

## Greek restaurants on the ropes ahead of tourism restart

AFP, Athens

In the trendy Koukaki district, a discuss throw from the Acropolis in Athens, owners of restaurants that have survived the virus lockdown are trying to keep themselves occupied as the weather and the noises from government improve.

"Everyone is frantically cleaning their storefronts, just to keep busy," says Elena, who sells ouzo, the popular anise-flavoured alcoholic drink, to the restaurateurs.

She is wandering the streets to see how many of the restaurants have managed to avoid going out of business.

Some five months after the Greek government ordered a restaurant shutdown in November as coronavirus cases began to increase, operators and their staff have been burning up both their financial and psychological reserves. "We have borrowed money and spend less. We have learned to live on little since the economic crisis," says Koukaki restaurant owner Venetia Aygerinou, referring to the ten-year debt crisis Greece has just exited.

His restaurant was only allowed to open for four months last year. Since November, all ten staff members have been put on a government partial employment scheme.

## RMG exporters want factories up and running

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"The lockdown will be suicidal for the garment sector as shipments are going on in full swing now," said Mostafiz Uddin, managing director of Denim Expert Ltd, a Chattogram-based factory.

He is one of the sufferers who had faced a lot of order cancellations during the first wave of the pandemic. "My buyers want continued shipment of goods as they also have a business plan."

"My buyers have already said that they would not extend the order execution time. I will face expensive air shipments of goods."

If factories are shut, Bangladesh will face fewer new orders.

"Buyers are exhausted due to last year's liability, store closure, and piling of stocks," said a top official of a buying house in Dhaka.

So, buyers might have to go for harder decisions such as cancellation without liability and shifting orders, he said.

Mohammed Abdus Salam, acting president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said if the lockdown was imposed, the garment sector would go into a long holiday like during Eid-ul-Fitr and Eid-ul-Azha.

"So, the sector will not be able to bear the losses."

Salam also the infection rate in the garment industry was too low as owners had taken a lot of safety measures as per the government's guidelines.

Mohammad Hatem, vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said no competing countries were in lockdown now.

"They will do business, and we will lose our business," Hatem said, adding that factory owners had been running their units following the health guidelines.

The lockdown will affect the sourcing decisions of buyers as the factories in other apparel-producing countries are open, said Faruque Hassan, president-elect of the BGMEA.

During Ramadan, factories usually ship two months' equivalent of products

in order to offset the production closure during Eid holidays.

"So, any lockdown in Ramadan means we will fail to carry out all these shipments. Buyers will hardly agree to take them after two months," he said.

Because of the safety measures taken by the factories, the infection rate among garment workers has been nominal, he said.

"So, I think the safety measures are enough to protect the workers from Covid-19," he added.

Citing a survey of the US-based Workers Rights Consortium, Faruque said buyers cut the price by almost 30 per cent after the pandemic.

"We are already struggling to stay afloat. The existence of four million workers hinges on the industry. So, factories cannot sustain and survive if any lockdown is enforced," said Hassan.

"I think the lockdown is okay for seven days. It should not be more than that," said Sirajul Islam Rony, a former member of the minimum wage board for the garment workers. "The sector might not face any big losses if a weeklong lockdown is imposed," he said.

However, factory owners must not deprive any worker of wages and other incentives.

"Such incidents happened during the lockdown last year. Many workers lost their jobs and faced a reduction in salaries and festival allowances," he said.

Md Towhidur Rahman, president of the Bangladesh Apparels Workers' Federation, called for full payment for the workers even if any lockdown is imposed in the sector.

Nazma Akter, president of the Sammilito Garment Sramik Federation, said if the lockdown caused workers' layoff, it would be very bad.

"Every worker must be paid fully during the lockdown. We will have to follow the government decisions."

The BGMEA, the BKMEA, the BTMA and the Exporters Association of Bangladesh would hold a joint press conference at the Pan Pacific Sonargaon Hotel in Dhaka today to call on the government not to order any factory closure.

## New measures needed to offset second wave fallout

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The daily number of new patients eventually shrank to 385 by February 28 this year.

The whole country then strongly believed that the way it had handled the first wave -- by opening up economic activities and, despite the risks, with little adverse effect to people's lives -- was a successful approach and hence, there is less need to take safety measures to stop further contamination.

To address the livelihood concerns, the government had taken steps targeting affected people and businesses through monetary and fiscal policy support. However, those measures had partly contributed to coping with the vulnerabilities of a section of people and enterprises.

To address health concerns, the vaccination programme began in January, which has further built confidence among people for going back to normal life within a few months.

During the second wave, the virus -- mostly the South African variant -- is found to be deadlier with more complicity among Covid patients and requires longer and costly treatment.

The benchmark on 'life' related concerns in the second wave are different compared to that of the first one. The available infrastructure to provide health related support -- supply of oxygen and ICU facilities -- is inadequate.

On the other hand, the 'livelihood' related concerns are different during the second wave. Unlike the first wave, most people now have very little amount of savings to survive even for a short period of time unless they are allowed to continue their jobs.

The government support for marginalised people would contribute little to their day-to-day living as experienced earlier. These marginal people could only survive by further reducing their consumption and selling the limited amount of assets that remain.

Moreover, there is a supply crisis of essential products particularly rice, oil, vegetables and sugar.

The open market sales operation, food-friendly programme and VGD/VGF have been

implemented at an extended level. The volatility in the market due to limited supply would further increase the inflationary pressure in the coming days and would push the people into further distress.

Hence, an alternate approach is needed.

The new approach needs to be nuanced between different activities and initiatives with regard to public health and economic activities. One possible mechanism would be to ensure maintaining health protocol in public places through strict monitoring mechanisms and to allow economic activities on limited scale.

In case people are found to be ignorant about following health protocols, they should be punished.

Factories which do not comply with the protocol would be immediately punished. In extreme cases, the factory should be forced to shut down.

There should be three time periods for workers to enter and exit the factories. Regular visits by the factory inspectors should be ensured and they should have magistracy power to immediately enforce action.

The businesses, particularly shops and stores, will not be allowed to operate without following health protocols -- both the sellers and customers must wear masks.

Stricter rules should be there to allow limited number of customers in a departmental store at a time. Failure to comply with the rule should cost shop owners hefty fines or closure of the premises.

General people will be strictly forced to stay home and wear masks in case of moving outside; otherwise, they should be penalised.

A proper enforcement of such massive scale monitoring and enforcement drive for maintaining health protocol would be difficult only due to the limited number of officials currently in charge.

It is important to extend the monitoring and enforcement responsibility for a short period of time to other eligible public agencies.

All law enforcement agencies and armed forces need to be deployed in order to ensure

full enforcement of the public order. The field officers of different agencies need to have magistracy power to quickly enforce the action.

Necessary government/office orders should be made in this regard.

However, the field officers and law enforcement agencies need to ensure transparency in their activities and should be free from any types of allegation of unethical and illegal activities.

The healthcare facilities should be significantly enhanced soon. The most important of these which has already been identified by the public health experts include increasing the number of ICU beds, ICU units and increasing the supply of oxygen and testing and other facilities.

Necessary investment should be made for making ready some unused facilities for Covid patients.

The government should help the private hospitals increase their treatment facilities for Covid patients. The government may provide financial support to private hospitals across the country to subsidise treatment facilities as well. The extent of government support to different categories of people will depend on how long and in which form the lockdown operation will be enacted.

However, the government should further increase the open market sales of essential foods at subsidised prices across the country immediately.

In order to stabilise the market price, import of essential consumer goods needs to be increased either by the private sector or partly by the government.

Appointment of different health professionals should be done immediately. The vaccination measures should be further extended for those who are still outside of the programme, including people below 40 years and people who did not register for vaccination.

The life and livelihood may need to continue side by side in the presence of the coronavirus as it might not vanish within the next few years.

*The writer is the research director of the Centre for Policy Dialogue.*

## BD Finance eyes \$2b US investment

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We are committed to making lending very competitive and borrowing very affordable."

BD Finance is a financial institution and public limited company listed both on Dhaka and Chattogram stock exchanges. It provides financial services to a diversified base of clients and businesses to contribute to Bangladesh's social and economic development.

SIG is a global structured financing company that works with project sponsors and development finance institutions, and national and local governments in originating and structuring infrastructure investments in growth markets.

If SIG maintains at least 4 per cent shares in BD Finance during the term of the memorandum, the US company will be guaranteed a seat on the board of the Bangladeshi firm.

BD Finance and SIG will give priority to the projects that are supported by the government of Bangladesh, projects in economic zones and

export processing zones.

Projects preferably structured as a public-private partnership and that benefit from an off-take agreement, availability payments, power purchase agreements, or other arrangements from a mutually accepted sovereign, sub-sovereign, or municipal government will receive focus.

Direct foreign investment nexus in the form of equity or debt co-financing, guarantee, or project structuring will be preferred to finance the projects, according to the statement.

Lerry Knox, co-founder and CEO of SIG, said SIG was founded to bridge the global infrastructure investment gap by mobilising US institutional investor capital into growth markets such as Bangladesh.

Bangladesh is a top priority for SIG and is one of the fastest-growing economies in the world, said Knox.

Bangladesh is currently on track to investing an impressive \$417 billion in infrastructure by

2040, he said in the statement.

"Through our engagement with BD Finance, SIG hopes to play a leading role with our partners to support the country's tremendous growth."

Benjamin Levine, vice-president of SIG, said the event commemorating the memorandum between SIG and BD Finance was the beginning of a worthy endeavour—one that will support Bangladesh's economic growth for years to come.

Waez Hossain, deputy managing director of Anwar Group of Industries, said the agreement was orchestrated to help strengthen the foundation of Bangladesh's infrastructure to compete on a global scale.

"I hope relationships like these can be a model for our competitors in Bangladesh, to support the ever-increasing requirements of the industrial sector."

Shares of BD Finance closed 0.65 per cent higher at Tk 30.90 on the Dhaka Stock Exchange on Thursday.

## More banks jump on the bandwagon

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People earlier had to fill in several papers, including KYC, and submitted many documents to the bank to have an account.

Dhaka Bank rolled out the opening method titled "ezyBank" last week, allowing clients to open an account on smartphones.

Clients have to download the lender's mobile banking app "Dhaka Bank Go" to enjoy the service.

"This helps the prospective customers maintain a maximum level of social distancing and avoid being exposed to the deadly flu," said Emranul Huq, managing director of the private commercial bank.

A willing customer has to take a picture of his or her passport-sized photograph and the national identification card using the smartphone. The images have to be uploaded to the app.

The person needs to insert some information required by the app, including the name of the nominee.

The account-holder and the nominee will have to sign on a paper, take the snapshots of them, and upload them on the app.

Banks will complete the process after verifying the client's NID information with that of the Election Commission's (EC) database.

The EC has already allowed banks to access its NID database so that they can check customer details while opening an account or settling any financial transaction.

Clients will have to keep an initial deposit of Tk 1,000 with Dhaka Bank.

Once the account is open, the lender will send the debit card and cheque book to the account-holder's address without any charge, said Huq.

Customers will not need to state the information about their other bank accounts in the new form, according to the e-KYC guidelines formulated by a government-formed committee comprising officials of the finance ministry, the central bank and banks.

If the monthly transaction through an account crosses more than Tk 1 lakh, the account-holder will have to visit a branch to give a signature in person, Huq said.

Mutual Trust Bank introduced an instant bank account opening product named "MTB Simple Account" last month, said its Managing Director Syed Mahbubur Rahman.

The account can be opened from any digital devices such as smartphone, laptop and desktop. The debit card will be sent to clients' address.

"This has helped people to a large extent carry out hassle-free banking from their home or offices," Rahman said.

The digital account opening will help build a less-cash society in the quickest possible time and give a boost to branchless banking in future. The digital financial inclusion programme of the government will receive a shot in the arm as well."

The number of deposit accounts in the banking sector stood at 12.23 crore as of

December last year.

Eastern Bank Ltd introduced the product several months ago, said Ahsan Ullah Chowdhury, head of its card and digital banking department.

The private commercial bank is operating the digital service under the brand name "EBL Insta Account".

"We have received a huge response from clients since rolling out the product," Chowdhury said.

City Bank launched the digital account-opening product "Ekhom Account" in September last year, said Mashrur Arefin, managing director of the lender.

Some 17,000 clients have so far opened accounts from home, he said.

Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank, said his bank came up with the digital product two months ago.

Bank Asia, Mercantile Bank, and Southeast Bank have already rolled out the service, said bankers.

IFC Bank is also offering the service, according to its website.

Brac Bank, South Bangla Agriculture and Commerce Bank, and Jamuna Bank are set to make the digital account opening service available for its clients within a month. Premier Bank and NCC Bank plan to roll it out shortly.

Prime Bank has completed the preparation to introduce the product, which may hit the market within the next two months, an official of the bank said.

## Tk 300cr industrial park in the making

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The project was approved by the Executive Committee of the National Economic Council in June 2016. Initially, the cost was estimated at Tk 213.26 crore. The cost was later revised up to Tk 309.59 crore, according to project documents.

Abdul Jalil, director of the project, said: "Currently, the coronavirus situation is worsening. If there is no major crisis, I will be able to complete the project before the deadline."

The park is located over 50 acres of land. The construction of the administrative building of the project is underway.

The minimum size of a plot is 6,000 square feet. However, if an entrepreneur seeks a larger plot, the BSCIC will provide it if it deems the demand logical, the state-run agency said.

Abdur Razzak, president of the Bangladesh Light Engineering Industry Owners Association, said the association had been calling for setting up the park since 2006.

"We have 350 members. All of them are interested in getting a plot."

Entrepreneurs say the quality of the products

produced in the sector has not improved in a major way as they still use century-old technology. But at the industrial city, there will be opportunities to run business in an organised manner and improve the quality of products.

The journey of the light engineering industry started after independence. Initially, factories were concentrated in Dholaikhal, Tipu Sultan Road, Narinda, Taher Bagh, Banagram, Jinjira, Keraniganj and other parts of old Dhaka.

Later, factories were set up in Bogura, Syedpur, Jessore, Chattogram, Kishoreganj, Brahmanbaria, Pabna, Natore, Rajshahi, Naogaon, Cumilla, and Noakhali.

There are about 50,000 factories all over the country.

According to the association, \$15 billion has so far been invested in the light-engineering sector.

The industry directly employs six lakh skilled and about one million semi-skilled workers. Indirectly, about 6 million people are making a living from this industry.

The annual growth of the sector is 10 per cent. BSCIC Chairman Mustaq Hasan said after the

implementation of the project, entrepreneurs would be able to produce electrical and light engineering products in eco-friendly places.

"SMEs will be able to contribute to the GDP," he said.

Electrical products' manufacturers employ 5 lakh people, and the sector is growing at 20 per cent annually.

Entrepreneurs say if the project is implemented, there will be a facility for waste disposal, and the environment will not be polluted.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said: "If the industrial city is built, it will be the first step to overcome all these problems."

"This will reduce the transaction cost, make it easier to procure raw materials, broaden the image of the country, and attract more companies to invest in the park."

"At the industrial city, entrepreneurs will pay more attention to the production of quality products."

Entrepreneurs need to apply for the plot through the two associations.

## Ease stimulus conditions for SMEs

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In response to these demands and suggestions, Syed Golam Kibria, a member of the National Board of Revenue, said they would consider different tax facilities for the CMSME, agricultural, and livestock sectors in the next budget.

"Next year's target for generating revenue from customs duty will be Tk 100,000 crore," Kibria added.

M Tamim, another former adviser to a caretaker government, said the frequent hikes in energy prices create uncertainty among businesspeople.

Bangladesh will have to depend on primary sources of energy for at least the next 20 years as alternative sources are yet to be readily available in the country, he added.

Moshiur Rahman, the prime minister's adviser on economic affairs, said the tax net should be widened to improve the tax-GDP ratio.

Mustafiz Shafi, editor of The Daily Samakal, demanded the import duty on

newspaper materials to be reduced to zero per cent from the existing 5 per cent.

He also asked for a reduction in corporate tax, which currently stands at 32.5 per cent. Similarly, the DCCI demanded that corporate tax be brought down to a rational level.

The global average of corporate tax is 23.8 per cent while it is 21.13 per cent in Asian nations, the DCCI said in its budget proposal, which was previously submitted to the National Board of Revenue.

The chamber also demanded a gradual reduction of income tax for listed and non-listed companies.

For instance, the chamber asked for income tax to be reduced to 30 per cent from 32.5 per cent in the budget for 2021-22, 27.5 per cent in fiscal 2022-23, and 25 per cent in fiscal 2023-24.

The DCCI also demanded that VAT registration be made mandatory only for firms with turnovers of over Tk 4 crore.

The discussion was moderated by DCCI President Rizwan Rahman.

## A supplier's plea to reopen clothing stores in West

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For instance, if 10,000 jobs in Europe's fashion industry are affected, it will affect 100,000 workers in Bangladesh, said Uddin, who faced work order cancellations after two major European buyers went bankrupt last year.

However, his business is now running well because of the partial reopening of stores.

Many local garment suppliers faced work order cancellations or abnormal payment delays and are still struggling to get payments from buyers who themselves are in financial troubles, he said.

## Hilsa traders, fishermen in hot water

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But since most markets are now closed or operating on a limited capacity due to a lack of customers, just 200 to 500 maunds of hilsa is being sent.

As a result, hundreds of traders, and fishermen have been affected, Tutul said.

Ujjal, a hilsa trader from Port Road in Barishal, said hilsa was previously sent in large quantities to hotels in Dhaka at a price of about Tk 2,000 per kilogramme (kg) for the Bangla New Year.

This time though, there is no stock of fish as there is no demand while transport has been suspended, he added.

Hilsa is currently sold for Tk 1,200 per kg but even with the reduced price, buyers are not turning up in adequate numbers.

Belal, a labourer at a hilsa wholesale market, said at least 2,000 of his peers are now sitting idle.

Intense monitoring in the country's hilsa sanctuaries also led to the drop in supply, said Bimal Chandra Das, the local fishery officer (hilsa) of Barishal.

Since March 1, more than 100 mobile drives have imposed fines totalling Tk 6.5 lakh for violating the ban on fishing at sanctuaries.

"They also arrested 316 fishermen for the act," Das said.