

Bangladesh Crop Protection Association top brass elected



M Sayeduzzaman

Md Moazzem Hossain

STAR BUSINESS DESK

M Sayeduzzaman of Mimpex Agrochemicals and Md Moazzem Hossain of Assign Crop Care have recently been elected chairman and secretary general respectively of Bangladesh Crop Protection Association.

AHM Sadrul Alam of Aungkur Traders became vice-chairman, Md Marufuzzaman of Gurpukur Corporation joint secretary general, SM Khaled of Ingenious Crop Science organising secretary, Md Serazul Islam of Chemist Crop Care publicity secretary and Md Mahbubur Rahman Gazi of MR Enterprise treasurer.

Revenue collection gains slight momentum

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This means the tax authority was Tk 43,043 crore short of the goal for the period.

The total revenue collection rose by 4.55 per cent year-on-year in the first seven months.

The total target for revenue collection for this fiscal was earlier set at Tk 330,000 crore while the target has been revised to Tk 301,000 crore.

All authorities concerned, including NBR, are making tireless efforts to boost revenue collection, Finance Minister AHM Mustafa Kamal said while presenting a report on budget implementation in the parliament on Sunday.

Revenue collection collapsed in the second quarter of the fiscal year due to the global economic shutdown after the Covid-19 outbreak, he said.

He, however, hoped that the integrated initiatives to modernise the revenue administration, including installation of electronic fiscal devices in businesses, would help accelerate revenue collection.

Lift supplementary duty

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“The government should reduce the supplementary duty at the production level to protect domestic industry and enhance the competitiveness of domestic producers,” he noted. He said the sector would be able to recover from the losses faced during the pandemic if the government extends policy support.

Exports dropped by around 60 per cent in the last fiscal year because of the pandemic-induced collapse in sales globally. Local suppliers cater to around 80 per cent of the domestic demand. Bangladesh currently holds 0.14 per cent share of the global market for ceramic products.

Online sales, takeaways too scanty

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As the takeaway and online delivery are still allowed, the restaurant owners are slightly optimistic about the increase of home deliveries.

“Yes, there is no wonder home deliveries will increase under this circumstance. Home delivery accounts for 10 per cent of our overall sales and it may be double now. Yet, 80 per cent of my business would be lost,” said Asif, who also operates a few other restaurants with partners.

Food delivery platforms take 15-30 per cent of the food price from the restaurants as commission for their service, according to insiders.

“After paying the charges amid the decreased sales, only the salary of the staff can be paid from it. But all other expenses—utility bill and house rent—will have to be paid from our pocket,” he added.

Shukanta Saikat, CEO of Green Lounge in the capital’s Banglamotor, said many parties were cancelled since the middle of March due to the rise of Covid cases.

“Every sign in the business was good as people were enjoying outside food and party. But the new cases spoiled it,” he added.

According to industry people, only 10 per cent of restaurants in the country are connected with the network of the food delivery aggregators.

Stocks bounce back on buying spree

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However, the profits of listed companies will surely be affected to some extent, according to Sadeque, also managing director of Investment Promotion Services.

“So the companies that are giving 20 per cent dividends this year may give 18 per cent dividends next year,” he said.

Besides, these companies do not deserve to see a 15 to 20 per cent decline in prices due to the lockdown.

“But the market fell drastically because of our investors, who are sensitive to rumours and panic,” Sadeque added.

Turnover, an important indicator of the market, dropped 54 per cent to Tk 236 crore.

The rise in the loan margin for share purchases has boosted the market, said Mir Ariful Islam, head of research at Prime Finance Asset Management Company.

At present, brokers and merchant bankers are allowed to lend Tk 80 against an investment of Tk 100.

Small businesses left alone amid pandemic

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Kajol said he had failed to manage any fund from the government stimulus funds.

He went to banks for loans, but they asked him to come up with collateral. “I do not have enough property to manage bank loans,” he said.

In Bangladesh, there are about 78 lakh micro, small, and medium enterprises (MSME). Most of them are micro and small traders. Altogether, SMEs contribute about 25 per cent to GDP.

But the micro-businesses were left alone to manage their recovery although the government announced Tk 121,353 crores worth of stimulus packages, which is 4.3 per cent of the country’s GDP.

The central bank declared a stimulus fund of Tk 20,000 crore for small and medium enterprises. But banks disbursed 65 per cent of the fund as of March 18, data from the central bank showed.

The Bangladesh Bank initially asked banks to disburse the fund by August 2020. But it was later forced to extend the deadline twice due to the reluctance shown by lenders.

It may extend the time again as banks failed to distribute the funds by last month, which was the last deadline.

Another stimulus package, which has been formed for the underprivileged and marginal businesses, also saw poor implementation. Banks disbursed 52 per cent of the Tk 3,000 crore fund through microfinance institutions as of March.

“A good number of lenders give out loans to large borrowers, and they have little arrangement to disburse funds to micro and small enterprises,” said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

Tesla’s market value set to gain \$50bn

REUTERS

Tesla Inc was set to add about \$50 billion to its market value as the electric car-maker’s shares surged yesterday, after it posted record deliveries on strong demand in China that helped it offset the impact of a global shortage in auto parts.

The stock jumped nearly 8 per cent in pre-market trading and it was on track to hit its highest in over a month.

The company said on Friday it was encouraged by the strong reception of its Model Y crossover in China and it was quickly progressing to full production capacity.

Analysts remained hopeful as despite a global chip shortage that has slammed the entire auto sector, various supply chain issues and rising competition, Tesla still managed to produce roughly the same amount of vehicles in the first quarter as in the fourth quarter.

At least three brokerages raised their price targets on Tesla’s stock. Brokerage Wedbush was the most aggressive, increasing it by \$50 to \$1,000, much higher than the median price target of \$712.50, as per Refinitiv data.

them were unemployed as of March.

“When the government provided cash assistance to 50 lakh poor families hit by the coronavirus pandemic last year, we had submitted a list but none of such workers received the money,” claimed Khan.

Khan said they, under the banner of the Bangladesh Hotel, Restaurant, Sweetmeat Sramik Federation, on Sunday submitted a memorandum at the labour and employment ministry, demanding regular wages for workers during lockdowns.

They also sought a stop to lay-offs and demanded, among others, medical treatment facilities for workers infected by coronavirus.

“We have already stopped providing dine-in service because of the government restrictions,” Apu Rahman, owner of Altitude restaurant in Dhanmondi’s KB Square, told The Daily Star yesterday.

The daily talked to some waitstaff of different restaurants and they said most of the workers were still in Dhaka as the establishment owners were unsure whether the lockdown would continue.

“Last year, I didn’t get my salary for six months. If lockdown continues or the coronavirus situation deepens, I will be sent on leave without pay once again,” told a waiter of a restaurant in Dhanmondi.

attracting more buyers, Hosen said.

“But they have been the cause for huge losses as well. So, the regulator should see who is playing with such stocks,” he added.

Beximco Limited topped the turnover list with shares worth Tk 32 crore changing hands followed by Robi Axiata, Beximco Pharmaceuticals, LafargeHolcim Bangladesh and Asia Pacific Insurance.

Shahjalal Islami Bank shed the most, dropping 10 per cent, followed by Reliance Insurance, Envoy Textile, United Insurance and ICB Third NRB Mutual Fund.

At the country’s premier bourse, 231 stocks advanced, 14 declined and 76 remained unchanged.

Similarly, the port city bourse also bounced back yesterday.

CASPI, the general index of the Chittagong Stock Exchange, rose 250 points or 1.7 per cent to close at 14,964.

Among 185 traded stocks, 122 rose, 27 fell and 36 remained unchanged, CSE data shows.

“So, it is difficult to resolve the problem overnight. Some of the lenders are also showing unwillingness to disburse loans to the SME sector given the high operating cost.”

He feared that the unrest among small traders might fuel further if the restriction on movement extends.

“The government should have drawn up a good number of fiscal measures before declaring the latest restrictions,” Mansur said.

The government has already hinted that the restriction may be stretched beyond the initial one week if the rise in infections does not come under control.

The government has not taken any preparation to fulfil the needs of small traders during the unusual period, said Mansur, also a former official of the International Monetary Fund.

The stimulus packages declared by the government are considered as monetary measures as the central bank now provides the amount of stimulus funds.

“Immediate fiscal measures should be taken. If the government does not do so, both the pandemic and the unrest will expand,” he said.

Roni Raj Hossain, the owner of a restaurant in Rajshahi city, said that he had invested around Tk 5 crore to set up and expand two restaurants and two schools in the last decade.

“My businesses are now facing uncertainty. I have to pay instalments for bank loans, salaries to employees, and other bills every month,” he said.

“I feel like I have committed a sin becoming an entrepreneur. All of my decade-long efforts and investment are going to astray. Death is preferable than facing another lockdown.”

The businessmen in Rajshahi town are agitating under the banner of “Babosayi Oikya

Parishad”, an alliance of 110 business bodies in the divisional city.

Hundreds of small traders also staged a demonstration in the New Market area in Dhaka city protesting the restrictions.

Helal Uddin, president of the Bangladesh Shop Owners’ Association, said that the restrictions had come at a time when the shop owners had started to recover from their earlier losses that stemmed from the previous lockdown.

“We want to keep the shop open by maintaining health protocols as we make most of our annual profits during Eid festivals,” he said.

Countries in North America and Europe have recently provided cash supports to small traders such that they can pay salaries to employees during the lockdown.

“But, taking such initiative is difficult for our government. Still, the government should try to embrace such measures to some extent so that the small traders don’t face debacle,” Mansur said.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said banks were afraid whether they would be able to recover the funds that had been disbursed under the stimulus packages in the recent months.

“Banks are now under pressure. It is difficult for them to implement new stimulus packages given the shape of their existing financial health,” he said.

The government should expand the credit guarantee scheme from the current Tk 2,000 crore so that banks can lend to micro and small enterprises without hesitation.

The government can give tax rebates and waiver on electricity bills under its fiscal measures, he added.

D-8 nations should sign PTAs

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The FBCCI organised a D-8 Business Forum in partnership with the Union of Chambers and Commodity Exchanges of Turkey, and D-8 Chambers of Commerce and Industry (D-8 CCI) on the sidelines of the summit.

FBCCI President Sheikh Fazle Fahim assumed chairmanship of D-8 CCI from Rifat Hisarciklio’lu, president of the Turkish chambers and exchanges.

Fahim focused on a strategic D-8 value chain initiative and maximising comparative advantages with raw materials, knowledge and expertise for domestic industries.

He also sought to maximise Bangladesh’s competitive edge in production and export to the D-8 market and beyond.

The event’s speakers identified areas of cooperation and meaningful engagement with particular focus on trade and investment through capacity building, technology and knowledge sharing, said the FBCCI statement.

They stressed on improving connectivity in all D-8 countries as it was the basis for economic integration through interaction.

Speakers also emphasised on mutual cooperation and collaboration for further development of youth, micro and SMEs and startup ecosystems, blue economy, marine biotechnology and resources for inclusive growth of D-8 countries, the FBCCI said. Bangladesh’s state minister for foreign affairs, Shahriar Alam, also spoke at the event.

Experimental vannamei shrimp cultivation underway

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The project, set to begin last year, had been delayed by early rainfall and the ongoing coronavirus pandemic.

Last year, the fisheries office permitted the Chattogram-based Agribusiness Enterprise Development and Services to cultivate vannamei shrimp in an isolated location at Khuruskul of Cox’s Bazar under the supervision of the DoF and Bangladesh Fisheries Research Institute (BFRI).

The firm is yet to complete its procedural documentation to start the pilot farming.

The move comes after repeated pleas from shrimp processors and exporters to allow vannamei cultivation as export earnings from local varieties have fallen consistently since fiscal 2014-15.

This is because local varieties are priced higher than the vannamei farmed in huge quantities mainly in China, Southeast Asia, India and some Latin American regions.

Grown by more than eight lakh farmers on 2.72 lakh hectares of land in Bangladesh’s Southwest region

to serve consumers in EU and US markets, shrimp fetched Bangladesh about \$550 million through its export in fiscal 2013-14.

The receipts dipped to \$333 million in fiscal 2019-20, showed data from the Export Promotion Bureau (EPB).

During the July-February period the same year, shrimp exports fell 18 per cent year-on-year to \$224 million.

Das said the pilot project gives hope for shrimp processing plants and farmers for better productivity.

MU Seafood invested nearly Tk 1 crore to prepare the ponds for the project.

Company officials said before they released the postlarvae vannamei, samples were sent to the Bangladesh Fisheries Research Institute (BFRI) and Bagerhat Shrimp Research Center for testing.

“The test results will actually tell you when to start the next phase in their growth,” said Pabitra Kumar Das, senior fisheries officer of Paikgachha.

He also said the nursing was done at the BFRI ponds to prevent it from coming in contact with the

environment and harming it.

Processors said farmers can grow shrimp once a year whereas vannamei can be cultivated three times a year.

At the same time, productivity of vannamei is much higher than shrimp grown in ordinary ponds.

Regular shrimp cultivation yields 300-400 kilogrammes per hectare but in case of vannamei, the yield per hectare is 7,000-8,000 kilogrammes.

“We do not have an alternative to run exports without vannamei cultivation and I think it won’t have any effect on the environment,” said Mostafa Nuruzzaman, chief executive officer of Sushilan.

Kazi Belayet Hossain, former president of the Bangladesh Frozen Foods Exporters Association, said the production cost of black tiger shrimp is higher than that of vannamei.

“And we are unable to cater to the global market at this price. People want shrimp at cheaper rates,” he said.

Hossain added that vannamei was produced in 67 countries and accounted for 77 per cent of the global shrimp production in 2017.



AKM Kamrul Islam

Sonali Bank appoints ombudsman

STAR BUSINESS DESK

AKM Kamrul Islam, chairman of an audit committee of the Sonali Bank’s Board of Directors, has been appointed ombudsman.

An ombudsman is an official, usually appointed by the government, who investigates complaints (usually lodged by private citizens) against businesses, financial institutions, universities, government departments, or other public entities, says website Investopedia.

The official also attempts to resolve the conflicts or concerns raised, either by mediation or by making recommendations, it adds.

The main objective is to establish a fully credible bank free from malpractices, corruption, fraud, embezzlement, fraud and immoral activities.

The bank approved an ombudsman policy on January 11, 2021, says a press release.

Ziaul Hasan Siddiqui, chairman of the board, launched the new service through video conferencing on Sunday.

Islam joined the board on December 22, 2018 and was re-appointed in 2020.

CANTERA PARTNERS - Invitation to Bid

for Purchase of 25,000 Metric Tons of U.S. No. 2 Yellow Soybeans

Cantera Partners LLC, Omaha, Nebraska, USA, requests bids for the purchase of 25,000 metric tons (+/- 10%) of whole U.S. Soybeans, of US-origin, with usual USDA No. 2 specifications.

The expected shipment period from U.S. export port is estimated in June 2021.

For full tender with specifications and a standard Purchase Agreement that the winning bidder(s) will be expected to sign as Buyer(s), please consult Cantera Partners website at

www.canterapartners.com/soybeans/Bangladesh/

Cantera will consider/accept bids for a minimum bidding tonnage of 4,000 metric tons and/or for any tonnage (and combinations) between 4,000 metric tons and 25,000 metric tons.

Questions about the bidding process, terms or purchase may be referred to Mr. Michael Jung, CEO & President, by email to bid@canterapartners.com

Interested parties need to submit their bids by Tuesday, 13th April 2021, by the close of business, Bangladesh time