

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.16%	▼ 0.16%	\$1,790.81	\$66.42	▼ 0.29%	▼ 1.10%	▼ 1.42%	▼ 0.57%	BUY TK 84.10	97.07	114.38	12.70
6,760.61	11,820.52	(per ounce)	(per barrel)	55,629.49	27,581.17	3,086.97	3,465.55	SELL TK 85.10	100.87	118.18	13.36

Star BUSINESS

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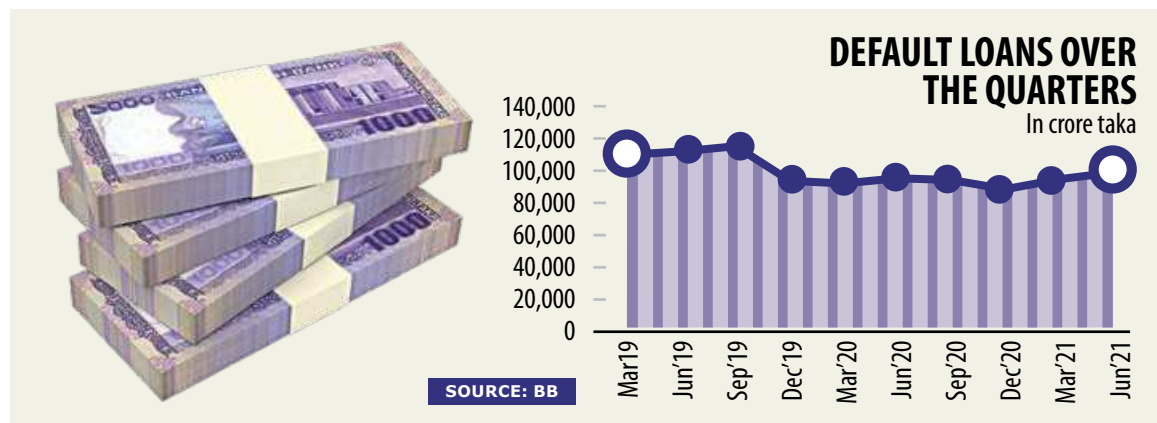
Default loans surge close to Tk 1 lakh crore

AKM ZAMIR UDDIN

Default loans in Bangladesh surged in the first half of 2021 as borrowers struggle to pay back due to the business slowdown caused by the coronavirus pandemic.

Non-performing loans (NPLs) stood at Tk 99,205 crore in June, up 11.80 per cent from six months earlier and 3.21 per cent year-on-year, data from the Bangladesh Bank showed.

Analysts say that NPLs increased as the central bank lifted the loan moratorium facility, which had prevented downgrading of the credit status of borrowers even if they failed to pay instalments regularly last year. Although the BB has asked banks to follow a relaxed



SOURCE: BB

policy on loan classification until August this year, it has not had a substantial impact to rein in the upward trend of the default loans.

In June, the BB said borrowers would be able to avoid the default zone by repaying 20 per cent of their loan instalments payable as of June. Borrowers will have to clear the payment by August.

The central bank relaxed the policy given the business slowdown deriving from the latest spread of coronavirus infections. NPLs also increased 4.33 per cent in June compared to March when the volume stood at Tk 95,085 crore.

The bad loans accounted for 8.18 per cent of the total outstanding debts of Tk 121,314 crore in June.

The ratio was 8.07 per cent in March this year and 7.66 per cent in December last year. It, however, was down from 9.16 per cent in June last year. "The upward trend of NPLs indicates that the economic recovery is yet to get back its momentum," said Salehuddin Ahmed, a former governor of the central bank.

"The central bank should take a strict measure against the habitual defaulters to recover funds from them as they are the main reason for the current situation in the banking industry."

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City Group to build Tk 5,000cr hi-tech park

MAHMUDUL HASAN

City Group, one of the country's leading consumer goods processor and manufacturer, is to going to build a hi-tech park investing Tk 5,000 crore to manufacture technology products such as microprocessors, chips, circuits, mobile phones and laptops.

The 115-acre City Hi-Tech Park, which will be developed at Demra of the capital city of Dhaka, also looks to house global tech giants.

"We aim to establish a world-class high-tech park and we look forward to attracting some foreign investors," said Biswajit Saha, director for corporate and regulatory affairs.

There will be all sorts of facilities for recreation and a dormitory. This will create job opportunities for around 15,000 people, said Saha after City Group signed an agreement with Bangladesh Hi-Tech Park Authority at the Pan Pacific Sonargaon Dhaka yesterday.

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AT A GLANCE

- City Group's high-tech park will be the biggest in the private sector
- To be built on 115 acres of land in Demra
- Investment: Tk 5,000cr
- Jobs to be created: 15,000
- Will make: microprocessor, chip, mobile, laptop

9-6pc interest rates helped banks improve health: Kamal

STAR BUSINESS REPORT

The 9 per cent and 6 per cent interest rates fixed respectively for lending and deposits have helped banks in improving their health, Finance Minister AHM Mustafa Kamal said yesterday.

The minister spoke while talking to journalists after a meeting of the cabinet committee on public procurement.

He said the financial condition of private banks has improved a lot and most banks have a healthy balance sheet, which is enabling them to pay dividends.

At the same time, the health of government banks has also strengthened and now they do not need to look to the government budget to meet their capital shortfall, Kamal said.

"Banks will not be able to pay dividends if there is no profit. You have always said that banks do not pay dividends."

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Evaly owes Tk 544cr to customers, merchants

Says in first reply to show-cause notice

REFAYET ULLAH MIRDHA and MAHMUDUL HASAN

Beleaguered e-commerce company Evaly has a liability of Tk 544 crore to customers and merchants, the company said yesterday.

Evaly stated this in its first reply to a commerce ministry's notice asking to detail its liabilities and assets and explain how it would settle those by September 2.

Evaly management submitted the first phase of its account and liability records to the commerce ministry yesterday, said Hafizur Rahman, an additional secretary to the ministry and head of the e-commerce desk.

Rahman said in the statement the company showed its total assets, both tangible and intangible, to be worth Tk 544 crore.

Of it, the company showed Tk 105 crore as tangible assets and the remaining as brand value and other assets, Rahman told The Daily Star over the phone.

It claimed its brand value at Tk 422 crore. Rahman, also chief of the ministry's World Trade Organization (WTO) cell, said the company did not show any plan for making fresh investments.

Jamuna Group recently proposed investing Tk 1,000 crore into Evaly to salvage it. "Evaly may show it in its next submission if the discussion of investment by Jamuna takes place," Rahman said.

Evaly has until September 2 to submit their accounts and documents as the commerce ministry sought those in three phases.

No decision was yet taken about another errant e-commerce company, Eorange.shop, he said.

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Bay Terminal project to gather pace

Operation to start by 2024, says state minister for shipping

DWAIPAYAN BARUA, Ctg

The construction of the Bay Terminal, a long-awaited project of the Chittagong port, is gaining momentum after slowing down due to the coronavirus pandemic as the government looks to complete it by 2024.

Khalid Mahmud Chowdhury, state minister for shipping, said the government had set the time frame to start the operation of the terminal.

He was speaking to reporters after visiting the project site on the Halishahar coast in the port city yesterday. Senior officials of the ministry and the Public Private Partnership (PPP) Authority accompanied him.

The terminal is being constructed on around 2,500 acres of land. It will have a length of 6.15 kilometres, stretching from the backside of the Chattogram Export Processing Zone to Rasmonighat at the Halishahar coast of the Bay of Bengal.

The Chittagong Port Authority (CPA) came up with the plan a decade ago.

Talks on the Bay Terminal began in 2011 as the prospect of building a mega container terminal emerged after an 11km natural island surfaced from the seabed near the Halishahar



Construction work for Bay Terminal, a long-awaited mega expansion project of the Chattogram port, has gained momentum as the government has set 2024 to start operation of the terminal. The photos were taken yesterday.

RAJIB RAIHAN

coast, creating a natural channel for vessel movement.

In August 2016, the CPA appointed a joint venture comprised of two German firms -- Sellhorn Ingenieurgesellschaft mbH and HPC Hamburg Port Consulting GmbH -- and a Bangladeshi firm KS Consultants Limited to conduct the feasibility study.

The JV submitted the report and a master plan in 2017, describing the project economically and technically viable. Though the business community has long been demanding for the beginning of the project as part of the much-needed expansion of the country's premier seaport, it got delayed.

Chowdhury said it was

initially decided that one single firm would build the whole terminal under the PPP model.

To speed up the implementation, the project has now been divided into three parts. The CPA will build one part on its own.

The CPA will construct a multi-purpose terminal, while two container terminals will be

set up under the PPP model.

Five international port giants, including PSA Singapore, China Merchants Sports Holding Company Ltd, DP World of the UAE, and International Port Development Co-operation of Korea, have expressed interest in funding and constructing the mega project.

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Post office giving higher returns than banks

MD ABU TALHA SARKER

If you ever paid a visit to the General Post Office (GPO) in Dhaka's Gulistan area, you may have noticed a queue of people waiting to avail services inside the main hall.

Some people can be seen busy completing procedures to mail their parcel or letters while at another end, you may see men and women with small passbooks in hand.

These passbook holders come to either deposit or withdraw money from their savings accounts with the post office, which provides people with scope to invest in state-sponsored national savings certificates as well as deposit funds in the Post Office Savings Bank.

Tahera Parveen was one of the savers who visited the GPO on Wednesday to park her funds at the post office.

Parveen and her husband, both retired government officials, have invested in three-month profits bearing national savings certificates.

The couple switched to national savings certificates as interest rates offered by banks fell below the inflation rate.

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Jobs for RMG workers within 45 days

Commerce Minister Tipu Munshi says

DIPLOMATIC CORRESPONDENT

Vaccinating workers is a top priority for the Prime Minister Sheikh Hasina-led government, which expects to start providing garment workers their jobs within one and a half months, Commerce Minister Tipu Munshi said on Wednesday.

He made the remarks during a meeting with US-based multinational retail corporation Walmart Vice President Paul Dyck at the Bangladesh embassy in Washington DC, according to an embassy statement.

Munshi, who led a Bangladesh delegation to Magic Las Vegas 2021 Trade Show, made a brief stopover at Washington DC to participate in a trade roundtable organised by McLarty Associates. The minister said the Bangladesh government and factory owners were working together to vaccinate garment workers.

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The government and factory owners are working together to vaccinate garment workers, Commerce Minister Tipu Munshi said.

STAR/FILE

Make banking data available for clients

Experts urge lenders at the launch of almanac

STAR BUSINESS REPORT

Banks and non-bank financial institutions (NBFIs) should make their data available for clients so that they can verify the actual performance of every lender, analysts said yesterday.

Weak lenders are showing reluctance to provide their financial data to clients, which is not a good practice at all. These remarks came at a webinar during the launching of the third edition of "Banking Almanac: Banks and Financial Institutions of Bangladesh 2018 and 2019".

The banking almanac on banks and other financial institutions in Bangladesh has been compiled and published since 2016.

The almanac is a research project of the weekly Shikha Bichitra.

Hossain Zillur Rahman, a former Adviser to a caretaker government, said transparency was highly important for the banking sector as it usually plays a vital role in keeping the economic wheels of the country turning.

There are many dimensions of corporate governance and one of them is to ensure available financial data for commoners.

"Many lenders typically show less interest in providing their data to the common people," Rahman said.

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