

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.02%	▼ 0.05%	\$1,733.34	\$61.74	▲ 0.56%	▼ 0.61%	▲ 0.12%	▼ 0.93%	BUY TK 83.95	99.12	115.37	12.67
5,413.73	9,453.12	(per ounce)	(per barrel)	50,051.44	28,995.92	3,131.74	3,411.51	SELL TK 84.95	102.92	119.17	13.32



Star BUSINESS

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Apparel exporters in a bind

They face severe financial strain as buyers want to delay payments again

REFAET ULLAH MIRDHA

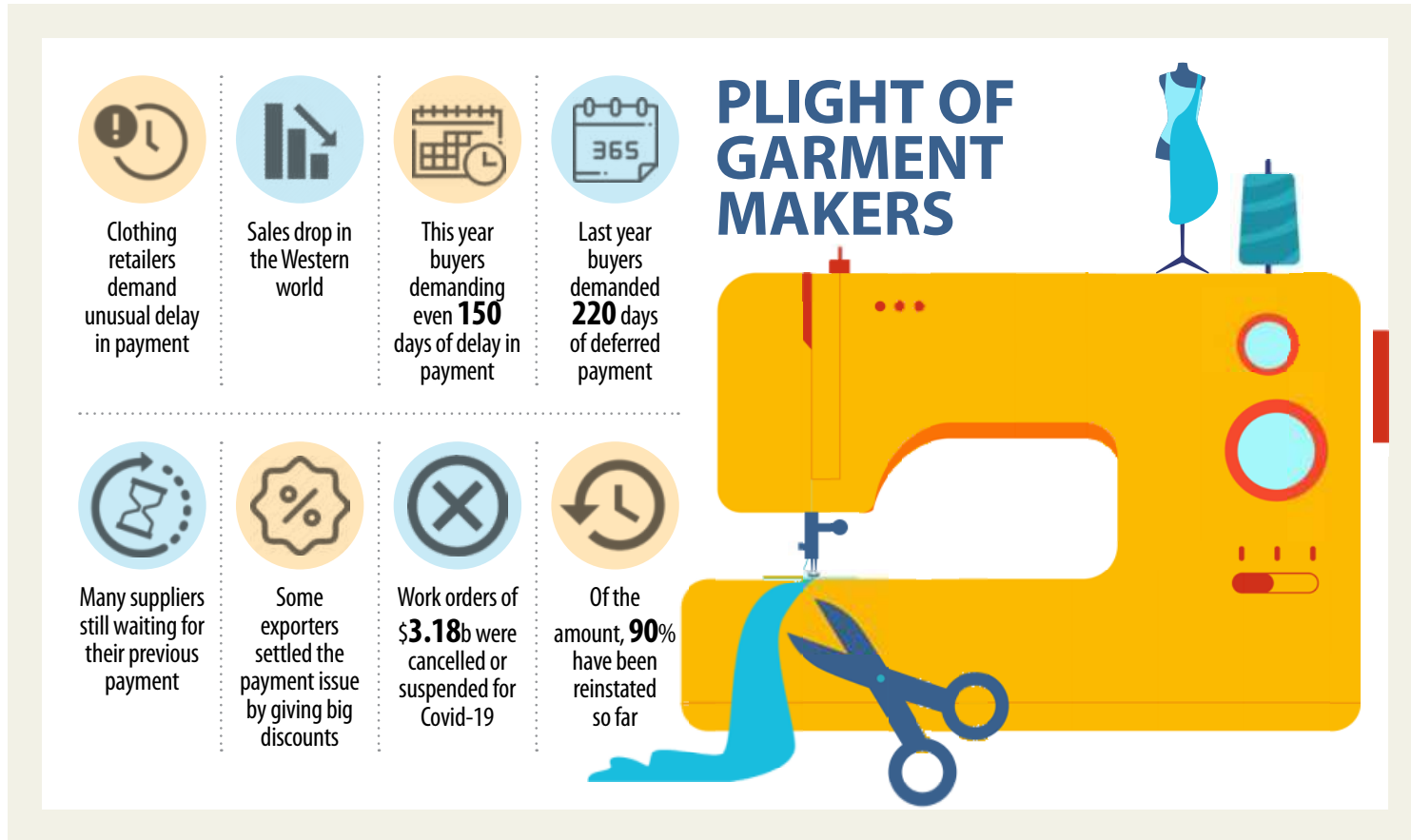
International retailers and brands are again demanding unusual deferral payment from local apparel suppliers, the second time in a year, saying sales have dropped after Western nations reimposed lockdowns and tougher restrictions because of a surge in coronavirus infections.

When international apparel buyers open letters of credit, the repayment period is set at the highest 90 days. But in most cases, the bills are settled between 30 days and 60 days.

Last year, the retailers and brands, hit hard by the pandemic, had sought deferral payments for 120 to 220 days. As a result, local suppliers had faced severe financial strain, forcing many of them to close factories and lay off workers.

During the first wave of Covid-19, buyers had demanded the abnormal deferral of the payment because of lockdowns and massive disruption in the global supply chain due to the fallouts of Covid-19.

With the improvement of the situation in recent months,



the apparel supply chain also recovered a tad bit and, the length of the deferred payment significantly improved as buyers placed work orders with 90 days of LC payments.

But over the last one month, the buyers have been demanding 120 days to 150 days as the payment period as sales of the clothing items

reduced significantly because the sharp rise in coronavirus infections forced many parts of the Western world to impose lockdowns.

"Almost all of our buyers are financially weak now because of the fallouts of the Covid-19," said AK Azad, managing director of Ha-Meem Group, a garment exporter.

"As a result, they are demanding an unusual delay in payment," he said.

The latest blow for the exporters in Bangladesh came even though the arrears stuck by the first wave have not been cleared yet.

Azad did not get \$1.4 million from JC Penney yet as the company was sold out.

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300 startups to get up to Tk 10cr each

STAR BUSINESS REPORT

The government will provide up to Tk 10 crore to promising start-ups in Bangladesh, said State Minister for ICT Zunaid Ahmed Palak Yesterday.

The government will give the fund to 300 startups, including 200 this year, in the form of equity investment, he said.

"We will also provide free office space to the startups in 39 hi-tech parks for six months," he said at an event on the inclusion of micro-merchants into the digital marketplace.

The United Nations Capital Development Fund (UNCDF) organised the programme at The Westin Dhaka to share learnings gained from an initiative titled "Merchants Development Driving Rural Markets (MDDRM)".

The initiative was taken in 2017 to support micro, and small retail shops to use technologies and participate in the online marketplace.

Under a European Union-funded initiative, the UNCDF has reached out 20 lakh retail micro-merchants in Bangladesh, according to a press release.

State-sponsored venture capital company Startup Bangladesh Ltd and local startup Sheba.xyz are going to sign a partnership agreement to provide microloans to small and medium entrepreneurs without collateral, said Palak.

The government is expanding initiatives such as the MDDRM with the help of development partners and investors to ensure that Bangladesh does not lag in the age of digital economy, he said.

Citing the Fourth Industrial Revolution, Palak said the government had formulated five national strategies on robotics, block-chain, Internet of Things, Artificial Intelligence, and microprocessor design capabilities to prepare for that.

"This will help build a solid foundation for our local startups," he said.

Senior Secretary of Financial Institutions Division Md Ashadul Islam, Head of Cooperation of the Delegation of the EU Maurizio Cian, and United Nations Development Programme Resident Representative Nudipto Mukerjee also spoke at the event.

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Private investors to own 49pc stake in Nagad, govt 51pc

MD says global tech giant keen to invest

STAR BUSINESS REPORT

Private investors will hold a 49 per cent stake in Nagad Ltd and the postal department the rest as the government looks to run the mobile financial service as a subsidiary, its top executive said yesterday.

The postal department owns 100 per cent of the shares of Nagad at the moment. Under a planned new ownership structure, private companies will collectively own 49 per cent shares of Nagad, and the rest will be controlled by the postal department, said Tanvir A Mishuk, managing director of Nagad.

He disclosed this at a discussion with reporters at The Westin Dhaka yesterday.

Third Wave Technologies has been giving technological and logistics supports to the postal division since March 2019, when it rolled out the service commercially.

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Bike makers seek duty benefits for raw materials

BUDGET PROPOSALS FOR FY2021-22

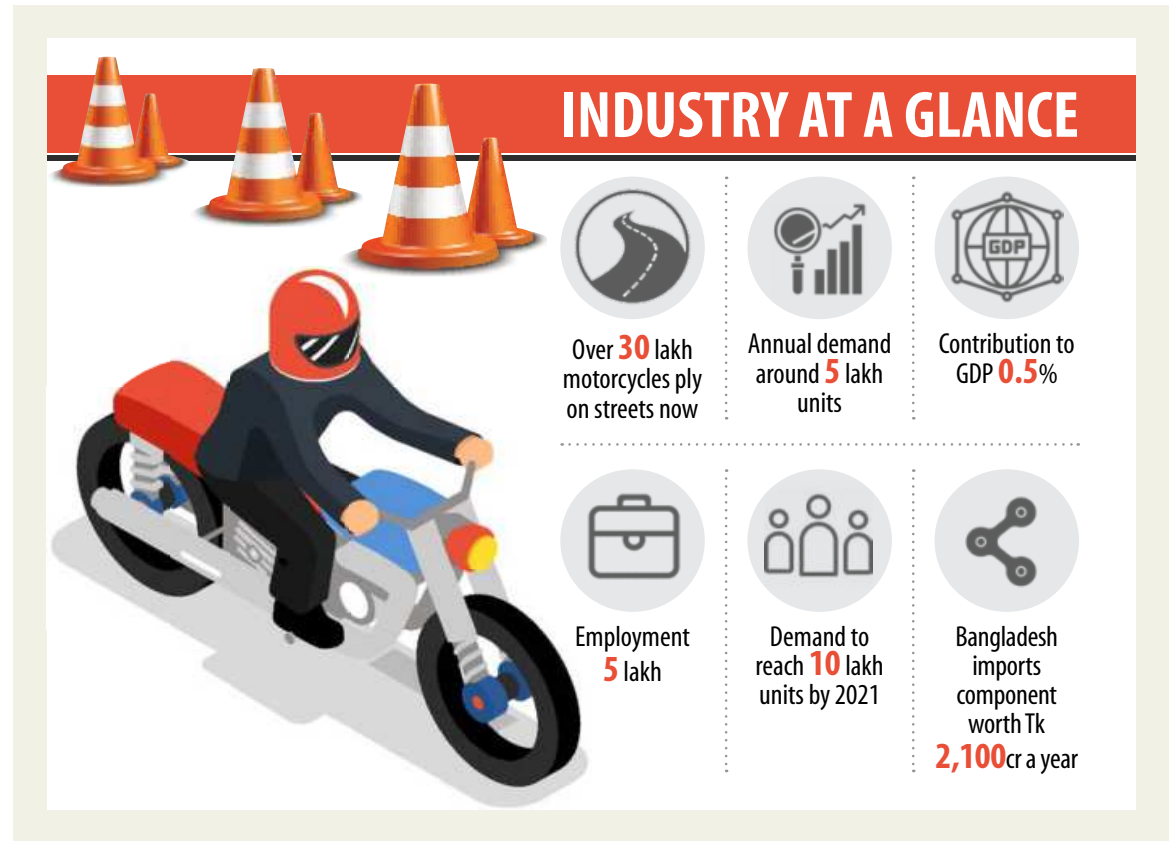
JAGARAN CHAKMA

Motorcycle manufacturers have demanded duty benefits on component and raw material imports in order to reduce the cost of production and develop the local two-wheeler industry.

Motorcycle Manufacturers and Exporters Association of Bangladesh (MMEAB) and Bangladesh Honda Private Ltd (BHL) separately placed this demand yesterday to the National Board of Revenue (NBR) at the budget proposal for next fiscal, held in the first week of March.

In his budget proposal, Himihiko Katsuki, managing director and chief executive officer of BHL, said there is no doubt that the local motorcycle market has great potential to grow through support from the country's large population and steady economic growth.

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Gamblers at it again, insurance stocks soar on rumours

STAR BUSINESS REPORT

Insurance stocks came under the spotlight again yesterday despite generating a lower premium income amid the ongoing coronavirus pandemic.

These stocks are being toyed with by gamblers, so they rose during the last couple of months, a stock broker said.

Prices of many stocks from this sector have more than doubled even though the companies had informed that they had no undisclosed, price sensitive information.

The stock market regulator identified rumours to have fuelled the rise of these companies. The upward trend in the sector has been halted in the last couple of weeks.

Now, they are going to become active again, he added.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 1 point, or 0.02 per cent to 5,413 yesterday.

Among 49 listed insurers, 43 rose, five remained the same and the remaining one dropped yesterday, DSE data shows.

Of the total 345 stocks, 41 per cent fell while 26 per cent rose.

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TOP TEN GAINERS OF DSE
SOURCE: DSE

COMPANY	RISE (in %)
Continental Ins	9.96
Nitol Ins	9.83
Prime Ins	9.81
Sonar Bangla Ins	9.57
Provati Ins	9.48
Agrani Ins	9.46
Pioneer Ins	9.42
Premier Leasing	9.25
First Finance	9.09
Islami Ins	8.99

Kamal 'baffled' by a lack of confidence in market

STAR BUSINESS REPORT

The stock market is suffering from a lack of confidence, according to Finance Minister AHM Mustafa Kamal.

"But why this lacking exists, I do not know," he said, adding that many people even called to inform him about their lack of confidence in this regard.

"For a sustainable economy, a strong stock market is necessary and so we want to make the market popular," Kamal said. "We want to provide anything that might be necessary for the wellbeing of the stock market."

The finance minister made these comments at a virtual seminar organised by the Dhaka Stock Exchange yesterday.

"We provided more support to the capital market than what the stakeholders sought in the last budget."

For instance, people were allowed to invest their undisclosed income while cash dividends were encouraged.

Companies provide stock dividend for one or two years to help expand their businesses.

However, many companies have provided stock dividends year after year in a bid to increase their reserves instead of



AHM Mustafa Kamal

giving cash dividends, Kamal said, adding that most of this was misused.

"So we gave incentives for cash dividends."

Kamal also urged people to come forward if they have any effective recommendations for the betterment of the stock market.

Sometimes a vested group of people cheat investors but digitalisation and information technology can protect small investors' interests, said Prof Shibli Rubayat Ul Islam, chairman of the Bangladesh Securities and Exchange Commission.

"So, we are focusing on it," he said.

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