

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
Closed	Closed	\$1,683.40 (per ounce)	\$64.19 (per barrel)	▲ 2.30%	▲ 0.16%	▲ 0.48%	▲ 0.62%	BUY TK 83.95	97.88	114.76	12.60
				50,136.58	29,432.70	3,190.89	3,456.68	SELL TK 84.95	101.68	118.56	13.24

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DHAKA WEDNESDAY MARCH 31, 2021, CHAITRA 17, 1427 BS • starbusiness@thedailystar.net

SMEs need credit the most

Banks tell BB survey identifying 13 severely affected sectors

AKM ZAMIR UDDIN

Bangladesh Bank has identified 13 sectors of the economy that have been severely affected by the first wave of the coronavirus pandemic, including travel and tourism, readymade garments, textile and small and medium enterprises.

They were identified in a central bank survey involving the country's 59 banks.

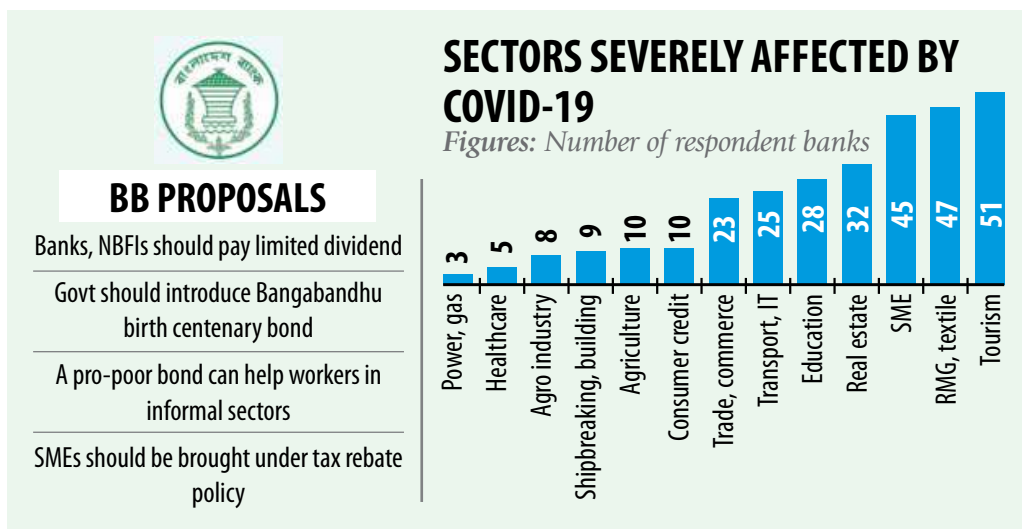
The survey was carried out as part of a central bank study titled "Economic and Financial Stability Implications of Covid-19: Bangladesh Bank and Government's Policy Response". The central bank made the study public on Monday.

The rest of the affected sectors are real estate and construction, education, transport and IT, trade and commerce, consumer credit, agriculture, ship-breaking and building, agro-based industries, healthcare, and power and gas.

The first five have been affected "most severely" as per the participating banks, the study said.

As much as 51 banks thought that travel and tourism were "dreadfully affected". Forty-seven banks identified the garment and textile sector, 45 banks identified SMEs, 32 banks identified real estate and construction, and 28 banks identified education as the dreadfully affected.

The survey was carried out in the second half



BB PROPOSALS

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of last year, taking into consideration sectors that needed the most credit support.

As per the responses, the SME sector has the highest credit demand in the near future, followed by the RMG and textile, trade and commerce, agro-based industries and agriculture.

Some 54 banks thought that the need for loans of the SME sector outweighed the requirement of other sectors. "The recovery in the SME sector might be slow, but steady growth may be achieved in due course if proper financial support is ensured," the study said.

The RMG and textile sector was the second highest credit-deserving sector as per 53 banks. The sector faced export orders cancellations and lower demand owing to uncertainty and continuation of the pandemic's spread

in advanced economies.

Some 42 respondents perceived that the trade and commerce sector had the potential to grow fast and would require more credit to bring its growth momentum back on track.

The central bank has not considered the consequences of a second wave of the pandemic as it had just started to spread earlier this month, said a Bangladesh Bank official.

The first wave has considerably affected both the demand and supply sides of the real economy, which was partly reflected in slow growth of the GDP in the last fiscal year.

Though the agricultural sector showed some resilience despite the pandemic and other natural calamities, the real economy has experienced major slowdowns in the manufacturing and service sectors.

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Move to ease container crunch

Ctg customs to dispose of 298 containers of perishable goods

MOHAMMAD SUMAN, Ctg

Chattogram Custom House has started disposing of 298 containers filled with perishable goods that were left abandoned by importers at the country's premier seaport for years.

Last Monday, the customs authority began disposing of around 6,000 tonnes of perishable items, including onions, apple, orange, seeds, meat, bone meal and fish

feed, which were imported between 2011 to 2020.

Customs and port officials said the initiative would help reduce the global container shortage amid the ongoing coronavirus pandemic.

Thousands of containers have been held up at Chattogram port for years now due to lengthy auction and disposal process.

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ABANDONED CONTAINERS: BETWEEN 2016 AND 2020

- Importers not taking delivery of 7,685 consignments worth Tk 11,286cr
- Govt could have earned Tk 5,500cr in duty from these goods
- Customs earned Tk 265cr by auctioning off 10,160 lots
- Authority destroyed perished goods from 760 containers
- A shipping agent loses \$20,000 a year if a container gets stuck

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Humaira becomes first female MD of a commercial bank

STAR BUSINESS REPORT

Humaira Azam has become the first female managing director of a commercial bank in Bangladesh after Trust Bank appointed her to the top job.

Trust Bank, a private sector lender, took the decision on Monday and the hiring is subject to the approval of the central bank.

Previously, the highest post that some female bankers went on to hold at commercial banks was acting managing director.

Among the specialised state-run banks, the government had appointed Mahtab Jabin as the first female CEO of Probashi Kallyan Bank.

Humaira started her banking career as a management trainee officer at ANZ Grindlays Bank in 1990.

Later, she worked at various local and foreign banks, and non-bank financial institutions (NBFIs).

In 2009, she was appointed as managing director of IPDC Finance Ltd. She was given the top job at a time when the NBFIs was facing troubles because of a large amount of defaulted loans.

She played a vital role in helping IPDC Finance to make a turnaround from the dire straits.

She also served some other banks, including HSBC Bangladesh and Standard Chartered Bangladesh.

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Humaira Azam

Energypac exporting transformers to India's Adani

JAGARAN CHAKMA

Energypac Engineering has begun exporting transformers to Adani Electricity Mumbai, in a testament to the company's capacity to produce high-quality products.

One "16/20 mega volt ampere" transformer was shipped to the Indian private power distribution company on March 26, marking Bangladesh's golden jubilee of independence.

A second transformer will be exported next month, according to company officials.

Not too long ago, Energypac secured one of the country's biggest export deals with the Adani for 70 cast resin transformers.

Such transformers need only air for cooling and are therefore nearly maintenance-free in comparison to liquid-cooled transformers.

"Achieving European standards with modern technology while keeping our prices competitive helped the company enter India's market," said Rabiul Alam, chief executive officer of Energypac Engineering.

"The company inspected Energypac's manufacturing plant and



Energypac secured one of the country's biggest export deals with Adani for 70 transformers.

PHOTO: COLLECTED

tested products before deciding to import our transformers," Alam said.

"We see good potential for the export of transformers to India as it has a vast market with just three local manufacturers," he added.

Energypac has exported \$6 million worth of products to India over the

past year, that too with duty free access under The South Asian Free Trade Area (Safta).

Adani Electricity Mumbai has a distribution network spanning over 400 square kilometres, catering to about 2.9 million customers.

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LR Global allowed to manage two mutual funds again

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has recently granted LR Global Bangladesh the right to regain management of DBH First Mutual Fund and Green Delta Mutual Fund.

However, it was on condition that the LR follow rules, bring back money invested in a news outlet, pay fines and withdraws legal measures against market intermediaries, said BSEC Chairman Prof Shibli Rubayat Ul Islam.

"As part of bringing discipline in the mutual fund sector, we are trying to reduce all the disputes in the sector," he said.

Mutual funds are investment tools that pool a fixed amount of money for a certain period from investors and re-invest it into stocks, bonds and other assets.

On December 28, 2019, the regulator allowed IDLC Asset Management to take over management rights of the funds from the LR.

The decision was based on the demand of 73 per cent of the DBH unit holders and 70 per cent of the Green unit holders.

Islam said most of those who applied for a change of the asset manager were not holding the units now. So it is not possible to change the asset manager, he added.

The LR has been ordered to bring back money it had invested in non-listed companies recently, he said, adding that it had already paid the fines for previous breach of laws.

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Forum panel vows to brighten sector's image

STAR BUSINESS REPORT

The Forum panel vying in the upcoming elections of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday said it would work to brighten the image of the apparel industry as it unveiled the manifesto.

"If elected, we will also work to reduce the cost of business operations and expand markets," said ABM Shamsuddin, panel leader of the Forum, at a press conference at the Pan Pacific Sonargaon Hotel in Dhaka.

The polls for the two-year term of 2021-23 will be held on April 4. Thirty-five directorial posts are up for grabs and more than 2,000 voters will cast their votes.

Shamsuddin, also the chairman of Hannan Group, said he would work with international retailers and brands to ensure fair prices for the garment items supplied by local manufacturers.

"The prices of the Made-in-Bangladesh garment items are much



ABM Shamsuddin

skills of entrepreneurs would also be his assignments if he is elected as the president of the BGMEA, said Shamsuddin.

The prudent hopeful said he would hold an extraordinary general meeting to make the BUFT more functional and bring dynamism. A board of trustees has been running the institute for a long time, bypassing the BGMEA board, he said.

When the BUFT was established in 2009, the BGMEA committed that the institute would be run by the governors nominated by the BGMEA board.

While reading out the manifesto, Rubana Huq, president of the BGMEA, said the Forum would also work to revive small and medium enterprises, formulate policies to save sick industries, ensure their smooth exit, and guarantee buyers' accountability.

Moreover, the association will establish a staff college to train human resources and strengthen the labour arbitration cell to settle disputes using alternative ways, Huq said.

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STAR BUSINESS REPORT

Reviving apparel exports, brightening the image of the industry and improving owner-worker relations are the key electoral promises the Sammilita Parishad has made for the biennial election of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Faruque Hassan, leader of the platform, announced the manifesto at the Pan Pacific Sonargaon Hotel in Dhaka last week.

"Our main target is to revive export earnings from garment shipment as we have lost our business because of the fallouts of Covid-19," he told The Daily Star.

Earnings from the garment shipment declined to more than \$27 billion in the last fiscal year compared to \$34 billion a year ago because of the massive drop in sales in the Western markets. According to Hassan, 2021 and 2022 would be challenging for the industry as many owners suffered in the last one year.



Faruque Hassan

If voted to power, the Sammilita Parishad will try to address the challenges by establishing relations with government, buyers, diplomats and policy-makers, Hassan said.

The former BGMEA vice-president will propose the government extend the repayment period for the stimulus loans from the current 18 months and reduce the size of instalments.

The platform will urge the government to take short, medium

and long-term initiatives to recover from the crisis after identifying and assessing the impacts of Covid-19 on the garment industry.

It will seek short, medium and long-term policy support.

Hassan said it would suggest raising the export ceiling for SMEs from \$5 million to \$10 million to help more industries qualify for the loans under the stimulus packages. It will work with the government to have the definition of SMEs updated to avail loans at a 4 per cent to 5 per cent interest rate from the central bank's refinancing scheme.

The manifesto promised to introduce special insurance for export-oriented garment factories to ensure payment guarantee with buyer's bank against orders and train the workers of SME factories as most of them don't have any such facilities.

As part of an exit policy, the platform will work for the appointment of a government-approved liquidator agent and completing trials in the money loan court within three months.

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