



Md Mahmood Alam Chowdhury

Mercantile Bank senior exec VP promoted to DMD

STAR BUSINESS DESK

Mercantile Bank recently witnessed a senior executive vice president being promoted to the post of deputy managing director. The official, Md Mahmood Alam Chowdhury, started off as a probationary officer at National Bank in 1988 and also worked at NCC Bank and Prime Bank, said a press release. He attained honours and master's degrees in history from the University of Dhaka.

Bitcoin falls 5.2pc to \$33,849, Ether down 6.3pc

REUTERS

Bitcoin dipped 5.16 per cent to \$33,849.47 at 18:00 GMT on Saturday, losing \$1,842.99 from its previous close. Ether, the coin linked to the ethereum blockchain network, dropped 6.26 per cent to \$2,262.06 on Saturday, losing \$151.11 from its previous close. Bitcoin, the world's biggest and best-known cryptocurrency, is down 47.8 per cent from the year's high of \$64,895.22 on April 14. It has been less volatile in the past week but losses this month have been heavy at 38 per cent, driven by growing regulatory pressures on the sector.

Locals demand BSRM stop extracting groundwater

STAFF CORRESPONDENT, Ctg

Hundreds of residents of Mirsharai upazila formed a human chain at Bangladesh Steel Re-Rolling Mills' (BSRM) main factory gate yesterday demanding that it stop withdrawing groundwater using deep tube wells, saying it was causing a water crisis in the region. The local parliament member, Engineer Mosharrif Hossain, was chief guest at the one-hour demonstration beginning at 10:00am. At that time, the Dhaka-Chattogram highway was closed for half an hour. "Residents of eight unions of the upazila are not getting water due to the BSRM factory extracting groundwater by installing 10 to 12 deep tube wells of high capacity for the last 10 years," said Hossain. "The BSRM made a promise to the local people that they would fetch water from the nearby Feni river through a pipeline, but they have cheated the people," he said. "The prime minister has set up 50,000 acres of Bangabandhu Industrial City to save agricultural land of the area. The

BSRM should relocate the factory from this agricultural and populated area to Bangabandhu Industrial City within the next one year," he added. "If the deep tube wells are not closed, we will force the administration to stop all the activities of the BSRM factory," said Rezaul Karim Khokon, mayor of Bariarhat municipality, the event's convener. "We will ensure that new raw materials do not enter the factory if they do not stop withdrawal of groundwater," he said. Tapan Sengupta, deputy managing director of BSRM Group, told The Daily Star that there were at least 100 small and large factories in the area besides the BSRM. Those have also been withdrawing water installing tube wells but some people with personal motives are blaming the BSRM, he said. He said it was untrue that local people were not getting water because of the BSRM's tube wells. It is true that people of the area face a water crisis, but it was not everywhere. The water level has also decreased a bit due to less rainfall this year, he added.

Increase budgetary allocation for young people: experts

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The government should work more for the development of the country's young people and increase the allocation for them in the upcoming national budget, said economists, policymakers, civil society and NGO representatives. They made these remarks at a pre-budget dialogue on "Allocations for Young People on the National Budget 2021-22." Organised jointly by ActionAid Bangladesh and Dhruvotara Youth Development Foundation (DYDF), Prof MM Akash, Sayeda Rubina Akter, former secretary and chairman of the Bangladesh NGO Foundation, Md Hedayatullah Al Mamoon, former BCCI president and present chairman of the Chittagong Stock Exchange, Asif Ibrahim, joint secretary of Bangladesh Environment Movement (BAPA), Iqbal Habib, manager of ActionAid Bangladesh, and Member of

Parliament Nahim Razzaq virtually spoke on the budget. They placed an 11-point demand to the government, including increasing the budget's allocation for the youth sector, loan facilitation and special allocation for entrepreneurs, special package for women entrepreneurs, reduce the cost of the internet and increase the quality of service, increase allocation in agriculture and provide a fair price of products. In addition, quality development, including an increase in allocation for the education sector, formation of National Youth Council, enactment of the Right to Food Act to ensure food for all, special allocation for backward communities, establishment of youth banks, paying unemployment benefits and increase the budget and sustainable development in the field of environment and climate were the other demands.



PUBALI BANK

Safiul Alam Khan Chowdhury, managing director and CEO of Pubali Bank, cuts a ribbon to inaugurate a refurbished Mirpur branch recently. Mohammad Ali, additional managing director and COO, Mohammad Anisuzzaman, general manager and regional head of Dhaka north region, were also present.

Canadian telecoms regulator's latest ruling spells 'dark period' for smaller operators

REUTERS, Toronto

Two recent decisions by Canada's telecom regulator are freezing out competition in the country's highly concentrated industry, critics argue, making it even harder to bring down prices for mobile and internet service. For years, Canadian consumers have complained about high cellular bills, which rank among the steepest in the world, and Prime Minister Justin Trudeau's Liberal government has

threatened to take action if the providers failed to cut bills by 25 per cent. On Thursday the Canadian Radio-television and Telecommunications Commission (CRTC) ruled that it would not significantly lower the rates that small companies must pay to access the high-speed broadband networks of larger rivals, including BCE Inc, Telus Corp and Rogers Communications Inc, known as the Big Three. That followed a CRTC ruling in

April when it asked large telecoms firms to offer wholesale wireless access to so-called Mobile Virtual Network Operators (MVNOs), smaller outfits that can then resell the capacity at reduced retail prices and pass on the savings to consumers, but with several stipulations that were seen as wins for big companies. While the two decisions were intended to foster competition, critics say they will only marginalize the smaller players.

Tk 282cr whitened through stocks

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This legalisation process is not how undisclosed money in the economy can be reduced, said Moazzem, adding that the government should rather fix a deadline after which it would clamp down on the owners. The government needs to launch an integrated financial system enabling all transactions of an entity to be linked in a single system so that people cannot evade paying taxes, he added. People were allowed to invest money in the capital market between July 1, 2020 and June 30, 2021 and show it in their tax returns on paying tax at a rate of 10 per cent on the value

of the investment. The investment came with another condition, that it could not be shifted or had to undergo a lock-in period for one year. This year the stock market enjoyed the benefits of such unconditional investments of undisclosed income after more than two decades. In 1998, a similar facility was given for three years to give a boost to the stock market after it crashed in 1996. The government also allowed whitening money by keeping it in banks but it did not come with the lock-in condition, said Sayadur Rahman, president of Bangladesh Merchant Bankers Association.

So why will the undisclosed money come to the stock market, he asked, explaining that people prefer the easy process where there were no conditions at all. Rokibur Rahman, a DSE director, echoed him. He recommended extending the facility for the upcoming year while excluding the lock-in condition. A top merchant bank official, preferring anonymity, said the stock market needed product diversification, transparency and checks to manipulation instead of being the place to whiten money. If strong confidence can be grown on the market, it will be vibrant, he added.

Raise allocation for health, safety net

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"The expenditure trend indicates the health ministry needs to improve the quality spending capacity of the allocated resources," the Sanem said. It also described the allocation for the education sector, which is two per cent of the GDP, as meagre. "Many poor students, especially in rural areas, could not attend online classes as they do not own laptops or smartphones." "The upcoming budget needs to allocate a significant amount of money to the social safety net as many people lost their jobs and nearly three crore people became new poor due to the Covid-19 fallout," said Sayema Haque Bidisha, research director of Sanem. In her keynote presentation during the pre-budget webinar styled "Budget 2021-22: Reality and Expectations", Prof Bidisha said 42 per cent of the people were living below the poverty line, which is double the 21.6 per cent in pre-pandemic times. She said the government would need to transfer Tk 5,132.65 crore per month to pull the poor above the poverty line. "But there is no significant programme for the new poor in the budget for fiscal 2020-21." Bidisha, a professor of the department of economics at the University of Dhaka, said the per capita allocation of Tk 500 as an old age allowance was too insignificant. The proposed benefit of Tk 3,000 per month to the elderly aged 90 and above is yet to be implemented. "More than 70 per cent of the elderly do not receive any kind of financial support." The monthly Tk 500 allowance for widows and destitute women, the Tk 100 stipend for primary school students, and Tk 1,500 support for the financially insolvent disabled

people are also low, according to Sanem. Prof Bidisha called for expanding the social safety net to the urban poor as many people living in the cities slipped below the poverty line due to the ongoing crisis. "Many have lost their jobs and small businesses that they depended on to run their families." "So, the government should not only increase the allocation for the social safety net. The allocation should be spent in a way that generates jobs for those who lost ones for smooth recovery of the economy." More than 68 per cent of the wage-employed in the agriculture sector saw a reduction in their income and around 73 per cent of self-employed observed a fall in production, sales, or profit, Bidisha said. Spending in the agriculture sector was 0.45 per cent of the GDP, on average, for the last five fiscal years. 38 per cent of the wage-employed and 31 per cent self-employed in the sector experienced a contraction in income and have not recovered. Prof Bidisha suggested the government implement the stimulus packages for the large, cottage, micro, small and medium enterprises to help them turn around. Selim Raihan, executive director of Sanem, said the government needs to act in such a way that the economy recovers from the severe fallouts of Covid-19. "Many European countries are recovering from the impacts of Covid-19 with the assistance of government-sponsored stimulus money." Prof Raihan opposed the whitening of black money facility in the next budget and suggested massive reforms to curb corruption in the financial sector and misuse of budgetary funds during the implementation stage.

NBR drafts rules on transit, transshipment of Indian goods

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The customs office at the entry port will scan the transit and transshipment goods, and if it suspects any wrongdoing, the officials can examine the goods. Besides, any shipment can be selected for a physical examination based on intelligence information. The transit or transshipment goods will be transferred from one vehicle to another in the presence and supervision of the officers nominated by the customs. TARIFF STRUCTURE The Chattogram Customs House will collect six types of tariffs on Indian goods, as per a letter sent from the foreign affairs ministry of Bangladesh to the High Commission of India in

Dhaka on July 5, 2020. The tariffs include Tk 30 for document processing per consignment, Tk 20 per tonne of goods for transshipment, Tk 100 per tonne as security charge, Tk 50 per tonne as escort charge, Tk 100 for other administrative charges, and Tk 254 per container for scanning, Electric lock and seal fees will be charged as per rules. The letter did not mention the road charge. On December 19, 2020, the Road Transport and Highways Division set a fee of Tk 2 per tonne per kilometre on transporting Indian goods. MV Shejyoti, the first ship under the trial run of transshipment of Indian goods, berthed at Chattogram port on July 2020, carrying 100 tonnes of goods for north-eastern states through Bangladesh.

The Chattogram Customs House collected \$330, or Tk 26,000, from four containers from the shipment. The port authorities received Tk 30,899 in various charges. Dhaka and Delhi signed a memorandum of understanding on the use of the Chattogram and Mongla ports in 2015, following years of persuasion from India. The two sides penned an agreement in 2018 and a standard operating procedure during Prime Minister Sheikh Hasina's visit to India in 2019. Goods reaching Chattogram and Mongla seaports would be carried by four road, rail, and water routes to Agartala (Tripura) via Akhaura; Dawki (Meghalaya) via Tamabil; Sutarkandi (Assam) via Sheola; and Srirampur (Tripura) via Bibirbazar.

First factory opens next month

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Kamal believes the steel sector will benefit from their initiative and help substitute imports. Initially, the two companies have agreed to invest \$59.19 million, or nearly Tk 500 crore, in phases to establish the plant. The raw materials will come from China, Japan and other European countries and the finished product will be mainly used by the local pre-fabrication industry, including McDonald. The joint venture expects to make annual sales of \$20 million in the local market and also plans to export to South Asian countries once it becomes fully operational. Kamal said they have good a scope to export steel products to the northeastern states of India. Industry insiders said the present annual demand for steel is around seven lakh tonnes with a growth rate of around 12 to 15 per cent. McDonald Steel is also constructing its own factory at the BSMSN. It produces prefabricated structural steel with imports from Japan, Luxembourg, China and India. The two factories will sit on about 25 acres of land out of 100 acres and employ about 2,500 people.

Enhance support for shrimp farmers, jute mill workers

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As per data from the Department of Fisheries, around 2.4 lakh tonnes of shrimp was produced in the country in fiscal 2018-19 while it was nearly 2.5 lakh tonnes the year before. "The Covid-19 fallout has forced trade and commerce in Khulna into a deep crisis so at this time, we have to focus on job creation and investment," said Kazi Aminul Haque, president of Khulna Chamber of Commerce and Industry. Since marginal, small and medium traders and farmers were the worst hit, they should be brought under a separate package to ensure adequate funding for their survival. "But this region is always deprived. For example, Khulna's Batiaghata and Terokhada were declared economic zones but no construction work has started yet," he said. Besides, construction of Rampal airport needs to be completed very soon and that too with government funding, Haque added. Liakat Hossain Liton, president of the Bagerhat Chamber of Commerce and

Industry said, over 5,000 small traders in the region need cash assistance to revive their business. "A world class tourism industry could be built around the Sundarbans, which has to be maintained by a separate ministry or board," he added. Nazrul Azam David, secretary of the Tour Operators' Association of Sundarbans, said about 63 river vessels have been stranded for months now due to the closure of all tourist spots across the country in order to combat Covid-19. Considering the coastal region's susceptibility to natural disasters, the allocation for development activities in these areas should be expanded, said Gouranga Nandy, a researcher and environmentalist. With various other issues, such as waterlogging, over salinity and water shortages, often causing untold losses to people in the region, these areas need special attention in the budget, he said. Locals previously demanded that the coastal region be declared a disaster prone area and a separate board be set up to handle its development activities.

Pran Agro issues internationally guaranteed Tk 210cr bond

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The subscription will further diversify MetLife's investment portfolio in Bangladesh. Green Delta Company has acted as the trustee and security agent of the bond. Riverstone Capital, an independent merchant bank based in Bangladesh, has acted as financial adviser to Pran Agro, which has also played a role in issuing the bond. The bond issuance has also signified a number of landmarks in the country's financial sector as it is the first blended finance structured bond. This is the first example for the financial sector where a global company has provided 100 per cent credit guarantee on demand. On top of that, a global insurance company has invested in a bond for the first time.

The group is running its farm-based business with 100,000 registered contract farmers, employing 110,000 people overall. The bond proceeds will be used to develop critical infrastructure in the agricultural supply chain and support Pran Agro's expansion plans in the local and export markets. MetLife Bangladesh, the sole investor of the bond and the country's leading life insurance company, has further demonstrated its commitment to the funding needs for Bangladeshi companies.

Fareast Stocks' board to be restructured

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Its coupon rate would be 2 per cent higher than that of the six months' average profits of fixed deposits of shariah-based banks. The bond will be issued to financial institutions, mutual funds, insurers, rural banks, organisations, trustees, and eligible investors through private placement. With the bond proceeds, Exim Bank will strengthen its Tier-2 capital base. The face value of each unit is Tk 1 crore. The Sena Kalyan Insurance Company is its trustee and Standard Chartered Bank the arranger. The BSEC also decided to return to normal trading times from today. As banking hours have been extended, the BSEC decided to operate the stock market from 10:00am until 2:30pm.

Stocks pass 6,000 points after over 3 years

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Dutch-Bangla Bank topped the gainers' list, rising 10 per cent, followed by IFAD Autos, Aftab Automobiles, Prime Islami Life Insurance and Jamuna Bank. Stocks of Beximco traded the most with Tk 116 crore followed by Pioneer Insurance, IFAD Autos, AB Bank and the Northern General Insurance Company. Delta Spinners shed the most, losing 9.34 per cent, followed by Imam Buton

Industries, Taufika Foods and Agro Industries, Aman Feed and Purabi General Insurance Company. The Chittagong Stock Exchange (CSE) also rose. The CASPI, the general index of the port city bourse, advanced 31 points, or 0.18 per cent, to 17,379. Among the 303 stocks to witness trade, 121 rose, 143 fell and 39 remained unchanged.