

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.39%	▲ 1.44%	\$1,834.41	\$67.48	▼ 0.69%	▼ 3.08%	▼ 1.2%	▲ 0.40%	BUY TK 83.95	100.85	117.65	12.83
5,724.36	9,990.28	(per ounce)	(per barrel)	49,161.81	28,608.59	3,144.27	3,427.85	SELL TK 84.95	104.65	121.45	13.49



Star BUSINESS

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Put fight against Covid at the heart of budget: economists



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Rapid coronavirus vaccination, upgrading the creaking health system and expanding social protection should be the focus of the upcoming budget to bring the crisis under control, economists said.

"Vaccination should be the number one priority," said Zahid Hussain, a former lead economist of the World Bank's Dhaka office.

"We have to get rid of the coronavirus at any cost. Otherwise, there will be wave after wave of infections and the entire fiscal year will be spent in managing the crisis," said Ahsan H Mansur, executive director of the Policy Research Institute

of Bangladesh, a think-tank.

The caution from the economists came as Bangladesh is going through the second wave of Covid-19 with rising infections and deaths from the rogue pathogen, which is ravaging India and many other countries.

Finance Minister AHM Mustafa Kamal is set to unveil his third budget on June 3.

"We already see in India how devastating the pandemic could be. There is no alternative for us. We have to put our all focus on addressing the coronavirus," said Mansur, also a former official of the International Monetary Fund.

Zahid Hussain recommended the budget focus on crisis management, prioritising spending on health and targeting fiscal support to distressed families and enterprises.

It also needs to restore the functionality of education and build on the resilience demonstrated by agriculture while keeping an eye on revenues.

"A business-as-usual budget like last year will miss the boat again," Hussain said.

In the current state of the economy, there is hardly any scope to boost revenue collection by raising tax rates. And officials said the government might keep its tax collection target unchanged for the National Board of Revenue in the next fiscal year because of the devastating effect of the coronavirus pandemic on the economy.

Tax revenue mobilisation will depend on rate rationalisation and administrative improvements through digitalisation, said Hussain.

"We need to move towards simpler rate structures in customs, VAT, and corporate tax regimes. Efforts should continue to focus on limiting capital flight, tax avoidance, and tax evasion."

Mansur said the budget had to be prepared in sync with the current situation.

"This means it would not be wise to unveil an ambitious revenue generation target because it will not be attained."

He said the whole population had to be brought under the coronavirus vaccination drive as quickly as possible. For this, there should be a budget allocation.

READ MORE ON B2

Alice Labs raises \$5 lakh as seed fund

STAR BUSINESS DESK

Alice Labs, a startup by Bangladeshi entrepreneurs, has raised \$500,000 as seed fund as it aims to expand its footprint in Southeast Asia, Middle East and North African markets to cater to businesses looking to provide better customer services, said the company yesterday.

Anchorless Bangladesh led the financing round with participation from HOF Capital, said Alice, operator of MyAlice, an artificial intelligence (AI) driven multi-channel customer service platform for e-commerce and online businesses.

This is yet another example of the promises offered by local startups that have been attracting the attention of local and global investors.

Bangladesh currently has more than 1,200 active startups with over 200 new companies being born each year.

And prospective startups brought in more than \$308 million from international venture capital funds in the last decade, according to a study by business consultancy firm LightCastle Partners.

"With this momentum, we believe we can scale our growth across a few key markets through our highly

READ MORE ON B2

Ctg chamber walks the same path as FBCCI

The port city's trade body gets leaders in non-participatory election; Mahbulul elected president for record 5th time

DWAIPAYAN BARUA, Ctg

Mahbulul Alam has been re-elected president of the Chittagong Chamber of Commerce and Industry (CCCI) in an election that saw all director hopefuls emerging victorious without any votes.

Earlier, the leaders of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) were chosen through non-participatory polls in continuation of a recent ominous trend that saw directors being picked through partial election or on the basis of consensus among the potential candidates, often backed by ruling parties.

This may not bode well for the associations and the business community as office bearers elected without the direct votes of the members may fail to shield the interests of trade and commerce. Instead, they may serve the interests of the people who support them, said several businessmen.

Tarafder Md Ruhul Amin, a director of Saif Powertech Ltd, and Syed Mohammad Tanvir, a director of Pacific Jeans, became the senior vice-president and vice-president of the CCCI, respectively, for 2021-2023.

The three were elected unanimously in the first meeting of the newly elected directors at the chamber office at the World Trade Centre yesterday as there were no other contestants, said a press release.

Only 24 candidates had submitted nomination papers against an equal number of posts as of Sunday, the last day for submitting the nomination papers.



Mahbulul Alam

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Stocks hit 3-month high

Fuelled by gambling, experts say

STAR BUSINESS REPORT

Dhaka stocks crossed the 5,700-point mark for the first time in three months yesterday with insurance and banking stocks leading the charge.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), soared by 78 points, or 1.39 per cent, to hit 5,724.36.

Among all listed sectors, insurance and banking rose the highest by 5.21 per cent and 3.09 per cent respectively, according to data of LankaBangla Securities.

"The stock market is shining after a long time because investors are optimistic about its future," said Mostaque Ahmed Sadeque, former president of DSE Brokers' Association. This is because a move by the Investment Corporation of Bangladesh (ICB) to raise funds from abroad to invest in the stock market has had a positive impact on investor confidence.

The stock market stabilisation fund of the Bangladesh Securities and Exchange Commission (BSEC) also positively impacted investor confidence, Sadeque told The Daily Star yesterday.

The BSEC previously approved the draft rules regarding its stock market stabilisation fund worth Tk 21,000 crore. The fund would be used to save ailing stocks.

"Actually, people are preferring to keep funds in the stock market as the banking

interest rate is very low," he said.

"So, if they get some dividends from stocks, its yields are higher than that of bank deposits," Sadeque added.

This year, investors are happy to see a rising trend in the index before Eid-ul-Fitr. The index has been on the rise for the last five consecutive trading days.

Banking stocks rose after many of the lenders declared handsome dividends despite their prices being low, said another stock broker preferring anonymity.

This is because investors suspect the asset quality of banks to be very low.

Insurance stocks have risen for the last few weeks only because of gambling, the broker said, adding that the market regulator should find and punish those who are involved in such activities.

Turnover, another important indicator of the stock market, rose 3.8 per cent to Tk 1,403 crore. At the DSE, 218 stocks advanced, 71 fell and 73 remained unchanged.

Dhaka Insurance topped the gainers' list with 9.92 per cent followed by Metro Spinning, Pioneer Insurance, Sonar Bangla Insurance and Rupali Bank.

Stocks of Beximco were traded the most, worth Tk 120 crore of shares, followed by Brac Bank, National Feed Mills, British American Tobacco, Robi Axiata and Square Pharmaceuticals.

200 RMG factories yet to pay salary, bonus

Union leaders say

REFAYET ULLAH MIRDHA

Some 200 garment factories could not pay workers' salaries and festival bonuses as of yesterday although the Eid-ul-Fitr festival is just knocking at the door, said union leaders.

Many factories are trying to clear the payments on the last working day before Eid, Md Towhidur Rahman, president of Bangladesh Apparel Workers Federation, told The Daily Star over the phone.

However, Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said some 99 per cent of factories have already paid the bonus and 97 per cent paid salaries as of yesterday.

Primarily, some 40 factories were in trouble in making the payments but through intense monitoring and consultation with the banks, the problems were solved, he said.

"Now, three to four small factories are in financial trouble and we are hopeful that the workers of those troubled factories can be paid by tomorrow [Wednesday] as the banks have already assured us," said Hassan.

Some factories, especially the small and sub-contracting factories, are in trouble as their financial strength is not as strong as the bigger ones during this Covid-19 pandemic which jolted the global economy, including the



Workers of Binni Garments blocked off the road in front of the Kamalapur container terminal in the capital for several hours since 9:00am yesterday demanding payment of their wages and festival bonuses.

AMRAN HOSSAIN

garment supply chain, he said.

So banking support this time is very important for paying the workers of those troubled factories. Banks do not show interest in giving loans to

the small factories. Moreover, many faced work order cancellations from international retailers and brands, he said.

READ MORE ON B2



FIROZ AHMED

With long distance transport services suspended, people are opting for rental cars to get to their permanent residences around the country to celebrate Eid-ul-Fitr holidays. The photo was taken near Gabtoli in the capital yesterday.

Car rentals boom amid transport restrictions

MAHMUDUL HASAN and SURANTA HALDER

People's desperation to visit their permanent residences for Eid celebrations brings cheers to vehicle rental services providers amidst the gloom of the pandemic.

This gives them somewhat of an edge over inter-district transport service providers as the government enforced restrictions on the long route transports to curb the spread of the coronavirus.

For the last couple of days, the demand for private cars and minibuses soared 100 per cent with a 50 per cent hike in rent compared to the pre-pandemic Eid seasons.

Amid a second wave of coronavirus infections, public transport services were suspended from April 5.

Although the government revised the decision to resume public transport services within major cities two days later, the long-route transport services were kept suspended.

On May 4, the government decided to extend the ongoing lockdown till

May 16, keeping suspended inter-district buses, launch and train services.

Then, people finally started to move out from the capital to their destinations on foot, goods-carrying trucks, pick-up vans and motorcycles, leaving the low-income people to bear the brunt as they have to pay extra or almost double than the usual for the journeys.

Well-off families are teaming up with others to rent cars or minibuses to go to their homes.

"In the last five days, I made eight trips carrying home-bound people. But in April, the total number of trips was less than 10," Md Shagar, a driver of a privately owned car, told The Daily Star yesterday.

Shagar, who works for a car company paying a remuneration of Tk 600 per trip, said among recent trips, the highest payment from customers was Tk 22,000 for a trip to Cox's Bazar and Tk 12,000 for another to Chattogram.

A trip to Cox's Bazar on a regular day costs Tk 15,000 and Chattogram Tk 8,000. Shagar hoped that if the trend continues, the income of this month would be better than that of recent months, as their income had fallen significantly for the low number of trips made in recent times.

Md Shahed, a resident of Dhaka's Uttara, said the most enjoyable part of his life was to visit his hometown during Eid seasons.

"No restriction could prevent the people from going home during such festivals," he said, adding that he was looking for a car to leave for his hometown in Habiganj.

"However, the fare is very exorbitant as around Tk 2,000 has been demanded by the car owners," he added.

Zakir Hossain, who works for a private company in Dhaka, said it has been over a year since he visited his hometown in Cumilla district as he skipped the trips in the last two Eids for the virus.

READ MORE ON B2

HSBC rolls out digital payments solution for apparel sector

STAR BUSINESS DESK

The Hongkong and Shanghai Banking Corporation has launched a digital payments solution for the apparel sector, which is the key and main currency earner of the country's exports with an around 85 per cent contribution.

The HSBC recently signed an agreement with Babylon Group in an effort to migrate the apparel manufacturer's payments onto the bank's online banking platform.

HSBCnet enables all kinds of local payments such as salaries, wages and vendor payments remotely and without any manual intervention.

The solution eliminates paper-based instructions typically required to process local payments, allowing clients to authorise transactions seamlessly – including via mobile application. It supports clients to achieve faster banking turnaround times, reduced costs and greater transparency across the payments cycle with robust security and audit trail features.

The HSBC has also extended remote

printing facilities to Babylon Group, which will allow printing cheques from several office locations across Dhaka, Savar and Chattogram through a centrally managed Cheque Outsourcing Services.

Babylon Group can issue checks from wherever is most convenient, enabling same-day handover, without unnecessary physical movement and couriers under the solution, which would have otherwise taken up 3 to 4 days. "Our vision is to enable simple, fast and secure payments for our customers through our technology propositions," said Kevin Green, head of wholesale banking at HSBC Bangladesh.

"Digitalisation and the fast adoption of technologies continue to be critical for sectors that are vital, such as garments, the largest sector in Bangladesh," he said.

"HSBC is developing and deploying some of the industry's most advanced and innovative technology to make banking easier and more secure for our customers. We are committed to being a key part of our clients' digital transformation as their chosen transaction banking partner," he added.

Ctg chamber walks the same path as FBCCI

FROM PAGE B1

All of the candidates were backed by ruling Awami League lawmaker MA Latif, also a former president of the CCCI, said the businessmen, on condition of anonymity.

The election was scheduled for June 10. But the polls were not required as the number of candidates was not higher than the posts.

This was the fourth time that no voting was held in the election of the century-old trade body in the port city.

The last participatory election took place in 2013 when Mahbul Alam-Nurun Newaj Parishad, backed by Latif, bagged 20 posts. Alam, chairman of M Alam Group, became president for the first time.

Rules were changed in 2017 to allow a person to contest in the election for more than three consecutive periods. The amendment paved the way for Alam to become the president for the record time.

Contacted, Latif said there was no need for another panel in the election since the previous rivalry among the businesspeople did not exist, and they all wanted to work together. "The members unanimously decided to pick this single panel as the current panel represents the businessmen from various groups," the lawmaker said.

Alam said the Chattogram chamber has set up a "centre of excellence" to develop skilled workforce.

"This will help us create skilled workforce and meet the requirement for such workers at Mirsarai Economic Zone. Then, we will not need to depend on foreign workers," he said in his reaction after the election.

Alice Labs raises \$5 lakh as seed fund

FROM PAGE B1

"Hopefully all the payments would be made by tomorrow (Wednesday) as we are also working with the banks to convince them into giving loans to small factories," Hassan added.

Incorporated in Singapore in 2018, Alice Labs currently operates in South Asia and Southeast Asia including Bangladesh, Myanmar, Singapore and Nepal serving over 50 e-commerce stores and enterprises, including major brands and retailers like Unilever, Coca-Cola, Giordano, and Maybelline, among others, said Alice Labs.

In Bangladesh, it also serves four local private banks to help them manage and provide automated customer services.

The company said its MyAlice enables businesses to streamline customer service, making it more efficient and customer-friendly. Businesses can connect all of their customer-facing channels, such as website chat and social media messaging platforms, to MyAlice to automate conversations for both sales and service through natural language processing (NLP) and machine learning (ML) with the ability to smoothly transition to a live operator when required, said the company.

Clients are able to automate over 70 per cent of conversations, reduce service costs

by more than 30 per cent and increase sales significantly -- all the while improving customer satisfaction and retention, it added. Rahman said human interference is usually not required in addressing customer's problems.

Alice Labs said through machine learning, MyAlice strives to decode the complex behaviour of shoppers across different regions and help businesses better communicate with them in their native languages, allowing clients to offer highly targeted localised support and better cater to diverse consumer habits. Use of MyAlice can enable clients to reduce customer service-related costs by up to 50 per cent, said Rahman.

"Alice Labs has an edge in being able to service markets that are often overlooked by larger global players," said Rahat Ahmed, founding partner and CEO at Anchorless Bangladesh, a venture capital fund.

Tala Al Jabri, partner at technology-focused venture capital firm HOF Capital, said Alice Labs has managed to produce considerable traction with leading enterprises on a global scale already, and this capital infusion will only further augment Alice's reach.

Put fight against Covid at the heart of budget: economists

FROM PAGE B1

"Vaccinating three lakh people a day will not work. We have to increase it by 10 times. If we can do that, we will be able to bring the situation under control."

"This is worth spending because it would take the virus out of the country. The return may be as high as 100 times if we compare the price of a dose of a vaccine with the output loss the country has been witnessing."

Bangladesh's healthcare system has always been weak, and the coronavirus has shown that again.

"We have not been able to use the last year in rebuilding the health system. But we can't afford to waste another year," the PRI executive director said.

"If the government upgrades the hospital system on an urgent basis, it will be a permanent improvement and serve the nation in the years to come. This investment will not go waste."

Economists emphasised expanding the government's social safety net programmes to cover both the old poor and the new poor during the pandemic.

The social protection programmes do not cover the new poor and those who have lost their jobs.

"If we spend to protect the poor and vaccinate the people, it will shield them from the pandemic and redirect the economy to a higher growth trajectory."

More should be done for the small and medium enterprises in terms of monetary policy and fiscal measures, said Mansur, also the chairman of Brac Bank, a lender focused on SMEs.

There are hundreds of thousands of SMEs that have received nothing from the government's stimulus package. There has to be a major loan protection scheme for financial institutions so that they can lend without any reluctance, he said.

Bangladesh faces daunting challenges in creating jobs. And Mansur said the challenge could not be overcome by creating jobs in the public sector.

"The solution lies with the private sector. The government has to create an investment-friendly climate."

There should be more focus on social protection and employment rather than economic growth, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

The health sector should be given priority. "The allocation did not go up as expected in the 2020-21 budget. The expenditure has also been much too low."

Cash transfers have proven to be effective in boosting aggregate demand and multiplier positive effects on the economy, leading Rahman to call on the

government to expand social safety net coverage to support the old and new poor.

There should be a change in the duty structure to support the SMEs and domestic market-oriented industries, he said. He requested the government to use more aid money in financing the budget deficit.

"This will help the country as the sales of high-cost national savings certificates have gone up. The higher sales of savings instruments may create debt distress."

He asked the government to set aside funds to boost food stocks, which are on the decline from a comfortable level.

The price of rice has gone up by 20 per cent, hitting the low-income people. Rice accounts for 30 to 35 per cent of the consumption basket of this group of people.

"The stability of rice price is highly important," Rahman said, calling for the continuation of incentives for the export and remittance sectors.

Rahman and his think-tank CPD have always opposed the black money whitening facility.

"The government might say that it has collected a lot of money because of the facility. But, the point is there are no statistics on the number of honest taxpayers who become disincentivised because of it."

"The scope is sending a wrong signal from a governance perspective. So, the scope should be discontinued."

Monzur Hossain, research director of the Bangladesh Institute of Development Studies, said the government might need to unveil an ambitious budget to support the people and the economy. But it may push up the budget deficit to as high as 10 per cent of the gross domestic product.

"But the government should not be concerned about the higher deficit as there is idle money in the banking system."

Bangladesh has been receiving a record amount in budget support from multilateral partners since the pandemic struck the country. Funding for the vaccination drive has also poured in.

Hossain called on the government to raise the number of cash support beneficiaries to at least 50 lakh and support them at least four times a year until the impact of the coronavirus peters out.

The government should use microfinance institutions to channel the stimulus packages to small businesses as they do not have access to banks, he said.

An increase in the allocation for the infrastructure sector will accelerate economic development and create temporary jobs, Hossain added.

Car rentals boom amid transport restrictions

FROM PAGE B1

"So this time I am going home to celebrate Eid with my family. The situation of the pandemic is bad but my parents are adamant to see me," he said.

"We rented a Hiace-branded microbus for the members of the family with Tk 9,000, up from Tk 4,000-5000 in pre-pandemic times," he said.

Sheba.xyz, a startup that provides various services through its online app and site, connected hundreds of rent-a-car companies with their platform.

Ilmul Haque Sajib, co-founder of the company, said since inter-district bus services had been suspended, the demand for trips with rental cars has also increased from the beginning of this month ahead of Eid.

"Those who can afford it are renting a car and going home to the village with the family. Since the beginning of this month, the demand for Noah, Hiace and other private cars has been increasing," he added.

Around 50 trips have been made every day using Sheba's platform in the last few days, which is twofold that before Eid when the situation was normal.

"Usually, the fare increases by 10-15 per cent centring Eid. However, in the current situation, the rent has increased by another 20 per cent over that," said Sajib.

Abdul Alek, owner of the Central Business Center & Rent A-Car, said the demand for trips before Eid this year was four to five times higher than any other year.

"I have a total of 14 cars but I can't meet the current increasing demand and had to turn down many customers," he said. A driver of a private car claimed that they had to pay bribes to some police personnel at some check posts as such transport services outside Dhaka are now restricted due to the lockdown. This is also a reason for the increase in rent.

Mir Istiar Hossain, owner of the Mir Rent-a-Car on Green Road of the capital, said requests started flooding in from the beginning of this month.

"Especially, the big minibuses are all booked, not a single one is available till Eid."

"Usually, we would make 20 trips every day in the 10 days before Eid," Hossain said. Now the situation is that there is a demand for 100 cars every day. It used to cost Tk 6,000 to go from Dhaka to Sirajganj. Now it has increased to over Tk 12,000.

Khulna, Barishal traders pleased by customer turnout

FROM PAGE B4

Saidur Rahman Shahin, owner of M Ali Cloth Store, said no new designs for dresses or other clothing were brought in this season. Instead, they continue to offload previous stocks through online sales.

In the past, Tk 10 to 12 lakh of apparel products were sold daily during the seven-day lead up to Eid. Now though, the number has come down to just Tk 7 to 8 lakh.

"We don't expect more sales this time around and we're happy just to pay our staff," Shahin added.

A seller of Topten, a popular clothing brand, said that sales are going well even though no one is buying expensive clothes at the moment.

Saidur Rahman Rintu, president of the Barishal Chamber of Commerce and Industry, said sales were a bit lower this year as long-distance and inter-district transport is closed.

To resolve the issue, he demanded the immediate reopening of such transport facilities.

He went on to say that a considerable number of people in Barishal division have been unable to conduct their Eid shopping due to financial constraints amid the ongoing Covid-19 pandemic.

Payments industry must continue evolving and innovating

FROM PAGE B4

It can help companies reform and adopt relevant go-to-market strategies by delivering necessary insights.

By creating a unique digital identity for every customer, companies can easily provide a more engaging and personal experience and improve security efficiency.

Innovation and value propositions must align with the new normal of seamless and frictionless digital commerce. As the consumer experience becomes a major competitive differentiator, the payments industry must keep evolving to cater to changing preferences and expectations without compromising safety and security.

We have seen digital payments in e-commerce double in Bangladesh from 15 per cent before the pandemic to 35 per cent now. There has been a surge in merchant categories like grocery, electronics, drugs and pharmacies, wallet loading, hotels and food delivery.

Now, it is time to allow a 5 per cent incentive by the government for digital modes of payments – 3 per cent to users and 2 per cent to the merchants for accepting digital payments. We recommend that this incentive is allowed for the next three years starting from the upcoming budget.

Debit cards should be allowed for contactless payments to ensure more frictionless payments. Credit card acquisition should be simplified, and traveller's quota should be increased to \$25,000 per year.

These efforts will help the people of Bangladesh embrace the new normal and provide an impetus to the nation's goals for financial inclusion and fulfil the 'Digital Bangladesh' vision.

The author is country manager of Mastercard Bangladesh.

Japanese investors sanguine about business potential in Bangladesh

FROM PAGE B4

DS: Why are Japanese companies interested in investing in Bangladesh? What are the barriers that Bangladesh need to remove to attract more Japanese investment?

Naoki: Bangladesh exhibits tremendous development potential due to its advantageous geographical location in Asia, linking India and the Asean. The Japanese companies will look at the advantages of Bangladesh, such as labour cost, skills availability, logistics, infrastructure, and benefits of EPZs and special economic zones.

Undoubtedly, Japanese investors have high hopes for the business potential in Bangladesh, in readymade garment, power and energy sectors, and other sectors such as ICT, light engineering, pharmaceutical, and agro-based industry.

DS: How do you look at the Japanese Special Economic Zone in Bangladesh?

Naoki: The development of the Japanese Economic Zone in Araihaazar also makes Bangladesh a more attractive destination for Japanese investment. To that end, direct and indirect incentives are required, including corporate tax incentives.

Also crucial is coordinated improvement in investment climate among relevant

ministries and authorities. Then, I believe the Araihaazar Economic Zone will become the No.1 investment destination among many other economic zones in Asia.

Bangladesh has the advantage of attracting Japanese companies as they intend to diversify their production bases. Besides, the Beza Japan office is eager to assist Japanese companies in enhancing the bilateral business relationship.

The Bangladesh Economic Zones Authority (Beza) and Japanese trading giant Sumitomo Corporation have jointly established a new special purpose company (SPC) to run the economic zone. The Jica has provided 21.1 billion Japanese yen for the SEZ in 2015 and 2019 through a yen loan.

The SPC will commence its own development work and sales activity from the end of 2021 and start its operation before the end of 2022. Once the whole development project is complete, the economic zone will accommodate dozens to 100 companies.

Araihaazar will soon become a game-changer to accelerate FDI to Bangladesh, particularly Japanese direct investment. This zone by itself will be a \$1 billion investment project.

200 RMG factories yet to pay salary, bonus

FROM PAGE B1

"Hopefully all the payments would be made by tomorrow (Wednesday) as we are also working with the banks to convince them into giving loans to small factories," Hassan added.

Regarding the holidays, he said the factory owners have been allowing extended holidays to the workers in consultation with them. The government has also agreed on extended holidays but on condition it is in consultation between workers and factory management.


Nazma Akter, president of the Sammilito Garment Stramik Federation, a workers' platform, also said more than 90 per cent of factories have paid the salary and bonus to the workers so far.

"We have been receiving phone calls and complaints from workers of different factories that they were yet to be paid," Akter told The Daily Star.

The workers have been working amid the risk of contracting Covid-19 and during the month of fasting. So they need to be paid properly and timely, Akter said.


Many workers have been suffering on the way to their village homes because of a lack of public transports on the roads and highways, she said. Akter demanded justice, condemning police firing rubber bullets on workers of Ha-Meem Group on May 10.

Md Nasir Uddin, inspector general of the Department of Inspection for Factories and Establishments, could not be reached by phone for comment.



বরিশাল সিটি কর্পোরেশন

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দরপত্র বিজ্ঞপ্তি

স্মারক নং-বিসিসি/হিডি/৩২৭/২১ তারিখঃ ০৯/০৫/২০২১খ্রিঃ

১। মন্ত্রণালয়/বিভাগ	ঃ স্থানীয় সরকার, পল্লী উন্নয়ন ও সমবায় মন্ত্রণালয়।
২। সংস্থার নাম	ঃ বরিশাল সিটি কর্পোরেশন, বরিশাল।
৩। দরপত্র আস্থানকারী	ঃ নির্বাহী প্রকৌশলী, বরিশাল সিটি কর্পোরেশন, বরিশাল।
৪। সংগ্রহ পদ্ধতি	ঃ উন্মুক্ত দরপত্র পদ্ধতি (ওটিএম)।
৫। তহবিল ও খাত	ঃ বরিশাল সিটি কর্পোরেশনের রাজস্ব ও বার্ষিক উন্নয়ন সহায়তা তহবিল (খোক বরাদ্দ)।
৬। দরপত্র আস্থান নং ও তারিখ	ঃ বিসিসি/হিডি/৩২৭/২১ তারিখঃ ০৯/০৫/২০২১খ্রিঃ।
৭। দরপত্র যোগ্যতা	ঃ পাবলিক প্রকিউরমেন্ট আইন ২০০৬ ও তদধীন প্রণীত বিধিমালা ২০০৮ অনুসারে সংশ্লিষ্ট কাজের জন্য প্রণীত দলিলের বর্ণনা ও শর্তাঙ্কসমূহ, মালামাল সরবরাহের ক্ষেত্রে প্রকৃত সরবরাহকারী।
৮। দরপত্র তফসিল প্রদানের স্থান	ঃ বরিশাল সিটি কর্পোরেশন, নির্বাহী প্রকৌশলী-এলজিইডি, বরিশাল এবং বিভাগীয় কমিশনার, বরিশাল এর দপ্তর।
৯। দরপত্র প্রকাশের তারিখ	ঃ ১০/০৫/২০২১খ্রিঃ।
১০। দরপত্র বিক্রয় আরম্ভের তারিখ ও সময়	ঃ ১১/০৫/২০২১খ্রিঃ (অফিস চলাকালীন সময়ে)।
১১। দরপত্র দাখিলের স্থান	ঃ নির্বাহী প্রকৌশলী, বরিশাল সিটি কর্পোরেশন, বরিশাল।
১২। দরপত্র খোলার স্থান	ঃ নির্বাহী প্রকৌশলী, বরিশাল সিটি কর্পোরেশন, বরিশাল।
১৩। দরপত্র ক্রয়ের শেষ তারিখ ও সময়	ঃ তারিখঃ ০৬/০৬/২০২১খ্রিঃ সময়ঃ অফিস চলাকালীন সময়ে।
১৪। দরপত্র দাখিলের শেষ তারিখ ও সময়	ঃ তারিখঃ ০৭/০৬/২০২১খ্রিঃ সময়ঃ ২.০০টা।
১৫। দরপত্র খোলার তারিখ ও সময়	ঃ তারিখঃ ০৭/০৬/২০২১খ্রিঃ সময়ঃ ৩.০০টা।
১৬। কাজের সংক্ষিপ্ত বিবরণ	ঃ

ক্রমিক নং	কাজের নাম	দরপত্রের তফসিলের মূল্য (টাকা)	দরপত্র নিরাপত্তা জামানত (টাকা)	কার্য সমাপ্তির সময়সীমা (দিন)
০১।	২৬নং ওয়ার্ডস্থ কালিজিরা বাজার থেকে সোনা মিয়র পুল পর্যন্ত হরিনাফুলিয়া প্রধান সড়ক মেসামত কাজ। চেইনেজ-০.০০মিঃ থেকে ০১৩৩.০০মিঃ	৪,০০০/-	৬,৭০,০০০/-	১৮০ দিন
০২।	২৬নং ওয়ার্ডস্থ কালিজিরা বাজার থেকে সোনা মিয়র পুল পর্যন্ত হরিনাফুলিয়া প্রধান সড়ক মেসামত কাজ। চেইনেজ-১০৩৩.০০মিঃ থেকে ৩৯৮৯.০০মিঃ	৪,০০০/-	৬,৫১,০০০/-	১৮০ দিন
০৩।	২৬নং ওয়ার্ডস্থ কালিজিরা বাজার থেকে সোনা মিয়র পুল পর্যন্ত হরিনাফুলিয়া প্রধান সড়ক মেসামত কাজ। চেইনেজ-৩৯৮৯.০০মিঃ থেকে ৫৪৮০.০০মিঃ	৪,০০০/-	৬,৩০,০০০/-	১৮০ দিন

১৭। **শর্তাবলীঃ**

ক) পাবলিক প্রকিউরমেন্ট আইন ২০০৬ ও তদধীন প্রণীত বিধিমালা ২০০৮ অনুসরণ করা হবে। উল্লেখ্য, স্থানীয় সরকার বিভাগের ১৬/০৮/২০১৬খ্রিঃ তারিখের ৪৬,০৩৯.০১৮.০০.০০.০১৫.২০১৫-১৪০৩নং স্মারকের পত্রের নির্দেশনা মোতাবেক পাবলিক প্রকিউরমেন্ট আইন, ২০০৬ সনের ২৪নং আইনের ধারা ৩১ এর সংশোধিত/সংশোধিত উপ-ধারা (৩) ও (৪) অনুসরণে “(৩) উন্মুক্ত দরপত্র পদ্ধতির অধীন অভ্যন্তরীণ কার্য ক্রয়ের ক্ষেত্রে কোন দরদাতা কর্তৃক দরপত্রে দাপ্তরিক প্রাক্কলিত ব্যয় ১০% (শতকরা দশভাগ) এর অধিক কম বা অধিক বেশি দর উদ্ধৃত করা হলে উক্ত দরপত্র বাতিল বলিয়া গণ্য হইবে, (৪) উপধারা (৩) এ উল্লেখিত দরপত্র মূল্য সমতার ক্ষেত্রে বিধি দ্বারা নির্ধারিত পদ্ধতিতে মূল্যায়ন ও কৃতকার্য দরদাতা নির্বাচিত করিতে হইবে কিন্তু লটারির মাধ্যমে কৃতকার্য দরদাতা নির্বাচন করা যাবে না।”

খ) দরপত্রের তফসিলের নির্ধারিত মূল্য সিডি/বিডি/পিও মেয়র, বরিশাল সিটি কর্পোরেশনের অনুকূলে জমা দিয়ে নির্ধারিত অফিস থেকে ক্রয় করতে হবে।

গ) টেন্ডার সংক্রান্ত যাবতীয় তথ্য অফিস চলাকালীন সময়ে নিম্নস্বাক্ষরকারীর দপ্তর থেকে সংগ্রহ করা যাবে।

ঘ) দরপত্রের সহিত সংযুক্ত অতিরিক্ত শর্তাবলী যথাযথভাবে অনুসরণ করতে হবে।

ঙ) দরপত্র খোলার সময় দরদাতা/প্রতিনিধিগণ উপস্থিত থাকতে পারবেন।

চ) নির্বাচিত প্রতিনিধিকে চুক্তিবদ্ধ হওয়ার পূর্বেই যে কোন তফসিলী ব্যাংক থেকে উদ্ধৃত দরের শতকরা ৫ (পাঁচ) ভাগ হারে পে-অর্ডার/ব্যাংক গ্যারান্টি কার্যসম্পাদন জামানত (Performance Guarantee) হিসেবে (চুক্তিবদ্ধ কাজ সমাপ্ত না হওয়া পর্যন্ত অপ্রত্যাহারযোগ্য) নিম্নস্বাক্ষরকারীর দপ্তরে জমা দিতে হবে।

ছ) কর্তৃপক্ষ যে কোন দরপত্র গ্রহণ বা সকল দরপত্র বাতিল করার ক্ষমতা সংরক্ষণ করেন।

জ) তহবিল প্রাপ্তি সাপেক্ষে বিল পরিশোধ করা হবে।

নির্বাহী প্রকৌশলী
বরিশাল সিটি কর্পোরেশন
বরিশাল

জিডি-৯৫২



LANKAN ALLIANCE FINANCE LIMITED

Audited Financial Statements As at and for the year ended 31 December 2020

Lankan Alliance Finance Limited
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Independent Auditor's Report to the Shareholders of Lankan Alliance Finance Limited Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Lankan Alliance Finance Limited (the "Company"), which comprise balance sheet as at 31 December 2020, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The financial statements of the Company for the year ended 31 December 2019, were audited by another auditor who expressed an unmodified opinion on those statements on 30 March 2020.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- the expenditures incurred were for the purpose of the Company's business for the year;
- the financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- adequate provisions have been made for loans, advances, leases, investment and other assets which, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- taxes and other duties were collected to be and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1,000 person hours for the audit of the books and accounts of the Company;
- the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- the Company has complied with the 'First Schedule' of the Financial Institutions Act, 1993 in preparing these financial statements; and
- all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Hoda Van Der
Shaikh Hasibur Rahman, FCA
Enrollment no 1512
Hoda Vast Chowdhury & Co
Chartered Accountants

Dhaka, 31 March 2021
DVC: 2104011512AS848390

Lankan Alliance Finance Limited Balance Sheet As at 31 December 2020

	Note	Amounts in BDT	
		31 Dec 2020	31 Dec 2019
PROPERTY AND ASSETS			
Cash	3		
In hand (including foreign currencies)	3.01	35,465	6,048
Balance with Bangladesh Bank and its agent (including foreign currencies)	3.02	16,817,945	20,918,784
		16,853,410	20,924,832
Balance with other banks and financial institutions	4		
Inside Bangladesh	4.01	293,347,974	322,544,671
Outside Bangladesh	4.02	-	-
		293,347,974	322,544,671
Money at call and short notice	5	100,000,000	200,000,000
Investments	6		
Government	6.01	295,000,000	300,653,634
Others	6.02	295,000,000	300,653,634
		295,000,000	300,653,634
Loans and advances	7		
Loans, cash credit, overdraft etc.		1,675,422,612	1,269,616,671
Bills purchased and discounted		-	-
		1,675,422,612	1,269,616,671
Fixed assets including land, building, furniture and fixtures	8	62,591,721	83,661,295
Other assets	9	62,729,291	47,045,107
Non-banking assets			
Total Assets		2,505,945,008	2,244,446,210
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	4,750,000	140,000,000
Deposits and other accounts	11		
Current accounts and other accounts etc.		-	-
Bills payable		-	-
Savings bank deposits		-	-
Term deposits		1,121,523,192	769,750,713
Bearer certificate of deposits		-	-
Other deposits		2,316,440	32,241
		1,123,839,632	769,782,954
Other liabilities	12	156,500,645	169,253,917
		1,285,090,277	1,079,036,871
Capital/Shareholders' equity			
Paid-up capital	13	1,000,000,000	1,000,000,000
Share premium		172,200,000	172,200,000
Statutory reserves	14	24,732,433	13,376,020
Retained earnings	15	23,922,298	(20,166,681)
		1,220,854,731	1,165,409,339
Total Equity		2,505,945,008	2,244,446,210
Net asset value per share (NAV)		12.21	11.65
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Indemnity bond		-	-
Corporate guarantee		-	-
Other commitments			
Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines		-	-
Undisbursed contracted loans and leases		-	-
Total Off-Balance Sheet Items including contingent liabilities		-	-

The annexed notes form an integral part of these financial statements.

Hoda Van Der Director
Shaikh Hasibur Rahman Director
Shaikh Hasibur Rahman Chief Executive Officer
Ah. Ashraf Head of Accounts

Dhaka, March 2021
DVC: 2104011512AS848390

Lankan Alliance Finance Limited Statement of Changes in Equity For the year ended 31 December 2020

Particulars	Amounts in BDT			
	Paid-up capital	Share premium	Statutory reserves	Retained earnings
Balance at 01 January 2020	1,000,000,000	172,200,000	13,376,020	(20,166,681)
Net profit for the year 2020	-	-	56,782,065	56,782,065
Appropriation to reserve	-	-	11,356,413	(11,356,413)
Prior year adjustment	-	-	(1,336,673)	(1,336,673)
Balance as at 31 December 2020	1,000,000,000	172,200,000	24,732,433	23,922,298

Lankan Alliance Finance Limited Statement of Changes in Equity For the year ended 31 December 2019

Particulars	Amounts in BDT			
	Paid-up capital	Share premium	Statutory reserves	Retained earnings
Balance at 01 January 2019	1,000,000,000	172,200,000	5,941,025	(49,906,662)
Net profit for the year 2019	-	-	37,174,976	37,174,976
Appropriation to reserve	-	-	7,434,995	(7,434,995)
Balance as at 31 December 2019	1,000,000,000	172,200,000	13,376,020	(20,166,681)

Lankan Alliance Finance Limited Profit and Loss Account For the year ended 31 December 2020

	Note	Amounts in BDT	
		31 Dec 2020	31 Dec 2019
Interest income	16	204,945,091	215,395,289
Less: Interest on deposits and borrowings etc.	17	78,052,933	78,706,218
Net interest income		126,892,158	136,689,071
Investment income	18	34,365,808	11,298,487
Commission, exchange and brokerage		-	-
Other operating income	19	6,641,747	3,792,725
Total operating income		167,899,713	151,780,283
Salaries, allowances and benefits	20	39,647,565	38,666,017
Rent, taxes, insurance, electricity etc.		4,188,846	2,204,928
Legal & Professional fees		1,344,095	420,400
Postage, stamp, telecommunication etc.		420,391	669,306
Stationery, printing, advertisements etc.		1,155,200	2,524,076
CEO's salary and benefits	21	9,299,262	16,246,383
Directors' fees	22	248,000	248,000
Auditors' fees		437,288	437,288
Charges on loan losses		-	-
Depreciation and repair of Company's assets		13,721,821	14,654,427
Other administration and maintenance	23	4,634,257	6,885,258
Total operating expenses		75,296,724	82,956,103
Profit before provisions		92,602,989	68,824,180
Provision for loans and investments			
General provision		3,730,524	980,734
Specific provision		-	-
Provision for diminution in value of investments		-	-
Other provision		-	-
Total provision		3,730,524	980,734
Total profit before taxation		88,872,464	67,843,446
Provision for taxation			
Current tax expense		35,108,559	33,128,477
Deferred tax expenses/(income)		(2,038,163)	(2,460,027)
Net profit after taxation		56,782,065	37,174,976
Appropriations to:			
Statutory reserves		11,356,413	7,434,995
General reserves		-	-
Dividend etc.		-	-
		11,356,413	7,434,995
Retained surplus		45,425,652	29,739,981
Earnings per share	24	0.57	0.37

The annexed notes form an integral part of these financial statements.

Hoda Van Der Director
Shaikh Hasibur Rahman Director
Shaikh Hasibur Rahman Chief Executive Officer
Ah. Ashraf Head of Accounts

Dhaka, March 2021
DVC: 2104011512AS848390

Shaikh Hasibur Rahman, FCA
Enrollment no 1512
Hoda Vast Chowdhury & Co
Chartered Accountants

Lankan Alliance Finance Limited Cash Flow Statement For the period ended 31 December 2020

	Amount in BDT	
	31 Dec 2020	31 Dec 2019
A) Cash flows from operating activities		
Interest received	188,392,783	212,483,866
Interest paid	(61,021,052)	(32,241,198)
Dividend received	34,483,633	10,837
Fees and commission received	-	-
Paid to employees and suppliers	(65,337,531)	(84,729,934)
Payment of income tax	(47,390,494)	(3,730,555)
Received from other operating activities	7,698,937	2,665,535
Cash generated from operating activities before changes in operating assets and liabilities	56,896,276	94,433,562
Increase/(decrease) in operating assets and liabilities		
Loans & Advances	(404,617,634)	(182,189,484)
sale of shares	630,090	839,835
Investment in Shares	(5,653,634)	(300,146,861)
Term and other deposits	354,056,677	412,272,214
	(55,584,502)	(68,524,294)
Net cash flows from/(used in) operating activities	1,311,773	25,911,266
B) Cash flows from investing activities		
Purchase of fixed assets	670,108	(896,981)
Net cash used in investing activities	670,108	(896,981)
C) Cash flows from financing activities		
Drawdown of term loans	(135,250,000)	40,000,000
Net cash flow from financing activities	(135,250,000)	40,000,000
D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)	(133,268,119)	65,014,285
E) Effects of exchange rate changes on cash and cash equivalents		
F) Cash and cash equivalents at beginning of the year	543,469,503	478,455,218
G) Cash and cash equivalents at end of the year (D+E+F)	410,201,384	543,469,503
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	35,465	6,048
Balance with Bangladesh Bank and its agent bank(s)	16,817,945	20,918,784
Balance with other banks and financial institutions	293,347,974	322,544,671
Money at call and short notice	100,000,000	200,000,000
	410,201,384	543,469,503

The annexed notes form an integral part of these financial statements.

Hoda Van Der Director
Shaikh Hasibur Rahman Director
Shaikh Hasibur Rahman Chief Executive Officer
Ah. Ashraf Head of Accounts

EVENTS & ACTIVITIES



3rd Anniversary of Lankan Alliance Finance Limited



LAFL awards ERA Infotech advanced financial software development contract



Lankan Alliance Finance partners with UDDIPAN for SME Financing



LAFL partners with Padakhep Manabik Unnayan Kendra for SME Financing



LAFL and CASHe Alliance Limited have signed a MOU for App based Nano Loan



LAFL celebrated International Women's Day with its female staff



Japanese investors sanguine about business potential in Bangladesh

ITO Naoki, Japanese ambassador to Bangladesh, says in an interview

REFAYET ULLAH MIRDHA

The relationship between Japan and Bangladesh is a trusted and time-tested one. Bangladesh became Japan's biggest recipient of official development assistance in 2020. Since the Covid-19 pandemic started more than a year ago, there has been a lot of talks and anticipation about Japanese businesses moving base to Bangladesh. In a series of high-profile interviews, The Daily Star tries to understand the increasing interest of Japanese investors in Bangladesh, its growth prospects, barriers to growth, ground realities, and how to attract more Japanese investment. As part of the series, today, we are running the interview of ITO Naoki, Japanese ambassador to Bangladesh.

DS: What lessons can Bangladesh learn from Japan's growth trajectory?

Naoki: Bangladesh at present and Japan in 1971 share almost the same level of GDP per capita (About \$2,000). Japan achieved rapid economic growth after the Second World War, particularly in the 1960s and the 1970s. That was based on the improvement of infrastructures, namely, highway and railway networks, airports, and coastal industrial zones, and industrialisation policy focusing on prime sectors, including automobile, steel, electronics, textile, and SMEs.

Bangladesh has been implementing several mega infrastructure projects to accelerate the growth, targeting to graduate from the grouping of the least developed countries (LDC) by 2026 and realise an advanced economy by 2041.

In addition to industrialisation and infrastructure development, Japan focused on human resources development, education, health, and SMEs. I am pleased to note that Bangladesh is now putting its priority on these areas.

DS: As we celebrate the 50th anniversary of Bangladesh, how significant has the contribution of Japanese companies been in the country's journey towards a developing nation? How do you assess Japan's role in

developing our economy?

Naoki: Since the independence, Bangladesh has become the largest recipient of Japan's official development assistance (ODA). The construction of the Kanchpur, Meghna, and Gumti second bridges and the existing bridges rehabilitation project are excellent examples of the Japanese ODA. Those bridges have significantly reduced the travel time between Dhaka and Chattogram.

Japanese companies transferred their know-how and skills to the Bangladeshi engineers and workers for future maintenance work and infrastructure construction by themselves.

As a potential hub of the regional economy, Matarbari Port would connect South Asia and South-East Asia. In other words, it could re-shape Bangladesh as a trading nation deeply incorporated in the inter-regional and global value chains.

In parallel to the support for building infrastructures, the investment from the Japanese private sector has also played a significant role. As of September 2020, cumulative direct investment from Japan reached \$390.18 million.

Furthermore, as of April 2021, some 321 companies are operating in Bangladesh. The number quadrupled from 83 in 2010. The amount of investment in FY2019-20, even under the Covid-19 pandemic, was \$60 million, about three times higher than in FY2009-2010, when it was \$22 million.

Currently, Mitsubishi Motors Corporation is exploring the possibility of making a new



ITO Naoki

investment to establish a completely knocked down (CKD) assembly plant for National Brand Cars. This project would be immensely impactful for Bangladesh's industrialisation and the diversification of its economy through technology transfer and the creation of significant employment opportunities.

DS: What are some of the main achievements of the bilateral value-chain of Japan and Bangladesh? What is the bilateral trade scenario? What steps should be taken to strengthen trade relations?

Naoki: Japan is the largest export market for Bangladesh in Asia. Over the last 10 years, the export figures have doubled and reached \$1.2 billion. The main export items are textile, ready-

made garments, and leather products. I expect these sectors will continue to secure a significant position, and the key is to establish the brand image by increasing productivity and assuring better quality. I firmly believe that is possible.

Pharmaceuticals, agricultural and fishery products, and the food industry have high potential. Your marvellous mangoes are yet to enter the Japanese market. Once exported, Bangladesh's mangoes and lychees will undoubtedly be popular among our consumers.

I reiterate the importance of concrete and early solutions to tax, customs, and foreign exchange (remittance) issues, which have already been raised by Japanese companies operating in Bangladesh. The existing companies will play a critical role in enhancing foreign direct investment, and those steps are necessary to make Bangladesh an attractive destination for future investment. Bangladesh needs to reduce cost and bring ease of doing business.

Following a series of dialogues with the Bangladesh government, areas such as parent companies' loans for working capital, royalty remittance, container round-use for companies at

the export processing zones (EPZs), and registration fee of two-wheelers have made considerable advance.

Nevertheless, several remaining business risk factors impede newcomers into a market, such as delay of letters of credit payment, tight regulation on telegraphic transfer for import transaction, cash incentive for RMG exports, and difficulties in customs clearance.

Let me emphasise that a business environment needs to improve from the eyes of existing companies, and to attract further investment to Bangladesh, we must find solutions to their challenges.

I also would like to look at our economic partnership from a different angle. When Bangladesh graduates from LDC status by 2026, it needs to keep or even further expedite the flow of trade in goods and services with other countries. I believe it is vital for Bangladesh to proactively conduct studies and then advance negotiations on bilateral free trade agreements (FTAs) with countries, including Japan.

DS: Japan's contributions have been fundamental in various areas of infrastructure development. What are the other sectors where Japan has made notable contributions?

Naoki: In the Japanese FY2020, the government of Japan provided 373.2 billion Japanese yen (\$3.423 billion) to Bangladesh as project loans and financial assistance for Covid-19 countermeasures. This amount means that Bangladesh has become the largest recipient, overtaking India, on a single Japanese fiscal year basis for the first time in the history of the yen loan.

The government of Japan and the Japan International Cooperation Agency (Jica) have contributed to the development of Bangladesh through loans, grant aid, and dispatch of the Japan Overseas Cooperation Volunteers (JOCV) in various fields, including education, health, water/sanitation, and agriculture.

In the past, support in the agricultural sector included the establishment of agricultural research

institutes and universities. Notable examples are the establishment of the Citrus and Vegetable Seed Research Centre under Bangladesh Agricultural Research Institute in the late 1970s and the Institute of Postgraduate Studies in Agriculture, which became the first graduate school of agriculture in Bangladesh in 1998.

Japan extended technical cooperation and support for skills transfer through the JOCV. The radishes that were grown on a trial basis were later called Tasaki radish, after a JOCV who popularised them.

In the future, Japan will broaden its contributions to include the IT sector, food value-chains, and human resource and skills development. These are essential for the sustainable and inclusive growth of the economy and society.

DS: Will Japan continue the GSP facility for Bangladesh even after the graduation of the country from the LDC?

Naoki: Japan is now providing the government of Bangladesh with special preferential treatment (SPT), which is applied only to LDCs. Although subject items and applied tariff rates differ from the SPT, Japan will continue to provide the generalised system of preferences (GSP) after Bangladesh's graduation from the LDC group in 2026.

On the other hand, from a long-term perspective, just receiving GSP will neither increase export nor contribute to strengthening Bangladesh's competitiveness in the global market. By concluding FTA or economic partnership agreement, Japan and Bangladesh will be able to form a new partnership of trade and investment. Then, more new investments from Japanese companies could be expected. That would lead the country to expand trade and promote economic diversification.

As a first step, I would urge both Japanese and Bangladesh's companies to share that FTA or PTA (preferential trade agreement) is beneficial in expanding their business between the two countries.

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"Let me emphasise that a business environment needs to improve from the eyes of existing companies, and to attract further investment to Bangladesh, we must find solutions to their challenges."

Khulna, Barishal traders pleased by customer turnout



As Eid draws nearer, the number of customers has increased significantly in most shops of Khulna and Barishal. The photo was taken from KDA Avenue of Khulna city recently.

PHOTO: DIPANKAR ROY

DISTRICTS IN FOCUS

DIPANKAR ROY and SUSHANTA GHOSH

Like other parts of the country, shops in the Khulna and Barishal divisions have become inundated with customers ahead of Eid-ul-Fitr, the biggest religious festival in Bangladesh.

"Our sales began in earnest after the fifteenth day of Ramadan," said Akash Mahmud, a salesman at the Rang Bangladesh outlet in Khulna.

As Eid draws nearer, the number of daily customers has increased significantly.

"Many youths are coming to buy panjabis of different colours and range," he added.

Other than branded retail outlets or showrooms, roadside stalls and hawkers have also seen a steady uptick in business.

Currently, there are more than 500 hawkers and other small retailers operating in Khulna city with about 200 of them being seasonal occupations that depend on Eid sales.

Thanks to competitive prices and convenient locations, many of these roadside sellers are often busier than their large-scale counterparts.

"My store has been packed for the last few days and I am very pleased with sales so far," said Muhammad Mamun Hossain, the owner of Mamun Cloth Store.

On KDA Avenue of Khulna city, affluent locals were seen checking consumer electronics stores for big ticket items such as refrigerators, air conditioners, televisions and so on.

Masharof Hossain Babu, an agent of the regional Walton office, told The Daily Star that the demand for these products rises sharply ahead of Eid every year.

However, this year's sales are not up to previous levels.

"Our air conditioner sales are not good at the moment," he added.

Liakat Hossain Liton, president of Bagerhat Chamber of Commerce and Industry, said that sales have not reached the expected level as customers have become strict with their spending due to the economic uncertainty caused by Covid-19.

"We are still trying to recover from our losses

of last year," Liton added.

Similarly, traders say that sales are at least 30 to 40 per cent lower than their pre-pandemic levels. According to them, this is because the restrictions on public movement and gatherings are preventing customers from turning up in higher numbers.

In Barishal town, Mrinalkanti Saha, vice president of the South Chawkbazar Businessmen's Association, said that there were about 50 wholesale shops in the region that sold products worth up to Tk 20 lakh just for Eid.

However, sales have almost halved amid the ongoing coronavirus crisis.

"It costs over Tk 1 crore a year to keep my 65 employees and much of that would come from Eid sales but that is not happening this year," he added.

Apparel items are always a hot item ahead of the religious festival with more than Tk 3-5 crore worth being sold in Chawkbazar each year.

Half of this amount would come from wholesale shipments to other districts but since there were no transportation facilities this time, sales have taken a serious hit, Saha said.

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Payments industry must continue evolving and innovating



SYED MOHAMMAD KAMAL

Since the beginning of 2021, the world has been experiencing another deadly wave of the Covid-19 pandemic. In South Asia, infection rates have increased, and death rates are higher than in the first wave in 2020. Even as the drive to vaccinate has accelerated, several countries have been forced to opt for lockdowns and announce strict containment measures.

Bangladesh is the third most affected country in South Asia, after India and Pakistan. According to ReliefWeb, the largest humanitarian information portal, Bangladesh is recording almost 50 per cent more deaths per day than its previous peak in June 2020. As the situation worsened, the country went into a strict lockdown for the second time since March 2020.

The pandemic has changed many things in our day-to-day life, the way we live, shop or commute, and has brought about changes in the behaviour that was earlier unthinkable. These changes in our work and personal lives will not roll back even when the severity of the pandemic subsides, or treatments render it less dangerous.

The disruption will have a lasting impact, particularly on marginalised sectors and communities - micro, small and medium enterprises and those employed in informal sectors like construction and agriculture.

One of the key positive changes during the pandemic was the acceleration in technology adoption across the country. The pandemic alerted citizens to the vulnerability of cash and the resilience of digital payments. Even with all the restrictions during the lockdown, commerce needed to keep flowing to fulfil basic needs.

Digital technologies enabled essential commerce and consumers swiftly switched to digital modes of payments. Today it is a strategic and operational priority for businesses across categories ranging from grocery stores to lifestyle shopping, food

deliveries and pharmacies.

Though the shift to digital payments is not new, it has accelerated rapidly over the last year. Today, people realise how the "touch-free" aspect of contactless and digital payments can deliver personal safety benefits amidst social distancing and heightened concern for health protection.

Last year, the World Health Organisation also advised consumers to switch to contactless payments and avoid handling cash to prevent the spread of Covid-19.

As per a Mastercard study, 79 per cent of people globally and 91 per cent in the Asia Pacific are saying that they will opt for tap-and-go payments as they enable transactions without the need to touch a point of sale (POS) terminal or pass the card to another person. Alternative payments methods such as mobile payments have grown, while cards retained their strong incumbent position supporting e-commerce and POS transactions.

Digital payments for e-commerce and contactless transactions are truly essential to building a resilient business and earning customer loyalty, now and in the future.

OPINION

The payments industry is relentlessly focussed on innovation to introduce improved products and services for consumers, providing them with a simple, safe and seamless shopping experience, with the security of transactions being of utmost importance. The growth of digital commerce in the last year led to a greater risk of cyber-attacks and payments frauds, and this must be addressed.

Newcomers, who are not digital natives, are more at risk. To ensure a safe and secured payments system, all the players in the ecosystem must come forward to exchange knowledge and intelligence. Some modern technologies such as biometric authentication and artificial intelligence can effectively help us detect threats like payments fraud.

Due to the rapid migration to digitalisation, specialised and authentic business data is now available and can be applied to get business and consumer insights critical to recovery and growth.

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