

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
1.14%	1.09%	\$1,781.80	\$75.43	52,306.08	28,874.89	3,118.62	3,566.22	83.95	99.00	116.05	12.71
6,035.84	10,571.52	(per ounce)	(per barrel)					BUY TK	102.80	119.85	13.37
								SELL TK			

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# Star BUSINESS

DHAKA THURSDAY JUNE 24, 2021, ASHAR 10, 1428 BS • starbusiness@thedailystar.net

## Private sector faces burdensome business climate: IFC

STAR BUSINESS REPORT

The private sector in Bangladesh faces one of the most burdensome business environments in the world, the International Finance Corporation (IFC) said in a report yesterday.

"To improve the business environment and attract more local and foreign investment, the country needs to embark on a new round of reforms," it said.

The report, the Country Private Sector Diagnostic, was launched at a virtual event.

The reforms would enable the country to have an economy of \$900 billion by 2030 from around \$300 billion at present, it said.

While Bangladesh has been one of the biggest development success stories in recent decades, it's now time to switch gears to meet ambitions to transform into an upper-middle-income country in the next decade, said the report.

"The pandemic has hit Bangladesh hard, and as the country recovers from Covid-19, the need for reforms will become even more compelling. Finding new sources

of income and growth will be an urgent priority," said IFC Vice President for Asia and the Pacific Alfonso Garcia Mora.

The private sector, which already accounts for more than 70 per cent of all investments in Bangladesh, supported by a strong financial sector, will need to play an important role in spurring the recovery so that the country can grow, export and create quality jobs, the IFC said.

Key priority areas for the reform agenda include creating a favourable trade and investment environment for domestic and foreign investors, modernising and expanding the financial sector and removing impediments for developing infrastructure.

Transport and logistics, energy, financial services, light manufacturing, agribusiness, healthcare and pharmaceuticals sectors are among those with the strongest potential for private investment that could play a significant role in boosting economic growth.

Bangladesh has nonetheless reached the limit of its current development model, it said.

"Moving to the next stage of development will require a new round of reforms to strengthen and modernise the private sector, which faces an economic policy environment that increasingly undermines its potential to drive diversified, export-led growth."

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## Rules afoot for online consumer protection

MAHMUDUL HASAN

The commerce ministry will publish a guideline for e-commerce platforms next month to protect the rights of online shoppers, curb anomalies on payments and refund, and ensure timely delivery.

Under the rule, which was formulated under the Digital Commerce Policy 2018, the products must be delivered to customers within a maximum of 10 days.

In the case of advance payments, the money has to be returned to shoppers within seven days if the platform fails to hand over products on time.

The move comes amid allegations against some e-commerce platforms that the customers are not getting the delivery of products or refunds within the promised schedule.

The Directorate of National Consumer Rights Protection has received more than 5,000 complaints against e-commerce companies in the last one year. In some cases, products have been supplied in a year, and the customers have not got the money back.

"Some e-commerce platforms are not making the timely delivery of products. Many customers do not get the refund properly. This guideline will safeguard the rights of customers," said Md Hafizur Rahman, director-general of the WTO Cell under the commerce ministry.

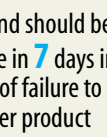
The ministry held a stakeholder meeting on the draft guideline,

### E-COMMERCE RULES AT A GLANCE

Delivery should be complete within 10 days of placing orders



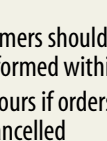
Refund should be made in 7 days in case of failure to deliver product



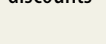
Customers should be allowed to rate and give feedback



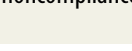
Customers should be informed within 48 hours if orders are cancelled



No limit for discounts



E-commerce platforms to face ban for noncompliance



which will now be sent to the law ministry for vetting.

"We will publish it by next month," Rahman said.

About advance payment adjustment, the draft said if the shopper makes the payment in advance through debit and credit cards, bank transfer and mobile banking, the money has to be refunded in full within a maximum of seven days for any delivery

failure. Within 24 hours of the payment for a product, the item must be handed over to the deliveryman or delivery company, and the customer must be notified by telephone, e-mail, or SMS.

The delivery has to be made within a maximum of five days when the customer and the seller are located in the same city. The seller will get 10 days to supply

the product if the shopper lives in another city.

For daily necessities, the delivery time should be shorter, according to the draft guideline.

There will be no separate delivery charges for multiple products in a single order. "The responsibility to guarantee the quality and accuracy of the products rests with the marketplace," it said.

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## A fillip for small businesses

AIIB-funded project increases availability of loans

STAR BUSINESS REPORT

Banks and non-bank financial institutions can receive 100 per cent liquidity support to lend to cottage, micro, small and medium enterprises under a project funded by the Asian Infrastructure Investment Bank (AIIB).

In April last year, the central bank rolled out a stimulus package of Tk 20,000 crore for the CMSME sector, which has been affected by the coronavirus pandemic.

Of the sum, the central bank has provided Tk 10,000 crore so that banks and non-banks do not face any liquidity crisis while lending to the sector during the business slowdown.

Banks get the fund against their disbursed loan in the form of a refinancing scheme.

Now, because of the AIIB's \$300 million, or Tk 2,520 crore, soft loans, the lenders will get full liquidity support

instead of the existing 50 per cent.

A new initiative for the CMSME sector -- the Emergency and Crisis Response Facility Project -- will support the credit expansion and reduce the liquidity constraints of CMSMEs, according to a central bank notice yesterday.

Under the support, half of the amount will come from the central bank's package and the rest from the AIIB's fund.

The loan from the stimulus package is being given at a 9 per cent interest rate. Of the interest rate, 4 per cent is being borne by the borrowers and 5 per cent by the government.

The interest rate remains unchanged under the project.

Some 94,445 CMSMEs received loans amounting to Tk 14,840 crore from the stimulus fund as of June 10, data from the central bank showed.

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## 12 fuel, power companies see profit rise

AHSAN HABIB

Twelve out of the country's 22 listed fuel and power companies saw profits increase year-on-year in the first nine months of the ongoing fiscal year thanks to the rebounding of the economy.

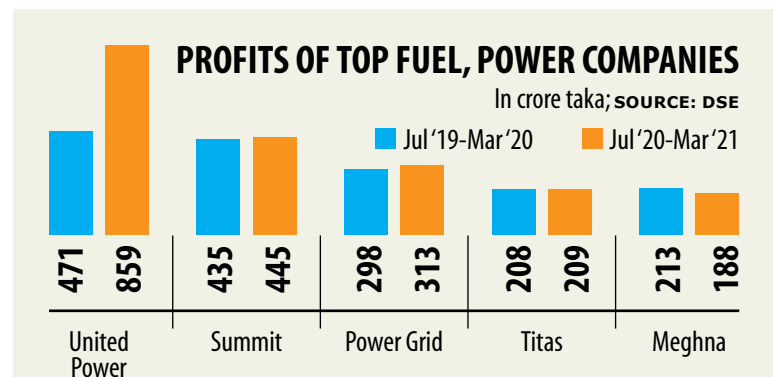
The United Power Generation & Distribution Company logged the highest, Tk 859 crore, followed by Summit Power, Power Grid Company of Bangladesh, and Titas Gas Transmission & Distribution Company, between July 2020 and March 2021, according to their financial reports.

For Summit Power, it was a rise of over 2 per cent to Tk 445 crore.

Explaining the increase, Abdul Wadud, managing director of Summit Power, the country's largest independent power producer, highlighted that from early 2020 international prices of liquefied natural gas (LNG) had been increasing almost continuously.

The country also had occasional shortages of gas supply. Consequently, there was increased demand for power, especially from the company's heavy fuel oil-based power plants, he said.

Despite the Covid-19 pandemic, the company managed to keep all



its plants available for operation at full capacity as per increased national demand, he added.

"Their profits rose thanks to a higher power demand after the main blow of the pandemic," said Mohammed Monirul Islam, chief financial officer of Baraka Patenga Power, whose profits rose 20 per cent to Tk 50 crore.

"The way electricity consumption has risen shows that the economy bounced back," Islam said, adding that the Baraka's four power plants have been in full production since last April.

At present, Bangladesh has a power generation capacity of 22,023 megawatts (MW), over 50

per cent of which is of the private sector. Listed power companies have 35 plants, of which 21 are gas-based while the rest heavy fuel oil.

Yesterday power generation peaked at 9,409 MW during the day and 11,276 MW at night, shows Bangladesh Power Development Board data. On the same date in 2019, it was 9,641 MW and 12,063 MW respectively.

When the general leave aimed at curbing the spread of Covid-19 was imposed in March 2020, power generation was almost shut down.

"So, that quarter was the worst for all fuel and power companies but the situation changed in July,"

Islam said.

Market capitalisation of the fuel and power sector at Dhaka Stock Exchange (DSE) is now Tk 46,866 crore, which was 9.15 per cent of its total.

It was Tk 42,775 crore last November.

"Since Bangladesh is a developing country, local fuel and power companies have the potential to grow in upcoming years," said Mir Ariful Islam, chief executive officer and managing director of Sandhani Asset Management.

However, the present demand for power is lower than what the government expects due to the ongoing pandemic, among other reasons.

"The real challenge for power companies comes when they cannot sell power," he said, adding that however some plants did get paid solely for the capacity they kept available for use.

However, others are unable to profit due to low demand.

"This is a vital challenge for them and besides, we don't know the government's policy on when the Rampal nuclear power plant will be activated. That is another challenge," Islam said.

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## Rejoinder, our reply

Mongla Customs House has sent a rejoinder to a report headlined "CAR IMPORT VIA CTG, MONGLA PORTS -- Value differs, so does tariff" published in The Daily Star on April 21.

Following is the text of the rejoinder:

In the case of imported brand New Honda CR-V, 1496cc vehicles, the transaction value or similar transaction value of the identical product is considered as per section 25 of the Customs Act, 1969.

In this case, the transaction value could not be found. For this reason, duty assessment and valuation of goods were done temporarily based on the deductive method in line with the Customs Valuation Rules 2000.

Chattogram Customs House assessed the value of the car based on its

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## First green sukuk gets BSEC nod

Union Insurance IPO, Shanta Fixed income fund approved

STAR BUSINESS REPORT

Bangladesh's first green sukuk has got the nod from the Bangladesh Securities and Exchange Commission (BSEC) to raise Tk 3,000 crore in funds.

The stock market regulator yesterday approved a proposal of Beximco to issue the sukuk in a commission meeting on its premises chaired by Chairman Prof Shibli Rubayat Ul Islam.

Of the Tk 3,000 crore, Tk 2,250 crore will be raised through private placement and the rest through initial public offering (IPO).

Of the Tk 2,250 crore, Tk 750 crore will be raised from existing shareholders and Tk 1,500 crore from other investors.

The face value of the sukuk is Tk 100 and it would require a minimum subscription of Tk 5,000. Its minimum periodic distribution rate is 9 per cent.

The proceeds will be used to implement projects of Teesta Solar and Korotoa Solar, two subsidiaries of Beximco Power Company.

It will also be used to purchase new machinery required for the expansion of Beximco's textile division, it added. Teesta Solar is a joint venture of Beximco Power and China's TBEA Xinjiang Sunoasis Company.



Under an agreement, the Bangladesh Power Development Board (BPDB) will purchase electricity from Teesta Solar for 20 years at \$0.15 per kilowatt hour.

Korotoa Solar is a joint venture between Beximco Power and the Jiangsu Zhongtian Technology Company.

According to a 20-year agreement, the BPDB will buy electricity from Korotoa Solar's plant at \$0.14 per kilowatt hour.

City Investments Capital Resources is the issue manager of the sukuk.

In December last year, the government issued Tk 8,000 crore sukuk for a safe water supply project.

There was a huge response to this initiative from Shariah-based banks, non-banking financial institutions and other eligible parties.

At yesterday's meeting, the BSEC also approved the IPO of Union Insurance Company to raise Tk 19.36 crore.

The insurer will use the IPO proceeds to keep deposits with banks, invest in the capital market and purchase floorspace. The meeting also approved a draft of Shanta Fixed Income Fund, which primarily aims for Tk 10 crore. Of the fund, Tk 1 crore would come from Shanta Asset Management and rest would be open for general investors.

## Brac Bank cancels card transactions with Evaly, 9 others

STAR BUSINESS REPORT

Brac Bank recently notified its customers of having cancelled card transactions with 10 e-commerce platforms.

They are Evaly, Alesha Mart, Dhamaka, E-orange, Sirajganj Shop, Aladiner Prodig, Qcoom, BoomBoom Shopping, Adyan Mart and Needs.

"BRAC Bank Credit, Debit and Pre-paid card transactions for the listed merchants are cancelled with immediate effect," the bank said in a web link provided through SMS to customers.

The move comes amidst an increasing number of customers who made purchases at e-commerce sites raising allegations of not getting products in due time.

In some cases, the payments had been made months in advance through cards or mobile financial services.

"This is our strategic decision. We will initially implement the decision for the time being, but it may continue for a long time depending on the situation," said Selim RF Hussain, managing director of Brac Bank.

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The 10 e-commerce platforms are:  
Evaly, Alesha Mart, Dhamaka, E-orange, Sirajganj Shop, Aladiner Prodig, Qcoom, BoomBoom Shopping, Adyan Mart and Needs