

StanChart, UCEP reintegrating pandemic unemployed

STAR BUSINESS DESK

Standard Chartered and UCEP Bangladesh have jointly launched a reskilling and employment reintegration programme for economically vulnerable individuals losing livelihoods due to the pandemic's second wave.

The programme will work with 500 beneficiaries from Rajshahi and Khulna, building on a previous one through which around 300 people from Rajshahi and Rangpur found employment, says a press release.

Beneficiaries will improve competencies through apprenticeship training on technical and vocational areas. The demand-driven training will ensure participants are able to meet current and future job market demands.

The beneficiaries can also appear for recognition by Bangladesh Technical Education Board on the National Technical & Vocational Qualification Framework level. They will then go through a job placement programme.

"This is in addition to the recently launched similar initiative that supports returnee migrant workers," said Naser Ezaz Bjoy, CEO of Standard Chartered Bangladesh.

Green Delta launches VAT return processing software

STAR BUSINESS DESK

Green Delta Insurance Company has virtually launched an online VAT return processing software automating the whole process and ensuring transparency, convenience and timely processing.

This is in compliance with the National Board of Revenue's advice and under Insurance Development and Regulatory Authority's supervision, said a press release. "We have been automating and digitalizing our business processes and customer experience since 2020. Moreover, we intend to go paperless in near future," said Managing Director and CEO Farzana Chowdhury.

IMF stops funds to Afghanistan

Reserves blocked from Taliban

AFP, Washington

Despite its swift takeover of the government in Afghanistan, the Taliban will not have access to most of the nation's cash and gold stocks, while the IMF announced it won't provide aid.

A spokesperson for the Washington-based crisis lender on Wednesday said it had decided to withhold its assistance to Afghanistan amid uncertainty over the status of the leadership in Kabul.

"There is currently a lack of clarity within the international community regarding recognition of a government in Afghanistan, as a consequence of which the country cannot access... IMF resources," the official said.

Central bank governor Ajmal Ahmady said on Twitter the Da Afghanistan Bank (DAB) had around \$9 billion in reserves, but most of that is held overseas, out



The US halted cash shipments to Afghanistan as the security situation deteriorated last week, and the Taliban do not have access to the nation's stockpile of gold and assets.

AFP/FILE

reach of the Taliban.

"As per international standards, most assets are held in safe, liquid assets such as Treasuries and gold," said Ahmady, who fled the country on Sunday, fearing for his

safety as the Taliban swept into the capital.

The US Federal Reserve holds \$7 billion of the country's reserves, including \$1.2 billion in gold, while the rest is held in foreign accounts

including at the Basel-based Bank for International Settlements, Ahmady said.

A US administration official told AFP on Monday that "any central bank assets the Afghan government have in the United States will not be made available to the Taliban."

"Amid reports the Taliban were quizzing central bank staff on the location of the assets, Ahmady said, "If this is true -- it is clear they urgently need to add an economist on their team."

"He repeated that Washington on Friday had cut off cash shipments to the country as the security situation deteriorated, which may have fueled reports the Taliban stole the reserves since the country's banks could not return dollars to account holders."

"Please note that in no way were Afghanistan's international reserves ever compromised," and are held in accounts that are "easily audited," Ahmady said.

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

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Md Hasan, the park chairman, and Bikarna Kumar Ghosh, the authority managing director, signed the deal.

The park's investors will get 14 facilities and one-stop service from the authority.

City Group said it began preparing a masterplan, a feasibility study and an environmental survey on receiving permission to set up the park in May.

"This is the biggest private high-tech park in the country. And they will make all sorts of digital devices under our rules and regulations," Ghosh told The Daily Star.

There are three public high-tech parks in Gazipur, Sylhet and Rajshahi and five software technology parks and training centres under the authority, according to Ghosh.

By 2027, there will be 39 high-tech or software technology parks and 64 Sheikh Kamal IT training and incubation centres across the country.

"Some have already been completed, some under construction and some in the planning phase," said Ghosh.

City Group's move comes as part of its attempt to diversify products in line with the 4th industrial revolution, introducing artificial intelligence, robotics and the internet of things.

The group manufactures and supplies about one third of the total consumer goods of Bangladesh.

"Everything will be changed in future, so we came here as this is the future," said Saha.

It will develop all kinds of off-site and on-site facilities, conduct earth filling, and construct electricity, gas and water supply infrastructure, buildings, roads, lakes and food courts inside the park.

"City Group is a popular name in the country and abroad. Other companies in the country will also be encouraged as big companies like it are coming forward to set up high-tech parks," said NM Zeaul Alam, senior secretary to the ICT Division.

"City Group will develop the park as soon as possible to create a vibrant working environment," he said.

Hasan, the park chairman and director of City Group, said, "We

will make electronics and technology products that no one could even think of making in Bangladesh."

In 2016, the authority recognised Fair Group's Fair Electronics manufacturing plant in Narsingdi, where Samsung mobile phones and other products are manufactured, as a private high-tech park.

Walton Digi-Tech Industries was announced as a private hi-tech park by the authority on September 9, 2020.

It manufactures IT products like laptops, computers and accessories, mobile phones and motherboards.

Halima Group, an electronics goods maker, also got such recognition, according to Ghosh of the authority.

He said the recognition enables private high-tech parks to get a 10-year tax holiday, duty free import of capital machinery, tax waiver on foreign expats' salaries and duty free utility bills while foreign investors can withdraw their investments anytime.

Launched in 1972 with "CITY OIL MILLS", City Group now has about 40 sister concerns, each specialising in different products and services.

Republican senator urges Biden to reappoint Powell to top Fed job

REUTERS

President Joe Biden should keep Jerome Powell at the helm of the Federal Reserve for another four years to build confidence in an improving economy that still faces significant risks, Senator Steve Daines said in a letter to the president on Thursday.

"Changing the top leadership at this sensitive time could foster uncertainty across the financial system and undermine our economic recovery," Daines, a Montana Republican, wrote.

His letter was the first formal call for Powell's reappointment from a member of the Senate Banking Committee, which votes on U.S. central bank nominees before they are

considered by the full Senate.

A White House spokesperson did not immediately respond to a request for comment.

Renominating Powell, whose term expires in February, "would send a strong signal to households, businesses, and consumers that the head of the Federal Reserve continues to enjoy broad bipartisan support, and will act as necessary to achieve its dual mandate of price stability and maximum employment," Daines wrote.

After the coronavirus pandemic last year prompted widespread shutdowns, the Powell-led Fed slashed its benchmark overnight interest rate to near zero and began a massive bond-buying effort. That support is

credited with heading off a financial crisis and paving the way for a rapid economic rebound.

"Having a steady presence at the head of the Federal Reserve would go a long way toward providing the public with confidence that the nation's central bank is prepared to combat any potential obstacles to a full and robust recovery," Daines wrote.

Biden's advisers say he has not yet decided whether to reappoint Powell, an investment banker and lawyer picked by former Democratic President Barack Obama to join the Fed's board of governors in 2012. Powell took the reins of the Fed in 2018 after being nominated for the top job by then-President Donald Trump, a Republican.

Post office giving higher returns than banks

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The Consumer Price Index, a measure of change in prices of certain goods and services, was 5.36 per cent in July whereas the weighted average interest rate on deposits was 4.13 per cent in June, the lowest in recent months.

Parveen decided to switch to the post office and invested in profit bearing savings certificates to draw money regularly.

Although the couple chose to invest in the savings certificates, there are other options for depositing money on offer at the post office that provides higher return than banks.

Ordinary savings accounts, that offer 7.5 per cent interest, is another option for savers.

Citizens of all classes and

professions can open these accounts.

A saver can open ordinary savings accounts at the Post Office Savings Bank by depositing any amount.

"One can open an account even by paying just Tk 500," a senior official of the GPO said.

The interest on savings is added to the principal amount after a year and interest is calculated on the total amount after the next year.

"It is a good option for small savers," said Khandker Shahnur Sabbir, deputy postmaster general and senior postmaster of the GPO.

PROCEDURE FOR OPENING AN ACCOUNT:

To open an account applicants must bring two photos, a copy of their National Identity Card, passport, or

Birth Registration Certificate, and TIN certificate.

Along with that, one also has to bring two photos of the nominee.

Nothing can be done manually so the whole process should be done online, according to officials

Once a person opens an account, a cheque book is issued by the post office.

However, one limitation is that the account holders will have to visit their respective post office branch to deposit money as the electronic network is yet to be established.

There is also a limit on the maximum amount of investment. One can save as much as Tk 10 lakh under a single name and Tk 20 lakh jointly.

Default loans surge close to Tk 1 lakh crore

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He, however, advocated a relaxed approach for the small and medium enterprises as they had been going through dire straits since the start of the pandemic.

"The central bank should consider their hardship and allow them to reschedule their default loans in a relaxed manner."

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said that the increasing trend

of default loans was pretty much expected because of the latest wave of the pandemic.

Although the central bank has eased its policy on loan classification, it had also said that the relaxation would depend on the bank-customer relationship.

"So, many banks are now classifying loans, which have little chance to be realised," Rahman said.

He warned that stressed assets might swell further in the days ahead

as the economy required more time to return to the high growth trajectory.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, said that the existing relaxed facility had contained NPLs to a large extent.

"This is a time-befitting decision as the policy helps genuine entrepreneurs a lot." "The central bank should continue the facility until the businesses feel comfortable and get their confidence back."

Make banking data available for clients

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But the almanac will help investors, both local and foreign, and researchers know the actual picture of respective lenders in the country.

Besides, the book will also create pressure on banks and NBFIs to release their data accurately, he added.

Salehuddin Ahmed, a former Bangladesh Bank governor, chaired the event.

Although the central bank often issues banking policies in line with global standards, it faces pressure from different quarters to revise its initiatives, according to Ahmed.

"So, Bangladesh Bank should maintain its stance, strictly ignoring the pressure in order to make the banking sector vibrant," said Ahmed, also chairman of the board of editors of the banking almanac.

"The present edition of the almanac is a rich updated source, in one volume, with information on our banks and financial institutions, which are contributing to a

wide range of economic activities -- trade, commerce and CSR practices," he added.

Ahmed also lambasted some banks due to their reluctant attitude towards the book.

Md Nazrul Huda, a director of Bangladesh Bank, said production of such an almanac was a regular occurrence in many other countries. However, local lenders are yet to perceive the book's importance.

"The book depicts the information of every bank, which will be helpful for individuals, foreigners and investors," he said.

Researchers can also take their required information from the almanac as well, added Huda, also a former deputy governor of the central bank.

Mohammed Nurul Amin, former managing director of Meghna Bank; Mominul Islam, managing director of IPDC Finance; and Jamaluddin Ahmed, a former chairman of Janata Bank, also addressed the event.

Jobs for RMG workers within 45 days

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He highlighted government efforts and factories' preparedness to ensure workplace safety against the backdrop of the pandemic.

He also expressed hope for over 60 per cent of the population to be vaccinated within the next six months.

Dyck said with improvements in the Covid-19 situation in the US, Walmart was now ready to explore and source more from abroad.

Apart from garments, the minister encouraged Walmart to buy leather goods, pharmaceuticals, light engineering items including bicycles, and plastic products from Bangladesh.

Over the luncheon roundtable, Syed Mahmudul Huq, chairman of the Bangladesh Shrimp and Fish Foundation, highlighted the need to brand black tiger shrimp cultivated in Bangladesh as a premium crustacean in the US market.

This could be done by ensuring that modern production capabilities are in place and that overseas markets' food safety and traceability requirements are consistently met, he said.

The meeting highlighted the need for retaining long-term demand for black tiger shrimp by ensuring that Bangladesh's aquaculture products were responsibly produced and certified by a third party.

The foundation and the embassy announced working together to retain and enhance the market share of Bangladeshi tiger shrimp in the US.

Bangladesh Ambassador to the US M Shahidul Islam, Senior Adviser of McLarty, Associates Ambassador Teresita Schaffer, Walmart Senior Director Sarah Thorn and other ministry and embassy officials were present.

Evaly owes Tk 544cr to customers, merchants

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On July 19, the ministry sent a letter to Evaly asking it to explain by August 1 how it would settle its current liabilities to customers and merchants.

Evaly's reply came on the last day of the deadline, where it stated that it wanted to have its financial statements audited by a third party and set a valuation, for which six months would be required for a full explanation.

On August 11, the e-commerce platform got three weeks to respond to the commerce ministry's show-cause notice.

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

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They don't pay cash dividends, they just pay stock dividends."

"Banks have avoided dividends in many ways before. But now the banks are in good shape and they pay dividends," he said.

Earlier, public banks used to take money from the government for refinancing, but for the last two to three years they have been doing it with their own funds, he said.

"Now there is no scope for refinancing. We have also made it clear to the banks in the government sector that you have to make money."

You have to spend by earning. Depending on the government will not work. They have been able to do that."

The 6 per cent and 9 per cent interest rates are set considering not the perspective of Bangladesh, but the situation around the world. "These interest rates are low compared to other countries of the world. If our competitors trade at a lower interest rate, then their cost of production is lower. We have determined this interest rate keeping those factors in mind."

In 1989, the World Bank proposed to reform the financial sector in Bangladesh.

As part of that, in the early 90s, interest rates were fixed based on the market first. Since then, loans and interest rates have been market-based.

During the tenure of the then finance minister AMA Muhith, an initiative was taken to fix the interest rate. And finally, the current finance minister introduced the rule of fixing interest rates and the Bangladesh Bank fixed the interest rates at 9 per cent and 6 per cent for lending and deposits respectively last year.

Kamal said, "If you keep money in banks all over the world, you will not get interest. Instead, the depositor has to pay interest to the bank." Bangladeshis who do business abroad do not get any interest if they keep money in banks there, he said adding, "That's why they bring the money to Bangladesh and deposit it here."

Meanwhile, in different countries of the world, no central bank fixes the interest rate. Usually, the interest rates are fixed through the market system.

Bay Terminal project to gather pace

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Some changes have to be brought to the original plan after the latest decision that the CPA would implement a part of the project, the state minister said.

After completing the official procedures, the CPA would commence the construction work, he said.

The acquisition of 68 acres of privately-owned land has been completed. In addition, the shipping ministry has approved the acquisition of 804 acres of government land. "Land development activities on the acquired area are going on," Chowdhury said.

He said the project saw slower than expected progress due to a lack of experience in the construction of projects under the PPP model and also for the pandemic.

Many foreign investors earlier visited the project site and expressed interest to set up the terminal. With the resumption of global connectivity, the government has started communicating with the investors again.

"Discussion with the foreign investors is going on," said Sultana Afroz, chief executive officer of the PPP Authority.

CPA Chairman M Shahjahan said it had appointed a consultant to carry out the detailed design of the terminal it would build. The firm will also update the 2017 feasibility study report and the master plan. After getting the report, the CPA will formulate the development project proposal and start construction accordingly.

CPA Chief Hydrographer M Arifur Rahman said vessel movement to and from the Chittagong port through the Karnaphuli channel depended on high tides.

"But vessel operation at the proposed Bay Terminal will be possible round the clock."

According to the feasibility study, vessels with a draft up to 12 metres can be berthed. The port now allows vessels with as high as 9.5 metres of the draft to moor.

"The new island will ensure safe vessel movement in the channel," said Rahman.

Aman cultivation brings cheer to haor farmers

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Lechu Mia, a farmer from Sarampur village in Rajnagar upazila, said planting four or five varieties of paddy means that if one of them gives less yield, the other can make up for it.

Muhibur Rahman, a farmer from Rasulpur village in Rajnagar upazila, said for the past 15 years, he had not been able to cultivate any rice on 15 bighas of land at Kawadighi due to waterlogging.

He is happy this year though as the water has receded and he now hopes to harvest a substantial amount of Aman.

In this regard, DAE Deputy Director Bari said some 720 hectares of land has been planted with paddy so far.

"We always encourage farmers to plant

high yielding varieties of rice. Most high yielding varieties have been planted in haors, where they had never been cultivated before. There was only Boro paddy," Bari said.

"This time though, the planting of aman paddy has doubled compared to last year," he added.

Dilip Kumar Adhikari, additional director of the DAE in Sylhet, inspected the planting of Aman in sadar upazila. He said agricultural land was decreasing day by day with the increase in population.

"Therefore, in order to meet the food needs of a growing population, planting and production of paddy has to be increased. In this case Aman cultivation gives hopes in the haor areas," he added.