

Unilever provides 100 oxygen concentrators to DGHS



Shamima Akhter, head of corporate affairs, partnerships and communications of Unilever Bangladesh, handed over the oxygen concentrator machines to Prof Dr Abul Bashir Mohammad Khurshid Alam, director general (Health) of DGHS, at DGHS Bhaban in Mohakhali yesterday.

STAR BUSINESS DESK

Unilever Bangladesh yesterday provided 100 oxygen concentrators as a donation to the Directorate General of Health Services (DGHS) to come to the aid of Covid-19 patients.

The machines are often used in the

treatment of chronic obstructive lung and respiratory diseases that make breathing difficult, says a press release.

The machines will be distributed among hospitals of eight divisions across the country before the Eid-ul-Azha so that hospitals can support more Covid-affected patients during the pandemic.

Shamima Akhter, head of corporate affairs, partnerships and communications of Unilever Bangladesh, handed over the machines to Prof Dr Abul Bashir Mohammad Khurshid Alam, director general (Health) of the DGHS, at DGHS Bhaban in Mohakhali.

Prof Dr Meerjady Sabrina Flora, additional director general (planning), Prof Dr Nasima Sultana, additional director general (admin), and Dr Sheikh Farid Hossain Miah, director of the DGHS, were also present.

Zaved Akhtar, CEO and managing director of Unilever Bangladesh, said Unilever Bangladesh has invested Tk 27 million for medical equipment and donated Tk 11 million to two hospitals to develop their health infrastructure.

"We are committed to protecting the lives and livelihoods of people and supporting the nation in every way possible," he said.

"Given our global scale and reach, we could quickly bring in much needed medical equipment like testing kits and breathing equipment into Bangladesh and provide it to the Bangladesh government and other reputed healthcare organisations," he added.

"We believe this timely support will help to continue the government's effort to combat the Covid-19 pandemic. We hope to do more in every possible way and remain the trusted partner for Bangladesh," Akhtar added.

Reforms can save \$4b a year in safety net spending: ADB

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The government has allocated Tk 107,614 crore for the safety net programmes for the current fiscal year of 2021-22.

The ADB highlighted the examples of the estimated savings from eliminating duplicate and ghost beneficiaries through the adoption of the Aadhaar system by India and the National Database and Registration Authority by Pakistan.

As of early 2018, India reported estimated fiscal gains of more than \$12.7 billion since 2013 from Aadhaar-enabled G2P transfers and related reforms.

Similarly, Pakistan's National Database and Registration Authority programme identified 40 per cent of claimants for flood grants to be ineligible, duplicates or fraudulent.

Despite a significant reduction in poverty incidence, Bangladesh's social protection systems remain significantly underfunded and face several efficiency and effectiveness challenges.

These include inadequate coverage and benefits, high duplication and leakages, and fragmentation with too many small programmes.

"The average transfer amount to beneficiaries is inadequate compared to national poverty lines, while many eligible poor and vulnerable receive no assistance. Furthermore, there is no scheme to help mitigate the impact of losing jobs or falling sick for informal sector workers."

"Targeting errors are critically high in beneficiary selections," the ADB said.

The 2016 Household Income and Expenditure Survey indicated that the exclusion error was 71 per cent, and the inclusion error was about 46.5 per cent.

Limited resources are allocated across too many programmes with no scale efficiencies in administration and management.

Of 125 programmes operating in 2019-2020, the largest 20 social safety net programmes (SSPs) comprised more than 70 per cent of the SSP budget, while the smallest 42 programmes accounted for just 4 per cent.

The shortcomings of the social protection and health systems have been exacerbated by the Covid-19 pandemic, where estimates suggest nearly 42 million people have fallen back into poverty.

Those people are mostly sustaining their lives by day work and highly vulnerable to shocks such as major illnesses and external events, the report said.

Under the ADB reform programme, the government will select a social insurance such as

an unemployment insurance scheme or pension scheme for the private sector on a pilot basis. This will be developed as an initial step of the national social insurance scheme.

One of the reform measures will focus on reducing fragmentation of various SSPs to cut the duplication of programmes and harmonise the social protection system.

The integrated registry system will manage various programmes with an integrated entry point of social protection beneficiaries so that targeting or selection of beneficiaries are not affected.

At least 80 per cent of the SSPs involving cash-based benefits could be managed under the integrated management system by June 2023.

In 2015, the government formulated the National Social Security Strategy (NSSS) to build an inclusive social protection system, but the initiative is yet to see much progress.

The ADB said the social protection initiatives were developed on an ad hoc basis, leading to the creation of too many programmes and a fragmented system.

A recent study by the Bangladesh Institute of Development Studies showed that a large part of monetary transfers under SSPs ends up in "non-deserving" non-poor groups.

In a letter to ADB President Masatsugu Asakawa on April 11, Finance Minister AHM Mustafa Kamal committed to implementing the policy reforms, giving details on the steps taken and the future measures to be implemented.

The finance ministry has already formulated the National Financial Inclusion Strategy-Bangladesh (NFIS-B) for the financial inclusion of disadvantaged people and submitted it to the cabinet for approval.

A ministry official said the strategy would focus on introducing social insurance and pension schemes, ensuring digital payment for all social safety benefits by promoting the use of mobile financial services, simplifying documentation required for opening a bank account, and reducing the cost of digital payments.

The government will set up a national council of the NFIS-B at the ministerial level to ensure effective coordination.

A steering committee has already been set up to strengthen the cross-ministerial coordination for implementing the ADB-funded reform measures.

The government has issued a directive on the cross-ministerial coordination action to select a social insurance and its scheme, Kamal wrote.

Standard Chartered 'Best International Bank'

STAR BUSINESS DESK

Standard Chartered Bank Bangladesh has recently been recognised as the "Best International Bank" at Euromoney Awards for Excellence 2021.

This is the third successive year that the bank received the award and seventh major international award it pocketed in 2021 till date, says a press release.

The bank's commitment to support

Bangladesh's continued journey of prosperity even in the face of the Covid-19 challenge saw it securing 25 major international awards in the past year.

The bank was also recognised by Bangladesh Bank as the international bank with the highest CSR spending in 2020.

For 2021, Standard Chartered Bank Bangladesh has announced a Tk 135 million (\$1.6 million) strategic Covid-19 response

action plan that supports healthcare and immediate assistance, regenerate livelihoods and catalyse long-term growth.

"As the longest-serving financial institution of Bangladesh, we have always believed that whatever is good for our nation is good for the bank in the long run. Our strategy is guided by this conviction," said Naser Ezzaz Bijoy, chief executive officer of Standard Chartered Bangladesh.

New e-tax filing system likely in Sep

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acknowledgement receipt and tax certificate after submission of returns," said the official.

The development comes nearly a year past the NBR deciding to develop the system with its own resources placing its initial scheme, Bangladesh Integrated Tax Administration System (Bitax), on technical audit.

This was against the backdrop of allegations that the initial system was not user-friendly and had failed to attain the desired goals.

In October last year, the NBR formed a team to design the online return system, business process and applications as a part of its responsibility to develop the overall apparatus.

It also formed a steering committee, headed by its Chairman Abu Hena Md Rahmatul Muneem, to monitor the overall progress in designing and implementing the system so that it could be brought to use in the quickest possible time. Officials said the NBR has developed a new artificial intelligence-based system.

The official said public sector employees would find the system convenient as it would collect information regarding salaries through the government's Integrated Budget and Accounting System (iBAS).

Besides, marginal taxpayers and taxpayers who have nothing to show in their returns will also find the system very helpful, the official said.

The NBR set rules last fiscal year stipulating that holders of taxpayer identification numbers (TINs) would have to file tax returns even if they do not have taxable income.

The exception will be two types of individuals: those who do not have any income but have to take TINs to get credit cards and those who have got TINs to sell land and do not have any income.

They will not have to submit returns. There are nearly 38 lakh TINs holders, who are either marginal taxpayers or have nothing to furnish in their returns, he said. Currently, more than 62 lakh registered individuals, companies and firms have TINs.

BSEC probing abnormal prices in buy orders

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We also will see whether the buyers decided to place the orders on their own or whether any broker was involved here," he said.

The real reasons for placing such high prices will be unearthed through the investigation, he added while speaking to The Daily Star yesterday.

City Bank secures \$30m foreign fund

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UPAS stands for Usance Payable at Sight. UPAS letter of credit is a usance LC where payment is made on a sight basis to the exporter, but the payment of the buyer will be made to the issuing bank at the usance term.

The bank will assist businesses in meeting exporters' requirements of payment at sight and clients' needs for timely goods receipt while enhancing overall competitiveness in international commercial activities, Maroof said. Robert Chatterton Dickson, the British high commissioner to Bangladesh, welcomed CDC's first-ever direct trade finance loan to a bank in the country. "This transaction is a significant step forward in the UK-Bangladesh economic partnership, further broadening our offer of financing instruments beyond grant finance," he added.

Blue-chip index brings up the rear

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The DS-30 is not representing all the blue-chip stocks at the moment, however, some well-performing companies have been left out as only 30 stocks are allowed in the group, said an asset manager.

But despite making a lower profit and lower dividend payout, some companies have been placed in the list because of the high paid-up capital and liquidity, he said.

Nonetheless, the DS-30 represents the blue-chip stocks and it is expected that the index will lead the market.

"But we see the DS-30 is falling behind the benchmark index," the asset manager said.

Investors' behaviour has caused the DS-30 to post lacklustre performance since most of the traders make an

investment for a short period and are driven by rumours. So, they barely go after blue-chip stocks, according to analysts.

Only institutions invest for a longer period and pour money into the blue-chips. However, their participation is thinner than general investors.

"People want to invest in low-priced stocks in the expectation that the shares will jump within a short period," said Prof Mohammad Musa, a stock analyst and a member of the board of trustees of United International University.

"Many investors want a fast movement of a stock, so they are keen to put their money into rumour-based and manipulation-centric companies."

In comparison, the base value of blue-chip stocks is comparatively

higher and are relatively difficult to manipulate, he said.

The DSE's market capitalisation rose 16.43 per cent between January 1 and July 12. The market capitalisation of blue-chip stocks increased by 12.8 per cent, according to an analysis of the UCB Asset Management Company.

"Our blue-chip stocks are undervalued because people love to invest in speculative stocks," said Md Saifuddin, managing director of IDLC Securities. "Local investors are driven by emotion, so the blue-chip index is lagging," he said.

He said analysis-based investors invest in blue-chip stocks. "Blue-chip stocks are relatively less volatile and respond slowly to the market movement. It proves that the blue-chip stocks are safer."

Banks cut back on loan write-off

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Md Arfan Ali, managing director of Bank Asia, said the practice of writing off loans declined when banks were faced with managing their required operating profit.

The capital of banks will erode substantially if they continue to write off their loans despite making low profits, he said.

Loans to have been written off have declined in recent months due to the business slowdown brought on by the pandemic.

"Loan write-offs are considered one of the global best practices to augment the image of banks as a high amount of default loans faced by a lender usually gives a negative signal to the global community," he added.

Non-performing loans (NPLs) in the country's banking sector stood at Tk 95,085 crore in March, up 7.1 per cent from three months earlier and 2.8 per cent year-on-year.

Although net profit in banks is usually reduced to some extent due to loans being written off, the practice

will help lenders fortify their financial health in the long run, Ali said.

Hussain said the majority of well-reputed foreign lenders wrote off their loans promptly.

Default loans amounting to Tk 970 crore were removed from the balance sheets last year, down 63 per cent year-on-year.

A total of Tk 57,122 crore has been written off since the facility was introduced in January 2003.

Of the amount, 77 per cent remains outstanding till date.

LafargeHolcim sales, profit jump

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"Our Holcim Water Protect, sustainable waste management solution Geocycle, and new aggregate business has set a solid momentum," said Rajesh Surana, CEO of LafargeHolcim Bangladesh.

The company's revenue from aggregate sale was Tk 72 crore, which was a new form of sales revenue in the quarter as it had started the business last January.

Aggregate is a broad category of coarse particulate material used in construction, including sand, gravel, crushed stone, slag, recycled concrete and geo-synthetic aggregates.

The cement maker's clinker sales amounted to Tk 26 crore in the last

quarter while it was Tk 16 crore during the same period the previous year. Its grey cement sales stood at Tk 100 crore in the quarter while it was Tk 76 crore a year earlier, according to the quarterly financial report.

The company was successful in managing a significant portion of the increased input cost through effective pricing, the company said in the press release.

The company's pursuit in strengthening digital footprint, maximising outreach by bringing in innovative channel implementation, unveiling of a new look of Supercrete, driving seamless cost effectiveness programmes, all played very instrumental roles, it added.

"The indomitable passion and spirit of our employees has helped to deliver such sustained performance," he added.

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'Keep agro-processing units open during next lockdown'

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"Due to the shutdown, it will not be possible to produce these products and deliver the essential food items to consumers. As a result, there is a possibility of a terrible food crisis in the country," the association said in a statement.

It said these food factories are located in remote areas of the country, where the population density is very low.

So, if these factories are kept open, production can be continued while

maintaining hygiene rules, according to the statement.

Mentioning that the processed agricultural products of Bangladesh are being regularly exported to more than 145 countries across the world, BAPA said if the factories remain closed, the export of these products will be severely disrupted.

"For the first time, the country's agricultural exports have crossed the \$1 billion milestone thanks to the efforts of BAPA members and the government. If the factories remain

closed for a long time, the progress will be hampered and it will not be possible to achieve the target for the current financial year," it said.

Earlier, the government had taken various steps, including general holidays and lockdowns, to prevent the spread of the coronavirus. At that time, all kinds of industries remained open while maintaining hygiene rules.

"So, we urged the government to keep agro-processing factories open during the lockdown under special consideration," the association added.

Lockdown leaves scars on vegetable growers

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This was happening due to the high transportation costs, according to wholesaler Rafiqul Islam.

Shahidul Islam Manik, general secretary of the Truck, Tank-lorry and Covered Van Workers Union in Rangpur district, told The Daily Star that truck drivers and helpers were unwilling to ply the roads in fear of getting infected.

But even though vehicles transporting vegetable were out of the purview of the strict lockdown, they faced many problems on the highways, he said.

"A lack of accommodations and unavailability of food on the roads were also key issues," Manik said.

Obaidur Rahman Mondal, deputy director of the agricultural department in Rangpur, acknowledged that farmers were being deprived of fair prices amidst the current lockdown.

Md Humayun Kabir, a farmer of Kamorpara village under Thakurgaon sadar upazila, said he suffered heavy losses this season due to the lockdown as wholesalers were refusing to take vegetables due to a lack of trucks.

But since the lockdown has been lifted for a while, the situation may take a turn for the better, he said, adding: "The season is at its end, which is why the price of vegetables will start rising again."

Ziaul Islam, a wholesale vegetable trader of Kamorpara village, told The Daily Star that he usually required at least four trucks to send vegetables to Sylhet, Chattogram, Dhaka, Khulna and Barisal.

"It is now quite difficult to secure a single truck in such a lockdown situation. I am paying almost double the truck rent charged before," Islam had said.

The truckers were charging high rates since they do not get hired for the return trips, he added.

Md Masud Mia of Boalmari village under Panchagarh sadar upazila said vegetables produced in Panchagarh were usually sent to various districts. But wholesalers were not buying as much as they used to, forcing most farmers in the district to suffer losses, Mia added.

Shah Alam, deputy director of the DAE office in Dinajpur, said vegetable harvest in the area was going at a slow pace because of the lack of transportation amidst the lockdown.

"Farmers would get better prices for their vegetables if the transportation problem did not arise," he added.

Two more SMEs to go public

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During a commission meeting held yesterday, the stock market regulator allowed the Oryza Agro and Master Feed to join the board in a bid to facilitate growth in the local SME sector, according to a press release.

The session was chaired by Prof Shibli Rubayat Ul Islam, chairman of the BSEC.

Both companies will issue one crore shares at Tk 10 each, it said. However, they are not allowed to issue any bonus shares for the next three years since they are newly listed in the trading board.

If an investor has investments of at least Tk one crore, then they will be considered as a qualified investor to buy the stocks of these companies through the SME board.

The issue manager of the Oryza is Imperial Capital and City Bank Capital Resources while Master Feed's issue manager is the NBL Capital & Equity Management and Asian Tiger Capital Partners Investments.

The meeting also approved amendments to the BSEC Public Issue Rules, 2015, which will be made public through a gazette soon.