

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.21%	▲ 0.07%	\$1,787.29 (per ounce)	\$64.88 (per barrel)	▲ 0.79%	▲ 2.38%	▲ 1.04%	▼ 0.23%	BUY TK 83.95	99.96	117.01	12.71
5,435.03	9,485.52			48,080.67	29,188.17	3,187.78	3,465.11	SELL TK 84.95	103.76	120.81	13.37

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BUSINESS

DHAKA FRIDAY APRIL 23, 2021, BAISHAKH 10, 1428 BS • starbusiness@thedailystar.net



Movement restrictions to rein in the pandemic has led to some 80,000 buses being taken off the streets. With bank loans prevailing against nearly all of them, the owners apprehend missing instalment payments if they are not allowed to run for an extended period. The photo was taken at Khilgaon Chowdhury Para in the capital recently.

PHOTO: SK ENAMUL HUQ

Bus owners in a tight spot

Lose Tk 500cr every day; many may turn into loan defaulters as income crashed

JAGARAN CHAKMA

Bus operators in Bangladesh are losing Tk 500 crore every day as they have been off the road because of the lockdown, which may turn many owners into loan defaulters as their income has fallen to zero.

According to the Bangladesh Road Transport Owner Association (BRTOA), around 80,000 buses, including aired-conditioned (AC), non-AC, and minibus, ply different routes.

The Bangladesh Road Transport Authority puts the number at 75,348.

"We don't have any alternative but to follow the government directive to ensure public health safety even though we are incurring losses," said Moshirur Rahman Ranga, president of the BRTOA.

He fears the owners of buses may turn into loan defaulters as they will not be able to make timely payment of instalments.

The passenger bus segment did not avail financing under the

stimulus package despite giving essential service to the public, he said.

"We would like to request the prime minister to arrange relief for the transport workers," he added.

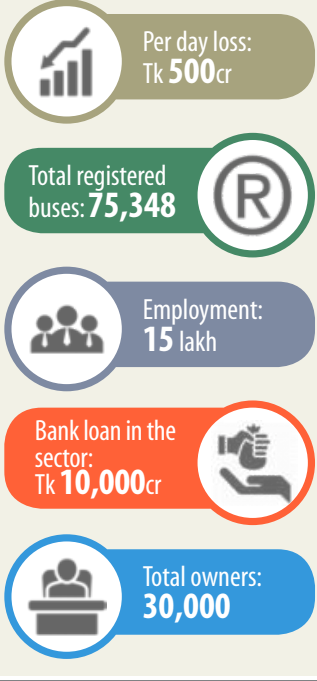
In his view, the owners owe around Tk 10,000 crore to banks in loans, which have been secured against the vehicles. "It is tough to repay the bank loans under these circumstances."

Bangladesh Bank data showed Tk 33,800 crore in loans were disbursed in the different segments of the transport sector in the last fiscal year. Tk 17,100 crore was lent during the July to December period of the current fiscal year.

"According to our estimate, bus service operators face a revenue loss of around Tk 500 crore per day due to the lockdown," said Khondaker Enayet Ullah, secretary-general of the BRTOA.

"This loss is a severe challenge for investors. If we can't operate buses, how will we pay the interest of bank loans and the wages to the

AT A GLANCE



drivers and helpers?"

The leader said they had demanded exemption on the interest of bank loans several times to survive the business. "But we have not received any cooperation under the stimulus package announced by the government."

He said there were around 30,000 bus owners, and everybody had bank loans against their vehicles.

"It is a challenging time for the investors in this sector," he said.

According to the BRTOA, around Tk 22,600 crore has been invested in the bus segment, which has created around 15 lakh jobs, directly and indirectly.

Mohammed Shahidul Islam, chairman of HNS Group, which operates a bus service, has Tk 30 crore bank loans and is facing troubles in repaying loan instalments every month.

"I have been facing difficulties to stay afloat since the beginning of the pandemic in March last year."

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There is no glass ceiling for women, sky is the limit

Humaira Azam, the first CEO of a commercial bank, says in an interview

KHONDOKER MD SHOYEB

Women should strengthen their psychological state and be always prepared to face any challenge to find success in the banking sector.

There is enormous scope for women to work in corporate banking, SME banking, treasury banking, but for all that, ensuring an enabling environment for them is a must.

Humaira Azam, CEO and managing director of Trust Bank, made the comments during an interview with The Daily Star.

She took charge of the bank this month and set a milestone by being the first female CEO and managing director of any commercial bank in the 50 years' history of Bangladesh.



Humaira Azam

smooth banking services for the clients." Longer office hours have been part and parcel of the banker since the beginning of her career.

"I have always tried to focus on my work. I made all the way to reach this position through hard work."

Becoming the CEO and managing director was not a new thing for the mother of one. She had earlier served IPDC of Bangladesh—which is currently known as IPDC Finance Ltd—as CEO and managing director from April 2009 to October 2011.

"Competency can never be the parameter to look forward to while appointing a CEO. The organisations, which believe in transparency and follow corporate guidelines, give the highest importance on finding out the most suitable and skilled one for the top post."

The efficiency of a leader can be measured on how well he/she can develop a skilled workforce, she said.

The empowerment of employees is very important for the leaders to ensure continuous growth of any organisation, she said.

The leaders should also encourage the employees to work as a team, she added.

Humaira started her career with ANZ Grindlays Bank in 1990 as a management trainee.

She said ANZ had given her the strong base for her career.

"This bank has helped me believe that I can do it. It has developed the all-roundedness in me."

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The veteran banker has seen every up and down of the country's banking sector. From her experience, she believes it is the duty of the predecessors to create opportunities for women so that they can flourish as a banker.

"Above all, support from the family is also required for women to achieve success in banking. Otherwise, it would be very tough."

Maintaining a balance between work and life is vital to find success in life for a woman, she said.

"Women have to work at home and outside of home simultaneously. Even, I had to walk all the way to my office in Hadi Mansion from Gulshan several times during countrywide strikes to ensure

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Bankers to get commute fares

STAR BUSINESS REPORT

Bangladesh Bank yesterday asked banks to ensure that bankers get fares for their commutes during the strict lockdown period this year starting April 14.

Public transport is unavailable as a part of lockdown restrictions, making commuting troublesome for many bankers.

Whatever transportation is available, the charge is higher compared to that on a regular day, raising bankers' expenses.

Some 1.83 lakh people work in the banking sector and a good number of bankers shared the transportation issue with The Daily Star after the government announced the latest restrictions.

Similar troubles were faced when the government enforced last year's shutdown at the end of March. Apart from a shortage of transportation, there were instances of many facing harassment from law enforcement agencies on the road.

Bangladesh Bank (BB) said banks would ensure transport facilities for employees under their own arrangements.

If transport cannot be arranged, banks will require providing fares rationally taking into consideration the reality of the situation on-ground during the lockdown, said the BB.

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Farm loan interest cut to 8pc

AKM ZAMIR UDDIN

Bangladesh Bank yesterday cut the interest rate on farm loans as part of its efforts to boost the agriculture sector amidst the ongoing economic slowdown caused by the coronavirus pandemic.

Banks will have to give out farm loans at an 8 per cent interest rate instead of the previous 9 per cent, according to a central bank notice.

Atiur Rahman, a former governor of the central bank, welcomed the move, saying that the farm sector played a significant role in enabling the rebound of the overall economy from the adverse impacts stemming from the pandemic's first wave.

The farm sector has faced difficulties due to the pandemic along with the other sectors of the economy, said the central bank. Banks should reduce the interest rate on farm loans such that the sector can secure funds at a lower cost. This will also help farmers increase their production as well, it said.

In April last year, the central bank imposed an interest rate cap of 9 per cent on all loan products, except for credit cards, offered by banks.

The central bank has been fixing an interest rate cap on farm loans for years so that farmers can avail funds at a lower cost compared to that of other loan products.

The Agriculture Credit Department of the central bank has recently recommended its high-ups bring down the interest rate on farm loans based on the circumstances.

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STAR/FILE

The farm sector played a significant role in enabling the rebound of the overall economy from the adverse impacts stemming from the pandemic's first wave, experts think.

Sensible credit card use offers perks

AKM ZAMIR UDDIN

The consumption behaviour of Bangladesh's growing middle class has made credit cards popular in recent years with a number of banks offering a wide range of discounts and cashback facilities on purchases.

The plastic cards have been synced with a large number of shops, enabling payments for different goods and services to be made in the form of equated monthly instalments (EMI).

An EMI is a fixed amount of money paid by a borrower to a lender at a specified date each



calendar month. This means a credit cardholder can avail a fridge or television whenever required in a much easier manner than through other modes of payment.

The plastic money also drew a lot of attention from clients when the government imposed strict restrictions on public movement between the last week of March

and May in order to keep the coronavirus pandemic at bay.

Clients bought their required products, including food, while sitting at home during the

lockdown. The country is now going through another strict round of restrictive measures, which has further increased the demand for the digital product.

The credit card business of banks will increase manifold in the near future to keep up with the country's economic growth, said HM Mostafizur Rahman, head of retail banking of Dhaka Bank.

The number of credit cards stood at 17.14 lakh as of February this year, up 15.50 per cent year-on-year, showed data from Bangladesh Bank.

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National Bank asked to appoint MD by Apr 28

STAR BUSINESS REPORT

Bangladesh Bank has asked National Bank to appoint a managing director (MD) by April 28 as the private lender has been running operations without one for nearly three months.

A letter was issued on April 19 asking Chairman Monowara Sikder to immediately appointment an MD within the stipulated period, failing which will result in steps delineated in the Banking Companies Act 1991.

This was confirmed by Md Serajul Islam, spokesperson and an executive director of Bangladesh Bank.

Article 15 of the act says the central bank will appoint an administrator at a lender if it runs operations without an MD for three months.

Salary and other remunerations will be provided to the administrator by the bank, it says.

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