

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.78%	▲ 0.68%	\$1,803.61	\$74.77	▲ 0.82%	▼ 0.52%	▼ 0.71%	▼ 0.17%	BUY TK 84.25	98.35	115.29	12.79
7,196.55	12,596.51	(per ounce)	(per barrel)	58,723.20	30,511.71	3,058.61	3,656.22	SELL TK 85.25	102.15	119.09	13.45



BUSINESS

DHAKA THURSDAY SEPTEMBER 16, 2021, ASHWIN 1, 1428 BS ● starbusiness@thedailystar.net

Govt signs trade, investment deal with Australia

Aims to remove barriers

STAR BUSINESS REPORT

Bangladesh and Australia yesterday signed the Trade and Investment Framework Arrangement (Tifa) to attract investment and eliminate trade barriers between the two countries.

This is the second bilateral trade-related platform for Bangladesh after it inked Trade and Investment Cooperation Forum Agreement with the US in November 2013.

Tipu Munshi, commerce minister of Bangladesh, and Dan Tehan, trade, tourism and investment minister of Australia, signed the deal at a virtual ceremony.

"We need foreign investment. Australia is a very potential country for us both for investment and as export destination," Munshi told The Daily Star after the event.

"The trade with Australia is growing. We are ready to approve Australian investment in any sector."

A big team from Australia is scheduled to visit Bangladesh in the first part of next year.

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Contactless cards gaining traction amid Covid, digital push

MAHMUDUL HASAN

Banks and non-banks are increasingly introducing contactless credit cards in Bangladesh as the tap-and-pay technology allows users to make payments digitally and avoid close contact with the staff of stores during in-person purchases.

Over half a dozen banks have rolled out contactless cards since 2018, and its popularity has accelerated because of the coronavirus pandemic.

Currently, there are about 4.5 lakh contactless credit cards in circulation in Bangladesh. Since its inception, transactions through them have grown 70 per cent on an average annually.

About 42,000 point-of-sale (POS) terminals process contactless transactions.

"The use of contactless cards is increasing. This is the future of payments as it covers all safety aspects," Syed Mohammad Kamal, country manager of Mastercard, told The Daily Star.

Contactless payment method works by tapping a card near a POS terminal equipped with contactless payment technology. It allows users to avoid touching the terminal compared to swiping or inserting a card.

While it is often referred to as tap to pay, no tapping actually takes place.

CONTACTLESS CARDS AT A GLANCE



City Bank is one of the first lenders that has brought contactless cards to Bangladesh.

Its current contactless products include American Express Platinum Card, American Express CityAlo card, American Express Biman Card, American Express Agora Card, and Visa Platinum card.

The bank is investing heavily in building infrastructure and

has so far deployed 27,000 POS machines that have the contactless capability to cater to the market.

Dhaka Bank launched contactless credit cards in 2018. All of its Visa and Mastercard credit cards are contactless.

"Contactless payment system has paved the way for a cashless society, and it is overtaking traditional card payment. It is widely used globally as a secure

mode of payment," said HM Mostafizur Rahman, head of retail business at Dhaka Bank.

"Covid-19 has created an opportunity to migrate to cards from cash."

Between January and August, the domestic contactless transactions of Dhaka Bank grew 162 per cent year-on-year. International contactless transactions were up 103 per cent.

In Bangladesh, only credit cards are allowed contactless transactions. However, industry people say it is important to enable debit and prepaid cards to offer the facility so that more people can experience such payments.

In 2020, Bangladesh Bank raised the spending limit on each use of contactless credit cards to Tk 5,000 from Tk 3,000 to popularise it.

As the first state-owned lender, BASIC Bank launched a dual-currency contactless credit card in December.

Eastern Bank Ltd (EBL) has rolled out Visa and Mastercard-branded contactless credit cards. It has about 1.9 lakh credit cards, out of which 20 per cent are contactless.

The bank's all 5,000 POS terminals offer the facility.

"We have not launched all products as contactless because all of our POS devices are not equipped with the solution," said Ahsan Ullah Chowdhury, head of digital financial service at EBL.

The bank is issuing new credit cards with contactless features.

The price of a contactless card is 1.5 times traditional cards.

In the developed countries, contactless cards are used to buy the tickets for bus and train services as it has an easy tap-and-pay feature.

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NBFIs can reschedule loans just 3 times: BB

STAR BUSINESS REPORT

In a bid to bring about discipline in the rescheduling of loans by non-bank financial institutions (NBFIs), Bangladesh Bank has announced that these institutions cannot reschedule one loan more than three times.

The move came after the central bank found the financial institutions repeatedly rescheduling various types of loans -- term, housing, short-term and small loans -- without taking into consideration borrowers' repayment capacity.

They are also fixing the timeframe for rescheduling and paying instalments through various ways.

The actual scenario of the realisation of

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Gas shortage affects textile production

REFAJET ULLAH MIRDHA

Production in textile mills in some areas in Savar, Narayanganj, Dhamrai, Manikganj, Gazipur and Chattogram has been affected severely due to a shortage of gas supplies to the industrial units.

The millers are fearing that they will lose work orders if production cannot be continued. Many have been running at 50 per cent to 60 per cent capacity because of the low pressure of gas in the industrial plants.

The millers also said gas pressure was so low that sometimes it reached 1.5 pounds per square inch (psi) although they were approved 10 psi or more for operations.

Md Mosharaf Hossain, chairman of Mosharaf Group, a leading spinner, said with good pressure of gas he could produce 140 tonnes of yarn in a day but the production had been lowered to 100 tonnes of yarn in a day now.

"I have been facing the trouble of gas pressure over the last one month and my investment is in trouble now because of lower production of yarn," Hossain told The Daily Star over the phone.

Hossain's investment in his spinning mill at Bhabanipur in Gazipur is of Tk 2,000 crore, he said.

Echoing him, Khorshed Alam, chairman of Little Star Spinning Mills Ltd, said the production in his factory



GAS CRISIS: THINGS TO KNOW

Affected areas: Savar, Narayanganj, Dhamrai, Manikganj, Gazipur, Chattogram

Production capacity falls **50-60pc**

Number of spinning mills in the country: **450**

Investment in primary textile sector: **\$10b**

had been lowered to 13,000 pounds from 22,000s pound per day.

His daily production loss at his Ashulia-based spinning mill, which mainly produces 80 carded yarn, amounted to Tk 26 lakh because of the shortage of gas supply. His factory has been running at 60 per cent capacity for many months.

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Chaldal secures \$10m foreign fund for expansion

STAR BUSINESS REPORT

Local online grocery store Chaldal has raised \$10 million in a latest round of funding as it looks to expand its inventories in top cities across the country.

The Series-C funding round was led by Taavet Hinrikus, co-founder of Wise, Sten Tamkivi, CPO of Topia, and Xploration Capital with the participation from Mir Group.

In such rounds, investors inject capital into a successful startup to help it launch new products and expand into new markets.

Chaldal previously received investment from Y Combinator, IDLC Finance Limited, International Finance Corporation and the government's venture capital fund Startup Bangladesh.

According to Crunchbase, a platform that provides investments and funding information, Chaldal has raised a total of \$24.8 million in funding over five rounds.

However, industry people say the total investment secured by Chaldal could be a few millions higher than the Crunchbase's figure.

"Before Chaldal, our customers had limited access to fresh groceries



COLLECTED

A Chaldal employee picks products for delivery at a warehouse of the company.

and didn't have an opportunity to buy them from a single place -- and definitely not online," said Waseem Alim, CEO of Chaldal.

"Having our own inventory combined with our technology platform allowed us to have real-time availability and deliver orders in the shortest amount of time possible," he said.

Chaldal's funding takes the total amount received by Bangladeshi startups to \$125 million so far this year, according to data from

LightCastle Partners. Of the sum, \$121 million came from foreign sources.

The pandemic has proved a boon for Chaldal, thanks to an increased demand for home delivery of groceries, hygiene products and other consumer staples.

In the pre-pandemic period, it used to make 2,500 daily deliveries on average and within one and a half years, it has increased to now cater to around 10,000 deliveries per day.

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CASH INCENTIVE ON EXPORTS

Govt moves to end NBR-exporters row

STAR BUSINESS REPORT

Senior officials of the commerce ministry, the National Board of Revenue and the central bank will sit today to end the dispute that emerged after garment exporters were barred from enjoying cash incentives on overseas sales if they don't have the bonded warehouse licences.

More than 700 garment exporters do not have the licences, which allow factories to import raw materials duty-free in order to produce products for the export markets.

Exporters argue that many garment factories have been selling products abroad for many years and receiving cash incentives on the receipts despite not having the licences.

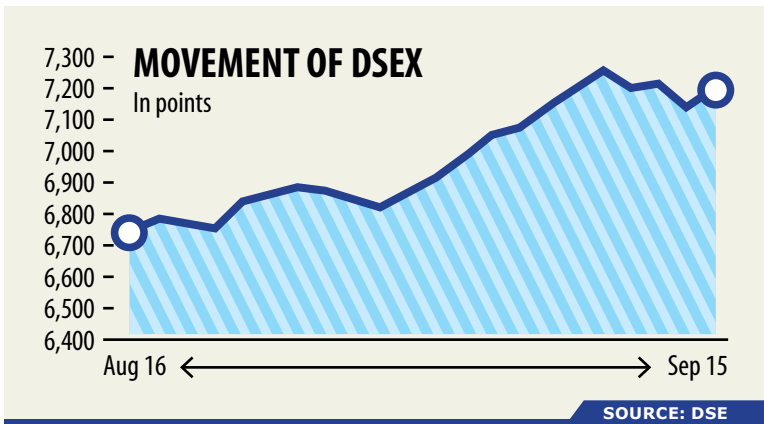
But last week the NBR said the garment exporters who didn't have the licences would not qualify for the cash support.

Garment exporters sought help from Commerce Minister Tipu Munshi to this effect.

Yesterday, the leaders of the Bangladesh Garment Manufacturers and Exporters Association, the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), the Bangladesh Terry Towel & Linen Manufacturers and Exporters Association (BTLEMA), and the officials of the NBR sat with the commerce minister to discuss the issue.

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Stocks rebound from one-day fall



SOURCE: DSE

STAR BUSINESS REPORT

The stock market yesterday bounced back from a single-day fall caused by Bangladesh Bank's ongoing stand-off with the Bangladesh Securities and Exchange Commission (BSEC).

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), soared 56 points, or 0.78 per cent, to 7,196 after nosediving by 77 points the previous day. The upward trend continued for the first hour of yesterday's trading session.

"People have huge confidence in the stock market. So they were buying stocks despite the situation between the central bank and BSEC,"

said a top official of a merchant bank.

In a meeting on Monday, Bangladesh Bank informed the BSEC that listed banks and non-bank financial institutions (NBFIs) cannot comply with the market regulator's directives on the capital market stabilisation fund and cash dividend payments as they are inconsistent with the Bank Company Act. The commission recently allowed listed companies to declare cash dividends from the profits made in the just-concluded financial year despite having accumulated losses.

"The finance minister's statement on the BSEC's decision was that it was taken by the government to boost investors' confidence," the

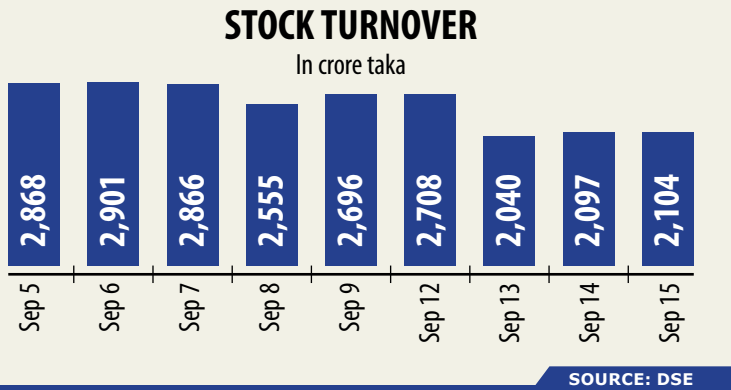
merchant banker said, adding that people are investing in good stocks now.

"If they invest in good stocks, then they would not be losers. However, their position in junk and low paid-up capital-based companies can harm their fund anytime," he said.

Turnover, an important indicator of the market, grew by about 0.33 per cent to Tk 2,104 crore while it was Tk 2,097 crore a day earlier.

Tamijuddin Textile topped the gainers' list, rising 9.94 per cent, followed by Paper Processing & Packaging, Dominage Steel Building Systems, IPDC and Desh Garments.

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SOURCE: DSE

Per capita foreign debt Tk 24,890

Kamal says

STAR BUSINESS REPORT

The per capita foreign debt of the citizens of Bangladesh is Tk 24,890 now, Finance Minister AHM Mustafa Kamal said yesterday.

The minister said this in reply to a query from ruling Awami League MP Didarul Alam from Chittagong-4 in the parliament.

The finance minister said the current foreign debt of the country stood at \$49.45 billion.

According to the Bangladesh Bureau of Statistics, the total population of the country is 169.31 million. In this context, the per capita foreign debt is \$292.11.

If one dollar is equivalent to Tk 85.21, it stands at Tk 24,890, the finance minister said.

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