

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.09%	▲ 1.04%	\$1,880.30	\$66.44	▲ 1.97%	▲ 0.78%	▲ 0.26%	▼ 0.58%	BUY TK 83.95	101.21	117.59	12.80
5,813.07	10,149.07	(per ounce)	(per barrel)	50,540.48	28,317.83	3,117.89	3,486.56	SELL TK 84.95	105.01	121.39	13.46



Star BUSINESS

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Lack of info, support barrier to more Japanese investment

Reveals a survey on Japanese firms operating here amid pandemic

JAGARAN CHAKMA

Japanese companies doing business in Bangladesh are facing challenges during the coronavirus pandemic, including a lack of information and support from authorities, which may dent the flow of investment,

according to investors and a recent survey.

Besides, a culture of procedural delays at government offices and frequent policy changes discourages Japanese investors from starting a business in Bangladesh.

Till December 2019, around

310 Japanese companies were conducting business in Bangladesh, with investments reaching \$386 million.

Just a decade ago, there were merely 82 firms from Japan operating in the country.

The latest information on foreign direct investment (FDI) from Japan is yet to be available with the Bangladesh Bank and the Bangladesh Investment Development Authority (Bida).

The country office of the Japan External Trade Organisation (Jetro) recently conducted a survey among 75 Japanese companies on the challenges they were facing in running operations during the pandemic.

It showed around 67 per cent of Japanese companies were witnessing troubles due to the suspension or reduction of commercial flights, and 64 per cent for 14-day mandatory self-quarantine after arrival in Bangladesh.

Another 63 per cent faced difficulties involving coronavirus infection control, 61 per cent dealing cases of infections (medical system and bed availability), and 61 per cent in case of inviting business travellers and technical instructors to Bangladesh.

Sixty per cent of companies say they are going through difficulties over travelling outside of Bangladesh, and 57 per cent to vaccinate Japanese expatriates in Bangladesh.

Half of the respondents cited troubles while checking the latest information on travel guidelines and business operation from the government.

Thirty-one per cent faced troubles over delay in exports and imports, 24 per cent mentioned order cancellation and reduction, 9 per cent working capital shortage, and 8 per cent about the overdue letter of credit settlement.

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Cash takes back seat as Covid drives card use

AKM ZAMIR UDDIN

The use of both credit and debit cards went up heavily in March as people purchased more products and services through digital means amid the recent resurgence of Covid-19.

Total card loans held by lenders stood at Tk 1,783 crore in March, up 18 per cent from a month ago and 57 per cent year-on-year, data from Bangladesh Bank shows.

The growth in March was also the highest in the last seven months since September last year as the previous highest growth was 24 per cent in August.

Clients' dependency on debit cards increased substantially in March as the figure stood at Tk 22,000 crore, up 22 per cent from that a month earlier and 45.33 per cent year-on-year.

The growth of debit card transactions is also the highest in the last eight months as the number of cardholders surged 44.66

per cent in July.

The Daily Star spoke with top officials of card divisions at four banks and one managing director, a majority of whom said that the second wave of the pandemic is largely responsible for the sudden increase in card transactions.

Ahsan Ullah Chowdhury, head of card and digital banking at Eastern Bank Ltd (EBL), said that people had prepared in advance to tackle the second wave of the pandemic since March, putting a positive impact on the card transactions.

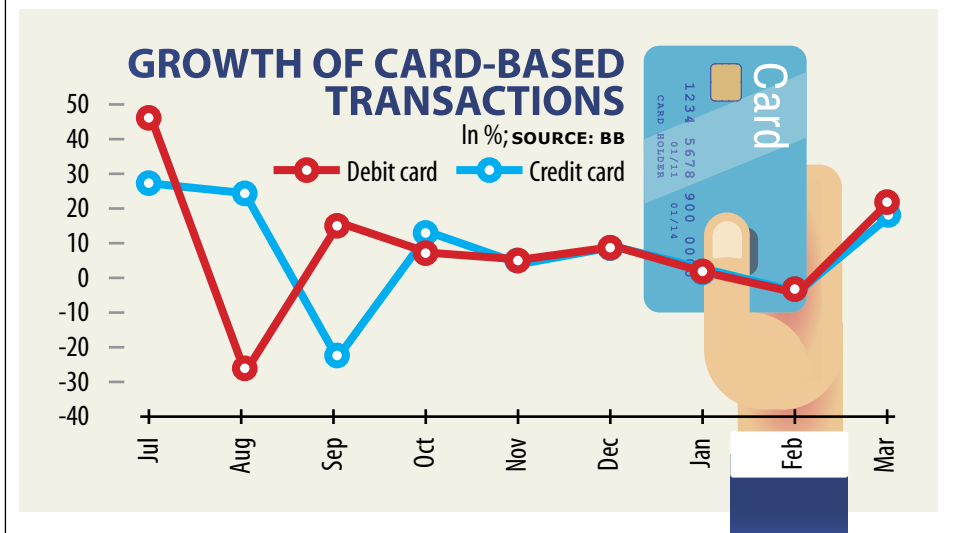
Although the government imposed restriction on public movement in April, it had earlier requested people to stay at home in March to contain the second wave, he said.

"This had had a positive impact on e-commerce as people started to embrace digital platforms since April last year when the first wave spread," Chowdhury said.

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BUP team wins business case competition

STAR BUSINESS REPORT

Hatti Ma Tim Team, a four-member team of the Bangladesh University of Professionals (BUP), yesterday won a "Business Case Competition 2021" solving a business case challenge on climate change.

The Hongkong and Shanghai Banking Corporation in Bangladesh and BRAC Business School, BRAC University jointly organised the finale and award giving ceremony.

The BUP's team, which became the gold category winner, was supposed to make an advertisement on net-zero carbon dioxide emissions. And the team, Hatti Ma Tim Team, came up with an AI-based solution and a Net Zero application which will

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TIB calls money whitening plan reckless, suicidal

STAR BUSINESS REPORT

The Transparency International Bangladesh (TIB) yesterday urged the government not to provide any scope to legalise black money in the next budget, terming the facility discriminatory, unconstitutional and conducive to corruption.

The TIB also expressed surprise and outrage at the finance minister's statement on extending the opportunity given by the government to whiten black money for an indefinite period.

"In the long run, the benefits of whitening black money will discourage honest taxpayers and encourage the institutionalisation of the culture of default in the tax system," the anti-graft body said in a statement.

"This opportunity will create a liberal situation in the country that is conducive to corruption as there will be no opportunity to question the source of income. This will challenge any attempt to establish the rule of law and good governance by weakening the anti-corruption position of the government."

In view of these fears and in line with the "zero-tolerance policy" against corruption, the TIB urged the government not to provide the black money whitening opportunity in the budget for fiscal 2021-22.

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Listed textile firms stare at falling profits

AHSAN HABIB

Textile and garment makers are still suffering from falling profits, impacted by lower sales of clothing in the markets abroad amid the ongoing coronavirus pandemic.

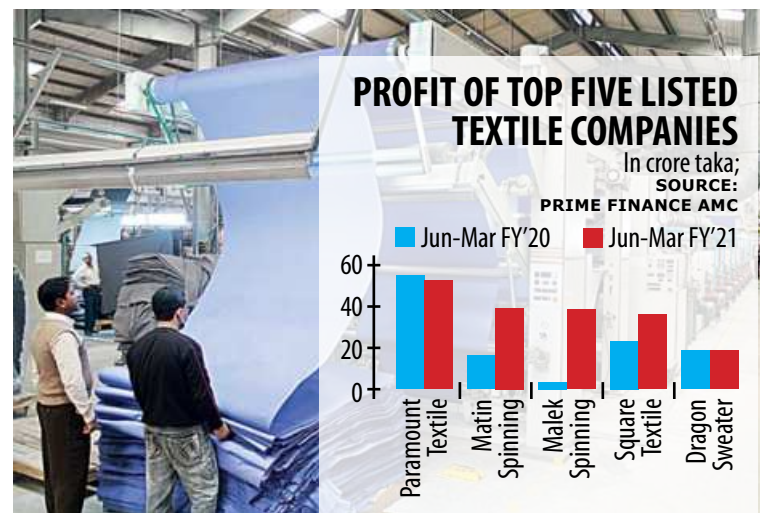
However, this scenario of the sector has one exception: spinners. Yarn makers listed at Dhaka Stock Exchange (DSE) logged higher profits in the July-March period of the current year from that of a year ago thanks to a price hike of yarn.

Data from the DSE showed that of the 26 listed RMG, textile and spinning companies, 16 underwent a drop in earnings. Some 10 manufacturers reported a fall in profits.

The pandemic had an adverse impact on the textile and RMG sector, so their profits fell, said Robiul Islam, company secretary of Paramount Textile.

Due to the pandemic, worldwide consumption reduced, so export was hit, he said.

Between July and March of the current fiscal year, Bangladesh earned \$23.48 billion from apparel shipments, which was



2.55 per cent lower than that in the corresponding period last fiscal year, according to data from the Export Promotion Bureau.

Only those companies which have a lot of reputation abroad were able to attract some orders of exports, Islam said, adding that his company was able to generate profits for the high quality of its goods and reputation.

Paramount Textile booked higher profits during the period than all the other companies, whose profit fell over 5 per cent to Tk 52 crore compared to the same period of the previous year.

The RMG and textile sector has also been adversely impacted for the higher price of yarn, Islam added.

While textile and RMG were

struggling, spinning mills availed the advantage of the price hike of yarn which turned out to be a big influencer of their higher profits.

Among six listed spinners, four witnessed higher profits and two were able to make a profit on incurring losses previously.

Malek Spinning logged the highest profit growth among all the 26 listed textile companies. Its profit rose more than eight times year-on-year to Tk 39 crore in the first nine months of the current fiscal year.

"Our profits rose as in the period our sales were higher along with the prevalence of a higher price of yarn," said Syed Saiful Haque, company secretary of Malek Spinning Mills.

"Still the year's prices were good so we are generating better business," he said.

Cotton was being traded at \$0.60 to \$0.85 per kg on an average during the June-December period last year, which later on ranged between \$0.95 and \$1.7 in March, according to data of Bangladesh Textiles Mills Association (BTMA).

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Implement SME stimulus fully to help them survive

Reopen restaurants

Experts, entrepreneurs say

RUN-UP TO BUDGET FOR FY2021-22

REFAAT ULLAH MIRDDHA and JAGARAN CHAKMA

The government should implement the current stimulus packages for the cottage, micro, small and medium enterprises (CMSMEs) and announce another round of support in the upcoming budget to help them survive, said experts and entrepreneurs.

Besides, CMSME entrepreneurs, who have been battered by the fallouts of the coronavirus pandemic, called for a reduction in value-added tax (VAT), and preparing an accurate database on the sector to facilitate banking services.

So far, 73 per cent of the Tk 23,000 crore fund meant for CMSMEs has been disbursed even though the disbursement in other categories is already nearing completion.

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CMSME entrepreneurs, who have been battered by the fallouts of the coronavirus pandemic, called for a reduction in value-added tax.

PHOTO: STAR/FILE

STAR BUSINESS REPORT

The Bangladesh Restaurant Owners' Association has urged the government to allow them to reopen the restaurants following health guidelines amid the coronavirus pandemic.

They made the demand at a press conference yesterday.

Imran Hassan, secretary general of the association, said they are going through quite a difficult time. "We do not know what is waiting in future. The restaurant sector is one of the most damaged sectors in this pandemic."

"Our appeal to the prime minister is that she should allow us to run our business by keeping our hotels and restaurants open. Otherwise, we will not be able to keep this sector alive."

He also urged the government to allow them to serve 50 per cent of their capacity if it is not possible to open the hotels and restaurants completely amid the pandemic.

The hotel and restaurant owners are now doing business through takeaway, parcels and online deliveries as per the guidelines of the government. "It is 2 to 3 per cent of the total business," according to the hotel and restaurant owners.

Osman Gani, president of the



association, said, "We have to conduct business with licences from 12 organisations of the government. But, we are not getting any assistance or facilities from any organisation as this sector has not been declared as an industry."

Actually, it is not clear whether this sector is under the control of the industries ministry, food ministry or the commerce ministry, he said.

"In such a complex situation, we are being forced to take 15 per cent VAT. This rate is completely unethical," he said.

He also threatened to go for movements across the country if the government does not accept their demands.

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