

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY		
3.44%	3.52%	\$1,728.84	\$64.86	1.05%	1.58%	0.52%	0.52%	83.95	97.69	115.24	12.54		
5,088.98	8,878.36	(per ounce)	(per barrel)	50,029.83	29,854.00	3,181.68	3,484.39	BUY TK	SELL TK	84.95	101.49	119.04	13.18

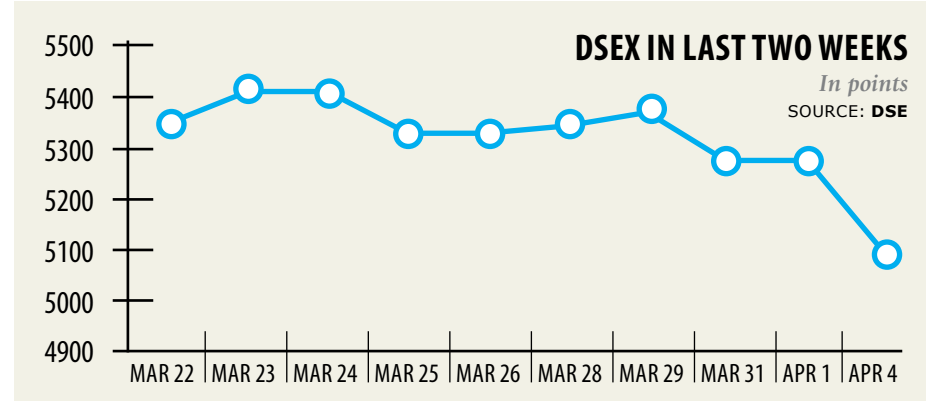


Star BUSINESS

DHAKA MONDAY APRIL 5, 2021, CHAITRA 22, 1427 BS • starbusiness@thedailystar.net

Stocks suffer massive drop on panic sales

It's biggest single-day fall in a year as index plunges 3.44pc



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The stock market yesterday suffered its steepest single-day decline in 12 months as worried investors went for a massive selloff fearing a freefall after the government

brings back strict measures to curb the sharp rise in coronavirus infections.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 181 points, or 3.44 per cent, to 5,088, the lowest level in three months.

On March 16 last year, the key index plunged 196 points because of the spread of the virus in the country.

People are panicked, so they are selling shares, said Yawer Sayeed, chief executive officer of AIMS Bangladesh, an asset management company.

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Take prior approval to reappoint directors

BB asks banks

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Banks will have to take prior approval from Bangladesh Bank to reappoint their directors in line with the Banking Companies Act 1991.

The central bank yesterday issued a notice saying that some banks have recently reappointed directors in violation of the act.

"Every appointment and reappointment of directors will require approval from the central bank as per the act," read the notice.

Some banks have also given false explanations to this end, sidestepping the rules and regulations, it said.

The banks have not taken approval from the central bank while reappointing their directors and they thought that there is no requirement to do so, said a central bank official.

Against this backdrop, the central bank has issued show cause notices on the banks concerned.

New Covid restrictions to hit recovery of small businesses

Most do not have online presence

SUKANTA HALDER

Small businesses, who are yet to recover from the devastating impacts of the first wave of the coronavirus pandemic in Bangladesh, are set to receive another blow after the government yesterday directed them to shutter shops to contain the surge in infections.

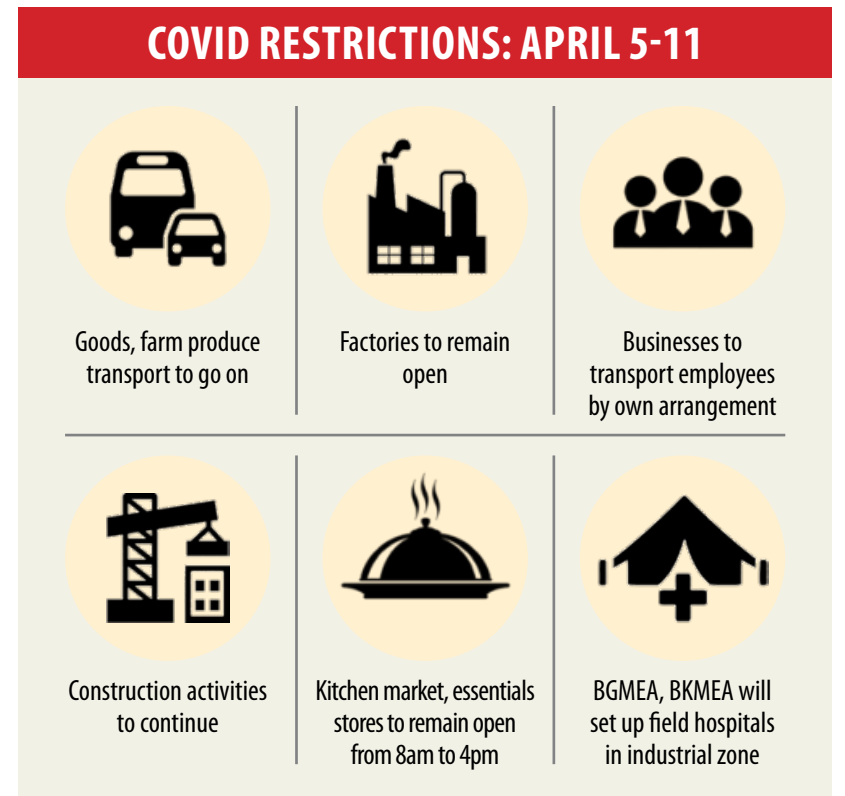
In a notification, the government said shops could sell products online. But shop operators say most of them don't have any digital presence and don't know how to sell products digitally.

"I do not understand how online business works. The customer comes to our store and places orders. They get the delivery after a specified time," said Kawsar Hossain Titu, proprietor of Art & Gift Shop, which makes and sells crests, in the capital's Katagon.

"Now the store will remain closed. As a result, my sales will fall to zero. Our business is not online-centric."

Educational institutions, sporting clubs and corporate bodies are the main customers of the crest traders. The sales did not pick up as expected since educational institutions have remained shut for more than a year, and sporting events and socio-cultural programmes are taking place in a limited way.

The reinstatement of strict measures from today will deal a major blow to



the weak recovery, the traders say.

Anwar Hossain, the owner of Best Collection in the Nurjahan Super Market in the New Market area, said he had to lay off six out of his eight employees as sales dropped at the height of the first wave in April and

May last year.

He took a loan of Tk 12 lakh to start the business anew after the lockdown was lifted in June. His sales have recovered 60 per cent since then, and he has repaid Tk 3 lakh already.

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Bankers worried over a lack of transport

AKM ZAMIR UDDIN

Bankers are considered the frontline workers given their role in keeping the wheels of the economy moving, but they are now afraid of performing their job amidst the strict restrictions on movement imposed by the government.

A good number of employees working in the different government and private organisations can feel a bit relaxed during the restrictions on movement as they may not have to go to their work stations to some extent.

Although the central bank has asked banks to introduce alternate duty rosters to operate their financial services, a majority of bankers will have to go to offices every day in the interest of the economy.

A good number of bankers yesterday said they were in panic to do their job during the restrictions on movements given the previous experiences of lockdown imposed by the government spanning from the

AT A GLANCE

- » Banks to remain open from 10am to 2pm
- » Clients can transact till 12:30pm
- » Adequate cash to be kept at ATMs
- » Internet banking available round the clock
- » Bankers worried over a ban on public transport
- » Cooperation should be extended by law-enforcement agencies to bankers

last week of March to May last year.

The major problem is attending office on time as public transport services will be banned during the unusual period, said Md Asadullahil Galib, an executive officer of the South Bangla Agriculture and Commerce Bank.

Although a government circular has asked all public and private organisations to pick and drop their employees to the offices, this is a tough job for banks to provide such transport facilities to their employees given the large numbers.

The number of employees in the banking sector stood at 1.83 lakh as of December last year, data from the central bank showed.

The central bank has reduced banking hours from today in tune with a new restriction on movements declared by the government to keep the coronavirus pandemic at bay.

Clients will be allowed to settle financial transactions from 10:00am to 12:30pm on regular working days during the restriction on movement, according to a

central bank notice.

Banks will have to close their branches and head offices within 2:00pm after completing their relevant banking activities.

The central bank also asked banks to keep adequate cash in ATM booths and run internet banking round the clock.

The government should have mentioned the issues of the bankers in its circular specifically, Galib said.

"We have to ride rickshaws due to the imposition of a ban on public transports. If rickshaw is not available, we will have to attend the office on foot," he said.

A good number of bankers had faced harassment from some members of the law-enforcement agencies during the lockdown period of last year, he said.

"We strongly hoped that the government and the central bank would take prompt initiative so that such unexpected incidents do not recur this time," he said.

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Rush for cash withdrawals

AKM ZAMIR UDDIN

Banks yesterday faced a huge number of cash withdrawals as the government declared a restriction on movement for seven days from today as part of effort to tackle the second wave of the coronavirus pandemic.

In some cases, automated teller machines (ATM) of different banks ran out of cash as clients tried to keep physical money at hand given the uncertainties during the

period of the restrictions on movement.

The seven-day restriction on movement was declared on Saturday, a weekend in the country when banking activities are usually closed.

So people rushed to bank branches yesterday, the first workday of a week, to withdraw money in order to fulfill their cash requirements during the period of restrictions on movement, said Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

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There had been a rush for cash at ATMs around the capital yesterday right after the government declared a restriction on movement for seven days. The photo was taken at National Press Club in the capital.

RASHED SHUMON

Sudden 'lockdown' to affect operations management

Big businesses say

REFAJET ULLAH MIRDHA and JAGARAN CHAKMA

Industrialists have found it difficult to instantly implement emergency measures for the smooth continuation of manufacturing operations after the government suddenly announced a nationwide lockdown to curb the spread of Covid-19.

Corporate offices will be run online while a physical presence will be available on an emergency basis during the seven-day lockdown beginning today.

But despite their difficulties, industrialists agree with the government's decision, believing that it would not have too much of an impact on the economy.

"The sudden lockdown led to slight difficulties but there is no alternative to tame the ongoing situation," said Mostafa Kamal, chairman and managing director of Meghna Group of Industries (MGI), a leading conglomerate in Bangladesh.

In most cases, employees will work from home but in case of emergency, they may be required to attend office on a limited scale, he added.

There are 48 manufacturing units operating under MGI, which employs around 35,000 people.

The conglomerate's product base ranges from food items such as edible oil to construction materials such as cement.

The MGI chairman went on to say that some foreign experts working at the Meghna industrial zone have been infected by Covid-19. However, MGI has taken responsibility for their treatment.

"We will run our production units with additional safety measures so that our economy is not hampered, just like the other countries that will continue their economic activities," Kamal said.

Kutub Uddin Ahmed, chairman of Envoy Group, a leading garment exporter, said factories have been instructed to remain operational during the lockdown.

"We have already taken measures to treat workers in case of infection. So we do not have any problem with running the factories during the lockdown," Ahmed told The Daily Star.

It is not possible for factory owners to construct hospital facilities overnight but they have already taken the appropriate measures in this regard, according to Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

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Budget spending falls 10.58pc in first half

STAR BUSINESS REPORT

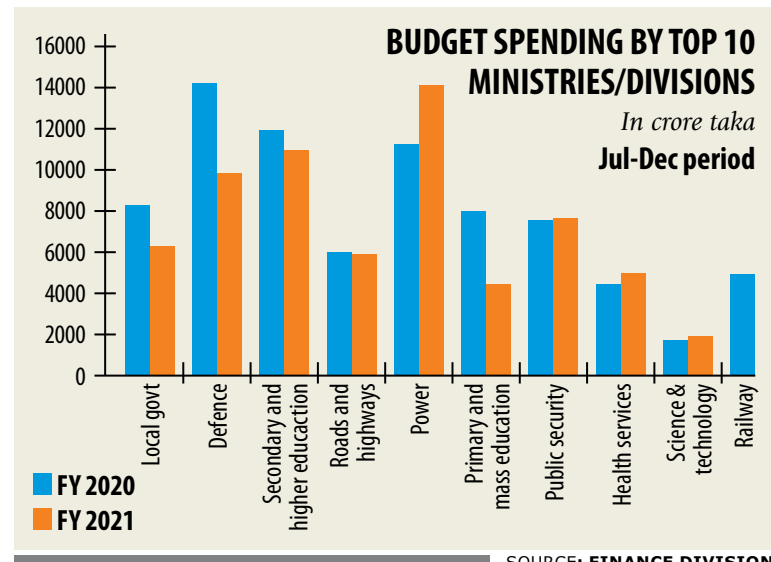
Total budgetary spending in the first six months of the current fiscal shrank 10.58 per cent year-on-year to Tk 141,514 crore due to the ongoing Covid-19 pandemic, according to a report from the finance ministry.

While presenting the report's findings in the parliament yesterday, Finance Minister AHM Mustafa Kamal said government expenditure for the period did not reach expected levels because of the prolonged coronavirus fallout.

However, steps have been taken to increase expenditure in the days to come, he added.

The expenditure target for the current fiscal year was set at Tk 567,999 crore or 17.91 per cent of the country's gross domestic product (GDP).

Of this amount, just 29.75 per cent has been spent in the first half of the ongoing fiscal year.



SOURCE: FINANCE DIVISION

During the same period in fiscal 2019-20, total budgetary expenditure stood at Tk 158,260 crore, a 16.51 per cent increase from the previous year.

In the six months till December was Tk 107,947 crore, or 29.75 per cent of the total allocation. This is 5.37 per cent lower than spending in the corresponding period in fiscal 2019-20, when it

was Tk 114,076 crore.

Expenditure through the Annual Development Programme (ADP) in this period was Tk 33,300 crore or 16.23 per cent of the allocation.

This was 24.63 per cent lower compared to the same period of fiscal 2019-20.

Of the 10 ministries and government divisions that got a majority of the allocation, power division faced the steepest decline of 63.59 per cent.

Spending in the defence service division fell 30.66 per cent while it was 24.26 per cent for the rural government division and 8 per cent for the secondary and higher education division.

However, spending in the health service division witnessed the most growth with 11.51 per cent, followed by the science and technology ministry 10.89 per cent, primary and mass education division 5.72 per cent and railway ministry 5 per cent.

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