



Bank Asia reelects executive committee chairman

STAR BUSINESS DESK
Bank Asia recently witnessed the reelection of an executive committee chairman in a 453rd meeting of its board of directors. A mechanical engineering graduate and having an MBA degree in international business management, the official, Rumea A Hossain, is one of the bank's sponsor directors and managing director of Rang Industries (the distributor of Toshiba and Samsung) and Romask, says a press release.



Prime Bank gets DMD

STAR BUSINESS DESK
Prime Bank recently witnessed the appointment of a deputy managing director who would also act as a chief anti-money laundering compliance officer and a chief risk officer. The appointee, Ziaur Rahman, was previously serving Dhaka Bank as a senior executive vice-president. He also worked at Eastern Bank and NRB Bank, says a press release. Rahman obtained his bachelors and master's degrees from the University of Dhaka.



Premier Bank Chairman HBM Iqbal virtually presided over its 9th extraordinary general meeting and 22nd annual general meeting yesterday. The bank announced 12.50 per cent cash and 7.50 per cent stock dividends. Vice-Chairman Moin Iqbal and Managing Director and CEO M Reazul Karim attended the meeting.

EU efforts to ratify China investment deal on ice after sanctions

AFP, Brussels
The European Commission said Tuesday that efforts to win approval for the EU's massive investment deal with China were effectively "suspended" given the soured diplomatic relations between both sides after tit-for-tat sanctions. "We now in a sense have suspended... political outreach activities from the European Commission side," EU Executive Vice

President Valdis Dombrovskis told AFP in an interview. "It's clear in the current situation with the EU sanctions in place against China and Chinese counter sanctions in place, including against members of European Parliament (that) the environment is not conducive for ratification of the agreement," Dombrovskis said. "Trying to ratify the deal "will depend really on how broader EU-China relations will evolve", he added.

To the surprise of many, the European Union and China in late December approved a major investment pact, wrapping up seven years of painstaking negotiations thanks to a final push by Germany. The pact has been defended as a much needed opening to China's long-closed economy for European companies, but was sure to face a difficult ratification amongst the 27 member states as well as the European Parliament.

How will Bill and Melinda Gates' divorce impact their charity?

AFP, New York
The shock announcement that billionaire philanthropists Bill and Melinda Gates are to divorce after 27 years of marriage has raised questions about the future of their hugely influential charity. Here, AFP takes a look at the Gates Foundation, from how it works and what projects it finances, to its impact on the pandemic and how the non-profit may be impacted by the split. The couple say the idea for the foundation came to them as young parents when they read a newspaper article about millions of children in developing countries dying from easily treatable illnesses such as diarrhea and pneumonia. In 2000, the Bill & Melinda Gates Foundation was launched to fight disease and poverty around the world. In the United States, an initial focus on providing access to computers and the internet was expanded to improving education in general. With 1,600 staff members in offices around the world, the Gates Foundation gives away roughly \$5 billion each year in areas like global public health and development.



Bill Gates and Melinda Gates



IPDC DMD promoted

STAR BUSINESS DESK
IPDC Finance recently witnessed a deputy managing director being promoted to the post of additional managing director. The official, Rizwan Dawood Shams, had joined as a senior manager under corporate investment on November 1, 2007, says a press release. He is said to have introduced supply chain financing (SCF) in 2012 at the financial institution, which currently lays claim to over 50 per cent market share of SCF in Bangladesh. Shams also worked at GSP Finance, Habib Bank and Standard Chartered Bank. He obtained a Bachelor of Business Administration degree from North South University and a Master's in Business Administration degree from Victoria University.

Govt to import 50,000 tonnes of rice from India thru railways

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The government has moved to procure rice from international markets as the stocks at the public warehouses have hit an unusual low. According to the food ministry, the government had 4.62 lakh tonnes of food grains in its stock on April 20, the lowest since 2008 when the stock fell to 2.8 lakh tonnes. The stock was 11.20 lakh tonnes on July 1, 2020, and 15.99 lakh tonnes on July 1, 2019. The Food Planning Monitoring Committee on April 22 decided to collect 10 lakh tonnes of parboiled and 1.5 lakh tonnes of sunned rice from local dealers to enhance the food stocks. The committee also decided to buy 6.5 lakh tonnes of paddy from the farmers. It has primarily decided to buy parboiled rice at Tk 40 per kg and sunned rice at Tk 39. Officials said the price of paddy would be fixed either at Tk 27 or Tk 28 a kg. Yesterday, Agriculture Minister Muhammad Abdur Razzaque virtually inaugurated paddy purchase directly from farmers through lottery on

'Krishaker App' in Khulna. The government has signed several deals to import 7.50 tonnes of rice under government-to-government arrangements. Some 2.43 lakh tonnes of rice have been imported so far. At the private level, 5.64 lakh tonnes of rice were imported as of April 11 of the fiscal year. **GOVT TO BUY MORE LNG** The cabinet committee yesterday approved a proposal to buy 33.60 lakh MMBtus of liquefied natural gas (LNG). Excelsior Energy LP of the United States will supply the fuel at \$9.53 per MMBtu (million British thermal units). The committee also gave its nod to another proposal to buy 33.60 lakh MMBtus of LNG from the same company at \$ 8.93 per MMBtu. The committee approved three proposals to buy 1.5 lakh tonnes triple superphosphate fertilizer from a Tunisian fertilizer producer at \$568 per tonne, 1.8 lakh tonnes of MPO fertilizer from Belarus at \$292.87 per tonne, and 30,000 tonnes of urea fertilizer from Kamaphuli Fertilizer

Company Ltd at \$362.5 per tonne. **NO NEW PROJECT ON PUBLIC WORKS TILL JUNE 30** Finance Minister AHM Mustafa Kamal said the cabinet committee on the public procurement would not give the go-ahead to any public work for construction-related projects in the rest of the current fiscal year. "In the meeting, five proposals were placed for the construction of flats for the employees of the Ministry of Housing and Public Works. We did not consider any of them." The minister said no approval would be given to projects on public works until June 30. "However, the work of the ongoing projects and foreign-funded projects will go on." The cabinet committee's decision came just seven days after the government asked all ministries, except health and agriculture, not to issue work orders for any physical work in the current fiscal year, ending on June 30. The cabinet committee yesterday approved 14 purchase proposals involving Tk 3,638.57 crore.

Chemical plants suffer for delays in soda ash import

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Production in the local mills and factories are being affected, said an importer and a manager of a chemical company asking not to be named. "We face high risk of losing business if there are any unforeseen delays or price hikes of washing items," he said. "Many of the factories have already halved their production because of a lower supply of the washing items. Our buyers are putting pressure on us for timely delivery of goods," he said. "Production in my factory declined drastically almost to half because of a shortage of supply of soda ash," said another anonymity-seeking senior manager of a glass factory which consumes 20,000 tonnes of soda ash a year. "I used to produce 300 tonnes of glassware in a day but now I produce almost 150 tonnes a day because I do not have an adequate supply of soda ash," he said. It is also not possible to get the raw materials on a short notice because it may take over three months if LCs are opened to import the same goods from China even at higher prices, he said. Abdullah Al Mamun, vice-president

of Bangladesh Textile Mills Association (BTMA) said prices of almost all chemical and raw materials had increased in the fallout of the Covid-19 pandemic and subsequent rise in freight charges. Many importers, traders and mill users shifted to India from China to enjoy lower prices and a shorter lead time, leading to an overbooking of Indian suppliers, he said. So Indian suppliers are facing trouble in ensuring the supply, Mamun also said. He said since it was a basic raw material for washing items, Indian suppliers should focus on timely deliveries for continuation of smooth production in the local mills and factories. Abdul Matlub Ahmad, president of the India-Bangladesh Chamber of Commerce and Industry, said to have received no complaints regarding the matter. The chamber will look into the matter to find a solution because soda ash is a very important item for Bangladesh, he said. He, however, added that prices of all imports from India such as steel, iron and chemicals have increased because of a disruption in production due to a severe crisis in the neighbouring country stemming from the Covid-19 pandemic.

Banking hours extended ahead of Eid

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This is because bank branches located in Dhaka city, Ashulia, Savar, Tongi, Gazipur, Bhaluka, Narayanganj and Chattogram will have to remain open on May 10 and 13 such that owners of garment industries can smoothly provide wages and festival bonuses to their workers. The country will enjoy a public holiday on May 10 on occasion of Shab-e-Qadr. If Eid is celebrated on April 14 depending on the sighting of the moon, banks will have to keep their branches open on May 13. After the rate of Covid-19 infections and deaths began rising alarmingly, the government enforced lockdown-like controls from April 5. As the situation worsened, it went for a strict countrywide lockdown from April 14. Although the government has taken the decision to slightly relax restrictions from tomorrow, it has yet to resume the inter-district public transport services.

What should be the cigarette tax structure for FY2022?

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Case study: Sri Lanka
Sri Lanka applies a specific excise on cigarettes and has been consistently increasing the rate, which has led to increased prices, reduced affordability and increased revenues. Bangladesh has committed to achieving tobacco-related targets under the Global Action Plan for the Prevention and Control of non-communicable diseases and SDGs. Significant increases in prices and taxes on low-tier cigarettes and introducing a specific tax component as recommended in this paper are cost-effective ways to reach those targets. It will also be a major step towards achieving the vision of a tobacco free Bangladesh by 2040. At the same time, tobacco tax reforms will generate significant additional revenue to finance Bangladesh's health and development priorities. This is a clear 'win-win' for the government and people of Bangladesh. Nasiruddin Ahmed is a former chairman of the National Board of Revenue. He can be reached by email: ahmed.nasiruddin@gmail.com

Stable policy key to a thriving motorcycle industry

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In the last couple of decades, the motorcycle sector has supported the growth of many economies in the Association of Southeast Asian Nations and South Asia. The potential to demonstrate this more dramatically and impressively exists in the context of Bangladesh. To this end, we will establish a business that has resilience against changes in our business environment. We will speedily implement the large-scale operation. We will continue to work aggressively for industrialisation. In the last couple of decades, the motorcycle industry has supported the growth of many countries, and Bangladesh can replicate it.

Jobs restored, incomes not

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All the recent research findings in Bangladesh represented a consensus on the impact of Covid-19 that people have significantly lost their income, said Debapriya Bhattacharya, a distinguished fellow of the CPD. In many cases, they were employed again, but it couldn't compensate for their losses. Many have had to be employed at a job that needs a lower level of skill than the previous ones, he said. "To cope with the situation, they are eating less and cutting down protein. They are unable to feed their children. Many children are dropping out of school and not getting enough nutrition." It remains to be seen to what extent government assistance can effectively protect people from poverty and low-skilled employment, said Bhattacharya, also the convener of the Citizen's Platform for SDGs, Bangladesh. The noted economist said during the last budget, policymakers, while determining the strategy to pull the country out of the virus-induced downturn, had projected that the crisis would disappear by September-October of 2020. "They were wrong. And when we had asked them to take a mid-term approach to tackle it, they mocked us. I want to give it back now. It was a state of reluctance and denial, and that reluctance and denial still persists among them," he said. Bhattacharya said the idea of revival needed to be taken up through a medium-term framework even if the virus and the fear faded because the impact would last a long time. "The one-year structure is not

suitable for recovery, and we need a core budget to overcome it. A framework for at least two to three years is needed." He said that coronavirus had a hostile effect on everyone in Bangladesh, but the proportion of the hostility on some vulnerable and disadvantaged people was much higher. The people include tea garden workers, victims of river erosion, tribal, the untouchables, people from chars and haors, and floating workers in Dhaka. The pathogen has also hit small and medium industries. "So, in addition to the simple revival and reconstruction, much more attention needs to be paid to these people. We have to have a dedicated approach towards disadvantaged people," he said. "The integration of the recovery plan with structural transformation issues is very necessary." Prof Rehman Sobhan, chairman of the CPD, said what would be of great relevance to policy interventions was to have a clear understanding of how the incidences of Covid-19 actually affected the areas of the economy. "We all underestimated the importance of addressing the coronavirus problem itself," he said. "If you look at China and Vietnam, you will see that they addressed the crisis, the primary problem, and took strict measures to contain it. This enabled them to set the path for the recovery." "It's obvious that if you are responding inadequately or imperfectly to the coronavirus, then it enables successive economic problems to linger on. It may take you into a situation where you go through

a partial recovery and a new crisis, which is happening now, then you have to go back to the problem again and revise it," he said. Tapan Chowdhury, a former adviser to the caretaker government and managing director of Square Pharmaceuticals, said despite the pandemic, substantial investments were made in industries. "This is a hopeful scenario." Rizwanul Islam, former special adviser on growth, employment and poverty reduction at the International Labour Organisation, said that the government should invest in labour-intensive rural road and infrastructure to stimulate the rural economy. "This will lead to employment and earning opportunities for various types of workers and help in stimulating the domestic market. Localisation of such public investment programmes should be taken into cognizance." Prof Mustafizur Rahman, another distinguished fellow at the CPD, said if an inclusive society and economy was not ensured, the crisis would have much deeper impacts. Rizwan Rahman, president of the Dhaka Chamber of Commerce and Industry; Kamran T Rahman, president of the Bangladesh Employers' Federation, Fahmida Khatun, executive director of the CPD; Dipankar Datta, country director of the Oxfam Bangladesh, shared their views at the dialogue. Ferdous Ara Begum, chief executive officer at the Business Initiative Leading Development, Md Shahidullah Azim, vice-president of the Bangladesh Garment Manufacturers and Exporters Association, and Razequzzaman Ratan, president of the Socialist Labour Front, also spoke.

Orion Pharma stocks soar on vaccine production talks

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Orion has already informed the same to the Directorate General of Drug Administration on May 2 and the Health Services Division, Ministry of Health and Family Welfare on May 4, it said. "This is just a preliminary proposal as a normal and regular business communication of the company made to RDIF from their end like other pharmaceutical companies of the country." But the success will of course depend on the final decision of RDIF and subsequent approval of Bangladesh government, it added. RDIF supports the development of Russia's Covid-19 vaccine by the Gamaleya Center and is investing in mass production of the vaccine by RDIF portfolio companies. In its sixth alliance with an Indian company, the RDIF said that Panacea Biotech will make 100 million doses of Sputnik V annually. Some 59 countries have registered for Sputnik V globally, with a total population of over 1.5 billion people. Since then, it inked production deals with Hetero Biopharma, Gland Pharma, Strides and Virchow. With an efficacy of 91.6 per cent, the vaccine is based on a proven platform of human adenoviral vectors and uses two different vectors for the two shots in a course of vaccination, providing immunity with a longer duration than vaccines using the same delivery mechanism for both shots. Bangladesh started the mass inoculation campaign with the AstraZeneca vaccine it purchased from Serum. But the campaign stumbled as Serum failed to fulfil its commitment of supplying 50 lakh doses each month for six months in a row. Bangladesh purchased 3 crore doses of AstraZeneca vaccine from Serum. But the country has so far received only 70 lakh in two shipments. Meanwhile, Serum Institute of India has been in talks with Beximco about producing the Oxford-AstraZeneca vaccine in Bangladesh.

Elected uncontested, 78 FBCCI directors named

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Six more vice-presidents will come from the association and chamber groups. The total number of posts of directors at the FBCCI is 80. Of it, 46 are elected - 23 from the chamber group and 23 from the association group. Another 34 directors are nominated -- 17 from the chamber group and 17 from the association group. However, this time the total number of directors is 78 because the Gopalganj Chamber of Commerce and Industry and the Bangladesh Association of International Recruiting Agencies did not nominate directors.

Square Pharma set to launch factory in Kenya

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Square Pharmaceuticals has obtained clearance from the Pharmacy and Poisons Board, Kenya for setting up the plant on the banks of the Athi River. Trial production at the new facility is expected to begin on July 31 this year, the annual report said. The company's net loss for the

financial year that ended on June 30, 2020, is KSH 61.55 lakh and total accumulated loss is KSH 2 crore as it is yet to generate revenue while incurring administrative expenses and foreign exchange loss, it added. Square Pharmaceuticals has 859 products. Of them, 637 are pharmaceuticals, 134 are agrovet and

36 are pesticides and so on. The leading drug maker's export market covers over 43 countries. During 2019-20, the company's exports amounted to Tk 165 crore, which is around 11 per cent higher than that of the previous year. Since 1985, Square Pharmaceuticals has held the top spot in Bangladesh's pharmaceuticals sector.