

## IDLC Finance providing dry food to 9,000 families

STAR BUSINESS DESK

IDLC Finance has announced partnering with four non-profit, voluntary organisations to provide dry food to 9,000 daily wage earning and lower-middle income families in 30 districts affected by the pandemic.

Under the month-long initiative starting Wednesday, Obhizatrik Foundation, CSR Window Bangladesh, Mastul Foundation and Shombhabona would be carrying out the distribution, providing each family 10 days' food, which includes rice, pulse, oil, potato, onion and salt, says a press release.

The non-banking financial institution said to have taken up several initiatives since the pandemic's early days to help low-income communities.

These include providing food support for a week to 30,000 low-income people and donating Tk 24 million for the prime minister's welfare fund.

## Sales of safety, hygiene products on the rise

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"The prices of some products have also come down considerably. I am selling some of those at a loss," he said.

"The nebulisers are not selling that much. In March demand for steamers increased but now it is very low," he said.

The BMA building wholesales and retails medical equipment and products.

"The products of various brands related to Covid are available in the market," said Ashraf Hossain, owner of Meditech, an importer and seller there.

"People are more aware than ever... (including) of the situation of the Covid crisis in India," he said.

Some traders also said sales of some products had declined as fears over coronavirus had subsided for many. However, government and non-government organisations are still pushing for compliance with health rules.

In several areas of the capital, drug and departmental stores have seen an increase in sales of pulse oximeters, masks and disinfectants while sales of other healthcare products were lower.

"The prices of some products also went up a bit. But now the sales of many products related to corona are low," said Hassan Raju, online in-charge of Lazz Pharma.

When the pandemic first surfaced in the country, a shortage of healthcare supplies arose due to abnormally high purchases and panic raging through communities. Prices were unbridled.

"Covid related healthcare products business is 75 per cent less than before," said Atiqur Rahman, Dhaka district president of the Bangladesh Medical Instrument and Hospital Equipment Dealers and Manufacturers Association.

"Business was good from March to mid-April this year. It has been declining ever since. However, sales of gloves, masks, pulse oximeters and sanitisers are quite good," he said.

"The product in demand the most was the oxygen cylinder. We have also sold oxygen cylinders at Tk 6,000 to Tk 16,000. Now a whole set (a cylinder and associated attachments) is available for Tk 10,000," he added.

# China suspends economic dialogue with Australia as relations curdle

REUTERS, Beijing

China "indefinitely" suspended on Thursday all activity under a China-Australia Strategic Economic Dialogue, its state economic planner said, the latest setback for strained relations between the two countries.

"Recently, some Australian Commonwealth Government officials launched a series of measures to disrupt the normal exchanges and cooperation between China and Australia out of Cold War mindset and ideological discrimination," China's National Development and Reform Commission (NDRC) said in a short statement on the decision.

The commission did not say

in the statement what specific measures prompted the action.

China's foreign ministry spokesman, Wang Wenbin, told a daily conference the suspension was a "necessary and legitimate" response to Australia "abusing" the concept of national security to pressure cooperation with China.

"Australia must bear full responsibility," he said.

The Australian dollar fell sharply on the news and was as low as 0.7701 to the US dollar from Wednesday's \$0.7747.

Bilateral ties were strained in 2018 when Australia became the first country to publicly ban Chinese tech giant Huawei from its 5G network.

Relations worsened last year

when Australia called for an independent investigation into the origins of the novel coronavirus, prompting trade reprisals from China.

Australian Trade Minister Dan Tehan said the commission's decision was disappointing because the economic dialogue was "an important forum for Australia and China to work through issues relevant to our economic partnership".

"We remain open to holding the dialogue and engaging at the ministerial level," he said in a statement.

The last meeting was in Beijing in 2017, when Australia's trade minister signed an agreement on cooperation on Belt and Road projects in third-party countries.

Australia has, however, declined to sign agreements on direct participation in China's flagship foreign policy initiative.

In April, Canberra cancelled two Belt and Road cooperation deals struck by the state of Victoria, prompting the Chinese embassy to warn that ties were bound to worsen. Australia's federal parliament granted veto power over foreign deals by states in December amid the deepening diplomatic dispute with China, which has imposed a series of trade sanctions on Australian exports ranging from wine to coal.

Successive Australian trade ministers have been unable to secure a phone call with Chinese counterparts since diplomatic tensions worsened in 2020.

In the 12 months to March, Australia exported A\$149b (\$115b) worth of goods to China, excluding services, of which iron ore was by far the largest product.

Experts expect the bilateral strains would not have a major impact on the iron ore trade, but could have an impact on Chinese investment in Australia.

"We believe the iron ore trading relationship between Australia and China will remain ring-fenced in relation to current political tensions between the two nations," said Atilla Widnell, managing director at Singapore-based Navigate Commodities Ptd Ltd.

"This is a co-dependent relationship whereby either party cannot survive without the other." Executives of mining giant Rio Tinto said the tension between Australia and China was not hurting their business.

"We sell more than half of our products into China and we have a good relationship and we are unaffected," Chief Executive Jakob Stausholm told reporters after the company's annual meeting in Perth. Rio Tinto Chairman Simon Thompson said: "Specifically in relation to iron ore, at the moment there are relatively few alternatives available to China."

But the dispute will continue to have an impact on Australia's commodities sector by discouraging Chinese investment and it indicated that effective bans on Australian imports are set to continue, said Yanting Zhou, senior economist at Wood Mackenzie.



## Rume A Hossain re-elected as chairman of board executive committee of Bank Asia

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Rume A Hossain has been re-elected as the chairman of the executive committee of the board of Bank Asia Ltd in the 453rd meeting of the board of directors held recently.

He is one of the sponsor directors of the bank.

Hossain is a graduate in mechanical engineering and an MBA in international business management.

He has more than 27 years of business experience in several industries such as electronics, telecom, pharmaceuticals, IT and publishing.

He is the managing director of Rangs Industries Ltd (distributor of Toshiba and Samsung) and Romask Ltd.



Australian flag flutters in front of the Great Hall of the People during a welcoming ceremony for Australian Prime Minister Malcolm Turnbull (not in picture) in Beijing.

## Volkswagen profits rise but chip shortage impact not over

AFP, Frankfurt

German carmaker Volkswagen reported a jump in first quarter profits Thursday but warned that a global shortage of semiconductors that has hurt production would have a "more significant impact" in the coming months.

The auto giant reported net profits of 3.4b euros (\$4.0b), up from 517m euros over the January-March period in 2020 when the first wave of the pandemic closed showrooms and factories.

Revenues for the 12-brand group, which includes the Audi, Porsche and Skoda marques, climbed 13 per cent to 62.4b euros, it said in a statement.

The hike was driven by a rebound in car sales especially in China, the world's largest auto market, and robust global demand for high-profit luxury models, VW said. The automaker also highlighted the growing popularity of more environmentally friendly vehicles, with sales of its electric and hybrid cars more than doubling to 133,000 units.

# Improve service to get tax benefit

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One of the most strategic policy instruments Bangladesh can wield to accelerate the economic recovery and close the digital divide is to reduce the 44 per cent tax burden – the third highest in the world – on the mobile telecommunications sector, according to the research published by the GSMA.

Almost half of every Tk 100 in revenue for mobile network operators is paid to the government in taxes and regulatory fees – almost twice the average of the Asia-Pacific region. And Bangladesh's economy and population pay the price in many ways, the press release said.

The GSMA study showed that the mobile tax contribution is 4.2 times its industry size in the economy, indicating that tax policy has ignored the significant positive externalities of the sector.

To redress the imbalance, the GSMA

recommended that mobile sector taxation levels be aligned with the rest of the economy.

The minimum turnover tax should be reduced to 0.5 per cent from the current 2 per cent. The GSMA estimates that this reduction would increase GDP by \$476 million with an annual gain in tax revenue of \$47 million after five years.

The corporate tax rate should be reduced for non-public companies to 40 per cent from the current 45 per cent, and simultaneously for public mobile operators to 35 per cent from 40 per cent. This reduction would add \$131 million to GDP while increasing tax revenue by \$14 million annually after five years, the press release said.

Posts and Telecoms Secretary Md Afzal Hossain and BTRC Chairman Shyam Sunder Siker also spoke at the webinar.

## Couriers can now settle transactions via banks

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A portion of the outstanding fund, which usually remains deposited in their accounts, will be allowed to be invested in government securities and fixed deposit receipts (FDRs) offered by banks. "This will open a new window to earn money for them," he said.

The central bank move will also help CSPs bolster public confidence in them.

Bringing CSPs under the banking system will also speed up cashless transactions in the country's financial sector.

Banks will have to prepare statements on CSPs' financial transactions every month. Lenders must send the statements every three months to the central bank.

CSPs will also have to follow the anti-money laundering and terrorist financing guidelines issued by the Bangladesh Financial Intelligence Unit.

Meanwhile, CSPs which continue to settle financial transactions without sending goods will not be allowed to get the baking services stipulated by Bangladesh Bank, the official added.

# How CEOs steering business thru pandemic

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At the peak of the Covid-19 restrictions, we had only 15 per cent employees working from the office. We developed a rhythm to ensure the productivity of those working from home.

In order to provide uninterrupted services to clients, we maintain a dashboard to monitor the transaction volume and turnaround time. We have formed the covid-19 risk monitoring committee to address any emerging challenges.

I go to the office every day with very few exceptions, not because we lack the capacity to be fully operational while working from home, but I feel comfortable being in the office as between 300 and 1,000 of my colleagues are required to work from the office every day by virtue of their roles. As a leader of the organisation, I feel uncomfortable working from home.

We do bilateral client meetings through digital platforms. We engage with various forums such as the chambers of commerce through virtual platforms.

Additionally, in terms of retail banking, we ensure that the relationship managers contact the priority clients at least once a month primarily to check on their wellbeing and ensure that we can provide them with seamless services to the greatest possible extent without requiring them to visit branches.

It is of monumental significance to keep the morale of the employees high during a crisis such as the one we are facing. We are doing our best to motivate our colleagues. The Colleague Connect initiative has been undertaken to keep regular contact with office-going colleagues and collect their feedback and address any concern they may have.

Along with other members of the country management team, I also visit the branches to let the employees know that we are with them. For employees with deteriorating health, we try to provide them with the necessary support, such as an oxygen concentrator to help with oxygen saturation, where required.

Some of the critical challenges we face due to the pandemic are the depressed business volume and lower demand for credit. Additionally, the regulatory forbearance has delayed the manifestation of the actual asset quality of our clients and

their clients. Hence, enhanced monitoring and recognition of risk through due diligence have been onerous.

We are focusing our time and resources on identifying the needs of our existing clients, soliciting new clients, and introducing new products to keep the revenue momentum. We are continuously investing in automation and digitalisation to improve efficiency. We have also invested in a rich global training platform for our colleagues to prepare them with future skills on myriads of topics.

It is essential to focus on the positives and treat every day as a new beginning. This is an opportunity to strive, think differently, be bold in our stand, and innovate to accelerate the journey towards delivering the organisation's purpose. That is the path to rise above the adversities.

**Ahsan Khan Chowdhury, chairman and CEO of Pran-RFL Group**

If we are not in the field to perform our duty as the leader of the organisation, other employees will not be in the field and will not be motivated. So, we must always have the mentality of being on the frontline.

We have to be in the factory with the workers, in the market with the salespeople, and in the field with the farmers. For this reason, I have extended the office hours for the top officials, including me, so that the staff can look at us, feel encouraged, and their minds are not broken.

I divided my work time into two parts. During the day, I directly supervise the office work, and at night, we search for sick staff or executives due to the virus or any other causes and try to manage ICU beds, if required, or any other help.

I try to maintain a working environment within the company. However, we instructed our employees to strictly follow health rules, including wearing a mask and reducing the number of participants in meetings.

I go and talk to the workers myself and frequently visit factories. I try to let everyone know that I am in the field. Since I am leading a company that deals with workers, salespersons and farmers, I don't want my company to develop a culture of running the business from the bedroom.

Even within the pandemic, Pran-RFL is building several factories, and their work is still going on. Many orders have been

directed to Bangladesh from China, and we are also receiving many orders from the United States. Our garment and bicycle businesses are getting a lot of orders. Food orders are coming from India.

There would be no shortage of orders for those who can survive in the market with courage. Self-sacrifice, hard work, and perseverance can help us during this crisis.

A part of my daily time is spent going to maintain the supply chain because not only in Bangladesh, the supply chain has been terribly disrupted all over the world. The ships are not coming on time, but the port authorities are doing great to keep the trade running. We are trying to use leftover materials to fill the gap, and my advice to my businessmen friends to make the best of the unused material in their factories and storages, so that people get products despite the supply chain hiccups.

Necessity is the mother of innovation. For example, we were facing the problem of carton box shortage. I told my people to bring back the carton box after delivering products to shops. Even we changed our packaging system and started delivering some products in polyphone bags.

As Bangladesh is a difficult country to run a business, we have to prepare ourselves to surmount every obstacle, and that is the spirit of Bengalis.

I think there will be a boom in the business in both local and export markets. If business owners and executives remain unperturbed by the pandemic's profound downturn and go ahead with a dauntless mind, the business and the economy will survive. Otherwise, we all have to run after the government for pecuniary help and stimulus packages.

The Chinese market is growing fast despite all the hurdles. If the Chinese can achieve it, why can't we?

**Tanzima Mostafa, director of Meghna Group of Industries**

Just like everyone else, the pandemic has drastically altered my work style. I have adopted new approaches to getting the business done on a day-to-day basis. I am mostly conducting my meetings over conference calls online.

I am mainly working from home. The respective unit heads of different business verticals have been given the necessary guidance to continue operation, keeping

the safety and wellbeing of the employees a top priority.

I always stay connected with my leadership team over phone calls and conference calls to ensure that our operations continue smoothly. I must also say that the government has been helpful. As a result, we have been able to continue operations during the lockdown and difficult situations.

My office time depends on business necessity. I work from home for a good amount of time. However, many times, I need to go and visit factories. There are other days when I have to present physically at the office.

We have addressed the safety of our colleagues as the topmost priority. We have arranged transportation based on the roster plan to make their commuting safe and easy during this ongoing lockdown. We are making sure that if any colleague is affected by the virus, they have the necessary day-off and all the possible support from the organisation to stay strong and fight it off.

The biggest challenge we face apart from the obvious health risk is keeping a steady supply of materials. There are several variables such as freight, oil price, and transshipment that affect a single shipment. Each factor has been affected and thus acting differently. Decision-making has become more dynamic than ever.

The demand in some of the businesses has plummeted because of the uncertainty in the incomes of consumers, but the cost of doing business has remained the same or gone up in some areas.

There is no single approach to overcoming these challenges. However, we are doing everything that needs to be done to fulfil this responsibility from our end. We are in constant conversations with our stakeholders to understand the market and make informed decisions. We are responding with speed and agility to get the job done.

I have learnt that this is the time to have empathy for each other. Empathy goes a long way in making the world a better place for all of us. Also, business diversification is essential so that you can sustain even in difficult times. New challenges, in return, open up new opportunities. I have seen the emerging possibilities of business and growth from an entirely new point of view.

# BB moves to ensure proper use of funds at MFS accounts

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However, a certain portion of the public funds of the TCSAs can be invested in approved government securities, fixed deposit receipt (FDR) or any other approved instruments with prior approval from the BB.

The instruments should be marked informing that those have been issued against the TCSAs.

In the event of such investment, the principal amount of the investment will always be credited back to the TCSAs upon maturity or sale.

Investment in the FDRs will have to take place in the same bank where the TCSAs are opened.

The MFS providers and PSPs will have to maintain separate operational account linked to the TCSAs for receiving interest.

The TCSAs will have to be used for collecting, disbursing, holding and settling the funds, fee realisation and investing the public money received from customers.

The MFS providers and PSPs will not be allowed to withdraw any cash from the TCSAs.

They will have to share the list of customers, merchants and other participants with the banks where the TCSAs are opened. They will also have to monitor debit and credit entries in the TCSAs carefully and ensure compliance with relevant rules and regulations.

If there are multiple TCSAs, the MFS providers and PSPs can transfer money from one account to another.

Public funds and the outstanding liability of the MFS providers and PSPs to their customers will be presented separately in the audited financial statement of the Trustees (MFS providers and PSPs).

At the end of each day, the MFS providers and PSPs will ensure that the public funds are greater than or equal to the outstanding liability to its customers or participants for issuing e-money. The trustees will have an effective internal audit mechanism to monitor its outstanding liability and the public fund.

The trustees must appoint a chartered accountant firm to conduct an audit on the outstanding liability and corresponding balances at the TCSAs.

The MFS providers and PSPs will have to obtain certification at least once each financial year from chartered accountant firms after conducting audit.

The trustees must submit the certification to the BB within 30 days of completion of the audit.

In addition, they will have to submit their audited annual report, financial statements and other required reports to the central bank.

Total transaction through MFS providers stood at Tk 55,059 crore in February, up 147 per cent from five years ago and 33 per cent year-on-year, data from the central bank showed.

The number of registered accounts in the MFS sector stood at 10.24 crore, an increase of 106 per cent from five years ago and 25 per cent a year earlier.