

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 1.48%	▼ 1.36%	\$1,721.90	\$66.30	▼ 1.17%	▲ 1.01%	▲ 0.9%	▲ 0.51%	BUY TK 83.95	99.33	116.18	12.70
5,434.69	9,500.76	(per ounce)	(per barrel)	49,216.52	30,216.75	3,137.66	3,463.07	SELL TK 84.95	103.13	119.98	13.35



# Star BUSINESS

DHAKA FRIDAY MARCH 19, 2021, CHAITRA 5, 1427 BS • starbusiness@thedailystar.net

## India-funded projects see slow progress

REJAUl KARIM BYRON and JAGARAN CHAKMA

The implementation of the 44-kilometre Dhaka-Tongi-Joydebpur rail line under an Indian line of credit (LoC) has made progress of 31.2 per cent since its construction began 11 years ago.

Other infrastructure projects being funded by India are also facing delays and upward cost revisions.

To resolve the issues, the Economic Relations Division (ERD) holds regular meetings with line ministries and Indian contractors and other officials, but the pace of implementation has been slow.

### OVERVIEW OF INDIAN LINE OF CREDIT

Signing year	Amount (million \$)	Total projects	Completed projects	Fund disbursed (As of March 14)
1st LoC 2010	862	15	12	634.92
2nd LoC 2015	2,000	15	2	94.59
3rd LoC 2017	4,500	16	0	9.79
<b>Total</b>	<b>7,362</b>	<b>46</b>	<b>14</b>	<b>739.3</b>

Since 2010, India has disbursed 10.03 per cent of the \$7.36 billion pledged as loans.

So far, 46 projects have been taken up under three Indian LoCs, of which 14 projects related to the procurement of buses, trucks and other vehicles were completed.

The remaining 32 projects are suffering from slow implementation.

Officials of the relevant ministries and the ERD blamed bureaucratic red-tape, the terms of the LoCs, inexperience and a lack of planning for the delay. Taking on too many projects has also been a principal cause.

"India has no experience in providing large loans to any country other than Bangladesh," said Ahsan H Mansur, executive director of the Policy Research Institute.

Besides, the Indian bureaucrats want to handle the matter very cautiously, which causes a massive holdup, he said.

When bureaucrats have experience in dealing with government-to-government project funding, negotiations move very fast, he added.

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## How Vietnam getting mightier in apparel shipment

*Its edge over Bangladesh: low lead time, quality fabric, upmarket focus*

REEFAYET ULLAH MIRDHA

If you happen to come upon t-shirts being sold in the United States or the European Union (EU), the chances are that the Vietnamese ones have outdone the Bangladeshis, securing twofold the export price.

To give an idea of the margin, let's take an instance in the EU in 2020 cited by the Centre for Policy Dialogue (CPD) in a research last month.

Against every 100 kilogrammes of t-shirts, Vietnam managed to fetch \$2,157.90 last year, whereas it was \$1,091.50 for Bangladesh.

This did not come out of the blue. In 2019, the rates were going at \$2,099.70 and \$1,097.50 respectively.

The same story was repeated in the US, another major export destination for both nations.

Closer inspection reveals the most visible edges: the quality of Vietnamese fabrics being substantially better and a section of its people having a taste for high-end products.

Other factors are also at play, asserting better prices in the major markets, says Khondaker Golam Moazzem, the CPD's research director.

Some 75 per cent of a garment item's raw material comprises the fabric, while the rest accessories, he said.

The use of a higher quality of fabric guarantees Vietnamese manufacturers better prices from buyers, he explained.

Plus, Vietnam has a higher number of upscale product brands and retailers, he added.

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### BANGLADESH VS VIETNAM

#### T-shirt prices (per 100-kg)

Bangladesh: \$1,091  
Vietnam: \$2,057



#### Other comparisons: Vietnam:

- Proximity to China
- Better country image

#### Upscale garments

Bangladesh: Low diversity  
Vietnam: High diversity



#### Lead time:

Bangladesh: 90 days  
Vietnam: 30 days

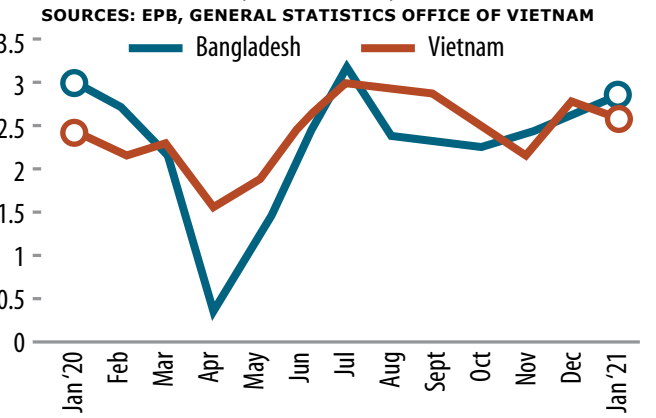


#### Bangladesh:

- Absence of deep-sea port
- Low ease of doing business ranking

### APPAREL EXPORTS OVER THE MONTHS

(In billion dollars)



## Master plan must help phase out fossil fuel-based power: CPD

STAR BUSINESS REPORT

The government's proposed master plan on power and energy should help Bangladesh phase out fossil-fuel-based and expensive generation system and guide it towards cleaner electricity, the Centre for Policy Dialogue (CPD) said yesterday.

On Sunday, the government signed an agreement with the Japan International Cooperation Agency (Jica) for a new power system master plan, with a vision to promote a low or zero-carbon transformation of the total energy supply and demand system.

The decision to prepare the master plan is a welcome move, said the CPD.

This is particularly important when Bangladesh is in the process of the energy transition with a view to scaling down the use of fossil fuel and boosting the use of renewable energy.

"Overall, the next plan must show a clear path towards energy transformation in Bangladesh," said CPD Research Director Khondaker Golam Moazzem while making a presentation during a virtual dialogue.

The think-tank organised the programme titled "Proposed Power System Master Plan (PSMP): Challenges of Projecting Rationale Electricity Demand".

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### SOURCE OF POWER

- 89.4% generation dependent on fossil fuel
- 9.34% dependent on import
- 1.17% comes from hydro and renewables

### CHALLENGES

- Obstacles facing power system master plan: excess capacity, huge capacity payment, inefficiency, use of expensive energy and high financial burden
- Bangladesh lags far behind in renewable energy



## Novo Nordisk launches once-a-week diabetes drug

STAR BUSINESS REPORT

Novo Nordisk, a global leader in diabetes care, yesterday announced the launch of once-weekly semaglutide injection for the treatment of type 2 diabetes patients in Bangladesh.

Alongside diet and exercise, semaglutide can either be used alone or in addition to other products for diabetes management, the Danish healthcare company said in a statement.

The price of the injection will be Tk 14,259, the company said.

"Over 50 per cent of the people living with type-2 diabetes in Bangladesh do not have their condition in control," said Prof AK Azad Khan, president of Diabetic Association of Bangladesh (DAB).

"On average, the diabetes patients spend more than seven years uncontrolled on oral medication before treatment is intensified."

Khan spoke at the launching programme at InterContinental Dhaka.

"Being able to offer a medicine such as once-weekly semaglutide with its superior blood glucose control, reduction in body weight, and proven cardiovascular benefits, is a huge step forward in the management



of this complex condition."

The injection is an important addition of diabetic treatment, he said.

The clinical data—SUSTAIN trial—shows that semaglutide provides unsurpassed efficacy in terms of blood glucose and weight reduction, helping up to 80 per cent of patients reach treatment target," said Jay Thyagarajan, vice president of Novo Nordisk's business area in Southeast Asia.

"As a once-weekly treatment, I believe semaglutide will help address the needs of patients living with diabetes in Bangladesh," Thyagarajan said.

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## Low interest rates in banks: where to invest then?

AHSAN HABIB

Most people in Bangladesh prefer to keep their funds in banks but lower interest rates on deposits are now turning them away from the risk-free income generating investment tool.

Currently, the deposit rate has declined to an average of 4.51 per cent while it was around 6 per cent a year earlier.

At the same time, the country's inflation rate rose to 5.32 per cent in February, reflecting negative returns.

This means that if you keep your money in a bank where the difference between the interest rate and inflation rate remains the same, then your fund's value would fall by Tk 0.81 for every Tk 100 by the end of the year.

However, the number of investment options in Bangladesh is very limited, according to Mahmood Osman Imam, a professor of finance at the

University of Dhaka.

So, in cases where a bank offers a lower interest rate for saving than its inflation rate, people can either go for a savings certificate or invest in the stock market.

But since stocks are a very risky proposition, the general public should avoid making significant investments without first availing proper knowledge on it, Imam said.



### INTEREST RATES OF FIVE SAVINGS TOOLS

5-year Bangladesh Sanchayapatra: **13.19%**

3-month Sanchayapatra: **12.59%**

Pensioner Sanchayapatra: **13.19%**

Poribar Sanchayapatra: **13.45%**

Wage-Earner Development Bond: **11.80%**

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## Alarming rise in Covid patients takes a toll on stocks

STAR BUSINESS REPORT

The stock market ended last week on a negative note amid fears of a new wave of the Covid-19 pandemic due to an alarming rise in the number of coronavirus-infected patients.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), dropped 134 points or 3.41 per cent compared to that in the previous week to stand at 5,434 last week.

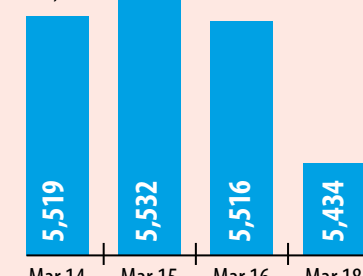
The overall trade value of stocks fell 24 per cent.

Owing to a rising number of infections, investors apprehend that the country could be in for a second round of lockdown, which means the stock market would also be kept shut, said a stock broker preferring anonymity.

Of 20,925 samples tested in Bangladesh in the last 24 hours till 8:00am yesterday, at least 2,187 tested positive for coronavirus, pushing the infection rate to 10.45 per cent, according

### DSEX LAST WEEK

In points



SOURCE: DSE

to a press release of the Directorate General of Health Services (DGHS).

The situation is so bad that the DGHS proposed going for a complete lockdown on Wednesday to curb the spread.

In the last 10 days, the transmission of novel coronavirus had been gradually rising every day around the globe with experts fearing spread of

new strains of the pathogen, including those first detected in the United Kingdom and South Africa.

The spread of such news created a rumour that the stock market may be kept shut again, leaving a negative impact on the market, said an industry insider.

"This rumour created panic among the investors," he added.

However, the Bangladesh Securities and Exchange Commission yesterday said if the banks were kept open, so would the market.

Meanwhile, Health Minister Zahid Maleque said there would be no need for a lockdown now if health safety guidelines were maintained.

The government agencies will jointly take a decision on imposing a lockdown, he told a ceremony honouring 10 nurses for their contribution during the initial coronavirus crisis at the KIB auditorium in Dhaka.

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Akhlaqur Rahman, head of corporate banking division of Dhaka Bank, and Ajit Chandra Aich, CEO of Progressive Life Insurance Company, exchange documents after signing a deal recently. The bank will provide cash management services to the insurer.

## German inflation could top 2pc, first time since 2012: experts

AFP, Berlin

Inflation in Germany could rise above the 2.0 per cent mark for the first time since 2012 on rising energy prices even though an economic recovery will be weaker than earlier expected, government economic advisors said Wednesday.

Prices could rise by up to 2.1 per cent in 2021 and 1.9 per cent in 2022, the so-called "Wise Men" panel of economists which advises the government said in a report.

The rise in 2021 would see Europe's biggest economy surpass the European Central Bank inflation target of just under 2.0 per cent. After having slowed considerably in 2020, inflation is expected to rise this year as the economy picks up following the relaxation of measures to

slow the spread of the Covid-19 pandemic.

In Germany, prices sank by 0.5 percent in 2020 before being pulled up this year by rising energy prices since the introduction of a carbon tax in January. Preliminary official data showed inflation reached 1.3 per cent year-on-year in February, its steepest rise since March 2020, when borders were first slammed shut across the world as countries battled to halt the coronavirus.

Germany is traditionally wary of inflation for historical reasons. Extreme hyperinflation in the early 1920s devastated the economy and fuelled political instability in the fledgling Weimar Republic which preceded Nazi rule. In a country which has remained nervous about currency stability ever since, rising prices have fuelled criticism of the ECB and its ultra expansionary stance.

## Fed patience calms yields for now, but market feels like 'coiled spring'

REUTERS, New York

The Federal Reserve may have avoided inflating the bond market with its latest policy decision and outlook, but as economic growth rebounds and inflation rises, at least temporarily, there are questions of how long yields will remain contained.

That's a key issue for both investors and Fed officials who would rather not have to ride out another bout of bond market volatility as a growing body of indicators suggests US growth is poised to take off this year.

The yield curve steepened to its highest since September 2015 on Wednesday - with shorter-dated rates falling faster than the long end - indicating investors took the Fed at its word that interest rates would remain anchored even as the COVID-19 crisis winds down. Recent evidence that an economic recovery has been taking hold had investors concerned the Fed would withdraw its accommodative policy sooner than expected.

But while the Fed's actions may be keeping the yield increases relatively orderly, for now, a surge higher remains a risk. That would raise borrowing costs for companies and consumers, and could ripple across other assets such as equities.

"To me it feels like it is a coiled spring," said Mark Cabana, head of US rates strategy at Bank of America. The Fed's current stance, he said, "does raise some risks that whenever we do begin to hear a shift in tone from the Fed that there may be a bit more of a rapid adjustment in the market."

The Fed "is signaling that it wants to see an overshoot, it wants to see

inflation and employment run quite hot," Cabana said.

Fears of sooner-than-expected rate hikes, or tapering of the Fed's asset purchases, in recent weeks have helped to send yields on longer-dated Treasury yields to the highest in a year.

The benchmark 10-year Treasury yield rose to a high of 1.689 per cent prior to the Fed's statement following the close of its policy meeting on Wednesday, its highest since January 2020. It later fell to around 1.646 per cent, though it remained higher on the day.

Two-year note yields, which are the most sensitive to interest-rate policy, dropped as low as 0.125 per cent after the Fed meeting before bouncing back to 0.137 per cent.

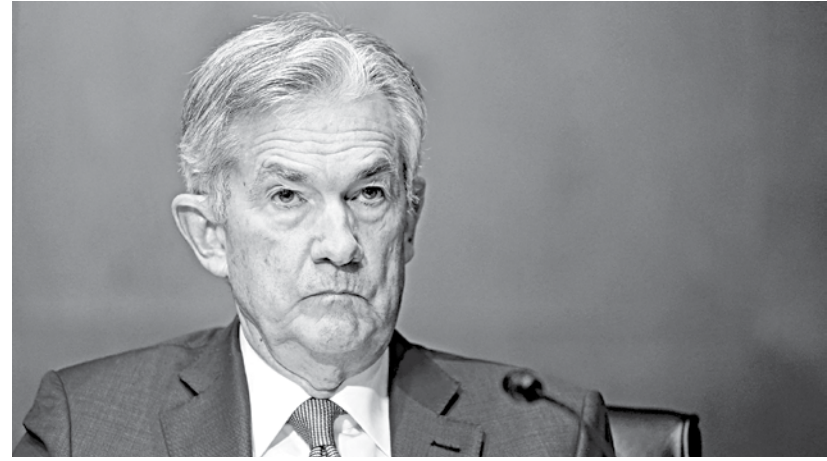
That meant the spread between the two- and 10-year rates - the most

common measure of the yield curve - widened to 153.2 basis points.

While long-term rates are likely to continue their march upward in line with better economic projections and rising Treasury supply, it could be more gradual than had been feared.

The Fed "has now calmed down potential market anxiety about a taper tantrum, and I think it buys time and paves the way for financial conditions to remain relatively loose and for the recovery to gather pace," said Daniel Ahn, chief US economist and head of markets 360 North America at BNP Paribas.

The 2013 taper tantrum saw bond yields rise dramatically after then-Fed Chair Ben Bernanke told lawmakers the Fed could take a step down in its pace of purchases of assets that had been propping up markets.



Federal Reserve Chairman Jerome Powell testifies before the Senate Banking Committee hearing on Capitol Hill in Washington.

REUTERS/FILE

## IMF sees Canada's economy rebounding, says government needs 'fiscal anchor'

REUTERS, Ottawa

Canada's economy is likely to rebound this year as long as COVID-19 is brought under control, but the government should introduce a "fiscal anchor" to ensure credibility in debt management, the IMF said on Thursday.

"The size and scope of policy support (in Canada) has been unprecedented" during the pandemic, the International Monetary Fund's executive board said in its annual report.

"The recent sharp rise in public debt increases the importance of clearly specifying a medium-term fiscal anchor... to guard against a potential weakening of credibility in the fiscal framework," the IMF said.

Canadian net debt jumped to 48 per cent of gross domestic product (GDP) in 2020 from 23.4 per cent the previous year and is projected to come down only marginally this year, to 47.4 per cent, according to the report.

The IMF said the government had been "strong, decisive, and well-coordinated" in its response to the pandemic, and that direct fiscal support during the pandemic had added up to about 15 per cent of GDP.

The IMF forecast economic growth of 4.4 per cent this year after a 5.4 per



King Street West is seen nearly empty a day before the Toronto Film Festival in Toronto, Ontario, Canada.

REUTERS/FILE

cent decline in 2020. The new U.S. \$1.9 trillion stimulus package "will further boost Canadian growth," the IMF said.

Looking ahead, Canada's Liberal government has said it would spend up to 3-4 per cent of GDP to help boost growth once the pandemic is under control. That stimulus is

expected to be announced in a new budget due as early as next month.

The IMF urged Prime Minister Justin Trudeau's government to "carefully balance short-term risks to growth and financial stability" against vulnerabilities, including "those emanating from a persistent buildup of leverage and rising house prices".

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

Office of the Director

Chattogram Medical College Hospital.

www.cmch.gov.bd

Memo No: CMCH/Tender/2020-21/CC Camera & Others/2766

Date: 18-03-2021.

#### INVITATION FOR TENDER

Sealed tenders are hereby invited from experienced Importers / Contractors / Suppliers / Distributors / Organizations to supply CC Camera & other goods for CMCH in the fiscal year 2020-21. As per PPA-2006 & PPR-2008 (Including all corrigendum); Terms and conditions are as follow(s):

KEY INFORMATION			
1 Ministry / Division	Ministry of Health and Family Welfare.		
2 Agency	Chattogram Medical College Hospital, Chattogram.		
3 PE Name, Designation & Contact details	Brigadier General S M Humayun Kabir, Director, Chattogram Medical College Hospital. Telephone: +88031630179, Fax No.: 88-031-610022, E-mail address: cmch@hospi.dghs.gov.bd		
4 Procuring Entity Code & District	GOB, Chattogram.		
5 Invitation for	Procurement of CC Camera & other goods for Chattogram Medical College Hospital in the fiscal year 2020-21.		
6 Tender Ref. No & date	CMCH/Tender/2020-21/CC Camera & Others/2766 Date: 18-03-2021.		
7 Procurement Method	Open Tender Method (National). Item-by-item.		
8 Budget and Source of Funds	GOB.		
9 Tender Publication Date	19-03-2021.		
10 Tender Schedule Selling Starting Date and Time	22-03-2021 During office hours.		
11 Pre-Tender Meeting	29-03-2021, 11: 00 A. M.		
12 Tender Last Selling Date and Time	04-04-2021, 12: 00 P. M.		
13 Tender Dropping & Closing Date and Time	Dropping date: 05-04-2021, Dropping time: from 09:00 AM to 12:00 PM, Closing time: 12:01 P. M.		
14 Tender Opening Date and Time	05-04-2021 at 01:00 P.M.		
Name and address of the Office's			
15 (a) Selling Tender Documents	1 Cashier, Office of the Director, Chattogram Medical College Hospital.		
	2 Cashier, Office of the Civil Surgeon, Chattogram District.		
(b) Receiving Tender Documents	1 Office of the Director, Chattogram Medical College Hospital.		
	2 Officer In-charge, Panchlaish Model Police Station, Chattogram Metropolitan Police.		
(c) Tender Documents Opening Place	Office of the Director, Chattogram Medical College Hospital, KB Fazul Kader Road, Chattogram-4203.		
INFORMATION FOR TENDERER			
16 Bidders Eligibility	Details in Tender Booklet.		
Description of Groups, Price of Tender Document, Tender Security etc.			
17 Group No.	Description of Groups	Price of Tender Document in BDT (In Cash, Non Refundable)	Tender Security in BDT (In the form of Pay Order / Demand Draft)
1	Procurement of CC Camera	BDT 500.00 (Five Hundred only)	BDT 40,000.00 (Forty Thousand only)
2	Procurement of Medicine & Tests for Freedom Fighters	BDT 200.00 (Two Hundred only)	BDT 5,000.00 (Five Thousand only)
18 Description of Related Services	Details in Tender Booklet.		

Note:

- (a) Corrigendum if necessary in future will be a part of this notice. The competent authority reserves the right to accept or reject any or all tender without assigning any reason whatsoever.
- (b) If the date of selling, receiving & opening of tender is disturbed under any unavoidable circumstances, the next working day will be applicable for the same respectively.

(Brigadier General S M Humayun Kabir)

Director  
Chattogram Medical College Hospital.  
Telephone: 880-31-630179, Fax No.: 88-031-610022.  
E-mail: cmch@hospi.dghs.gov.bd

GD-559

Government of the People's Republic of Bangladesh		
Ansar & VDP Headquarters Khilgaon, Dhaka		
Government of the People's Republic of Bangladesh		
1 Ministry/Division	Ministry of Home Affairs, Public Security Division.	
2 Agency	Bangladesh Ansar & Village Defense Party.	
3 Purchaser name	Director (Admin-Q) on behalf of Director General, Bangladesh Ansar & VDP.	
4 Purchaser code	Not used at present.	
5 Purchaser district	Dhaka.	
6 Invitation for	Goods (12 Bore Shot Gun).	
7 Invitation Ref. No.	No. 44.03.0000.017.07.050.21-326	
8 Date	16/03/2021	
KEY INFORMATION		
9 Procurement method	ICT One Stage & Two Envelope Tendering Method (International Tender)   Open	
FUNDING INFORMATION		
10 Budget and source of funds	Revenue Budget   Government	
11 Development partners (if applicable)	N/A.	
PARTICULAR INFORMATION		
12 Project/programme code (if applicable)	N/A.	
13 Project/programme name (if applicable)	N/A.	
14 Tender package No.	Arms-01 (A).	
15 Tender package name	Procurement of Arms.	
	Date	
16 Tender publication date	18/03/2021	
17 Tender last selling date	29/04/2021	
	Date	Time
18 Tender closing date and time	02/05/2021	11:30am
19 Tender opening date and time	02/05/2021	11:35am
20 Name & address of the office(s)	Ansar & VDP Headquarters, Khilgaon, Dhaka (DPC Store).	
a Selling tender document (principal)	Ansar & VDP HQ, Khilgaon, Dhaka (Provision Branch).	
b Selling tender document (others)	N/A.	
c No conditions apply for sale, purchase or distribution of tender documents		
d Receiving tender document	Ansar & VDP Headquarters, Khilgaon, Dhaka (DPC Store).	
e Opening tender document	Ansar & VDP Headquarters, Khilgaon, Dhaka (DPC Store).	
21 Place/date/time of pre-tender meeting (optional)	Place name/address	Date Time
	DPC Store, Ansar & VDP Headquarters, Khilgaon, Dhaka	01/04/2021 11:00am
INFORMATION FOR TENDERER		
22 Eligibility of tenderer	Open to eligible tenderers from all countries, except specified in the Standard Tender Document (TDS).	
23 Brief description of goods or works	Procurement of Shot Gun.	
24 Brief description of related services	Supply and Transportation of Serial 26.	
25 Price of tender document (Tk)	2000/-	
26 Lot No.	Identification of lot	Location
	Arms-01 a) 12 Bore Short Gun	Ansar & VDP Headquarters, Khilgaon, Dhaka.
		Tender security amount (Tk)
		70,00,000/-
		Completion time in weeks/months
		29 days
PURCHASER DETAILS		
27 Name of official inviting tender	Md. Saifullah Russell.	
28 Designation of official inviting tender	Director (Admin-Q).	
29 Address of official inviting tender	Ansar & VDP HQs, Khilgaon, Dhaka.	
30 Contact details of official inviting tender	Tel. 47214926	Fax: 47214959
	dir_q@ansarvdp.gov.bd	
31 The purchaser reserves the right to reject all tenders or annul the tender proceedings.		
<b>Md. Saifullah Russell</b> Director (Admin-Q)		

GD-561



# Idcol to support investment in electric vehicles

STAR BUSINESS DESK

Infrastructure Development Company (Idcol) is going to support Ricardo-AEA, an UK-based international energy and environmental consulting firm, in a project that will enable businesses in Bangladesh to access finance to invest in new electric vehicles.

Ricardo has received funding for the project from the UK government's Department for Business, Energy and Industrial Strategy under a UK PACT (Partnering for Accelerated Climate Transitions) Green Recovery Challenge Fund (GRCF), according to a statement.

The UK PACT is a capacity building programme under the UK's International Climate Finance portfolio.

The GRCF programme was set up in January 2020 under which projects in countries across Latin America, Sub-

Saharan Africa, and Asia will be supported to accelerate their low-carbon transition.

In this project, experts from Ricardo, Idcol and other Bangladeshi organisations such as LightCastle Partners and Policy Exchange will look for scalable inclusive business models and an enabling financing ecosystem for individual transport providers, SMEs and cooperatives with an aim for electric vehicle uptake in Bangladesh.

Idcol, a non-bank financial institution under the finance ministry, will support Ricardo in conducting the demands and need assessment surveys among the micro, small and medium enterprises and evaluate the current finance options before developing a financing product for banks and financial institutions in Bangladesh.

The project will also support organisations in developing business cases and make funding applications to banks.



**AK Azad Khan, president of the Diabetic Association of Bangladesh; Winnie Estrup Petersen, ambassador of Denmark to Bangladesh, and Mahbubur Rahman, director of medical and quality of Novo Nordisk, attend an event yesterday when the global healthcare company announced that an injection for the treatment of type 2 diabetes would now be available in Bangladesh.**

# Bangladesh seeks duty free access to Belarus

STAR BUSINESS REPORT

Bangladesh yesterday demanded duty free facility on export of garment, jute and jute goods, leather and leather goods and pharmaceuticals to increase trade with Belarus.

The Eastern European country is a potential export destination for Bangladesh. However, the shipments have not been growing as the duties are high, according to a statement from Bangladesh's commerce ministry.

Commerce Minister Tipu Munshi said the bilateral trade would increase manifold if the potential sectors can be identified forming a joint working group.

He urged Belarusian businesspeople to invest in the ICT, power and agricultural processing industries in the special economic zones, some 100 f which were being developed across the country by the Bangladesh government.

The minister also said the government has been giving different special facilities to foreign investors of these zones. Bangladesh would be immensely benefited if Belarus extends its technical support to the agricultural sector of Bangladesh, he said. Munshi was addressing a meeting with a business delegation from Belarus at his secretariat office in Dhaka. Dmitry Haritonchik, deputy industries minister of Belarus, led the delegation.

The delegation's visit was based on an invitation marking the birth centennial of Bangabandhu Sheikh Mujibur Rahman and the 50th anniversary of Bangladesh's independence.

Haritonchik said his government has been working to remove the tariff problems for creating more business opportunities between the two countries. Belarus is interested in investing in nuclear power plants, green transport and waste management, he said.

Belarus also wants to jointly invest in sectors such as in the manufacture of agricultural machineries and development of livestock, he said.

## Alarming rise in Covid patients takes a toll on stocks

FROM PAGE B1

The rise in infections is really a cause of tension because it may affect the economy again, said a top official of an asset management company.

If the government announces a general leave again, many companies will face serious problems, he said.

Along with the benchmark index, the premier bourse's turnover also fell last week when the daily average turnover dropped 24 per cent to Tk 656 crore.

# Sonali Bank launches eWallet

STAR BUSINESS DESK

Sonali Bank has launched a Sonali eWallet app to facilitate customers with round the clock transactions based on mobile banking services.

Ziaul Hasan Siddiqui, chairman of the country's largest state-owned bank, unveiled the service in its head office at an event marking the birth centenary of Bangabandhu Sheikh Mujibur Rahman, says a statement.

"This cashless transaction would make clients' life easier and safer," said Managing Director Md Ataur Rahman Prohnan.

He also stressed on the need for meeting the growing demand of digitalisation to provide world-class services to customers.

Conducting transactions with Sonali Bank, the app's users will also be able to transfer funds into accounts with other banks, view account statements, top up mobiles, pay utility and credit card bills and get visual directions to ATM booths and branches.

# Pewter holds bright prospects

FROM PAGE B4

He said there was once some 50 families involved there but now that had increased to 100, although the business necessitated hard labour and lacked advanced technologies.

Now the industry's survival hinges on the availability of low-interest loans and duty-free import of raw materials from Indonesia and Malaysia, he said.

This could even lead to earning foreign currency through exports, he added.

Karmaker said he did not receive any government assistance during the pandemic and the business had been kept completely shut for six months.

He said their collective daily investment per day, such as for coal, labour and raw materials, amounted to Tk 1 lakh.

On how they were faring, he gave a simple smile, saying they were somehow making it, availing basic necessities.

# India-funded projects see slow progress

FROM PAGE B1

Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue, said that completing certain formalities before implementing the projects under Indian LoCs was very time-consuming.

"But the dawdling pace is not just because of the problems of donors but also that of Bangladesh," Rahman said.

It has been observed that while the projects identified by Bangladesh under the three LoCs do address the country's infrastructure and procurement needs, the speed of implementation, particularly for the infrastructure projects, has been relatively slow.

These delays have led to cost escalations, which also disrupt the optimality of other related projects. This, in turn, is undermining the potential benefits of these projects.

"So, both Exim Bank of India and the concerned agencies in Bangladesh should be more proactively engaged in resolving these problems to ensure speedy implementation," Rahman said.

The recently constituted high-level body tasked with monitoring the progress of LoC-funded projects will hopefully be able to make a difference in this regard, he added.

The process of securing approval to implement a project is different for India compared to other development partners, according to ERD officials.

For example, for the projects bankrolled by bilateral and multilateral lenders, including China, the World Bank and the Asian Development Bank, approval must be taken from the Executive Committee of

the National Economic Council (Ecne) before loan agreements are signed.

However, India announces the financing commitment before finalising the project list. The detailed project plans, feasibility study and approval from the Ecne are done afterwards.

Project implementation in Bangladesh typically faces delays at the execution level. Besides, in each stage of a project, the Bangladesh side needs to take approval from the Indian authority.

According to Indian procurement conditions, at least 75 per cent of the goods and services required for a project should be bought from the neighbouring nation. At most, this may be relaxed to up to 65 per cent.

Officials of the implementing agencies said that such a condition was one of the major obstacles to the delay in project implementation.

An ERD official said they were in talks with the Indian side to relax the conditions.

When it comes to projects funded by China, a Chinese company must be selected as the implementing agency, which proceeds aggressively to complete the work, said an official of Bangladesh Railways on condition of anonymity.

But in the case of India-backed projects, a tender is floated to appoint a contractor, which is a time-consuming process.

Then, the Indian contractor appoints local sub-contractors to complete different components of the project, a process that also creates problems.

"The bureaucracy in India is almost the same as in Bangladesh," he added.

Under the first LoC involving \$862

million, 12 out of 15 projects have been completed. Two of the 15 projects under the second LoC, involving \$2 billion, were implemented so far.

Meanwhile, none of the 16 projects under the third and the largest LoC, involving \$4.5 billion, have been completed.

Under the first LoC, the \$78.10 million Kulaura-Shahbazpur railway line project achieved physical progress of 25 per cent over the last 11 years.

Similarly, the Khulna-Mongla railway project involving \$399 million saw the progress of 75 per cent. The implementation has been delayed by the cyclone Amphan and the ongoing Covid-19 pandemic.

ERD officials earlier said that India would disburse \$40 million per year against the LoCs, but the process slowed down in 2020 due to the coronavirus outbreak.

However, they hope to raise the amount to \$150 million this fiscal year.

### RECENT INITIATIVES

According to finance ministry officials, the implementation of the projects under the LoCs has remained stagnant since April last year due to Covid-19.

To fast-track implementation, discussions were held between the two sides during Indian Foreign Secretary Harsh Vardhan Shringla's visit to Dhaka in August last year.

Since then, the implementing ministries, the ERD and the Cabinet Division have become more proactive. Besides, a high-level monitoring committee was formed to expedite the implementation.

The ERD secretary and the Indian high commissioner to Bangladesh will lead their respective sides in the committee.

# Low interest rates in banks: where to invest then?

FROM PAGE B1

If you are risk-averse, then you may choose to invest in savings certificates, namely a five-year Bangladesh sanchayapatra or three-monthly profit bearing sanchayapatra, he added.

Bangladesh savings certificates offer a 11.28 per cent profit while three-profit bearing savings schemes come with 11.04 per cent interest. However, there is a limit to the amount that can be invested.

For instance, a maximum of Tk 30 lakh can be invested by an individual and Tk 60 lakh jointly in a five-year Bangladesh savings certificate.

The investment ceiling for three-month profit bearing savings instruments is the same, according to the Department of National Savings website. There are two other instruments: family savings certificate and pensioner savings certificates.

However, only women above 18 years of age and persons aged 65 years and above can buy the instrument offering 11.52 per cent profit. The maximum limit for an individual investing in a family savings certificate is Tk 45 lakh.

The scope for investment in pensioner savings certificates, which offer 11.76 per cent profit, is limited to public sector employees.

A person cannot invest more than Tk 50 lakh in three savings instruments: the five-year Bangladesh savings certificate, the three-month profit-bearing savings certificate, and the family savings certificate.

Under joint accounts, the highest amount of investment in the three savings schemes will be Tk 1 crore, a cap aimed at discouraging wealthy people from putting in too much money in the high-interest-bearing savings instruments offered by the

government.

Imam said some non-bank financial institutions offer higher interest rates but investing in these are risky while some of these businesses are struggling to survive.

Another option may be to invest in the stock market despite its high risk.

But according to market analysts, shares with good fundamentals and a good track record of dividend declarations may be an option. If a person chooses the right stock for investment, s/he is likely to gain.

An investor needs to choose a company that has potential and a good track record of giving high dividends, they said.

If anyone invests in stocks with good fundamentals for a long-term, he is likely to reap higher gains, the analysts added.

However, if the person cannot choose in which stock to invest, open-ended mutual funds managed by good asset managers could be another option.

Open-ended mutual funds are investment vehicles that gather a fixed pool of money from investors and re-invest them into stocks, bonds and other assets.

However, it is important to understand which funds are good, Imam said.

"In our country there is no benchmark to know which one is better," he added.

Bangladesh has 48 asset management companies that manage 63 open-ended mutual funds.

Hussain Ahmed Enamul Huda, assistant professor at the Department of Finance of Dhaka University, said there are stocks which are fundamentally sound.

"And, some of these stocks may be undervalued right now. But in order to pick these fundamentally strong yet undervalued stocks, retail level investors should have sophisticated skill-sets," he said.

# How Vietnam getting mightier in apparel shipment

FROM PAGE B1

As a result, Vietnam has a lower lead time, allowing shipping garments to the EU in 30 days, while it takes 90 days for Bangladesh, he said.

Vietnam also enjoys close geographical proximity with Europe, for which it comes second in priority preference after China to international retailers and brands, he added.

"Besides, it makes good use of its highly available, top quality raw materials."

Bangladeshi garment suppliers suffer from the lack of a deep seaport, and having one could have reduced business operation costs and delivery time, Azad said.

"We need to improve our products because buyers want to do long-term business with local suppliers if they are satisfied with the initial work orders."

"The buyers do not want to change their sources because of the pandemic frequently," he said, adding that customers were prepared to pay higher prices for quicker deliveries.

KM Rezaul Hasanat, chairman and chief executive officer of Viyellatex Group, another top garment exporter, said the country image was a very important factor when fixing prices of garment items.

The same could be said for raw materials, he said.

Moreover, many high-end Chinese garment manufacturing units have relocated to Vietnam, which acted as a big factor in securing higher prices for Vietnamese apparel, he added.

Vietnam is strong in manufacturing outerwear

for people living in cold climates alongside high-quality blazers and woven formal shirts and trousers in the EU and US markets.

Bangladesh's strength lies in its manufacturing capacity of basic garment items, although now it is slowly making a shift towards high-end value-added items.

Vietnamese suppliers manufacture products that can be deemed as complicated when trying to get them integrated in mass production lines, said the country manager of a European retail giant in Bangladesh, asking not to be named, citing examples such as jackets and blazers.

Bangladesh is strong in basic items such as t-shirts and trousers, for which it can be very simply understood why prices of complicated garment items are higher than the basic items, he said.

"Bangladesh has merely eight blazer-making factories, whereas, in Vietnam, it is innumerable," he said.

Vietnam also produces a lot of sportswear, and their prices are very high. As a result, the average prices of Vietnamese garment items are high, the country manager said.

Almost all globally renowned sports garment brands and retailers source products from Vietnam, whereas Bangladesh is still considered as an optional supplier, he added.

Bangladesh does have factories adding value to products and availing higher prices from renowned brands and retailers. But their numbers along with the output volume are low, said Kazi Iqbal, a senior research fellow at the Bangladesh Institute of Development Studies.

# Master plan must help phase out fossil fuel-based power: CPD

FROM PAGE B1

Naoki Ito, Japanese ambassador to Bangladesh, said: "Recently, we engaged in drafting a master plan to develop the energy sector of Bangladesh."

The master plan project aims to promote a low or zero-carbon transformation for all forms of energy by maintaining a stable supply of energy and ensuring economic viability.

It will also strengthen the capacity for policy and planning development and energy data management, he said.

"We also need to address areas such as climate change and focus on the energy mix."

Mohammad Hossain, director-general of the Power Cell under the power division, said: "We are lagging far behind in renewable energy. But we are gradually advancing towards our target."

Without coal-based and nuclear power plants, Bangladesh will not be able to meet electricity needs, he said.

However, through long-term planning, attention is gradually focusing on the zero-carbon transformation of the total energy system, he said.

In a paper, the CPD said the power sector needed to address several emerging challenges in view of the Covid-19 pandemic.

The challenges include excess capacity, huge capacity payment, inefficiency, the use of expensive energy, and a higher financial burden.

The new plan should be drafted considering the limitations of the previous plans and should aim to reduce excess installed capacity in a phased manner and transition to clean power by gradual phase-out of fossil fuel and phase-in of renewable energy, the paper said.

The plan should strictly mention about no-extension of quick rental power plants after the existing contracts expire and the discontinuation of power plants that are dated and inefficient and are using expensive energy.

The plan should discourage new investment for generation, particularly through fossil fuel and LNG, and should highlight investment in transmission and distribution of electricity, it said.

The new plan is expected to prioritise gradual phase-out from the administered power tariff to the market-based ones.

"Necessary protection should be ensured for the target groups such as low-income people and SMEs," the CPD said.

The Bangladesh Energy Regulatory Commission should be more transparent and

independent in making decisions regarding setting power tariff, it said.

Given the development of the power and energy sector, the plan should suggest repealing the "Speedy Supply of Power and Energy Act" immediately, the CPD said.

Moazzem said the importance of formulating a new master plan increased due to aggravated structural and operational challenges and changing power demand amidst the Covid-19 pandemic. About 89.4 per cent of the net generation of energy in Bangladesh is directly dependent on fossil fuel.

"So, it is tough to implement a low or zero-carbon system. But it is a good initiative for the sector," the economist said.

CPD Distinguished Fellow Mustafizur Rahman moderated the dialogue.

Mohammad Alauddin, chairman of the Sustainable & Renewable Energy Development Authority, M Tamim, professor for petroleum and mineral resources engineering at the Bangladesh University of Engineering and Technology, Ijaz Hossain, a professor for chemical engineering at the Buet, and Anu Muhammad, a professor of economics at Jahangirnagar University, also spoke.



# Pewter holds bright prospects



RABIUL HASAN

Sale of pewter, brass and copper products have been slowly making a comeback in Chapainawabganj for the past five years, thanks to people gradually realising the worth and utility of such metals. This has led to craftspeople making a comeback from other professions. The photos were taken at Puratan Bazar, left, and Azaipur in Chapainawabganj municipal area recently.

## DISTRICTS IN FOCUS

RABIUL HASAN and AKANDA MUHAMMAD JAHD

The once tell-tale sounds of foundries bringing household utensils into shape out of pewter, brass and copper are increasingly making a comeback in Chapainawabganj.

Some five years back the advent of cheaper alternatives such as aluminium, plastic, ceramic, melamine and steel alongside price hikes of raw materials had led to dwindling of demand and use of the heavier alloys.

But afterwards, people have slowly realised the worth of such metal items, not just for their aesthetics but for the fact that their value stays nearly the same during resale and that they can be repaired to their original state.

Pewter, comprising about 91 per cent tin, 7.5 per cent antimony and 1.5 per cent copper, is called kasha in Bangla. Brass is pitol, a mixture of copper and zinc, while copper tama.

Such alloys, which also had bronze, silver and gold, have been crafted into household items, especially for temple worship, since the first settlements in organised societies of the Indo-Gangetic Valley civilisation, says Banglapedia.

Bells, gongs, musical instruments, water

pitchers, oil and stand lamps and a multitude of statues were among the objects used for ritual ceremonies at riversides, cremations, births, weddings and festivals.

Patronage of the priesthood, royalty and rich classes played a big role in the production, says the national encyclopaedia.

That used at homes included bowls, plates, cups, dishes, cooking pots, incense stick holders, rosewater spray bottles, candleholders, smoking pipes and water pots for washing hands.

In Bangladesh, craftspeople skilled at working with such alloys had predominantly erected their abodes in the districts of Dhaka, Jashore and Faridpur.

Others started making a living in Chapainawabganj, passing down the craft through the generations. Some say 25 years back as much as 1,000 families were involved in the trade there.

However, many left the profession and kept closed their businesses for a myriad of reasons for more than two decades. But things have started to turn for the better as many have returned.

Currently over 200 families hold on to the trade in Azaipur, Arambagh, Ramkrishnapur, Battala haat and Shankarabati in Chapainawabganj municipal area.

There are over 300 shops selling the metal items, including 125 who wholesale, said Rabiul Islam Babu, president of the alloy

traders' association in the district.

According to him, they collectively produce some 8,000 kilogrammes of products out of pewter a month, which have a market value of Tk 1.36 crore.

In case of brass, it is 2,000 kilogrammes worth Tk 32 lakh while copper 500 kilogrammes worth Tk 3.5 lakh, he said.

This is a substantial increase, considering that five years ago, the pewter output was 5,000 kg or of Tk 65 lakh while brass 1,500 kg or of Tk 9 lakh, he said.

Corresponding sales have also gone up, according to a number of shops.

Five years ago their collective sale amounted to around 100 kilogrammes per month on an average. Now pewter sales reach 150 kilogrammes while brass over 250 kilogrammes.

Products are sold based on their weight per kilogramme. Pewter sells in the range of Tk 1,800 to Tk 2,000, brass around Tk 700 and copper anywhere between Tk 600 to Tk 1,500.

Engravings cost extra, ranging from Tk 50 to Tk 800 depending on the intricacy of designs.

Business is going well now, especially because people have continued providing such items as gifts in various occasions, said Morsalin Musa, a shop owner in Dhaka's Arambagh.

Similar confirmations came from the area's Muslimuddin. He has been involved in the business for nearly half a century. He

said products were now reaching the farthest corners of the country.

Serajul Islam, owner of Janani Metal in the city's Puratan Bazar, said business was really down five years back with a couple of shops having to shut down their ancestral trade.

Though they had kept stores shut during the pandemic-induced lockdown, business resumed as usual afterwards when restrictions were lifted, he said.

Wholesalers and suppliers from around the country, including Dhaka, purchase items from the bazar, he added.

Pewter, brass and copper products have long been gift items of choice in the district, especially from the bride's family in marriages, alongside for home decorations, said Talebur Rahman, now at the helm of his ancestral shop Islam Bashunaly.

He also acknowledged that sales had risen. Mostakim offers repairing and polishing services for such alloy products in the city's Battala Haat, earning around Tk 500 a day.

He said to have made it through the pandemic lockdown utilising his savings. His fellow Abu Taher of Ajaipur managed loans from a relative and has already repaid it in full after work became available.

Employing some 14 craftspeople, foundry owner Nurul Islam did not even have to seek a loan. He recouped using profits, saying sales had been good afterwards.

His foundry churns out 500 kilogrammes

of plates a month, whereas five years back it was half that amount.

Rabiul Islam, also in his sixties, works in another foundry in the area, having made a comeback after a long gap. He now earns Tk 400 a day.

There are young people too. Abu Sayed, 20, a student of class seven, has been working in the trade for three years.

The association president, Babu, said shopkeepers had mainly incurred losses for having to continue paying employees' wages despite keeping outlets shut. But they have already recovered.

If the government provides low-interest bank loans, the industry will be better off, ensuring sustenance of a traditional business and lives of hundreds of artisans, he said.

Meanwhile the trade in Jamalpur is not faring that well.

The Daily Star reached out to Angkon Karmaker, a craftsman of Kasharipara in Uttar Dariabad of Islampur who represents his fellows in the area.

He says his ancestor Jagatchandra Karmaker had won a top award in a fair held in Buckingham in the United Kingdom when the British had still been ruling over this subcontinent.

He said this not only got Bangladesh's artisans recognised throughout the world but got his village named after pewter.

READ MORE ON B3

## RBI may have to delay liquidity normalisation amid rising virus cases

REUTERS, Mumbai

India's central bank may have to delay the start of monetary policy normalisation by three months amid rising COVID-19 cases, but barring the return of stringent lockdowns there is no significant threat to the economy's recovery, analysts say.

Having seen a peak of daily cases of nearly 100,000 in late September, infections had been on a steady decline but have now started rising again over the last month.

"Even as the increase in the current caseload points to the risk of a second wave, more localised and less stringent restrictions (on activity) will help contain the economic impact versus the initial wave," said Radhika Rao, an economist with DBS Bank.

DBS has retained its assumptions for a stronger pick-up in March quarter growth versus the December 2020 quarter, and expects a double-digit rebound in fiscal year 2021/22.

India reported 35,871 new coronavirus cases on Thursday, the highest in more than three months, with the worst-affected state of Maharashtra, which houses the country's financial capital Mumbai, alone accounting for 65 per cent of that.

India needs to take quick and decisive steps soon to stop an emerging second "peak" of COVID-19 infections, Prime Minister Narendra Modi said on Wednesday. Though analysts are unlikely to rush to review their long-term growth forecasts, several believe policy normalisation on interest rates and liquidity, may now take a backseat.

"Monetary policy normalisation might be pushed back by a quarter as authorities monitor developments closely, with status quo on the cards on the repo as well as liquidity management plans for H121,"



The Reserve Bank of India (RBI) Governor Shaktikanta Das arrives to attend a news conference after a monetary policy review in Mumbai.

REUTERS/FILE

Rao said.

The Reserve Bank of India has repeatedly assured bond markets of ample liquidity being maintained to support the recovery, but in early January said it wanted to start restoring normal liquidity operations in a phased manner.

"Growth concerns due to rising pandemic cases amid a negative output gap could push back market expectations on the timing of policy normalisation in the near term," Nomura economists Sonal Varma and Aurodeep Nandi wrote in a note.

Though surplus liquidity is a positive from the perspective of ensuring credit flows to productive sectors, economists fear it may add to inflationary pressures if it remains in the system for too long.

"Although inflation has moderated from the high level, the surge in global crude oil price has added to the upside risk," said Arun Singh, global chief economist at Dun and Bradstreet. "The central bank thus, has a difficult task of managing the inflation target while preventing a rise in borrowing cost to the government."

## GLOBAL BUSINESS

# Irish assets worth 100b euros leave London due to Brexit

REUTERS, London

Securities settlement for Irish assets worth more than 100 billion euros (\$119 billion) has left London for the European Union in the latest adjustment in markets to Brexit.

Pan-European exchange Euronext, which runs the Irish stock exchange, said on Thursday it had completed the migration of securities settlement for 50 Irish companies from Crest in London to Euroclear Bank in Brussels from March 15.

Settlement of EU securities must take place in

a central securities depository (CSD) inside the bloc.

While the transfer does not have immediate implications for jobs and tax revenues in Britain, it is a further sign of how its financial services industry is being cut off from the EU.

The EU had given Crest temporary permission to continue settling Irish securities in London until the migration was completed. Crest is part of the Euroclear group.

The migration follows shifts in euro stock and derivatives trading from London to the

bloc, with Brussels now targetting the clearing of derivatives.

"The wholesale migration of settlement of securities from one CSD to another is unprecedented," said Daryl Byrne, CEO of Euronext Dublin.

"We now have long-term certainty about the trading and post-trade infrastructure for the Irish market in a post-Brexit world, which ensures that Ireland remains an attractive jurisdiction for listed companies and market participants in the years ahead," Byrne said.

## China regulators held talks with Alibaba, Tencent, nine others on 'deepfake' tech

REUTERS, Beijing

Chinese regulators recently summoned 11 domestic technology companies including Alibaba Group, Tencent and ByteDance for talks on use of 'deepfake' technologies on their content platforms, stepping up scrutiny of the sector.

China's cyberspace administrator said in a statement on Thursday that it and the public security ministry met with the companies to talk about "security assessments" and potential problems with deepfakes and audio social apps. Kuaishou Technology and Xiaomi Corp also attended the meeting, it said.

All the companies did not immediately respond to requests for comment.

Deepfakes use artificial intelligence to create hyper-realistic but fake videos or audios where a person appears to say or do something they did not. China has increased scrutiny of its internet giants in recent months, citing concerns over monopolistic behaviour and potential infringement of consumer rights.

Regulators also told the companies to "conduct security assessments on their own" and submit reports to the government when they plan to add new functions or new information services that "have the ability to mobilize society", the statement said.

There has been a surge in China in copycats of the audio app Clubhouse since the US-based chat service was blocked in the country in early February.

Clubhouse was briefly accessible in China,



REUTERS/FILE

The logo of Alibaba Group is seen at its office in Beijing, China.

attracting many users who participated in discussions on sensitive topics such as Xinjiang detention camps and Hong Kong independence, before it was shut down by authorities.

TikTok owner ByteDance is one of many companies working on Clubhouse-like apps for

the Chinese market, Reuters reported earlier this month.

Other new offerings include Kuaishou's invitation-based Feichuan app and Xiaomi's reworking of Mi Talk app into an invitation-only audio service targetted at professionals.