

# Genex stocks plunge despite new business deal

Partners with Edotco to offer IOT services

STAR BUSINESS REPORT

Stocks of Genex Infosys dropped yesterday despite news being made public of it entering into a three-year deal with Edotco Bangladesh Company to provide 360 degree internet of things (IOT)-based security solutions, including monitoring and theft protection.

The fall was of 2.70 per cent to Tk 90.20, according to the Dhaka Stock Exchange (DSE).

This is in stark contrast to its 75 per cent rise to Tk 95.8 in the past three months.

The board of directors approved an agreement with the largest multinational telecom tower company in Bangladesh, said a DSE disclosure.

This is the country's first ever IOT based large scale security solution aimed to be deployed throughout the entire geo location of the Edotco in Bangladesh.

This service agreement is expected to generate approximately Tk 24 crore in revenue per year upon full rollout, added the disclosure.

"We will give security of its accessories of all the towers," Company Secretary Md Jewel Rashed Sarker.

"It has many networking accessories which sometime fall victim to theft so we would set CC cameras at all their networks. We will ensure physical presence of personnel to secure the accessories and for each 20 to 22 networks, an engineer would be employed," he added.

# Limited capacity, logistics to slow Chinese bitcoin miners' global shift

REUTERS, Hong Kong/Shanghai

Large bitcoin miners fleeing China to escape a state crackdown will take many months to start operating again, as data centres from Texas to Siberia scramble to secure space and power for them, while many smaller players may struggle to move at all.

Bitcoin is created or "mined" by high-powered computers usually at data centres in different parts of the world, competing to solve complex mathematical puzzles in a process that makes intensive use of electricity.

The industry in China, which accounted for as much as 70 per cent of the world's capacity, is in disarray after the State Council, or cabinet, announced a crackdown on bitcoin trading and mining in late May targeting financial risks.

Miners in China are now shutting

down or looking to move out, seeking tolerant authorities, low temperatures lest machines overheat and cheap electricity - ideally surplus power from hydro plants or oil fields that would be wasted.

The power consumed by bitcoin mining globally in early July equates to an annual consumption almost as large as Austria's, according to estimates from researchers at the University of Cambridge, even after falling 50 per cent since May. While the move is set to fuel the emergence of new mining centres in the longer term, for now the miners are running into limited data centre capacity overseas and logistical challenges.

"None of these guys are getting online in June or July," said Thomas Heller, chief business officer of Compass Mining, explaining miners needed to collect machines scattered

around China, test, clean and pack them, ship them abroad, and get through customs before installation.

The logistics are harder for smaller Chinese miners with less cash on hand to pay for shipping, and who are also unfamiliar with operating overseas so may struggle to find hosting centres they can trust, miners say.

Nonetheless Compute North, which runs data centres hosting bitcoin miners in Texas, Nebraska and South Dakota, for example, is accelerating expansion plans slated for next year to meet "a massive influx of inquiries" from China.

"There's no doubt in my mind that we're going to see a lot of computers sitting in warehouses for the next six, nine, 12 months as the infrastructure catches up," said Compute North Chief Executive Dave Perrill. "We are targeting the first and second quarter of 2022 for large scale deployments ... (but) it's not a simple switch, it takes a lot of complex engineering, procurement and construction."

Moscow-based BitRiver, which operates data centres in Siberia hosting bitcoin miners, has accelerated plans to build new facilities and expand existing ones to meet some of the demand from those leaving China. BitRiver estimates demand for space in its facilities will rise to 1.5 million mining machines requiring up to 2.5 gigawatts of power, dwarfing its current three data centres' 125 megawatts.

"We know companies are leaving China because they are running straight to us," BitRiver spokesperson Roman Zabuga said.

China's ban on bitcoin mining may see up to 90 per cent of all mining in the country go offline, according to an estimate by Adam James, a senior editor at OKEx Insights. Some miners are dumping machines in despair.

# Evaly under probe for alleged breach of competition rules

FROM PAGE B1

As a result, Evaly would only be able to deliver products or make refunds to 16.14 per cent of the customers with the current assets, said the letter, citing the BB probe report. It is not possible for the company to settle the rest of the liabilities, it said.

No trace of Tk 338.62 crore taken from customers and merchants could be found, the commerce ministry said.

In this case, there is a possibility of embezzling or illegally transferring Tk 338.62 crore, said the letter, recommending the ACC probe the matter in light of the BB report and take legal actions if any financial irregularities were found.

"It is necessary to identify the gap," said Hafizur Rahman.

"Where has the rest of the money gone? If the rest of the money is not available with the company, then it becomes a big risk for customers."

Mohammad Rassel, chief executive officer of Evaly, could not be reached for comments despite several attempts. He did not reply to mobile phone messages at the time of the filing of the report at 9:30 pm last night.

# Approval for Pran Agro's Tk 150cr bond

STAR BUSINESS REPORT

A non-convertible, coupon bearing green bond of Tk 150 crore of Pran Agro was approved at a commission meeting of the Bangladesh Securities and Exchange Commission (BSEC) yesterday.

BSEC Chairman Prof Shibli Rubayat Ul Islam chaired the meeting.

The coupon rate of the bond is 9 per cent. It will be issued to scheduled banks, mutual funds, insurance companies, organisations, trust funds and institutional investors through private placement.

With the bond proceeds, Pran will enhance its liquidity and capital base. Then face value of each bond is Tk 10 lakh.

Its trustee Green Delta Insurance, and its

arranger Standard Chartered Bank.

Earlier last May, Pran Agro issued a non-convertible and redeemable bond worth Tk 210 crore, equivalent to \$25 million, with 100 per cent credit guarantee from a global company, the first of its kind in the country.

In the commission meeting, the BSEC approved a proposal to form a board of governance for a market stabilisation fund.

The BSEC decided to create the fund worth more than Tk 21,000 crore with unclaimed dividends of listed companies.

As per the data of Dhaka and Chittagong stock exchanges, 335 listed companies have unclaimed cash dividends worth Tk 956 crore and unclaimed or unsettled stock dividends worth Tk 19,986 crore.



A small toy figure and representations of the virtual currency Bitcoin stand on a motherboard in this picture illustration taken on May 20.

# Online plastics fair ending today

STAR BUSINESS DESK

The 15th Bangladesh International Plastics, Printing and Packaging Industry Fair (IPF) will end today.

Organised jointly by the Bangladesh Plastic Goods Manufacturers and Exporters Association, and Yorkers Trade and Marketing Service Company, the four-day fair has virtually been held due to the coronavirus situation.

More than 483 companies from 19 countries and regions around the world are participating in the virtual fair to help their business expand in Bangladesh's market.

This online expo is a good way for staying in touch with customers and partners worldwide, presenting products and innovations, networking from knowledge-sharing activities, and an important format

for getting access to new contacts.

The fair's overarching goal is to provide a captivating platform for both large and small companies to showcase products and build their brand image as well as forming partnerships.

Suppliers from all over the world interact with local customers and develop new cooperation opportunities through the fair.

According to the press release, IPF is the most trusted platform in the South Asian region, attracting more and more support from high-profile companies and industry associations.

This online expo includes a four-day dialogue opportunities and unlimited business appointments via live chat and video call, and four exclusive days at webinar programme.

# Stakeholders call for alternative shippers

FROM PAGE B1

They termed the shortage of empty containers and space in mother vessels a "global crisis" prevailing in the shipping sector due to the pandemic-induced supply chain disruption.

They stressed on the need for coordinated efforts of all stakeholders, including exporters, freight forwarders, shipping agents, ICDs and the Chattogram port authority, to find ways out of the crisis.

Shipping Secretary Mejbah Uddin Chowdhury assured holding such meetings regularly to solve bottlenecks.

Claiming that there was currently no vessel congestion at the Chattogram port, CPA Chairman M Shahjahan said the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and other exporters' associations should take up the issue of alternative MLOs with buyers' forums.

He said of the export-laden containers in the ICD backlog, over 6,000 TEUs were owned solely by one MLO, Maersk Line.

Those could not be shipped timely due to a space shortage in mother vessels connecting from the transhipment ports, he said.

Chittagong Chamber of Commerce and Industry Vice President Syed M Tanvir urged for immediate shipment of the 6,000 TEUs.

He also urged increasing the number of feeder vessels operational from the Chattogram port to China so that the congested transhipment ports of Singapore and Colombo can be avoided.

BGMEA President Faruque Hasan said export laden vehicles from around the country remain waiting outside the ICDs for five to seven days.

This forces exporters to bear high vehicle rent and demurrage for overstay of cargoes in the ICDs, he said.

Bangladesh Knitwear Manufacturers and

Exporters Association First Vice President Mohammad Hatem proposed directly running small vessels from the Chattogram port to export destinations in Europe and the US as a long-term solution.

He also emphasised increasing the number of private ICDs to handle the ever-increasing export and import cargoes.

Bangladesh Shipping Agents Association (BSAA) Director Muntasir Rubayat urged the CPA to increase the number of jetties from the existing 10 to 11.

In recent months the port curtailed quota for container vessels to nine jetties from the existing 10, he informed.

BSAA President Syed Md Arif, Bangladesh Freight Forwarders Association President Kabir Ahmed and Bangladesh Inland Container Depots Association President Nurul Quayyum Khan also spoke.

# Lockdown may slow recovery

FROM PAGE B1

Exports grew 11 per cent year-on-year to \$9.5 billion in the third quarter, the BB report said. In the full fiscal year, overseas sales surged 15.1 per cent to \$38.75 billion, data from the Export Promotion Bureau showed.

A broad-based economic recovery helped boost import demand for both consumer and capital goods in the third quarter. Imports rose 32.3 per cent to \$1.75 billion, reflecting the strength of aggregate demand.

Remittance continued to be robust riding on the rebounding global economies, fetching \$5.65 billion in the quarter, up 29.6 per cent year-on-year.

In FY21, remittance inflow posted 36 per cent growth, the sharpest in 30 years. Receipts totalled \$24.78 billion.

Computer and electronic product manufacturing had enjoyed strong growth before the pandemic hit the country. The output plummeted 65 per cent in the March to April period of 2020. The trend continued, and it dropped 18 per cent in the third quarter of the last fiscal year.

"The pandemic halted the foreign investment inflow in the computer and electronic product manufacturing sector, so it was hit hard in the last one and a half years," said Humayun Rashid, managing director of Energypac Power Generation.

Food production saw no growth in the third quarter. Furniture manufacturing surged 34 per

cent. Beverage production went up by 37 per cent.

Tobacco manufacturing dropped 5 per cent, paper and paper product output declined 17 per cent and basic metal was down 10 per cent.

Strong growth in electricity generation (12.20 per cent), iron and steel production (11.29 per cent) and cement production (19.16 per cent) signalled a turnaround in economic activities supported by public and private construction projects, the BB said.

The industrial sector is likely to gear up its performance as the government is addressing the challenges against the current wave and lockdown-inflicted damages, ensuring a better business environment and greater financial policy support, it added.

According to the report, many people lost jobs due to the impacts of the pandemic.

Last year, more than 26 lakh people were rendered unemployed, which was 4.3 per cent of the total workforce of 6.4 crore.

The pandemic pounded the service sector as over 11 lakh workers were unemployed. The income of those employed fell 17.6 per cent, and their working hours were squeezed by 21.6 per cent.

Akhtaruzzaman Khan, president of the Bangladesh Hotel, Restaurant, Bakery Stromik Union, said a third of 30 lakh people working in the segment were unemployed as of March.

In the agriculture sector, 7.81 lakh people were jobless in 2020. The income of those

employed rose 1.2 per cent but their working hours decreased 3.8 per cent.

The number of unemployed in the industrial sector was 6.95 lakh last year, and workers' income dropped 7.1 per cent.

Towfiqul Islam Khan, senior research fellow of the Centre for Policy Dialogue, said: "Although many people have got back their jobs, the lion's share of private-sector workers is not earning enough to meet their daily necessities."

"Their earnings and working hours declined significantly, and people cut down on food expenditure and other expenses."

He recommended the government adopt a medium-term strategy to create jobs.

Looking ahead, the BB report said the broad-based recovery of economic activities was likely to continue in the near future.

The steady remittance inflows and the recovery in export earnings are likely to auger well for external developments in coming quarters.

"The global rollout of Covid-19 vaccination and reopening of business activities in major export destinations are supposed to help maintain the rising trend of export earnings in the near-term."

Moreover, the government's prudent policies and strategies to attract foreign direct investment are expected to boost FDI flows further.

It is expected that foreign reserves would continue its upward trend, underpinned by strong remittance inflows and rising export earnings in the near term.

# Extend the scope to non-RMG as well

FROM PAGE B1

The rest 659 types of products come from four sectors, namely steel and iron, chemicals, electronics and electrical, and furniture.

But the bonded warehouse facility is not available for the entrepreneurs in the four sectors, although about 80-90 per cent of the raw materials used by them are imported.

As a result, the entrepreneurs in these sectors pay 30 per cent to 65 per cent duty at the import stage, the commission report said.

"This inequality is a major obstacle to the diversification of export products."

It called for permitting these sectors to bring in raw materials duty-free under the bonded warehouse facility.

According to the report, entrepreneurs in Vietnam have been enjoying such benefits for a long time. There is no alternative to achieving the \$60-billion export target without the diversification of exports, it said.

The commission suggested imposing conditions so that users could not misuse the facility.

One of the conditions will stipulate that the beneficiary keeps a bank guarantee equal to the duty levied on the imported raw materials. This aims at preventing revenue evasion through encashment of the guarantee in case the importer fails to export or misuses the facility.

The beneficiary companies will submit a report on the import-export data every six months.

The facility might be scrapped if a company fails to ship at least 40 per cent of the goods produced from the imported raw materials within 12 months of availing of the duty-free import opportunity.

Alongside the customs houses, the local VAT offices and the BITC may be given the task to monitor the use of the bonded warehouse facility, the commission recommended.

Saiful Islam, chairman of SKB Stainless Steel

Mills Ltd, told The Daily Star, "We have urged the commerce ministry on several occasions to extend the duty-free raw material import facility to diversify exports. But our demand has not been met."

He has been exporting steel products to more than 10 countries for the last four years. He did not receive the duty drawback on time.

"We have to pay duty at the import stage. As a result, 30-40 per cent of our capital gets stuck. It discourages many exporters to export."

Islam hopes the government would come forward to implement the BITC's proposals.

Easy access to finance and adequate policy support, including fiscal and non-fiscal incentives to the non-garment potential sectors are necessary to diversify exports after the country's graduation from the group of the least-developed countries, said experts at a virtual dialogue organised by the Dhaka Chamber of Commerce & Industry yesterday.