



**SM Amzad Hossain, chairman of South Bangla Agriculture and Commerce (SBAC) Bank, virtually inaugurated an Islamic banking service at its head office recently. Vice Chairman Talukdar Abdul Khaleque, Managing Director and CEO Mosleh Uddin Ahmed, deputy managing directors Shafiuddin Ahmed and Md Kamal Uddin and Shariah Supervisory Committee Chairman Maulana Abdur Razzak were also present.**

## Alesha Mart ISO certified

STAR BUSINESS DESK

Alesha Mart, an e-commerce company in Bangladesh, has been certified by International Organization for Standardization (ISO 9001: 2015).

The company has been providing international-quality service to customers making deliveries in the fastest possible time maintaining product quality since inception, for which, they received an international recognition, says a press release.

The company said the achievement was not theirs alone, rather belonged to every person and organisation involved with Alesha Mart, a concern of Alesha Holdings.

## SCB card commemorates Bangladesh's 50th anniversary of independence

STAR BUSINESS DESK

Standard Chartered Bangladesh has launched a limited edition commemorative platinum credit card marking Bangladesh's 50th anniversary of independence.

The bank will donate funds to Liberation War Museum for every card activated and cardholders are entitled to have their names registered in the list of the museum's donors, according to a press release.

The bank is offering a 10 per cent discount on the purchase of books and CDs published by the museum and free access to visit the galleries of the museum with the commemorative card.

Dhaka Yeah was commissioned to design the card's artwork, the Bengal tiger in the Sundarbans.

"The commemorative card is an expression of our gratitude, solidarity and pride in the historic achievements of the countless freedom fighters, whose selfless sacrifice made possible the dream of Bangladesh," said Naser Ezzaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

"We are grateful to be able to partner with the Liberation War Museum, an institution which is playing an indispensable role in preserving the memories of both the human tragedies and heroism of our Liberation War and its ideals," he said.

# Impact of nuclear energy needs more study before getting green label: EU

REUTERS, Brussels

The European Union should do more research on the potential harm caused by nuclear power before deciding whether to label it as a sustainable investment, one of the two expert committees tasked with assessing the fuel's green credentials said on Friday.

Brussels is mulling a decision on whether to include nuclear energy in its sustainable finance taxonomy, a list of economic activities that will from next year define which can be labelled as green investments.

The EU's science arm said in March that nuclear power should get a green label.

However, given disagreement among other experts over whether its low CO2 emissions make up for a lack of analysis on the environmental

impact of radioactive waste disposal, two expert committees were later tasked with scrutinising its findings.

On Friday, environment experts on the Scientific Committee on Health, Environmental and Emerging Risks (SCHEER) said they backed many of the initial report's findings, but were concerned about others.

To be considered green, activities must "do no significant harm" to specific environmental aims, yet SCHEER said the original report had instead considered whether nuclear would "do less harm" than other energy technologies.

"It is the opinion of the SCHEER that the comparative approach is not sufficient to ensure 'no significant harm'," it said in its report, posted on the Commission's website.

The second report, from a group

of experts on radiation protection and waste management, was broadly supportive of the original findings.

The Commission said it will now follow up on the findings of both expert reports.

"The inclusion of nuclear in the taxonomy regulation has been subject of intense debate," a spokesperson said in emailed comments.

"While nuclear energy is consistently acknowledged as a low-carbon energy source, opinions differ notably on the potential impact on other environmental objectives, such as the environmental impact of nuclear waste."

EU countries are split over nuclear energy, with some, including France, Hungary and Poland, in favour of the fuel, while others, including Austria, oppose it.



**Humayun Kabir, chairman of Modhumoti Bank's Board of Directors, virtually presided over its eighth annual general meeting at its head office recently. The bank declared 17.5 per cent cash and 5 per cent stock dividends for 2020. Shaikh Salahuddin, vice-chairman of the bank, Barrister Sheikh Fazle Noor Taposh, chairman of its executive committee, Mostafa Kamal, chairman of its risk management committee, and Md Shafiul Azam, managing director and CEO, were also present.**

# Didi says it stores all user and roads data in China

REUTERS

China's ride hailing giant Didi Global Inc stores all China user and roads data at servers in the country and it is "absolutely not possible" that the company passed data to the United States, a senior company executive said on Saturday.

Didi Vice President Li Min also said the company would sue any social media users who said the company transferred data during its recent initial public offering (IPO) process after claims were made on China's Twitter-like Weibo platform.

China's cyberspace agency announced on Friday it had launched an investigation into Didi to protect national security and the public interest, just two days after the company began trading on the New York Stock Exchange.

News of the Cyberspace Administration of China (CAC) probe, and the agency's decision to block Didi from registering new users during its investigation, knocked 5 per cent off Beijing-based Didi's shares on Friday.

"Like many overseas-listed Chinese companies, Didi stores all domestic user data at servers in China, it is

absolutely not possible to pass data to the United States," Li said in a post on Weibo.

Didi, which offers services in China and more than 15 international markets, gathers vast amounts of real-time mobility data every day. It uses some of the data for autonomous driving technologies and traffic analysis.

Founded by Will Cheng in 2012, the company has already faced

regulatory probes in China over safety and its operations licence.

"I'm not sure what the final implications might be but regulatory crackdown has been an ongoing concern even before the listing, with Didi already having been called in by the regulators twice," said Sumeet Singh, Aequitas Research director who publishes on Smartkarma, told Reuters on Saturday, before Li's post.



**A navigation map on the app of Chinese ride-hailing giant Didi is seen on a mobile phone in front of the app logo displayed in this illustration picture taken on July 1.**



**A mustard field is seen in front of the cooling towers of the Temelin nuclear power plant near the South Bohemian city of Tyn nad Vitavou, Czech Republic.**

# Lockdown means destitution for them

FROM PAGE B4

Like other industries, bedding businesses usually register good sales around the two Eid festivals but with both holidays having been marred by Covid-19 restrictions in 2020 and the same likely to happen this year, sales are sure to take a hit.

"Our business was improving but now I am in a lot of trouble due to the lockdown measures," said a frustrated Kabir Ahmed, owner of Maksud Bedding Store.

"I do not know how I will be able to keep the business running," he added.

Ahmed had to borrow Tk 5 lakh to resume his business last year. He has paid back just Tk 1.5 lakh of the amount since then and also owes three months' rent for the store.

"I do not think the government will allow any shop to open before the Eid so in this situation, it appears tough times are ahead," he said.

Besides, another concern for small-scale bedding store owners like Ahmed is that more and more large firms are joining the industry.

"We cannot make finished

products like they can through machines and many customers prefer those machine-made bedding items," he added.

A number of large corporations such as Swan Group, Zaber & Zubair Fabrics, Karmo Group, Bengal Group of Industries and Pran-RFL are engaged in the bedding industry.

Kamruzzaman Kamal, director of marketing at Pran-RFL Group, said business is not very good at the moment because of the coronavirus pandemic.

"Our sales have dropped by around 30 per cent," Kamal added. For people like Monir and his colleagues at other stores, the downturn in business and continued shuttering of outlets mean increasing hardship.

"I do not see anything but bleak days ahead if the situation does not improve," said Monir, who lives in a small rented residence with three children and his spouse at Kamrangirchar, nearly four kilometres southwest from his workplace.

# Unlocking working capital problem of small businesses

FROM PAGE B4

Difficulty relating to collateral and documentation sometimes keeps the CMSME sector away from using traditional banking services for working capital finance like cash credit and bank overdraft. SCF can ease the problem of collateral and documentation with its inherent mechanism.

Government and semi-government organisations usually go for bulk purchases on credit from agri-producers and CMSME suppliers. SCF can provide instant working capital support to these suppliers by taking consent from the relevant authorities.

The current stimulus package offered by the government and the Bangladesh Bank is mostly for working capital support to producers and suppliers at a subsidised interest rate. Banks and FIs can utilise this fund to finance suppliers belonging to the CMSME sector through the SCF.

In the current predicament situation, we cannot ignore the demands of more credit period of foreign buyers to achieve the export target of \$60 billion by 2021. However, the tendency to extend the credit period along with the risk of insolvency of foreign buyers might increase in the future.

At present, we have almost \$8 billion accounts receivable in international trade, which is a cause of concern. Different forms of SCF products utilised in international trade finance like two-factor system, three-corner and four-corner reverse factoring, and back-to-back factoring can be utilised to lessen the amount of accounts receivable.

The Export Policy, 2018-2021 has already recognised factoring as a legitimate international trade financing method. Also, the BB permitted banks to offer export factoring in June last year.

The aforesaid potentials can be accomplished subject to undertaking a few initiatives.

In the virtual world, we are already in the practice of doing transactions electronically. The role of digitalisation becomes even more important amid the pandemic, as dealing with and transferring physical documents is troublesome now. Digital platforms can extend SCF service even to the country's remote areas for domestic SCP and to far-away nations for international SCP with the same level of efficiency and transparency.

Further, a digital platform offers a flawless authentication process

of relevant documents, a seamless verifying method of KYC (know your customer) and a simplified information sharing system among relevant parties. Banks may use their own platform to offer SCF. But if they do not have their own platform, they may share platforms of other banks and FIs.

Furthermore, the Real Time Gross Settlement and the Bangladesh Electronic Funds Transfer Network can be used to pay and send money to the suppliers immediately after the delivery of the products and services.

The cost of funds under SCF services is a vital element for the acceptability of aforesaid services. The BB has given a cap to offer this financial service to exporters (6-month US dollar Libor interest rate plus 3.50 per cent annually) with a view to reducing the cost of exports.

To comply with the cap of the BB, banks now offer international factoring in collaboration with international financiers like Trade Wind.

The BB may consider allowing banks to use the export development fund to provide low-cost post-shipment finance to exporters in the case of international factoring. This will, in turn, pave the way to practice a two-factor system, which

is imperative to making international factoring sustainable in any economy.

A conducive legal system and proper policy support are prerequisites to flourishing this financial service in all points of the SCP.

If buyers do not pay bills to financiers on time or do not pay the bills at all, what type of legal action a bank or FI can take is not defined anywhere. Public and private procurement policy might be changed by keeping an option for giving a consent letter to financiers to pay money to banks and FIs, instead of suppliers.

Acceptance of assignment in the legal procedures as the right to own and collect money on behalf of suppliers, uniformity in offering service, and the issue of stamp duty are required to be well-defined by the regulations and policy.

A procedural guideline delineating all nitty-gritty of the SCF is also essential to understand and streamline the financial service to ensure more acceptability to the suppliers, buyers and banks, and FIs.

The author is professor of the Bangladesh Institute of Bank Management. He can be reached at banerjee1167@yahoo.com.