

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX			MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 0.92%	▲ 0.66%	Gold ▲	Oil ▲	▼ 0.03%	▲ 0.86%	▲ 0.24%	▲ 1.51%	BUY TK	84.25	98.96	115.65	12.77
7,140.87	12,468.65	\$1,813.86 (per ounce)	\$72.07 (per barrel)	58,279.48	29,916.14	3,108.53	3,676.59	SELL TK	85.25	102.76	119.45	13.43

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BUSINESS

DHAKA WEDNESDAY SEPTEMBER 8, 2021, BHADRA 24, 1428 BS
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# Govt mulls policy on food delivery

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With the demand for food delivery through online purchase growing fast, the government is planning to frame a policy in order to streamline the business and protect interests of all the actors in the chain, including customers and suppliers.

The plan comes following pleas from restaurant operators demanding a policy on allegations that food delivery companies charge a high rate of commission to deliver foods.

Restaurant owners said food delivery platforms charge as much as 40 per cent commission for delivery of foods to customers' doorsteps and the rate is too high for them to make profit.

"This a new area of business in our country. So, we are holding meetings with stakeholders to formulate a policy. Some stakeholders have also demanded a policy for the sector," said Hafizur Rahman, additional secretary to the commerce ministry.

## FOOD DELIVERY SECTOR IN BRIEF

- Food delivery platforms cater all major restaurants
- Most of the big restaurants deliver on their own
- Average basket size Tk **950**
- Around **100,000** parcels daily
- Dhaka accounts for majority of orders
- Chattogram second highest

He said bill payments and commission were a major problem.

The move comes at a time when the burgeoning e-commerce sector faces setbacks in the wake of complaints of fraudulence against

some digital commerce firm.

There are allegations of delayed or non-delivery of goods against some companies such as Evaly, eorange and dhamakha.

In order to streamline the sector, the commerce ministry framed a guideline on e-commerce to protect the rights of online shoppers, curb anomalies on payments and refund, and ensure timely delivery.

Restaurant operators said delivery companies do not make payments on time after collecting the food and sometimes it takes one month to as much as two-and-a-half months.

In this situation, it is becoming

difficult for restaurant owners to run their business, leaders of the restaurant owners association said, according to the minutes of a recent meeting held in the commerce ministry.

Currently, Bangladesh has nearly a dozen of food delivery platforms and they altogether deliver 100,000 parcels of food daily mainly in Dhaka and Chattogram.

Foodpanda, Pathao, E-Food, Hungrynaki, e-Courier and US Food Mart Ltd BD are some of the delivery platforms that supply mainly fast food, kebab, and local foods such as biriyani and khichuri.

But most of these companies



do not have their own chefs or arrangements to supply quality readymade food according to the needs and tastes of the buyers, said sector insiders.

As a result, delivery companies have to go to fast food shops of popular brands or quality restaurant to get the order of food demanded by the buyer online.

And this is where the various incidents of irregularities are happening.

The value of daily orders is Tk 5.70 crore. The annual turnover of this sector is more than Tk 2,052 crore, said Jahangir Alam Shovon, general manager of the e-Commerce Association of Bangladesh (e-CAB).

Due to the dissatisfaction of restaurant owners, online food delivery companies take readymade food from fast food shops or restaurants on contract from time to time.

On the other hand, the delivery companies get paid by the buyer or consumer as soon as the readymade food is delivered.

Besides, delivery charge is also being collected in cash. But they are taking one to two and a half months to pay the companies that provide the money, said Imran Hasan, secretary general of Bangladesh Restaurant Owners' Association (BROA).

As a result, the owners of the catering restaurants are in crisis, as they have not received payments on investing their cash, Hasan said.

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## Beximco gets more time to raise fund through Sukuk



STAR BUSINESS REPORT

The stock market regulator has again extended the time for Beximco till September 30 to raise Tk 3,000 crore through Sukuk bonds as it failed to attract investors.

The subscription of the Sukuk through initial public offering (IPO) started on August 16 that was supposed to end on August 23, but the time was extended till September 6. Bangladesh Securities and Exchange Commission allowed Beximco to issue the Shariah-compliant Sukuk on July 8.

Half of the Tk 3,000-crore fund will be raised through private placement and the Sukuk worth Tk 750 crore will be raised from the existing shareholders of the Beximco.

The remaining Tk 750 crore will be raised through an IPO. The regulator informed the company in a letter that the public offer would be cancelled if it is not subscribed by September 30.

The BSEC allowed the company to interchange the Sukuk subscription amount between the IPO and the private placement if any of them remains undersubscribed. Beximco's Sukuk is convertible asset-backed green Sukuk, which will have a tenure of five years.

With the proceeds of the Sukuk, the company will finance solar projects and expand its textile factory.

Each unit of the Sukuk would be Tk 100 where minimum subscription amount should be Tk 5,000.

Minimum periodic distribution rate is 9 per cent.

The Sukuk proceeds will be used to implement projects of Teesta Solar and Korotoa Solar, two subsidiaries of Beximco Power Company.

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## Nagad customers' accounts blocked for suspicious activity

*Some users alleged they can't carry out transactions*

MOSTAFA SHABUI, AKANDA MUHAMMAD JAHIID and MAHMUDUL HASAN

A number of customers of Nagad have alleged that they were facing troubles in carrying out transactions on their accounts as the mobile financial service provider has suspended them on suspicion of unusual transactions with e-commerce platforms.

Some of them even thronged the Nagad headquarters in Dhaka yesterday to support the legality of the transactions, saying they had valid documents.

On September 4, Nagad said it handed information about a few accounts to regulators and the law enforcement agencies following indications of suspicious transactions with some e-commerce platforms.

Talking to The Daily Star, multiple customers of Nagad claim that their accounts have been suspended despite having proof of valid transactions.

"We have all sorts of proof of valid transactions. Why are they terming us suspicious?" said Al-Amin, a private job-holder.

He ordered products worth around Tk 6 lakh in May and June on e-commerce platform Sirajganjshop.com and made payment through Nagad after the MFS operator offered up to Tk 8,000 in discounts.

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## BSRM ready to produce LRPC strands

*Aims to reduce Bangladesh's import dependence for the construction material*

JAGARAN CHAKMA

Bangladesh Steel Re-Rolling Mills (BSRM) is all set to introduce a new construction material called "Low Relaxation Prestressed Steel Strand (LRPC strand)" in a bid to cater to the Tk 3,000 crore market segment which is currently dominated by imports.

The country's leading steel maker invested a total of around Tk 1,000 crore to establish an LRPC strand manufacturing unit under its new concern BSRM Wires, according to Tapan Sengupta, deputy managing director of the BSRM. The LRPC strands are used in the prestressing of concrete for different kinds of construction work.

For example, the LRPC strands are used in pre-stressed concrete girders for building roads, flyovers, river and railway bridges, prestressed concrete domes, hollow core slabs, steel beams and TT slabs, silos, hangars, aqueducts and viaducts, as well as railway sleepers.

There are currently a number of bridges, flyovers, and tunnels under construction where the LRPC strands are being used.

"On this ground the BSRM undertook the decision to manufacture the LRPC strands to cater to the local demand," he said.

Bangladesh needs around 12,000 tonnes of LRPC strands per year while BSRM Wires has an annual manufacturing capacity of 30,000 tonnes, Sengupta said.

The current market for LRPC strands is around Tk 3,000 crore per annum and will continue to grow for the next 20 years.



The BSRM established the LRPC strand manufacturing plant at Mirsarai in Chattogram as the steel maker looks to capitalise on the impending construction boom in Bangladesh.

He went on to say that the new plant would also make other construction materials, such as electrodes and galvanised products.

"We set up the high capacity factory considering the future demand of LRPC strands along with the rise of physical infrastructure development work," the deputy managing director said.

Sengupta hopes the new unit would go into commercial operation by October 15 as preparations are almost complete.

BSRM Wires will manufacture three import substitutes -- LRPC, ACSR, and razor wire -- alongside carbon dioxide wire, and gabion wire.

The BSRM established the LRPC strand manufacturing plant at Mirsarai in

### SUMMARY OF BSRM WIRES LTD

Total investment including working capital: Tk <b>1,000cr</b>	Employment created: <b>500</b>
Yearly production capacity: <b>65,000 tonnes</b>	Market size for the construction material: Over Tk <b>3,000cr</b> annually

Chattogram as the steel maker looks to capitalise on the impending construction boom in Bangladesh.

The Tk 500 crore project was implemented with 70 per cent bank financing and 30 per cent equity investment.

Dhaka Bank arranged the fund through syndication with six other banks -- Bank Asia, City, NCC, Modhumoti and Mercantile -- and one financial institution, the Saudi-Bangladesh Industrial and Agricultural Investment Company, said Sengupta.

The plant created job opportunities for over 500 people, bringing the total number of people employed by the group to 4,700.

This is the first and only company to manufacture LRPC strands in Bangladesh.

Considering the demand for the products, the group has decided to set up a new factory with some diversified product lines, Sengupta said.

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## Stocks up for sixth straight day to hit fresh peaks

STAR BUSINESS REPORT

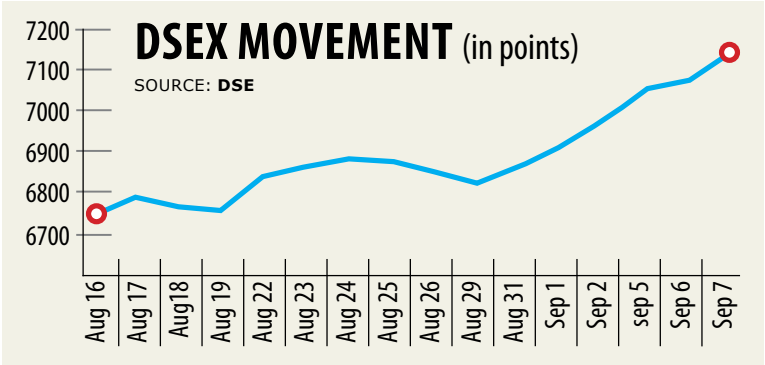
Shares on the Dhaka Stock Exchange (DSE) continued their upward movement yesterday, buoyed by investors' cheerful participation, helping the key indices set new records.

The DSEX, the benchmark index of the premier bourse of the country, surged 65 points, or 0.92 per cent, to end the day at 7,140, the highest on record.

The DS-30, the blue-chip index, gained 37 points to reach a new high of 2,583.

"The market has not become overvalued yet as many stocks are available at lucrative prices, and the money market has enough liquidity," said Ahsanur Rahman, chief executive officer of Brac EPL Stock Brokerage.

"The market should get further



momentum," he said, adding that some low paid-up capital-based companies were overpriced, though. The stocks of well-performing companies also rose as investors were rearranging their portfolios and cutting risks, he said. "This is a good sign."

Investors are pretty optimistic

about the future of the market as the banking sector had huge liquidity and the monetary policy was also favourable to inject funds in the market, said a merchant banker.

The excess liquidity in the banking system stood at Tk 231,462 crore as of June, up 66 per cent year-on-year, because of the lower credit

demand, central bank data showed.

"Investors' confidence is high. This is something that ultimately impacts the market positively," the merchant banker said.

He also sounded the alarm about the low paid-up capital-based and low-performing companies as they were already overvalued.

"Investors should be careful," he added. Turnover, an important indicator of the market, fell to Tk 2,866 crore yesterday from Tk 2,901 crore on the previous day.

On the DSE, 177 stocks advanced, 167 fell, and 30 remained unchanged.

Tamijuddin Textile topped the gainers' list for the second day running, rising 9.94 per cent, followed by Samata Leather, Khulna Power Company, Dominage Steel, and FAS Finance.

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## BB tells NBFIs to avoid unlicensed courier services

STAR BUSINESS REPORT

Bangladesh Bank yesterday asked non-bank financial institutions (NBFIs) in the country to not transport any materials through unlicensed courier service companies.

As per the Post Office Act 1898, courier service companies have to secure a licence from the Bangladesh Post Office to carry out their operations, according to a central bank notice.

Transporting any product or letter through unlicensed courier services is illegal, it said.

Against the backdrop, the NBFIs should be barred from using the unapproved courier service companies for the transportation of any materials, it added.

## Ensure easy loan disbursement for SMEs

*Speakers tell DCCI, SME Foundation webinar*

STAR BUSINESS REPORT

Structural reforms are needed to ensure quick and easy loan disbursements for the cottage and micro industry and small and medium enterprises (SME), according to speakers at a webinar yesterday.

The webinar, styled "Procedures of availing loan from SME stimulus package", was organised by SME Foundation and the Dhaka Chamber of Commerce & Industry (DCCI).

An easier documentation process, establishing a specialised SME bank and a comprehensive SME database along with policy reforms could pave the way for these local industries to flourish, speakers said.

Besides, better bank relations would improve the cash flow as loans could be sanctioned based on the company's working capital.

"Medium enterprises have better bank relations compared to small entrepreneurs because the latter lacks documentation. A friendly fund and easy access to loan management systems are the needs of the day," said DCCI President Rizwan Rahman.

He also said banks should be made to comply with loan disbursement figures stipulated by Bangladesh Bank.

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