

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.02%	▲ 0.15%	\$1,780.12	\$65.90	▼ 0.51%	▼ 2.03%	▼ 1.16%	▼ 0.00%	BUY TK 83.95	99.90	116.55	12.69
5,423.22	9,478.46	(per ounce)	(per barrel)	47,705.80	28,508.55	3,155.06	3,472.93	SELL TK 84.95	103.70	120.35	13.34

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Star BUSINESS

DHAKA THURSDAY APRIL 22, 2021, BAI SHAH 9, 1428 B5 • starbusiness@thedailystar.net

Banking stocks lose grace for high defaulted loans

PERFORMANCE OF BANKING STOCKS

- 31 banks are listed
- Five trade below face value
- 12 trade between Tk 10 and Tk 15
- Five hover between Tk 15 and Tk 20
- Most banks are paying more than 10% dividend

AHSAN HABIB

Once known to many for their attractive stocks, banks are a long way from raising adequate interest among stock market investors as confidence has been sunk by high amounts of non-performing loans and low asset value.

Among the listed 31 banks, 21 are witnessing their stocks of a face value of Tk 10 being traded at less than Tk 20.

Stocks of AB Bank, First Security Islami Bank, ICB Islamic Bank, National Bank and Standard Bank even traded below the face value.

"Investors are not buying banking shares for mainly two reasons. One is for the vulnerability of the sector," said Prof MA

Baqi Khalily, a former director of Dhaka Stock Exchange (DSE).

"Meanwhile some investors do not want to invest in stocks of banks that offer interest on deposit. So they only go for Shariah-based banks," he said.

On the vulnerability, Khalily, former chairman of the Department of Finance at the University of Dhaka, said, "The non-performing loans are the main reasons for the vulnerability."

Default loans stood at Tk 88,734 crore last year, which was 7.66 per cent of the outstanding loans at that time, showed data from Bangladesh Bank.

The borrowers got an opportunity of not having to repay loans for one year considering the fact that business has been hampered during the pandemic but this may lead to the creation of a default culture, he said.

On the other hand, the loans will be accumulating in the coming years, so their burden will rise, which again leaves a risk of higher default loans, he said.

The moratorium on bank loan repayments was introduced in mid-March 2020. It was extended up to December last year as the crisis persists.

Answering a question, the financial sector analyst said the banking sector was not healthy. Moreover, big companies are now not keeping any collaterals against their loans, he said.

Banks are giving loan on the basis of their relationships with clients; if the businesses become defaulters, banks will not be able to get the money back, said Khalily.

This type of banking is increasing the risks of the banking sector.

INTRODUCING NEW HOTLINE NUMBER 16704

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PALASH KHAN

"Brother, what do you need?" Shop assistants line the roads in the capital's Bangshal to identify potential customers from passers-by. Keeping shutters down so as to not draw the attention of law enforcers for not abiding by the ongoing lockdown restrictions, they try to continue their trade of selling motorcycle parts and accessories. Once a product is sought, they scurry away into the alleys for its retrieval from storage. The transaction completes right on the street. The photo was taken recently.

Shop-owners desperate to stay afloat

SUKANTA HALDER

Anyone visiting Dhaka's Bangshal road, known for spare parts of bikes and bicycles, would see a different scene.

There is thin traffic on the street, which remains busy on normal days. Shops are shuttered with people of different ages either standing or sitting on stools in front of the shuttered stores.

Initially, it may appear to a bystander that these people are chatting or passing idle time as the government has imposed a curb on keeping stores open to slow the spread of the coronavirus pandemic, which caused the deaths of 10,683 people so far in Bangladesh.

However, if you halt for a moment, you may hear curious voices coming from the roadsides or see someone approach you, asking, "Are you looking for anything?"

This was how Mazharul Islam Masud was asking bikers and passers-by on the Bangshal road on Tuesday afternoon.

The owner of an auto parts store was sitting on a stool just in front of the shop with two-thirds of shutters opening, and eagerly asking people to sell parts of bikes and other components in order to remain afloat in the business.

"I know there is a restriction on the opening of shop. But what can I do? The fasting month of Ramadan is on, and there are a lot of expenses to meet daily necessities."

"If I can open my shop, I can sell and earn. If I sit idle at home, my family becomes worried about income and survival. It is a tough time for me," said a gloomy Masud.

The 40-year-old has borrowed Tk 100,000 to buy parts to sell ahead of Eid-ul-Fitr and meeting other family requirements as his sales dropped in the wake of the economic slowdown for the pandemic.

In normal times, Masud could sell parts worth Tk 20,000 daily. Until the afternoon on Tuesday, he could sell only Tk 800 worth of parts. The amount, albeit insignificant compared to the regular flow of revenue, helped him meet some family expenses.

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Construction work of first private hi-tech park begins

Initial investment \$200m

STAR BUSINESS REPORT

The construction of the Korean EPZ Hi-Tech Park in Anwara upazila of Chattogram began yesterday as its owner looks to set up Bangladesh's first private enclave for information technology firms and startups.

The ground-breaking ceremony was virtually attended by Zunaid Ahmed Palak, state minister for ICT, and LEE Jang-keun, ambassador of the Republic of Korea to Bangladesh, with the physical presence of Kihak Sung, chairman & CEO of Youngone Corp and the KEPZ, according to a press release.

The park is located on an area of about 100 acres in the Korean Export Processing Zone (KEPZ), which is also the country's first private EPZ.

In February, a tripartite agreement was signed between the Bangladesh Hi-Tech Park Authority, the KEPZ and Startup Bangladesh to develop a hi-tech industry and innovation ecosystem.

The park will have a 41-storied IT building, which will house several software development facilities. This will create jobs for up to 20,000 people when fully implemented, said the statement of the KEPZ Bangladesh.

The park will also have universities and schools and a community complex with service apartment.

Youngone Corporation is setting up its first IT-related infrastructure for its sister concern Tekvision (BD) Ltd in the park.

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Clothing brands still see Bangladesh as a major supplier

Says CPD-IPS study

STAR BUSINESS REPORT

Despite the uncertainty caused by the coronavirus pandemic, international clothing brands are confident that Bangladesh will remain a major source of apparels in the coming months, according to a new study.

The Centre for Policy Dialogue (CPD), a think-tank based in Dhaka, and the Institute of Policy Studies (IPS) of Sri Lanka, carried out the study.

China, Bangladesh, Sri Lanka and Vietnam are major players in the global supply chain of the apparel business.

Medium-term challenges will closely correlate with the extent to which the coronavirus is contained. The second wave has significantly reduced demand in prominent markets such as the US, the UK, and the EU, the study said.

The findings of the study were presented at a webinar on "Recovery of the apparel sectors of Bangladesh and Sri Lanka: is a value-chain-based solution possible?" on Tuesday. Khondaker Golam Moazzem, research director of the CPD, and Kithmina Hewage, a research economist at the IPS,



China, Bangladesh, Sri Lanka and Vietnam are major players in the global supply chain of the apparel business.

PHOTO: STAR/FILE

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GP net profit drops 16pc Brac Bank registers Tk 454cr net profit

STAR BUSINESS REPORT

Grameenphone, the country's biggest mobile phone operator, saw its net profit drop 16 per cent year-on-year to Tk 890 crore in the January-March quarter of 2021, impacted by a reduction in inter-connection revenue and economic uncertainties from Covid-19.

The telecom operator reasons higher finance cost and tax expense last year.

It reported generating Tk 3,481 crore in revenue in the three months, down 3.7 per cent year-on-year.

Stocks of Grameenphone declined 0.74 per cent to Tk 336 yesterday on the Dhaka Stock Exchange board.

The business outcome came a day after its shareholders approved 275 per cent cash dividend at its annual general meeting.

Grameenphone said it acquired 17



lakh new subscribers in the quarter, taking the total to 8.07 crore, which is 46 per cent of the country's 17.33 crore mobile phone subscribers as of February.

Of them, 51 per cent are using

internet and the number of 4G technology users stood at 2.15 crore.

"Several significant milestones were achieved in the first three months of 2021," said CEO Yasir Azman.

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STAR BUSINESS REPORT

Brac Bank registered a net profit of Tk 454 crore last year, sidestepping the business slowdown caused by the coronavirus pandemic.

The net profit, however, stood at Tk 403 crore on a consolidated basis given the performance of all its subsidiary companies, according to a press release issued by the bank.

The net profit has been reached upon deduction of tax paid to the government.

The private lender disclosed its annual performance for last year through a virtual earning disclosure programme on April 19.

Earnings per share (EPS) of the bank stood at Tk 3.42 on a standalone basis and Tk 3.33 on a consolidated basis.

The lender said it was able to successfully reorganise its operations very early on to embrace new health and safety measures, roll out a virtual

operations platform and significantly expand its digital customer solutions.

It said to have allowed the bank to continue to serve its customers during the pandemic and leverage off the economic recovery in the second half of the year.

The bank's board has recommended 10 per cent cash dividend and 5 per cent stock dividend for formal adoption at its annual general meeting, which is scheduled to be held on May 27.

Customer deposits grew by 9 per cent year-on-year while the current account and savings account (CASA) improved from 43 per cent to 55 per cent, which the bank sees as a reflection of a successful deposit mobilisation and interest rate

management strategy.

The bank said to have adopted a cautious stance in growing its customer loan portfolio in 2020 with a 3 per cent annual net growth.

Customer lending said to have started the year strongly but was then impacted by the pandemic. Meanwhile small and medium enterprises (SME) lending grew well at 17 per cent.

The non-performing loan (NPL) ratio in the bank dropped to 2.9 per cent last year, reflecting regulatory forbearance, while the NPL coverage ratio was enhanced to 171 per cent to build reserves against potential bad debt challenges arising out of the pandemic.

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Kamruzzaman Kamal, marketing director of PRAN-RFL Group, hands over safety equipment and drinking water to Brig Gen AKM Nasir Uddin, director of a Covid-19 hospital at Dhaka North City Corporation's Mohakhali market, yesterday.

India to waive import duty on Covid-19 vaccines: govt source

REUTERS, New Delhi

India will waive its 10 per cent customs duty on imported Covid-19 vaccines, a senior government official told Reuters on Monday, as it tries to boost supplies to counter a dramatic surge in coronavirus cases.

Imports of Russia's Sputnik V vaccine are due to arrive soon and the government has also urged Pfizer, Moderna and Johnson and Johnson to sell their products to India.

The official, who declined to be named, also said the government was considering allowing private entities to import approved vaccines for sale on the open market without government intervention. They could also be given the freedom to set pricing, he added.

The Indian government currently regulates the sale and purchase of all Covid-19 shots in the country.

A finance ministry spokesman did not

immediately respond to an email seeking comment outside business hours.

Other South Asian countries, including Nepal and Pakistan, as well as Latin American nations such as Argentina and Brazil levy vaccine import tariffs ranging between 10 per cent and 20 per cent.

New Covid-19 infections and deaths in India have jumped by record numbers for days, with hospitals running short of beds, oxygen and key medicines.



Health workers attach a notice on the shortage of Covid-19 vaccine supplies at a vaccination centre in Mumbai, India.



Premier Bank reappoints CEO

STAR BUSINESS DESK

Premier Bank recently witnessed the reappointment of its managing director and CEO, M Reazul Karim, for the next three years.

Karim has been in office since April 23, 2018, says a press release.

He started his banking career with National Bank in 1984. Before joining Premier Bank as an additional managing director, he served Prime Bank for 17 years.

Karim obtained his honours and master's degrees in accounting from the University of Dhaka.

He is a fellow of the Institute of Cost and Management Accountants of Bangladesh.

Major banks commit to carbon neutrality by 2050

AFP, Paris

A group of 43 international banks including sector heavyweights have joined a UN-convened pact to reach carbon neutrality by 2050, the world body said Wednesday.

Bringing together household names like Barclays, HSBC, Bank of America, Deutsche Bank and BNP Paribas, the "Net Zero Banking Alliance" members vowed to make greenhouse gas emissions from their lending and investment portfolios "align with pathways to net-zero by 2050 or sooner" with regularly updated intermediate goals.

"All targets will be regularly reviewed to ensure consistency with the latest science," the United Nations' finance for the environment initiative UNEP FI said in a statement.

HSBC boss Noel Quinn said

it was "essential" for banks to finance the green transition, adding that "we have to establish a robust and transparent framework for monitoring progress... and we want to set that standard for the banking industry."

"The group will also be a founding member of a sector-wide initiative -- the Glasgow Financial Alliance for Net Zero (GFANZ) -- from former Bank of England governor Mark Carney, the UN special envoy for climate action and finance. "GFANZ will work to mobilise the trillions of dollars necessary to build a global zero emissions economy and deliver on the goals of the Paris Agreement" signed by the world's governments in 2015, UNEP FI said.

Carney himself called the alliance "the breakthrough in mainstreaming climate finance



A view of HSBC headquarters in Milan, Italy.

the world economy needs" and "the gold standard for net zero commitments". GFANZ's naming for Glasgow refers to the COP26 climate change conference scheduled to be held in Scotland's

biggest city in November.

As well as banks, UNEP FI said major global insurers and reinsurers were working on a similar project dubbed the Net-Zero Insurance Alliance.

Instagram launches feature to tackle hate speech, abuse

REUTERS

Facebook Inc's Instagram is rolling out a feature to prevent users from viewing possibly abusive messages by filtering offensive words, phrases and emojis on the photo-sharing app.

The company said on Wednesday that along with the filter option for abusive direct messages, it will also make it harder for people blocked by users to circumvent and contact them through new accounts.

Instagram has been pushing on its efforts to tackle hate speech and online abuse on its platform, which is more popular than Facebook's main app among teens and young adults.

The filter, which can be activated on Instagram in privacy settings, can be customized by users to include words, phrases and emojis that they wish to block or avoid receiving in their message requests.

Users can use their discretion to report, delete or open messages, which will be sorted into a hidden requests folder, Instagram said.

The feature, which is only applicable to direct message requests and not the inbox itself, will roll out in some countries in the coming weeks, said Instagram.

Starting in a few weeks, all users will also have the extended option to entirely block out people from contacting them on Instagram, after blocking their account.

OPPO offers 30pc discount on repairs

STAR BUSINESS DESK

Consumer electronics company OPPO is offering a 30 per cent discount on smartphone maintenance and repairs and a 5 per cent discount on all IoT devices and accessories from April 22 to May 22.

In case of a lockdown extension, only registered customers can avail the service in the subsequent month from the day restrictions are lifted, says a press release. Customers will also get a transparent back cover, screen protector and wipe cloth for free from the service centres.

The company says to have managed to solve 96 per cent of customer's problem within one hour. It asks to avail information through call centre executives, email, its Facebook page and other social media platforms.

Pandemic slips down list of market risks, Norway wealth fund says

REUTERS

The pandemic is becoming less dominant in the markets and other risks, such as inflation and a stock market correction, are rising, as vaccines fuel optimism and recovery, a top official at Norway's \$1.3t wealth fund said on Wednesday.

On the basis of strong stock markets, driven by the finance and energy sectors, the world's largest wealth fund on Wednesday reported earnings of \$46 billion between January and March, a 4.0 per cent return on investment that beat its own benchmark index.

"I would still put it (the pandemic) as one of the top three risks, absolutely, at this stage. We are seeing a slightly more balanced risk picture because there is more optimism now for growth and inflation," CEO Trond Grande told Reuters after the first-quarter results.

While stocks earned a return of 6.6 per cent for the fund, the fixed income portfolio had a rare loss of 3.2 per cent, as interest rates rose substantially after a prolonged slide.

"What you are seeing are some signs of some build-up of some inflation here and there, at least on the materials and raw materials side," he said.

"If that translates into inflation more broadly, I think you could see interest rates rising further," he said adding that he had been a "little surprised" by the strength of the equity markets



A general view of the Norwegian central bank, where Norway's sovereign wealth fund is situated, in Oslo, Norway.

over the past year.

"There will be at some point a correction. We just need to be prepared for it," he said, declining to say when he expected it.

The fund invests the Norwegian state's revenues from oil and gas production into 9,100

companies worldwide, owning 1.4 per cent of all listed shares globally. It also invests in bonds, property and, since this month, it has invested in green infrastructure. Its investment comprises 73.1 per cent in equities, 2.5 per cent in unlisted real estate and 24.5 per cent in fixed income.

Bangladesh Fisheries Development Corporation
Kaptai Lake Fisheries Development & Marketing Center
Rangamati Hill District, Phone: 0351-62236

দরপত্র সংশোধনী বিজ্ঞপ্তি

অত্র কার্যালয়ের গত ০৬/০৪/২০২১ইং তারিখে ৩৩.০৩.৮৪৮৭.০০৫.০০২.২১-২২নং স্মারক প্রকাশিত দরপত্র বিজ্ঞপ্তিটি কোভিড-১৯ প্রাদুর্ভাব রোধকল্পে লক-ডাউন জনিত কারণে ইতোমধ্যে টেন্ডার ড্রপিং ও টেন্ডার ওপেনিং এর তারিখ ১৯/০৪/২০২১ইং এর স্থলে সময় বৃদ্ধি করে ২৫/০৪/২০২১ইং অফিস চলাকালীন সময়ে দাখিল এবং "উন্মুক্তকরণ" নির্ধারণ করা হয়। বর্তমান পরিস্থিতিতে পুনরায় লক-ডাউন সময়সীমা বৃদ্ধির বিষয়টি বিবেচনা করে যথাক্রমে টেন্ডার উন্মুক্তকরণ সেলিং এর সময় ২৯/০৪/২০২১ইং তারিখ অফিস চলাকালীন সময়ে, টেন্ডার ড্রপিং এর সময় ০২/০৫/২০২১ইং সকাল ১১.৩০ ঘটিকার মধ্যে এবং টেন্ডার ওপেনিং এর সময় ০২/০৫/২০২১ইং দুপুর ১২.০০ ঘটিকায় নির্ধারণ করা হলো। এছাড়া ক্রমিক নং-১৭-এ বর্ণিত বিগত ০৩ বছরের মধ্যে একক কার্যাদেশে কমপক্ষে ৭০ (সত্তর) লক্ষ টাকার পরিবর্তে বিগত ০৫ বছরের মধ্যে কমপক্ষে ৩৮ (আটত্রিশ) লক্ষ টাকার সিভিল-কন্সট্রাকশন কাজের অভিজ্ঞতার সনদ দাখিল করতে হবে। দরপত্রের অন্যান্য সকল শর্তাবলী অপরিবর্তিত থাকবে। কর্তৃপক্ষ এই সংশোধনী বিজ্ঞপ্তি পরিবর্তন, পরিবর্তন বা সংশোধনের ক্ষমতা সংরক্ষণ করে।

Md. Touhidul Islam
Lt. Commander (TAS), BN
Manager
BFDC, Rangamati

জিডি-৮০০

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
তত্ত্বাবধায়কের কার্যালয় আনসার ও ভিডিপি হাসপাতাল
সফিপুর, গাজীপুর

স্মারক নং-৪৪.০৩.০০০০.৩০১.৪০.০১০.২০২১-২৪২, তারিখঃ ০৮ বৈশাখ ১৪২৮
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সংশোধিত দরপত্র বিজ্ঞপ্তি

অত্র দপ্তরের স্মারক নং-৪৪.০৩.০০০০.৩০১.৪০.০১০.২০২১-২০৮, তারিখঃ ০৭/০৪/২০২১ইং মূলে প্রকাশিত দরপত্র বিজ্ঞপ্তির দরপত্র বিক্রয়ের শেষ তারিখ, দরপত্রের বাস্তব বন্ধ ও খোলার তারিখ এবং সময় অনিবার্য কারণবশতঃ সংশোধন করা হলো। সংশোধিত তারিখ ও সময় নিম্নরূপঃ

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		দরপত্রের বাস্তব বন্ধের তারিখ	২৬-০৪-২০২১, ১১.৩০ ঘটিকা	২৯-০৪-২০২১, ১১.৩০ ঘটিকা
		দরপত্রের বাস্তব খোলার তারিখ	২৬-০৪-২০২১, ১১.৩০ ঘটিকা	২৯-০৪-২০২১, ১১.৩৫ ঘটিকা

ডাঃ মোঃ আরিফ আনওয়ার
জুনিয়র কনসালটেন্ট (অর্থো সার্জারী)
ও
তত্ত্বাবধায়ক (অঃ দাঃ)
আনসার ও ভিডিপি হাসপাতাল

জিডি-৮০২

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Office of the Executive Engineer
District: Pirojpur
www.lged.gov.bd

Memo No. 46.02.7900.000.07.001.2021-553 Date: 21-04-2021

Corrigendum Notice-02
e-Tender Notice No. 16/2020-2021

This is for information to all concern that to some unavoidable circumstance the date of deadline of closing & opening of e-Tender ID No. 559647, 559649, 559650, 559651, 559652, 559653 will be 26.04.2021 (13.00pm) instead of 04.05.2021 (13.00pm).
Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

Md. Abdus Sattar Howlader
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GD-801

Amazon to let Whole Foods shoppers pay with a swipe of palm

REUTERS

Amazon said it is rolling out biometric technology at its Whole Foods stores around Seattle starting on Wednesday, letting shoppers pay for items with a scan of their palm.

The move shows how Amazon is bringing some of the technology already in use at its namesake brick-and-mortar Go and Books stores to the grocery chain it acquired in 2017.

The system, called Amazon One, lets customers associate a credit card with their palm print. It offers a contact-less alternative to cash and card payments, Amazon said.

Steps to curb infections slow economic activities: ICC-B

STAR BUSINESS REPORT

The lockdowns to control the infection of Covid-19 have devastated economies, as the economic activities of people paused to a great extent, according to the International Chamber of Commerce - Bangladesh (ICC-B).

Analysts have identified the pandemic as a turning point in world history, with ramifications for everything from climate change to the global balance of power, the ICC-B said in its quarterly news bulletin for Jan-Mar'21.

Just a year ago, on March 11 in 2020, the World Health Organisation (WHO) declared Covid-19 a global pandemic.

According to WHO, the virus has infected over 135.65 million people worldwide and caused 2.93 million deaths, as of March 31.

To fight the pandemic, regional cooperation is needed to bolster South Asian capabilities, the chamber said.

South Asia has done better in containing the pandemic in the form

of a single metric: the number of deaths from Covid-19 per million people.

According to World Bank's South Asia Economic Focus released on March 31, prospects of an economic rebound in South Asia are firming up as growth is set to increase by 7.2 per cent in 2021 and 4.4 per cent in 2022, climbing from historic lows in 2020 and putting the region on a path to recovery.

But growth is uneven and economic activity is still well below pre-Covid-19 estimates, as many businesses need to make up for lost revenue and millions of workers (mainly informal sector), still reeling from job losses, falling incomes, worsening inequalities, and human capital deficits.

The region is set to regain its historical growth rate by 2022. Electricity consumption and mobility data is a clear indication of recovering economic activity, the ICC-B also said.

India, which comprises the bulk of the region's economy, is expected to grow more than 10 per cent in fiscal year 2021-22 -- a substantial upward revision of 4.7 percentage points from

January 2021 forecasts.

The outlook for Bangladesh, Nepal and Pakistan has also been revised upward, supported by better than expected remittance inflows, World Bank added.

According to the United Nations World Economic Situation Prospects (WESP) 2021 released in January, the pandemic and the global economic crisis have consequently left deep marks on South Asia, turning this former growth champion into the worst performing region in 2020.

But to grow back stronger, South Asian countries will need first to redouble their efforts to diversify their economies, while at the same time taking stock of global trends initiated by the crisis, such as restoring of global value chains and a decreased appetite for contact-intensive services.

Achieving resilience to external shocks should be among the most important considerations within the decision framework for policymakers in South Asia, who are currently rethinking their industrial policies, UN WESP 2021 added.

A planned summit between European Union and Indian leaders in Portugal next month will now be virtual because of the sharp rise in coronavirus cases in India, New Delhi said Tuesday.

India has recorded more than three million new infections and 18,000 deaths this month alone, dashing hopes in January and February that the country might have beaten the pandemic.

The United States on Tuesday advised its citizens against travelling to India while Britain, cancelling a visit by Prime Minister Boris Johnson, added the country to its "red list".

"In view of the COVID-19 situation, it has been decided, in consultation with the EU and Portuguese leadership, to hold the India-EU Leaders' Meeting in a virtual format on 8 May 2021," the Indian foreign ministry said.

"The India-EU Leaders' Meeting in the EU+27 format, the first time that such a meeting is being held, reflects the shared ambition of both sides to further deepen the Strategic



European Union flags fly outside the European Commission headquarters in Brussels, Belgium. REUTERS/FILE

Partnership," a spokesperson said.

The 27 leaders of the European Union member states are due to meet EU officials, labour, business and civil society organisations in the Portuguese city of Porto on May 7, a day ahead of the EU-Indian leaders'

meeting.

They will discuss a European Commission proposal to fully implement a plan to protect the rights of workers and small businesses across the bloc, as well as climate change and the transition to a digital economy.

Clothing brands still see Bangladesh as a major supplier

FROM PAGE B1 "Both Bangladesh and Sri Lanka have the capacity to supply products that are supplied by China," the study said.

It proposed that in case of a major global crisis, a redistributive approach should be maintained to ensure export orders at least at the pre-crisis level, particularly for countries that have financial constraints and weak social support programmes to support their suppliers and workers.

According to the study, 76 per cent of suppliers had to reduce export orders. The highest proportion of order reductions was seen in case of Bangladesh at 93 per cent, followed by Vietnam at 80 per cent, China at 74 per cent, and India at 61 per cent.

Fiscal constraints of Bangladesh and Sri Lanka squeezed domestic capacity to support the apparels sector during the crisis, it said.

In Bangladesh, \$1.2 billion subsidised credit to garment enterprises was disbursed in the form of workers' wages, an extension of letters of credit usance, waiver interest of loans, increase in the export development fund, and temporarily deferment of loan payment.

The subsidised credit support has not been received by all factories, the study said.

As of October 2020, more than 360,000 workers lost jobs. Only 14 per cent of the laid-off or retrenched workers received dues. Fifty-eight per cent of workers were in financial difficulties, and 82 per cent saw a deterioration in their food

intake in Bangladesh.

In Sri Lanka, a debt moratorium of six months for interest and capital was offered, and short-term working capital loans at 4 per cent interest were extended. Most factories availed the working capital loans made available in Sri Lanka.

There have been substantial impacts on workers' incomes and livelihoods as debt increased, assets sold, and savings spent, the study said.

Rehman Sobhan, chairman of the CPD, said that the International Labour Organisation (ILO) could consider playing an entrepreneurial role in bringing together international buying countries with supplying countries to restructure the global demand management.

"A tripartite exercise should be carried out, including government, employers, and workers to produce a mutually accommodating system of unemployment insurance to address not just the immediate impact of the coronavirus crisis but a longer-term crisis."

Mostafiz Uddin, managing director of Denim Expert Ltd, said during the crisis, his buyers even did not respond to emails, although they were saying that they were long-term business partners. He is not hopeful about getting back all of his arrears from the buyers as lead-time, contracts, and prices changed due to the fallouts of Covid-19.

"Brands and retailers should consider us as their business partners meaningfully," the

entrepreneur said. Husni Salieh, director for strategic transformation at MAS Holdings in Sri Lanka, said the value of a value chain was truly optimised when its stakeholders work collaboratively, particularly during the crisis.

He added that building resilience within a relatively diversified but existing value chain could face the current and future crisis successfully.

Pierre Börjesson, head of sustainability for global production of H&M Group, called for speeding up digital marketing so that the supply chain was not affected during any disaster.

The Swedish retail giant, which purchases more than \$3.5 billion worth of garment items from Bangladesh every year, did not cancel any work order during the pandemic, Börjesson said, calling for social protection for workers. Binu Wickramasinghe, co-founder and managing director of Design Collective Store in Sri Lanka, said small and medium enterprises in the Island nation suffered a lot in availing loans.

Dan Rees, director of Better Work, a flagship programme of the ILO, said only sector-specific measure might not address the existing challenges.

In order to build strong resilience and protect the workers, trust and cooperation among the stakeholders and a long-term plan were required, he said.

Fahmida Khatun, executive director of the CPD, and Mustafizur Rahman, a distinguished fellow, also spoke.

Construction work of first private hi-tech park begins

FROM PAGE B1 This company will develop all kinds of software, industrial digitalisation, data entry and outsourcing with an estimated investment worth \$200 million successfully.

"This should attract startup companies who can explore their venture out of an economic premise," the press release said.

Startup boot camps and accelerator programme will be organised to support strengthening of the start-up ecosystem and through upskilling entrepreneurs in Bangladesh.

Speaking at the event, Palak said: "Korean EPZ Hi-Tech Park would play an important role in the development and growth of Bangladesh's information technology sector." "It would make a significant contribution to the economy."

The state minister said once the project is implemented, the port city will grow into a modern IT business hub.

LEE Jang-keun said Korea would open a new chapter of the business relations with Bangladesh by taking off their previous traditional corporations and moving into a new corporation focusing on hi-tech park and ICT.

Kihak Sung said while Youngone Corp was investing massively in man-made fibre

project to supply to the country's garment sector, it was ready to make a significant contribution to ICT industries and startup ventures by providing infrastructure and investment.

"Especially, we will be seeking Korean help in this respect."

Korea is one of the successful ICT nations. Its IT sector accounts for 12 per cent of GDP and 36 per cent of the export amount, he said.

Jimmy Kim, co-founder and partner at SparkLabs Global Ventures, a venture capital fund based in California, described the future of the zone as promising.

Its facilities would support the startup ecosystem of Bangladesh by connecting foreign investors with local startups and developing incubation centres and accelerators, he said.

KEPZ was inaugurated in October 1999 under the agreement of Bangladesh and Youngone of South Korea.

Youngone started the development of the EPZ in 2009, and it now hosts more than 32 factories, employing around 25,000 local workers.

Tina Jabeen, managing director of Startup Bangladesh, and Md Shahjahan, managing director of the KEPZ, also spoke.

GP net profit drops 16pc

FROM PAGE B1 With the acquisition of 10.4 MHz spectrum in the first quarter of 2021, Grameenphone holds the country's largest spectrum of 47.4 MHz, said the telecom operator.

It said it was using its technological expertise in building capabilities and digital enablement.

"We are also faced with increased volatilities as Bangladesh faces its worst yet wave of Covid-19," said Azman.

"Our efforts will continue in devising

collaborative solutions in supporting recovery from the pandemic while we will continue to enrich our service propositions and facilitate the country towards growth and digitalisation," he said.

Capital expenditures stood at around Tk 360 crore, excluding licence and lease for network coverage, said the mobile operator in a press release. Grameenphone now has 16,852 base transceiver stations, which essentially facilitate wireless communication between user equipment and the network.

Brac Bank registers Tk 454cr net profit

FROM PAGE B1 It is one of the highest NPL coverage ratios in the country's banking industry.

"Brac Bank had come out of the pandemic with its reputation among customers and stakeholders even higher than at the start of the year," said Managing Director Selim RF Hussain.

He particularly complemented the bank's 9,500 odd staff members, saying they exhibited the highest standards of professionalism and sincerity during very

difficult circumstances.

M Masud Rana, deputy managing director (DMD) and chief financial officer, Sabbir Hossain, DMD and chief operating officer, Tareq Refat Ullah Khan, DMD and head of the corporate banking division, and other senior officials took part in the event.

The disclosure programme brought together many local and foreign investment analysts, portfolio managers and capital market experts and was also broadcast live on social media for overseas stakeholders.

Banking stocks lose grace for high defaulted loans

FROM PAGE B1 The government should take up prudent policies to make the banking sector healthy, he said.

Moreover, considering the low price-to-earnings (P/E) ratio, investors can invest in some banks, the analyst added.

The P/E ratio refers to a company's share price compared to its earnings per share.

The P/E ratio of banks is much lower than that of other listed companies. Of the 31 listed banks, 22 have had their P/E ratio in the past 12 months ranging from 4 to 8, according to the DSE data.

The P/E ratio of most companies range from 15 to 25, shows the data. If the P/E ratio is lower than 15, the stocks are considered to be much lucrative.

The DSE data shows that the average P/E ratio for the banking sector is 8.13, the lowest among all the sectors. Ratios closest to it are of the fuel and power and textile sectors, 11.93 per cent and 17.93 per cent respectively.

Mir Ariful Islam, head of research of Prime Finance Asset Management Company, said investors have very little confidence on the banking sector due to their high amounts of non-performing loans and low asset quality.

So they are not buying bank shares although those come to provide handsome dividends, he said.

Almost all the listed banks are paying over 10 per cent dividend every year.

For 2020, 15 banks have declared dividends. Of them, two declared less than 10 per cent, four 10 per cent to 14 per cent, four from 15 per cent to 19 per cent and three from 20 per cent to 29 per cent. Two are going to provide over 29 per cent.

However, stock investor Md Jakir Hossain expressed his frustration, saying that he bought many banks' shares on seeing that they had a low P/E ratio but the stock price was eroding month after month.

"I invested in some banks at least four years earlier but the share prices of the banks are still lower than that of my buying price," he said. He however acknowledged that they were paying dividends.

Banks' share prices have remained bullish over the last few years. Furthermore, many of the stocks have been downed to less than the face value, Hossain added.

Ali Reza Iftekhar, chairman of the Association of Bankers, Bangladesh (ABB), acknowledged

that the share prices of many banks were low because of high non-performing loans or high deferral of provision or low cash reserve ratio in the banks.

High deferral of provision comes about for banks which, facing a shortage of provision, secure permission from the central bank to declare a dividend on condition of keeping that provision for the next few years, he said.

But there are also some banks with good performance records which are paying high amounts of dividends and with no deferral of provision, for which their stock prices also remain high, said Iftekhar, also managing director of Eastern Bank.

The veteran banker cited his bank as an example, saying that they were providing good dividend year after year and so its share price was also pretty good and had remained almost at a standard level.

Sometimes high paid-up capital is also a reason of share prices going low, he said, adding that investors would regain confidence in the banking sector if the non-performing loans decrease and the lenders steadily start to perform well.

"This is a matter of investors' confidence," he said.

Shop-owners desperate to stay afloat

FROM PAGE B1 On the Bangshal Road, which also has stores of steel and building material sellers, this correspondent saw a similar picture: shop owners and salesmen are waiting for old and new customers to turn up.

Once a shop owner comes across a buyer, he partially opens the shutter, takes the product out, delivers and brings down the shutter again.

This is not an isolated case. Elsewhere in Dhaka city, the centre of economic and commercial activities, similar scenarios would grab the attention of a bystander.

The latest restriction on shop opening has devastated the hopes of recovery of micro and small business and shop owners, who were hit hard by the two-month-long lockdown last year.

Bangladesh has more than 53 lakh shops, and Dhaka alone holds about five lakh shops, according to an estimate by the Bangladesh Shop Owners Association.

Wholesale and retail trade accounts for 13.87 per cent of the country's gross domestic product, the Bangladesh Economic Review says.

Many retail and wholesale traders, one of the key players of the economy, fell into debt and became loan defaulter.

"We would have to sit here and wait for customers. Banks will not waive our loans and interests although we have to keep stores shut for the lockdown," said Shahin Ahmed, another auto parts seller in the same area.

"We will have to repay. But the government has imposed restriction on shop opening without giving any financial support. The government should not have done this. How could retailers survive unless we can sell and earn?"

Amid surging infections, the government has enforced 'lockdown' since April 5 and later extended to April 21. On Tuesday, the government said the curfews would be in place until April 28 as the coronavirus situation has worsened.

Wahid Dhali, an iron and steel trader in North South Road, has borrowed Tk 10 crore from banks.

"They often call for repayment. If the current situation persists, I will have no way but to sell properties in my village and repay the loans," he said.

Selim Hossain, a cloth wholesaler in Dhaka's Islampur, one of the largest wholesale markets for cloth in the country, said he lost the scope to do business last year as he had to shut the store for the lockdown.

"I have not been able to absorb the

shock of business losses yet."

Hossain said he sold a large amount of cloth on credit to many people.

"I can't even realise the money," said the 45-year-old businessman, who borrowed Tk 22 lakh, including Tk 20 lakh from a bank.

The merchant could not sell as he had expected ahead of the celebration of Pahela Baishakh, the first day of Bangla new year. And this is the peak season for him and his colleagues for sales as Eid-ul-Fitr, the largest shopping season, nears.

For him and others, the closure of shops means huge losses of business and piling up of inventory as Eid and Baishakh sales account for more than 30 per cent of the annual sales of clothing.

"We had wanted to make a turnaround this time. Instead, we see stockpiles of sari, lungi, salwar kameez and other clothes," said Nesar Uddin Mollah, general secretary of the Islampur Cloth Merchant Association.

Md Shaheen, an electrical items wholesaler and retailer at Mazar Cooperative Market in Mirpur 1, kept the shutter of his store partially open. He was afraid of the police.

"I have no alternative but to keep the store open anyhow as I have to pay back

bank loans," he said, "So, instead of keeping the shop closed, whatever I can sell is good."

The 38-year-old could log Tk 15,000 in daily sales during normal times. During these days of strict restriction, the sales dropped to Tk 2,000.

In the New Market area, all were quiet.

Markets and shopping centres were shut, and the usual crowd of shoppers in the greater area—from New Elephant Road to Gauchicha market to Nilkhet—vanished.

Yet, one would encounter the question: "What are you looking for? What is the book you want? Do you need any photocopy?"

"We are barely surviving. Over the last year, we suffered the most," said Mohammad Tuhin, a bookseller at the Nilkhet market.

The 29-year-old was sitting on a bench in front of a closed store. Until 1 pm yesterday, he could sell only one book at Tk 560 from his store located inside the market. It would give him a profit of Tk 60 only.

He was waiting outside the market only to get a customer. If he gets one, he would bring the book out from the store and deliver.

Tuhin's family has two book stores in

the market, and he alone incurred losses of more than Tk 200,000 in the last year, owing to the slump in sales as schools and educational institutions have been shut since the pandemic struck the country in March last year.

"Our family is the worst victim of the pandemic," he said.

Nearby, a salesman at a stationary store stood with his hands on the shutter so that he could pull it down as soon as the police were in sight.

"If caught, I will not be released before evening," said the salesman.

At Hatirpool, one would also find some traders waiting for customers. Golam Rosul, a tiles and sanitary products trader, was one of them.

"I know that no customer will come. But what would I do sitting idle at home? Eid is approaching. I do not know how to manage everything," he said.

Helal Uddin, president of the Bangladesh Shop Owners Association, said all the industries, banks, insurance companies, and stock exchanges were open.

"We, the traders, are in deep trouble. We want to open our shops in compliance with hygiene rules," he said.

The auto-part seller Masud also wanted to reopen his store soon.

Govt to buy more LNG from spot market

FROM PAGE B4 The survey found that the economic shock induced by the pandemic has pushed 2.45 crore people into poverty in one year.

Kamal was addressing a virtual press briefing following the cabinet committee meeting.

"If any organisation publishes any survey report, that will be assessed by the BBS and we will only consider the assessment of the BBS," he said.

No such assessment has been done yet, he added.

Mentioning that the government is working with the aim of lifting people out of poverty, Kamal said the upcoming national budget would focus on financially insolvent people and they would get priority.

Investors suffer for malfunctioning DSE mobile app

Pre and post order submission resumes today

AHSAN HABIB

Investors yesterday faced prolonged malfunctioning of the DSE mobile app while trying to execute trade, all at a time when the digital mode is enabling the stock market to stay open amidst the ongoing lockdown.

As a result, mobile trading dropped yesterday. Order submission through the app dropped 38 per cent to 26,321 yesterday from that of the day before.

Trading through the mobile app started experiencing issues early in the day, said a mid-level official of a stock brokerage firm preferring anonymity.

Order submission through the mobile app dropped **38 per cent to 26,321** yesterday compared to the previous day.

Stock prices were not updated while order submissions were not accepted in a timely manner.

"A few transactions were completed but only after a long time," he said, adding that the app malfunctioned whenever trade increased.

Investor Motaahar Hossain Masum was able to execute one transaction despite having tried for more.

"During the trading hour, I tried many times to trade through the app but it was not taking orders," he said.

Besides, the share prices sometimes did not even show on the screen, Masum added.

Since it the app was non-operational, he was forced to call his broker to make a trade.

Dhaka Stock Exchange (DSE) launched the app, developed by FlexTrade Systems, on March 9, 2016, to facilitate trading.

Apart from executing buy and sale orders, the app features real time display of market and trading statistics, company and portfolio status, company news and purchase and sale alerts.

"We have already spoken with the

DSE to solve some of the problem so the inconvenience would be lesser tomorrow (Thursday)," said Mohammad Rezaul Karim, spokesperson of the Bangladesh Securities and Exchange Commission (BSEC).

"The pre and post order submission was closed a couple of weeks earlier but it is going to resume from Thursday, so the congestion will be lower now," he added.

Investors will get 15 minutes before and after the trading hour to submit their orders.

Currently, 20,000 users can simultaneously enter the app through their mobile phones. This limit will soon be enhanced manifold so that problems are reduced further.

If an investor is not conducting trade, then it would be better to log out of the system in order to avoid congestion, said Karim, also an executive director of the BSEC.

"We are working to solve all the problems of the app," he added.

Md Ziaul Karim, chief technology officer of the DSE, told The Daily Star that the bourse has spoken with all brokers to change their habit of remaining online.

Frequently logging in and out of the app also overloads the system as it requires authentication every time.

"So, we recommend using a separate cell phone for the app so that any phone call does not disrupt the system," Karim said.

Investor behaviour also needs to change as many place unrealistic orders that cause a backlog in the system, he added.

An order was previously executed against two order submissions through the app but the ratio is now one against every four submissions.

This indicates a rise in unrealistic order submissions.

Meanwhile, some investors log into the system but do not conduct trade.

"We are working with the brokers so that awareness can be raised in this regard," he said.

In response to a query, the DSE official said they were working to upgrade the system to resolve all issued faced on the platforms but it would take time.

"Besides, the ongoing coronavirus pandemic has slowed down our activities," Karim added.



REUTERS/FILE

The government has so far approved the purchase of a total of 270.10 lakh MMBtus of LNG from the spot market from three firms.

Govt to buy more LNG from spot market

STAR BUSINESS REPORT

The government yesterday approved a proposal to buy another 33.60 lakh MMBtus of liquefied natural gas (LNG) from the spot market to meet the growing demand for the super-chilled fuel.

Vitol Asia Pte of Singapore will supply the fuel. Each MMBtu (Metric Million British thermal units) will cost \$8.012.

The cabinet committee on purchase yesterday approved the proposal submitted by Petrobangla, a corporation of the energy and mineral resources division, to make the purchase at Tk 267.57 crore.

This is the sixth time the government would buy the fuel from the spot market.

With this, the government has so far approved the purchase of a total of 270.10 lakh MMBtus of LNG from the spot market from three firms.

In September last year, the government moved to the spot market for the first time to purchase the fuel at a cheaper rate. At that time, the Vitol won the work order to deliver 3,490,200 MMBtus for Tk 132.93 crore.

The government on February 17 this year approved two proposals over purchasing 67.2 lakh MMBtus of LNG from Vitol Asia Pte for Tk 623 crore.

Under one proposal, each MMBtu would cost \$9.31 while it is \$9.36 in another.

On March 10, the government approved two more proposals to purchase 67.2 lakh MMBtus of LNG for Tk 527.24 crore from the Vitol and AOT Trading AG of Switzerland.

Each MMBtu was priced at \$7.44 and \$8.345 respectively.

On March 24, the purchase committee approved a proposal to purchase 33.6 lakh MMBtus of LNG from US firm Exelerate Energy LP at a cost of Tk 218.07 crore. Each MMBtu cost \$6.53.

On April 7, it approved the purchase of 33.60 lakh MMBtus of LNG from AOT Trading AG, Switzerland at a cost of Tk 243.30 crore. Each MMBtu was priced at \$7.28.

Meanwhile, Qatar Petroleum has signed a long-term deal with Vitol to supply 1.25 million tonnes of LNG to Bangladesh per year. Bangladesh has two floating storage and

regasification units (FSRUs).

Exelerate Energy began supplying regasified LNG from its Moheshkhali terminal in August 2017. It has a regasification capacity of 500 million cubic feet of LNG per day.

Summit LNG Terminal Co, which runs the country's second LNG terminal, began supplying regasified LNG in May 2019. The unit has a capacity to regasify 500 million cubic feet of LNG daily.

Finance Minister on New Poverty Survey

Finance Minister AHM Mustafa Kamal yesterday said the government would prefer considering assessments of the Bangladesh Bureau of Statistics (BBS) over the number of new people pushed into poverty by the pandemic.

But it will not accept information from any private organisation, he added.

He said this in response to a query about a new survey jointly conducted by the Power and Participation Research Centre and the Brac Institute of Governance and Development.

READ MORE ON B3

GLOBAL BUSINESS

12 US states urge Biden to back phasing out gas-powered vehicle sales by 2035

REUTERS, Washington

The governors of a dozen US states including California, New York, Massachusetts and North Carolina called on President Joe Biden on Wednesday to back ending sales of new gasoline-powered vehicles by 2035, a dramatic shift away from fossil fuels.

Biden's \$2.3t infrastructure plan calls for \$174b in spending and tax credits to boost electric vehicles (EVs) and charging networks but does not call for phasing out gasoline-powered passenger vehicles.

In a letter that was seen by Reuters, the governors, which also include those of Connecticut, Hawaii, Maine, New Jersey, New Mexico, Oregon, Washington State and Rhode Island, urged Biden to set standards "to ensure that all new passenger cars and light-duty trucks sold are zero-emission no later than 2035 with significant milestones along the way to monitor progress."

They argued that "by establishing a clear regulatory path to ensuring that all vehicles sold in the United States are zero-emission, we can



REUTERS

US President Joe Biden speaks about jobs and the economy at the White House in Washington, US on April 7.

finally clear the air and create high-road jobs."

The governors also want Biden to set standards and adopt incentives aimed at ensuring 100 per cent zero-emission sales of medium-duty and heavy-duty vehicles by 2045.

The White House did not

immediately comment on the governors' letter. States and some lawmakers hope that Biden's endorsement of a phase-out date will speed the transition to EVs by users and automakers. EVs currently make up just 2 per cent of US vehicle sales.

A number of US lawmakers have

urged Biden follow California's lead, which in September said it planned to end sales of new gas-powered passenger vehicles by 2035. Biden's campaign said last fall he did not support California's phase-out plan.

In March, a group of 71 House Democrats urged Biden to set tough emissions rules to ensure 60 per cent of new passenger cars and trucks sold are zero-emission by 2030, while 10 US senators urged Biden "to set a date by which new sales of fossil fuel vehicles will end entirely."

General Motors said in January it was setting a goal to end all gasoline passenger car and truck sales by 2035. Volvo, a unit of Zhejiang Geely Holding, said its entire car line-up will be fully electric by 2030 and Ford's European lineup will also be fully electric by 2030.

In their letter, the governors said they want Biden to boost fuel economy standards rolled back under President Donald Trump and provide states "substantial funding for investment in charging and fueling infrastructure."

China, North Korea poised to resume freight rail links as trade revives

REUTERS, Dandong

China is set to resume cargo train service with North Korea, people familiar with the matter said, following a 15-month border closure due to COVID-19, as trade with the impoverished and isolated country begins to rebound.

The bridge linking the city of Dandong with Sinuiju, across the Yalu River in North Korea, will partially reopen to allow cargo train service "sometime before or after May 1", the head of a transportation company handling cross-border trade told Reuters on Wednesday.

No date is set for resumption of passenger traffic, the person said, as North Korea remains fearful of Covid-19. China, which has all but stamped out the spread of the virus, also tightly restricts entry.

Another source, a China-based diplomat, said that there appeared to be preparations to reopen the Sino-Korean Friendship Bridge. North Korea is motivated to reopen its border to ease the economic burden of the lockdown, the diplomat said.

Both people declined to be identified due to the sensitivity of the matter.

China declined on Tuesday to say when the border would reopen but said it respects North Korea's epidemic controls.

US government-funded Radio Free Asia on Tuesday cited unnamed sources saying a train carrying food aid left Dandong for North Korea on Saturday. Reuters was unable to verify that report.

Freight cars marked in Korean - including the name of what appeared to be a location in North Korea - were visible at Dandong station on Wednesday, but it was not clear how long they had been there.

Signs of a pending resumption of trade are evident on both sides.

Along the railway between the bridge and Dandong station, Chinese customs recently built a zig-zagging row of booths labelled "epidemiological survey area". At the North Korean end of the bridge,

disinfectant facilities have been set up, said multiple sources, including the diplomat.

In Dandong, which relies heavily on Chinese tourists visiting or catching a glimpse of the North and is the main hub for trade with the country, many business engaged with North Korea are shut but some have recently reopened, merchants said.

"Of course we are eagerly expecting the border to reopen," said a metals trader in Dandong surnamed Qian.

North Korea closed its border in January 2020, soon after the virus broke out in the central Chinese city of Wuhan.

It relies on China for oil, fertiliser and mechanical parts to stay afloat amid U.N.



REUTERS/FILE

A passenger train crosses the bridge across Yalu River from Dandong, China's Liaoning province, to North Korea's Sinuiju.

Russian government's main task is to boost incomes: Putin

AFP, Moscow

President Vladimir Putin, whose United Russia party is deeply unpopular ahead of September elections, said Wednesday that the government's main task was to boost Russians' falling personal incomes.

Putin's popularity has long been based on his ability to provide stability and better living standards to Russians, but the economy has in recent years been hit by Western sanctions, stagnant oil prices and now the coronavirus pandemic.

"The main thing is to ensure the growth of citizens' real incomes," Putin said in his annual state of



REUTERS

Russian President Vladimir Putin delivers his annual address to the Federal Assembly in Moscow, Russia on April 21.

the nation address, announcing a series of measures to put more money in Russians' pockets ahead of parliamentary elections later this year.

Putin said price rises were "eating away" at Russians' incomes and urged the government to create long-term conditions to "guarantee the predictability of prices."

He added that the government needed to do more to provide support for families.

He said the government would this year be making lump-sum payments to single-parent families and expectant mothers, as well as a 10,000 ruble (\$130/110 euro) payment for all schoolchildren in mid-August.

sanctions over its nuclear and missile programmes. China accounts for over 90 per cent of its trade.

Earlier this month, leader Kim Jong Un called on North Koreans to prepare for another "arduous march", referring to the devastating 1990s famine, underlying the severity of the economic crisis.

"Kim's speech ... indicates how precarious its economy is now. Coupled with the fact that it needs fertiliser for the spring ploughing, it's no surprise that North Korea would agree to reopen its borders now," said Zhao Tong, a North Korea expert at the Carnegie-Tsinghua Center in Beijing.

China's March exports to North Korea rose to a six-month high of \$13m, nearly 400 times combined January-February shipments, according to Chinese data.