit the corporate customers, as it will help save time and energy especially in this time of pandemic", said Deputy Managing Director Shams A Muhaimin.

"PrimePay will help businesses keep pace with the competitive and fast-changing business landscape through this secured and seamless digital transaction service," he said.



Shibli Rubayat-Ul-Islam, chairman of the Bangladesh Securities and Exchange Commission; Ahmed Jamal, a deputy governor at Bangladesh Bank; Aziz Al Kaiser, chairman of City Bank; Aziz Al Mahmood, chairman of City Bank Capital Resources, and Mashrur Arefin, CEO of City Bank, pose at a subscription closing ceremony of a Tk 400 crore bond organised by City Bank, at the Westin Dhaka on Tuesday. Story on B1

## Subscription ends for City Bank's Tk 400cr perpetual bond

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Shibli Rubayat Ul Islam, chairman of the Bangladesh Securities and Exchange Commission; Ahmed Jamal, deputy governor of Bangladesh Bank; Aziz Al Kaiser, chairman of City Bank, and Aziz Al Mahmood, chairman of City Bank Capital Resources, were also present.

The bank entered into partnerships with several institutions for successfully issuing the floating-rate perpetual bond.

The issue enhanced Tier-I capital of City Bank following "Guideline of Risk Based Capital Adequacy" of Bangladesh Bank; therefore, ultimately increased issuer's total capital adequacy ratio.

Mashrur Arefin, managing director and CEO of City Bank, and Ershad Hossain, managing director and CEO of City Bank Capital, expressed gratitude to the subscribers, regulators and all others who were involved with the issuance process.

## Any deal should end double taxation

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Adding to this were celebrations marking Bangabandhu Sheikh Mujibur Rahman's birth centennial and the 50th anniversary of Bangladesh's independence, he added.

Connectivity first needs to be improved while the private sector given the confidence that their investment will be protected, said Shahid, a former speaker of the Maldives parliament.

Both countries enjoy a huge advantage in terms of the immense size of their youth population, who should take on leadership roles for their nations' future survival, fighting common climate change-induced challenges, he said.

Mainly thriving on tourism, the island nation has gradually turned into a regional destination for some Bangladeshi job seekers.

A lot of Bangladeshis have gone to the Maldives to make their fortune but unable to show valid documents, many of them have fallen victim to unscrupulous traders.

Shahid said their estimates say 151,000 Bangladeshis are currently in the Maldives, of which 80,000 have official documents while the rest were unregistered.

"This is a very sad situation, and we have very unscrupulous employers and individuals who have taken advantage of those individuals," he said.

So the Maldives wants to send back the unregistered Bangladeshis as their laws did not permit so many foreign nationals of a particular country to stay back, he said.

The Maldives parliament allows around one lakh foreign skilled, unskilled and semi-skilled foreign workers from a

particular country to stay, he added.

Last year, they sent back 10,000 Bangladeshis and the Maldives government needs to reach to "the required target", the minister said.

"So we are requesting the high commission of Bangladesh in the Maldives to expedite the requirement," Shahid also said.

No one will be sent back forcefully as it is a voluntary process and all dues of the Bangladeshi expatriates will be paid, he assured.

The Maldives government will bear the repatriation cost and their market was dependent on how this situation turned out. If the economy grows in the future, the requirement threshold of foreign workers may increase, he added.

Regarding the Covid-19 pandemic, the minister said the situation in the Maldives was under control.

The Maldives government provides treatment irrespective of nationalities. So far, over 3,000 Bangladeshis tested positive and only one or two passed away, he said.

Since vaccines have been rolled out, not only Maldivians but also foreign nationals, including Bangladeshis, will be provided the job free of charge, he said.

Following a request of the Maldives, Bangladesh has already sent a medical team to provide treatment to the Bangladeshi community because of a gap in communication that exists, according to a statement from the Maldivian foreign ministry.

Many cannot easily communicate, said the minister.

## Blacklisted Chinese firms eye lawsuits after Xiaomi win against Trump ban

REUTERS

Chinese companies targeted by a sweeping investment ban imposed by former President Donald Trump are considering suing the US government after a federal judge on Friday suspended a similar blacklisting for Beijing-based smartphone maker Xiaomi.

Lawyers familiar with the matter said some of the banned Chinese companies are in talks with law firms including Steptoe & Johnson and Hogan Lovells, emboldened by US District Judge Rudolph Contreras' preliminary order halting Xiaomi's inclusion on a US list of alleged Communist Chinese military companies that are subject to an investment ban.

The Trump administration's move to blacklist Xiaomi Corp, which knocked \$10 billion off its market share and sent its shares down 9.5 percent in January, would have forced investors to completely divest their stakes in the company.

"Companies are reaching out to lawyers to challenge the listings and the grounds for the listings," said Wendy Wysong, managing partner of the Hong Kong office of Steptoe & Johnson, a worldwide law firm headquartered in Washington.

Wysong and a person familiar with Hogan Lovells, another global law firm, declined to name the companies involved in discussions.

Contreras flagged the US

government's "deeply flawed" process for including the company in the investment ban, based on just two key criteria: its development of 5G technology and artificial intelligence, which the Defense Department alleges are "essential to modern military operations," and an award given to Xiaomi founder and Chief Executive Lei Jun from an organization said to help the Chinese government eliminate barriers between commercial and military sectors.

The judge noted that 5G and AI technologies were fast becoming standard in consumer electronics,

and that over 500 entrepreneurs had received the same award as Lei since 2004, including the leaders of an infant formula company.

"The facts that led to Xiaomi's designation are almost laughable, and I think it absolutely is going to lead to additional companies seeking relief," said Washington lawyer Brian Egan, a former legal adviser in both the White House and State Department who also works at Steptoe.

In a joint filing on Tuesday, the government said it had not decided on the "appropriate path forward" in the Xiaomi case in light of the

judge's decision.

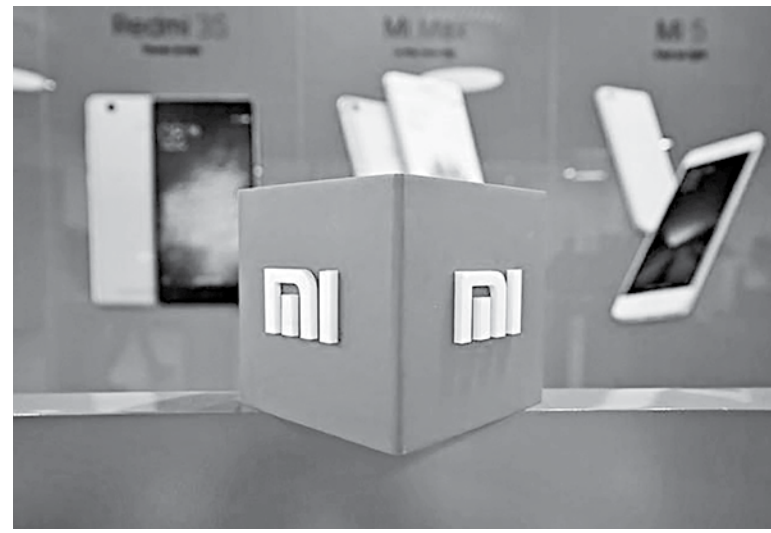
A spokeswoman for the US Department of Justice, which is defending the case, declined to comment. A spokeswoman for the Department of Defense referred questions to the White House, which has not responded.

Xiaomi and 43 other companies were added in the waning months of the Trump administration to the blacklist, which was mandated by a 1999 law requiring the Defense Department to publish a compilation of companies "owned or controlled" by the Chinese military.

Seeking to cement a tough line on China and box his Democratic successor, Joe Biden, into hardline policies, Trump signed an executive order that was later expanded to bar all US investors from holding securities in the named companies beginning on Nov. 11, 2021.

Other companies listed include video surveillance giant Hikvision, China National Offshore Oil Corp (CNOOC) and China's top chipmaker, Semiconductor Manufacturing International Corp.

SMIC, Hikvision and CNOOC did not immediately respond to requests for comment. Luoking Technology Corp, a mapping technology company on the list, also sued the US government earlier this month, and is expected to seek preliminary relief similar to that awarded to Xiaomi.



REUTERS/FILE

The logo of Xiaomi is seen inside the company's office in Bengaluru, India.

## Asia traders move cautiously as they turn focus on Fed

AFP, Hong Kong

Asian investors drifted Wednesday after a two-day advance with focus on the Federal Reserve's crucial policy meeting, which comes against a backdrop of heightened inflation fears fuelled by an expected surge in economic activity this year.

While the battle against coronavirus continues to rage and some countries reimpose containment measures, the rollout of vaccines, signs of slowing infections and huge government and central bank largesse are providing massive support to equities.

But that has also raised concerns about soaring prices and the prospect the Fed will have to wind back the loose monetary policies -- including record low interest rates -- that have powered a year-long rally. US benchmark 10-year Treasury yields -- a guide to future interest rates -- have risen to a one-year high in recent weeks.

Highlighting the importance of the issue to markets, a survey by Bank of America Merrill Lynch found that the virus as not traders' main concern now. "That honour goes to higher-than-expected inflation, with a bond market tantrum at number two," said AXI strategist Stephen Innes.

## Forex reserves may come under stress without quality lending

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The committee suggested that only strategic development projects of the government be allowed to take loans from the reserves.

Strategic development projects mean the infrastructures that will have a direct link to give a boost to economic growth, said a number of members of the committee.

Bridges, highways, ports and environment-friendly power plants are considered as strategic development projects.

The central bank will disburse a maximum of \$2 billion a year for the implementation of the projects. The outstanding loans under the fund will not surpass 10 per cent of the volume of the reserves.

Ahmed said forex reserves are a nation's backup funds in case of an emergency, such as a rapid devaluation of its currency.

Countries use the reserves to keep a fixed rate value, maintain competitively priced exports, remain liquid in case of a crisis, and provide confidence to investors.

"We are satisfied with the recent increase of the reserves, but the trend will not continue always," he said.

The former governor recalled that the country faced a food crisis in 2007-08, and many banks had been

in a shortage of foreign currency at the time. The central bank supplied foreign currencies to help lenders settle import bills.

"Such a problem may reoccur," Ahmed said.

The central bank will ensure retaining a level of forex reserves that can meet import payments for at least six months before sanctioning any funds to projects, according to the central bank guidelines.

The BB committee said the government would have to provide a sovereign guarantee to state-run banks to avail the fund from the reserves.

The development projects will avail loans through commercial banks. If the projects fail to repay the loans on time, the central bank will take control of government securities invested by the banks to recover the fund.

Banks keep a significant portion of their securities at the central bank in the form of a statutory liquidity ratio.

"Sovereign guarantee is not enough to protect the public money because there is a lack of corporate governance in the financial sector," Ahmed said.

He warned that other projects excluding the strategic infrastructures might seek funds from the reserves given previous experiences.

In one such instance, the central bank was forced to relax the rules

to reschedule delinquent loans on a wholesale basis, although it had initially received one or two applications to this end.

Also, the banking industry has been burdened with default loans for years as scammers had swindled a considerable amount of money.

"The central bank should sanction the fund from the forex reserves cautiously by carrying out an appropriate feasibility study on the projects," Ahmed said.

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said that the government had faced both cost and time escalation in implementing mega infrastructure projects.

If the government sets a similar example for the projects to be financed from the reserves, the initiative will not pay off, he said.

"The government should form an independent board to monitor the investment in the infrastructural projects such that the quality of lending is ensured."

The return from the investment will decrease to a large extent if the process of procurement is not transparent, he said.

Projects will be allowed to take loans to settle import bills for capital machinery and industrial raw materials

as per BB guidelines.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said that the method of using the foreign exchange reserve was unnecessary as projects could take loans from banks under the existing system.

"Development projects can easily manage funds from commercial banks if the government provides a sovereign guarantee," he said.

The BB committee recommended a maximum of 15 years as the repayment tenure, including five years as a grace period. Projects will get the fund at a concessional interest rate of 2-3 per cent.

The central bank will initially give out the loans to state-run banks, setting an interest rate in line with the London Interbank Offered Rate (Libor).

The Libor is a benchmark interest rate at which major global banks lend to each other in the international interbank market for short-term loans.

The central bank may also consider the concessional lending rate of the World Bank or the International Monetary Fund in setting the interest rate.

Yesterday, a central banker said the BB had submitted the recommendations to the government higher-ups. "Now, it is up to the government whether it will implement the recommendations or not."

## Govt releases Tk 570cr to support small firms

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The disbursing agencies will have to formulate a separate policy to ensure convenience for potential borrowers from the package, which also aims to expedite Bangladesh's recovery from the Covid-19 fallout.

The lenders will have to ensure receipt of the loan at the marginalised level clients.

The grant is non-refundable while lenders will have to deposit the total collected money, including the principal amount and interest, by forming a separate revolving fund.

It is mandatory for the lending agencies to send soft copies of the detailed expenditure statements regarding disbursements against a particular firm to the finance division.

The agencies will also have to properly follow all the rules and regulations while disbursing the fund.

## Tea processing factories flock to Panchagarh as production rises

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Shah Alam, a director of Karotoya Tea Factory in Panchagarh, said the tea sector in the northern region is very promising. "The cultivation of tea can bring four times higher benefits in comparison to other crops."

A grower can take home a profit of Tk 2 lakh to Tk 3 lakh from one acre of land, three to four years after planting the tea saplings, he added.

Golam Morshed of Dudumari village in Panchagarh sadar upazila cultivated tea on two acres of land three years ago. In the last season, he made a profit of Tk 2 lakh per acre. Now, he is bringing all of his lands under the coverage of tea cultivation.

Abu Hossain Md Shamsul Huda, a farmer of Hafijabad Khalpara village in the same upazila, previously cultivated different crops, including sugarcane, on his lands. He switched to tea cultivation about seven years ago and now grows the crop on eight acres of land.

"Tea cultivation is more profitable than other traditional crops."

He pocketed a profit of Tk 2.5 lakh from each acre last season. "Now I am planting tea saplings on more lands."

The government is encouraging farmers to expand tea cultivation by providing improved varieties of saplings and modern technologies at a lower cost, Mamun said.

A mobile app -- Two Leaves One Bud -- has been launched, and a pest management laboratory has been set up at the Panchagarh regional office to solve problems faced by farmers.

Various scientific aids are being provided to tea growers. They are given training on how to get rid of diseases and pest attacks, the BTB official said.

Tea growers and factory owners have been demanding the establishment of a tea auction market in Panchagarh for several years.

If an auction market is set up, it will help factory owners save Tk 3-4 per kg, which is being spent for transporting tea to the auction markets in Chattogram and Sylhet from the northern

districts.

Monzur Alam said if the auction market was set up in Panchagarh, both growers and factory owners would benefit.

"Factory owners will be able to save transport cost, monitor the market trend closely, and get fair prices. Ultimately, a portion of the additional profit will go to the growers."

"Tea farmers will benefit after setting up an auction market in Panchagarh as it will help flourish the tea industry in the northern part and create more jobs," said Amirul Haque Khokon, president of the Small Tea Garden Owners' Association.

Mosharaf Hossain, general secretary of the Tea Factory Owners' Association, said the existing factories had the capacity to process all of the raw leaves being currently produced. Any additional factories could pose a threat to the survival of the existing factories.

Khokon differed, saying a competitive market could help the promising tea sector in the northern region thrive.

## WB gives \$200m to help poor urban youths, migrant returnees

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Socio-emotional counselling will also be provided to support their reintegration into the community.

To provide these services, the project will set up 32 district welfare centres and will also support the upgrade and integration of information systems that will streamline social protection service delivery for aspiring, current and returning migrants.

"While the project will focus on the immediate needs of migrants who have returned due to Covid-19 impacts, through the systems development and capacity building, it will also benefit outgoing and voluntarily returning migrants, their families and communities, over the longer term," said Syud Amer Ahmed, World Bank's senior economist and team leader

for the project.

"It will also focus on the needs of female returnees, including psychosocial counselling and referrals to gender-based violence related services, as well as ensuring specific outreach activities to support their economic reintegration."

The credit is from the World Bank's International Development Association (IDA), which provides concessional financing, has a 30-year term, including a five-year grace period.

Bangladesh currently has the largest ongoing IDA programme, totalling over \$13.5 billion. The World Bank was among the first development partners to support Bangladesh and has committed more than \$33.5 billion in grants, interest-free and concessional credits to the country since its independence.