

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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REJAUUL KARIM BYRON and MD FAZLUR RAHMAN

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.

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## 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

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## 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.

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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.

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