

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday STANDARD CHARTERED BANK			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.31%	▲ 0.03%	\$1,749.86 (per ounce)	\$78.09 (per barrel)	▲ 0.27%	▲ 2.06%	▼ 0.49%	▼ 0.80%	BUY TK 84.35	97.61	114.02	12.75
7,250.60	12,687.21			60,048.47	30,248.81	3,061.35	3,613.07	SELL TK 85.35	101.41	117.82	13.41



Star BUSINESS

DHAKA SUNDAY SEPTEMBER 26, 2021, ASHWIN 11, 1428 BS • starbusiness@thedailystar.net

DEFAULT LOAN recovery plunges

Borrowers struggle to pay back amid economic slowdown

REJAU KARIM BYRON and MD FAZLUR RAHMAN

Default loans recovery in Bangladesh fell to at least a five-year low of Tk 6,922 crore in the last fiscal year as borrowers struggled to pay back amid the economic slowdown caused by the coronavirus pandemic.

The amount stood at Tk 10,140 crore in the fiscal year of 2019-20, data from the central bank showed.

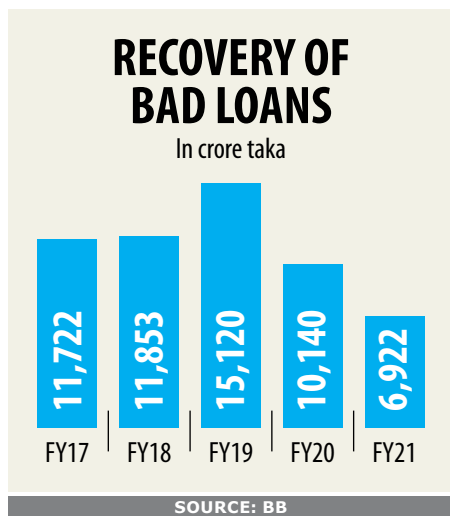
Bankers say the loan moratorium, introduced by the central bank in April last year to counter the impacts of the pandemic on the economy, allowed borrowers to defer payments of installments, hitting the recovery of the default loans.

The loan recovery had nosedived to Tk 869 crore in April to June of 2020, the first quarter hit by the crisis in Bangladesh. This was the first time it had fallen below Tk 1,000 crore in a single quarter since at least FY17.

It recovered in the subsequent quarters before falling in the last quarter in FY21.

Banks collectively recouped Tk 1,795 crore in the last quarter of the last fiscal year, also down from Tk 1,904 crore in the third quarter.

Defaulters paid back Tk 280 crore to six state-run commercial banks in the fourth



quarter, up from Tk 167 crore in the third quarter. They had Tk 43,450 crore in bad loans at the end of the last fiscal year.

Forty-one private commercial banks got back Tk 937 crore, versus Tk 642 crore in the third quarter, leaving them with Tk 45,010 crore in defaulted loans.

Defaulters of nine foreign commercial banks repaid Tk 46 crore in the quarter. It was Tk 26 crore in the January-March period. Their collective bad loans stood at Tk 2,281 crore at the end of FY21.

Three state-run specialised banks recovered Tk 531 crore, which was Tk 750 crore a quarter ago. Their bad loans totaled Tk 4,499 crore in FY21.

At the end of the fiscal year, classified loans in the banking sector stood at Tk 95,243 crore.

Bangladesh joins New Dev Bank

REJAU KARIM BYRON and AKANDA MUHAMMAD JAHID

Bangladesh will have to pay \$188.4 million to the New Development Bank (NDB) as paid-up capital for being a member of the new international lender.

Sources at the finance ministry said yesterday after the ministry announced that Bangladesh had joined the NDB, a multilateral development bank established by the BRICS, an alliance of Brazil, Russia, India, China and South Africa.

Bangladesh is the first country to become a member of the bank despite being outside the BRICS since its establishment in 2015.

As a member, the country's total share in the bank will stand at



\$942 million. Of this, \$753 million is authorised capital and the rest \$188.4 million is paid-up capital, an official of the ministry said.

Bangladesh will have to pay \$188.4 million in seven instalments in seven years.

It will be able to pay the \$753 million through the purchase of bonds of the bank later.

SAFEGUARDING E-COMMERCE

Panel to recommend law to form regulatory authority

REFAVET ULLAH MIRDHA

The commerce ministry will form a committee to make recommendations on the formulation of a law, authorised by which the ministry will introduce an e-commerce regulatory authority to safeguard interests of all parties involved.

As per last Wednesday's commitment, the formation will begin from today or tomorrow, said Commerce Secretary Tapan Kanti Ghosh yesterday.

Apart from government officials, the new committee will have representatives from the private sector, university teachers, IT experts, e-commerce business insiders, economists, researchers and trade analysts, he told The Daily Star over the phone.

An inter-ministerial committee already exists comprising senior officials

representing the National Board of Revenue (NBR), Bangladesh Bank, home ministry and other government regulatory authorities, he said.

However, recommendations from a wider range of people are needed to formulate a draft law to safeguard the interests of consumers and merchants and e-commerce businesses, he said.

The government will start working from today to form the E-Commerce Authority, Central Complaint Management Cell and a Digital Commerce Act to streamline the country's emerging e-commerce business, Commerce Minister Tipu Munshi said on Wednesday.

Every e-commerce company will have to register under the E-Commerce Authority for a unique number to run business, he said.

READ MORE ON B3

Trial 5G on Dec 12 or 16: Jabbar

STAR BUSINESS REPORT

The government is planning to run a trial of 5G technology through Teletalk on December 12 or 16 this year, said Mustafa Jabbar, minister for posts, telecommunications and information technology, yesterday.

"As per the government's promise, the 5G service will be launched within this year," said Jabbar, adding that it would be expanded afterwards, with private operators rolling it out within 2022.



He also urged handset makers to start working on making 5G-enabled handsets available in the market.

Jabbar was addressing a webinar, "5G: Ecosystem in Bangladesh and upcoming technologies", organised by Telecom Reporters' Network Bangladesh (TRNB).

December 12, 2017 was first observed as the National Information and Communication Technology Day. On November 26, 2019, the cabinet renamed the day as Digital Bangladesh Day.

Bangladesh celebrates December 16 as Victory Day.

READ MORE ON B3

Shun protests that disrupt trade

BGMEA urges transport owners, workers

STAFF CORRESPONDENT, Ctg

Garment makers have urged transportation service providers to refrain from announcing protests such as strikes that disrupt the country's international trade to allow the economy to recover from pandemic-induced losses.

"It is unfortunate," said Syed Nazrul Islam, acting president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at a view-exchange meeting yesterday.

Some organisations related to import and export-based logistic support like trucks, covered vans and prime movers very often enforce work abstentions, disrupting the trade, he told the event organised by the BGMEA Chattogram office on its premises.

Two organisations of owners and workers of these vehicles observed a 36-hour work abstention since September 21 over a 15-point demand, badly disrupting goods transportation and operations at the Chattogram port.

Meanwhile, the Bangladesh Truck-Covered Van, Tank Lorry, Prime Mover Owners and Workers' Coordination Council called a 48-hour work abstention from September 27 over almost similar demands.

The global pandemic came down heavily on the garment sector while many factories faced closures, said the BGMEA leader.

Since the onset of the Covid-19 pandemic, at least 281 factories in Dhaka and 30 in Chattogram have had to shut down, he informed.

READ MORE ON B3

FOR INQUIRIES CALL US AT 16704

Which card boosts your digital lifestyle and saves BDT 22,000 yearly?

Annual fee waiver

Waived fees by spending only BDT 3 lacs annually

Easy instalments

Convert any purchase over BDT 15,000 into easy instalments

Discounts and cashbacks

Daily discounts and cashbacks on payments you make

Stay tuned



standard chartered

Terms and conditions apply

SYNDICATED TERM FACILITY OF BDT 1,300 MILLION FOR

dbi DREDGING
DBL Dredging Limited

LEAD ARRANGER

Prime Bank

PARTICIPANTS

NCC Bank, NRB Bank, Prime Bank

AGENT

Prime Bank

The announcement appears as a matter of record only

primebank.com.bd

Prime Bank



ABM Amin Ullah Nuri, chairman of Rajdhani Unnayan Karttripakkha, Sheikh Mohammad Maroof, additional managing director of City Bank Limited, and Dayem Khandker, managing director of United Delcot Water Limited (a Bangladesh-China joint venture for Purbachal water supply PPP project) recently signed a tri-party agreement at RAJUK Site Office at Purbachal. Sharif Ahmed, state minister for Ministry of Housing and Public Works, Md Shahid Ullah Khandaker, secretary to the Ministry of Housing and Public Works, Sultana Afroz, CEO of Public Private Partnership Authority, and Taqsem A Khan, managing director of Dhaka Water Supply and Sewerage Authority, were present.



ATM Tahmiduzzaman, deputy managing director of United Commercial Bank Limited, recently inaugurated the bank's 207th Gaibandha branch in Gaibandha.

US favourable to Taiwan trade bid, urges Beijing to cease pressure

AFP, Washington
The United States on Friday praised Taiwan's record as a candidate to join a trans-Pacific trade deal and criticized Beijing for stepping up jet incursions near the island.

Taiwan, a self-governing democracy claimed by Beijing, formally sought Thursday to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) after years of lobbying following communist

China's own application for membership. The vast trade pact is a successor to the Trans-Pacific Partnership, which was championed by the United States until former president Donald Trump withdrew in 2017,

calling it bad for workers. President Joe Biden's administration, which is close to organized labor, has made clear it is not rushing to rejoin and the State Department acknowledged it had no formal say in the Chinese and Taiwanese applications.



An armed US-made F16 fighter jet takes off on September 15 from Pingtung in southern Taiwan during annual drills in the island claimed by Beijing.

"That said, we would expect that Taiwan's record as a responsible member of the World Trade Organization and Taiwan's strong embrace of democratic values would factor into the CPTPP parties' evaluation of Taiwan as a potential candidate for accession," State Department spokesman Ned Price told reporters.

"We urge Beijing to cease its military, diplomatic and economic pressure against Taiwan and instead engage in meaningful dialogue with Taiwan," he said. Taiwan said that 24 Chinese planes, including 18 fighter jets and two nuclear-capable bombers, crossed into the island's air defense identification zone on the day of the application announcement. China, whose defeated nationalists fled to Taiwan in 1949 after losing the civil war, considers the island a province awaiting reunification, by force if necessary. Japan, the largest economy in the 11-nation Asia-Pacific arrangement, has welcomed Taiwan's bid to join.

Britain looking at measures to alleviate trucker shortage

REUTERS, London
Britain is looking at temporary measures to alleviate an acute shortage of truckers, Prime Minister Boris Johnson's office said on Friday, to smooth disruption to food and petrol supplies which retailers have warned could impact Christmas.

Britain's retail industry has warned the government that unless it acts to address the shortage of heavy goods vehicle (HGV) drivers in the next 10 days, then significant disruption was inevitable in the run-up to Christmas.

"We're looking at temporary measures to avoid any immediate problems, but any measures we introduce will be very strictly time limited," a spokeswoman for Johnson's Downing Street office said in a statement.

Downing Street did not give any details on what the measures would be.

The trucking industry has called for the government to allow short-term visas for international drivers to enter Britain and fill the gap.

As the world's fifth-largest economy emerges from Covid-19 lockdowns, a spike in European natural gas prices and a post-Brexit shortage of truck drivers have left Britain grappling with soaring energy prices and a potential food supply crunch.

BP had to close some of its gas stations due to the driver shortages while queues formed at some Shell stations as pumps ran dry in some places.

ExxonMobil's Esso said a small number of its 200 Tesco Alliance retail sites had also been impacted in some way.



Lorries are seen at an HGV parking, at Cobham services on the M25 motorway, Cobham, Britain on August 31.

Cuba starts to reopen economy

REUTERS, Havana
Cuba is allowing a staggered opening from Friday of restaurants, shopping centres and beaches in provinces that have lowered coronavirus cases even as it battles some of the highest nationwide rates of infection per capita worldwide.

The easing of lockdown restrictions coincides with preparations by the cash-strapped Caribbean island nation for its tourist high season, which it hopes will bring much-needed dollars to palliate a dire economic crisis.

The government has already announced it will allow more flights and accept Covid-19 vaccination certificates for inbound travelers in lieu of a PCR test from November. "In recent days we have determined the conditions are there to gradually reopen many of these in-person services," said Interior Commerce Minister Betsy Diaz.

Health officials said coronavirus infections started falling in September from their peak over the summer months as they raced to vaccinate more than 90 per cent of the population by mid November with their home-grown Covid-19 vaccines. They have already vaccinated 86.5 per cent of the 2.2 million inhabitants in Havana, where they started the campaign. Authorities have selected 533 businesses that may now open to in-person service in the capital including 315 restaurants.

Until now eateries had only been allowed to do delivery. Earlier this month Cuba asked the World Health Organization to start the evaluation process toward officially recognizing its vaccines, which would be a major recognition given data from late phase trials has not yet been published in peer reviewed journals.

Yet in the near term, the virus is overwhelming healthcare facilities in provinces that started their vaccination campaigns after Havana, despite the return of hundreds of doctors from missions abroad to reinforce staffing.



People walk in downtown amid concerns about the spread of the coronavirus disease in Havana, Cuba on August 3.

Allegations of favouring China could erode confidence in IMF chief

AFP, Washington
A storm of controversy threatens to undermine Kristalina Georgieva's leadership of the IMF as experts, US lawmakers and the Treasury scrutinize her actions in a former senior role at the World Bank.

The situation also could present a challenge to Democratic US President Joe Biden's administration, since it gives fodder to Republicans dubious of, if not outright hostile to, the multilateral institutions, especially their dealings with China.

An independent investigation released Thursday found that during her time as World Bank CEO, Georgieva was among the institution's leaders who pressured staff into changing data to paint China in a more favorable light in the 2018 edition of a closely-watched business favorability ranking.

Georgieva was appointed IMF managing director in 2019, and the lender's member countries will "have to make a decision about whether they're comfortable with, with her continuing in that role," Nobel laureate Paul Romer said in an interview.

"I think they should think about their options," Georgieva disputed the probe's findings, and on Friday told IMF staff the charges were "not true."

"Neither in this case nor before or after have I put pressure on staff to manipulate data. I would ask staff to please check, double-check, triple-check, but never change, never manipulate what the data tells us," she said according to The New York Times, which obtained a transcript of her remarks.

She said she believes "strongly in the value of credible data and analysis that leads to policy recommendations for the benefit of our members."

"Romer, who was World Bank chief economist during Georgieva's time there, criticized her for engineering what he described to AFP as a "whitewash" of separate concerns he raised about the institution's flagship Doing Business report. He ultimately resigned in January 2018 after going public with his criticisms.

The United States will be crucial in determining Georgieva's fate since Washington holds the biggest voting share in the International Monetary Fund, and the Treasury on Thursday said it was analyzing the report.

"These are serious findings," the department said in a statement. "Our primary responsibility is to uphold the integrity of international financial institutions."

"The World Bank board commissioned the investigation by law firm WilmerHale, which examined tens of thousands of documents and interviewed more than three dozen current and former staff.

A spokesperson said the IMF board, which was scheduled to meet Friday, "is currently reviewing this matter," without providing further details. Republican lawmakers already have raised questions about Georgieva's conduct.

House Representative French Hill called the report "alarming" and said the multilateral lenders' "reputation is now tarnished."

"If the allegations are true, 'The IMF board should promptly assess her service in the top job there,' Hill said in a statement. The situation was another example of "how the Chinese Communist Party systematically works to hijack multilateral institutions," he said.

In light of the investigation, the World Bank scrapped the Doing Business rankings, which classified countries based on their business regulations and economic reforms, and has caused governments to jockey for a higher spot to attract investors.

The probe also found that Georgieva along with her associate Simeon Djankov,

a former Bulgarian finance minister who created the report, and Jim Yong Kim, then-president of the bank, pressured staff to change the calculation of China's ranking to avoid angering Beijing.

The push came while bank leadership was engaged in sensitive negotiations with Beijing over increasing the bank's lending capital.

Justin Sandefur of the Center for Global Development had written extensively about the problems with the methodology in the World Bank rankings, which he said "made it ripe for this sort of interference and manipulation."

"For the head of the IMF to have been involved in data manipulation is a pretty damning allegation," he told AFP. "That does seem like a real hit on their credibility."

"Hill called on Treasury Secretary Janet Yellen to report to Congress on the situation and find ways to "ensure strict, transparent data integrity in the reports and assessments of the World Bank and the IMF."

"Andy Barr, a fellow Republican House lawmaker, called on Treasury to investigate the "bombshell findings," saying, "Georgieva's involvement with data manipulation for China's benefit is alarming."

Uber to roll out pension plans for UK drivers

REUTERS
Uber Technologies said it would start rolling out its pension plan to all eligible drivers in the United Kingdom, months after the ride-hailing service granted workers' rights to its drivers in the country.

In March, Uber had reclassified its more than 70,000 drivers in Britain as workers following a Supreme Court ruling.

Uber had also said it would offer guaranteed entitlements, including holiday pay, a pension plan and limited minimum wage. On Friday, the Silicon Valley company said it would contribute 3 per cent of a driver's earnings into a pension plan, while drivers can choose to contribute a minimum of 5

per cent of their qualifying earnings. Britain's GMB union represents Uber's drivers in the country, and has the right to negotiate on behalf of the workforce.

Uber and GMB also urged other ride-hailing companies like Ola, Bolt and Addison Lee to offer similar benefits to their drivers.

"I am extending an invitation to work with operators such as Bolt, Addison Lee and Ola to create a cross-industry pension scheme.

This will enable all drivers to save for their futures whilst working across multiple platforms," said Jamie Heywood, an executive for Uber's northern and eastern European region.

Britain's Pensions Regulator said it noted the "positive steps"



The logo of taxi company Uber is seen on the roof of a private hire taxi in Liverpool.

taken by Uber and called on all gig economy employers to enrol eligible staff in pension schemes.

"The gig economy is set to grow further as the UK emerges from the pandemic and businesses recover and it is only right that all workers contributing to the economy receive the pensions they are entitled to," a spokesperson said in an emailed statement.

The regulator would take enforcement action against employers who did not enrol staff "voluntarily and promptly", the spokesperson added. Uber's drivers will be auto-enrolled in a pension scheme provided by NOW: Pensions and managed by workplace solutions provider Adecco, the company added.

ADB gives \$250m loan for economic recovery

STAR BUSINESS REPORT

The Asian Development Bank (ADB) has approved a \$250 million policy-based loan to support Bangladesh's economic recovery following the Covid-induced pandemic.

This is the first subprogramme of the programmatic \$500 million Sustainable Economic Recovery Programme, ADB said in a statement yesterday.

The objective of the programme is to facilitate a rapid and sustainable recovery from the Covid-19 pandemic, generate employment, and expand economic activities for micro-entrepreneurs and small businesses, it said.

"This will be pursued through policy reforms that will create fiscal space to enhance public expenditure and support the recovery and growth of cottage, micro, small, and medium-sized enterprises (CMSMEs)."

The loan will also support the government's planned public investment in education, health, social protection, and infrastructure and help to stimulate economic activities and economic recovery.

"The fiscal space created under the programme will allow the government to prioritise expenditures and upscale investment in social and economic infrastructure," said Srinivasan Janardanam, principal financial management specialist of ADB.

"The programme is expected to increase the efficiency in public investment management and create a favorable environment for access to credit, particularly for the poor and vulnerable."

To promote fiscal sustainability, the programme will help the government address a couple of key constraints to public investments in critically needed physical and social infrastructure, ADB said.

Zimbabwe bolsters emissions targets

REUTERS

Zimbabwe has adopted a more ambitious target for emissions reduction ahead of a United Nations climate conference in November, the country's new climate change plan showed.

The southern African country is now committed to a 40 per cent drop in greenhouse gas emissions by 2030 across all sectors of the economy, compared to a "business as usual" scenario in which emission reduction policies are not implemented.

Zimbabwe had previously committed

to a 33 per cent emissions reduction in its first Nationally Determined Contribution (NDC) in 2017.

NDCs are non-binding plans for climate action submitted by countries since the Paris Agreement of 2016.

The new target is for Zimbabwe's total greenhouse gas emissions to be curbed to 44.7 million tonnes of carbon dioxide equivalent (Mt CO2e) by 2030.

If no action is taken emissions are projected to hit 75.4 Mt CO2e by then.

Emissions in 2017 were 35.84 Mt CO2e, according to the NDC's most recent national-level estimate.

AFP, London

Stock markets mostly dropped Friday, as traders closed out a largely positive week for global equities by booking profits on renewed concerns over troubled Chinese property developer Evergrande.

Evergrande's silence over an interest payment that had been due Thursday fuelled investors' fears that its potential collapse could spill over into the broader economy.

Indexes were down across much of Asia, Europe and the US, where lawmakers are also struggling to raise a debt ceiling that has the potential to shut the government down.

"The stall this morning is not surprising. The major indices have come a long way in a short amount of time and, consequently, would be seen as needing to take a breather for a bit," said Briefing.com analyst Patrick O'Hare.

News from China also sent cryptocurrencies plunging as the country ruled all transactions in the digital assets illegal.

Bitcoin, which had already been falling before the announcement, dropped as much as 8.9 per cent in value before trimming losses to stand at \$42,059, down 4.1 per cent.

Markets across Europe were in the red in afternoon deals, while on

Wall Street the Dow Jones Industrial Average ticked lower and the tech-heavy Nasdaq dropped.

US traders had seen the Fed's Wednesday move towards tapering its massive stimulus programme as a vote of confidence in the world's top economy. But as well as Evergrande, "the continued stalemate among lawmakers on whether to raise the debt ceiling, the Delta variant, and supply chain challenges continue to fester," Charles Schwab analysts commented.

The supply chain woes were highlighted by sports giant Nike Thursday as it cut its sales forecast for the coming quarters. Brent oil prices, meanwhile, jumped close to a three-year peak, boosted by tight supplies particularly in the United States.

Market players are keeping close tabs on Evergrande, with no sign that it had paid interest to overseas bondholders on a note due Thursday.

While the firm has a 30-day grace period to stump up before it

is considered in default, the lack of information is keeping investors anxious.

Markets were sent spinning at the start of the week by fears that the company -- one of China's biggest developers in the crucial property sector -- would go under and drag others with it, in turn jolting the domestic economy and possibly beyond.

But for now, there is a feeling that there will not be a "Lehman Moment", such as when the bankruptcy of Wall Street titan Lehman Brothers in 2008 sparked a collapse on world markets.

Stock markets had enjoyed a couple of strong days prior to Friday on what appeared to be easing concerns over Evergrande.

But its share price tumbled more than 11 per cent Friday, having surged more than 17 per cent a day earlier.

It was not all gloom in Asia, as the Bombay Stock Exchange Sensex index crossed the 60,000 mark for the first time.

India's markets have enjoyed whirlwind growth despite the outbreak of the coronavirus pandemic, more than doubling in value since April last year.

"Expectations of solid economic recovery and sustained growth in the next couple of years is keeping the bulls enthused," Sandeep Bharadwaj of IIFL Securities said.

Global stocks retreat on renewed Evergrande fears



AFP/FILE

Investors are keeping a close eye on developments surrounding Chinese developer Evergrande.

Britain runs coal power stations amid energy crisis

AFP, London

Britain, which faces soaring natural gas prices, has been forced to run coal-fired power stations in order to secure energy supplies, electricity generation company Drax said on Thursday.

The country is particularly exposed to Europe's ongoing energy crisis due to its reliance on natural gas to generate electricity. The price of European gas futures has more than doubled since May.

"These facilities have fulfilled a critical role in keeping the lights on at a time when the energy system is under considerable pressure," the group said in a statement emailed to AFP.

Drax -- which owns the nation's biggest facility in Yorkshire, northern England -- had planned to switch from coal to biomass this year to help tackle climate change.

The group could now extend the use of coal, Chief Executive Will Gardiner told the Financial Times.

"We're very aware that the country might have a significant problem and if there's something Drax can do we will absolutely think about doing that," Gardiner told the business-focused newspaper.

RBI to retain cash surplus

REUTERS, New Delhi

India's central bank is likely to retain a surplus of liquidity in the banking system and announce another round of bond purchases, but will avoid adding incremental cash in the near future, two sources said on Friday.

Funds parked with the Reserve Bank of India (RBI), in its reserve repo window, have averaged about 7 trillion rupees (\$95 billion), while the government's cash balances with the central bank are about 3.4 trillion.

This fiscal year, the RBI has bought bonds worth 2.05 trillion rupees in auctions forming part of its government securities acquisitions programme (GSAP).

"All our objectives with surplus liquidity are not yet met," said a senior government source directly aware of the matter.

"For example, credit growth is not at desirable levels and this needs to increase, for which surplus liquidity is something we need," added the source, who asked not to be identified as he was not authorised to speak to media.

"Also the US tapering could be bit more aggressive than we had expected so we want to ensure our market liquidity remains in surplus."

A banking source said the RBI was in no hurry to withdraw the existing surplus, and would probably unveil another GSAP round at a monetary policy review on October 8.

"The RBI does not want to add to the surplus liquidity, at least, not immediately, but they will announce a GSAP 3.0, or possibly a calendar which could include simultaneous buying and sale of bonds that is liquidity neutral," said the source,

who sought anonymity as the matter is a sensitive one.

The RBI did not immediately respond to a request for comment.

The government source added, "I expect RBI to keep liquidity neutral or positive, compared to current levels. So GSAP 3.0 should be announced. This is the time to push economic growth. We cannot sap liquidity from the market."

Most market participants expect the RBI to announce more bond purchases to help absorb the government's programme of borrowing to the tune of 12.06 trillion rupees.

"The RBI may not want to add to it anymore, but we don't think they are going to undertake measures to permanently withdraw liquidity," said Suyash Choudhary, head of fixed income at IDFC Asset Management.

Default loan recovery plunges

FROM PAGE B1

Zaid Bakht, a former research director of the Bangladesh Institute of Development Studies, said the default loan recovery was low because of the payment holiday.

"Now, the focus should be on getting back the loans. We will have to enhance our efforts to recover the loans. Otherwise, the financial performance of banks will deteriorate."

Agrani Bank, where Bakht is the chairman of the board, has undertaken a 100-day initiative to accelerate the recovery of the defaulted loans.

He says banks have to be supportive to clients as economic recovery is picking up the pace.

"If we remain conservative, the ongoing economic recovery will not gain the much-needed momentum."

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, said: "Courts were closed for an extended period last year, so we could not initiate the legal process to realise the loans."

"We also could not maintain regular communication with the borrowers because of the pandemic."

Bangladesh joins New Dev Bank

FROM PAGE B1

Right now, the country's share in the bank stands at 1.84 per cent, the official said, adding that some other countries are likely to join the bank. However, Bangladesh's share will not go below 1 per cent.

Before making the payment of \$188.4 million to the NDB, the government will have to pass a law to this effect.

Then, the country will be able to join the next board meeting of the bank, and from then on, Bangladesh will start getting loans.

The joining was confirmed on September 16 after Bangladesh submitted its

instrument of accession to the government of Brazil, said the finance ministry in a press release.

NDB President Marcos Troyjo conveyed the matter to Finance Minister AHM Mustafa Kamal through a message and extended warm congratulations. On August 20, the NDB board of governors approved Bangladesh as a new member.

Since its inception, the NDB has provided about \$30 billion in loan assistance to member countries for 80 different projects related to physical and social infrastructure and urban development.

Shun protests that disrupt trade

FROM PAGE B1

The sector has coped with the disaster with prompt support from the government and is currently trying to recover by welcoming a new flow of orders with cheaper rates, he said.

Islam informed that Chattogram's share of garment export had come down from 40 per cent in the mid-80s to 15 per cent at present.

Meanwhile, almost 400 of the region's 697 registered factories are now closed, he said.

He said high land prices and a lack of decision-taking authority in banks in Chattogram discourages entrepreneurs from investing here.

Pointing out that the region housed no bank head office, Islam stressed on allowing Chattogram offices to take decisions, such as those of the export promotion bureau, investment board and joint stock company, to resolve industrial issues.

Entrepreneurs will not need to go to Dhaka, he added. The BGMEA leaders at the meeting demanded allocating land at low price and infrastructure facilities at special economic zones in Mirsarai and others to set up exclusive garment villages.

BGMEA former first vice president Nasir Uddin Chowdhury urged introducing a one-stop service to reduce time taken for importing and exporting goods, aiming at reducing the sector's lead time.

BGMEA former first vice presidents SM Abu Tayyab, MA Salam and Moinuddin Mintu also spoke.

Trial 5G on Dec 12 or 16: Jabbar

FROM PAGE B1

In its 2018 election manifesto, the current government promised to provide 5G services across the country between 2021 and 2023.

Recently state-owned telecom company Teletalk has been conditionally allotted 60 megahertz (MHz) of radio frequency (spectrum) to launch the 5G service.

Bangladesh Telecommunication Regulatory Commission (BTRC) has allocated 460 MHz for 5G. Apart from that for Teletalk, the remaining 400 MHz will be auctioned off by December 2022.

The Ecnec recently approved Tk 2,140 crore under a project to take Teletalk's 4G network to villages and upgrade the existing core and transmission networks to make it ready for the launch of the fifth-generation technology (5G) by 2023.

"The matter of launching 5G in Dhaka city within this year is in the final stage. To this end, the state-owned mobile operator Teletalk has started taking preparations," said BTRC Chairman Shyam Sunder Sikder.

"The BTRC has already formed a committee comprising operators, telecom sector stakeholders and law enforcement agencies on the 5G issue," said AKM

Shahiduzzaman, a BTRC commissioner and head of a 5G guidelines committee.

"Work is underway to create a common guideline for mobile operators, which will contribute to the mass adoption of 5G," he said.

"The BTRC is working on allocating spectrum at comparatively low prices in consideration of the standards followed by different countries of the world. And any decision in this regard will be finalized in consultation with the operators," he added.

Industry stakeholders shed light on different aspects and challenges of rolling out 5G technology in the country.

Among them were Yasir Azman, CEO of Grameenphone; M Riyaz Rasheed, acting CEO of Robi; Erik Aas, chairman of the Association of Mobile Telecom Operators of Bangladesh and CEO of Banglalink; Md. Shahab Uddin, managing director of Teletalk; Taoguangyao, COO of Huawei Bangladesh, and Abdus Salam, country manager of LM Ericsson (Bangladesh).

Samir Kumar Dey, general secretary of the TRNB, presented the keynote speech at the event, moderated and presided over by Rased Mehedi, president of the TRNB.

Investors cautious as market index teeters on top

FROM PAGE B4

Considering the situation though, he sold off some stocks to secure enough funds to buy others should the market fall.

However, many well-performing stocks did not appreciate in value alongside the soaring market index. Instead, companies with low paid-up capital and junk stocks enjoyed a steep rise.

"So, well performing stocks are not sellable yet but these are still lucrative,"

he added. In answer to a query, the asset manager said the overall market is not overvalued but many stocks are.

"That's why people should choose stocks very cautiously," he added.

Pacific Denims topped the gainers list last week, soaring by 25 per cent, followed by Eastern Insurance 21 per cent, Alif Manufacturing 19 per cent, Bangladesh National Insurance 17 per cent and KDS Accessories 17 per cent.

Panel to recommend law to form regulatory authority

FROM PAGE B1

E-commerce firmly began to put down roots in Bangladesh back in 2009 and since then has gone on to become a mainstay in the retail landscape.

But with no definitive e-commerce policy or regulatory body for the fast-growing industry to ensure discipline, some rogue players started expropriating money from unassuming consumers.

Ghosh also said the long lockdowns have dented efforts of the ministry to protect the interests of e-commerce consumers and merchants.

The secretary also said the recovery of consumers and merchants' money from errant e-commerce and multi-level marketing companies was very difficult and the government itself could not recover the money to pay back victims as it was not encompassed in the country's laws.

However, consumers have the right to lodge complaints with the Directorate of National Consumers Rights Protection to get back their money, he said.

They can also initiate legal action filing criminal cases citing fraudulence or cases

with the joint district judge court demanding compensation, Ghosh said.

In line with the cases, courts can appoint people in the companies to sell properties and pay back victims their money at least to some extent, said the secretary.

Welcoming the decision, Ahsan H Mansur, executive director of private think tank Policy Research Institute, said now was the most perfect time to formulate a regulatory framework to safeguard interests of the country's emerging e-commerce businesses.

He hoped for the new committee to be balanced in representation from all sides to protect the interests of the people.

"The e-commerce is the new reality of our life. We should not stop emergence of e-commerce business only because of some errant companies. We need to regulate the e-commerce businesses with laws but not to stop the business," said Mansur.

If the e-commerce companies are not regulated properly, bigger disasters may occur in the future, he also said.

If the errant companies can be run properly through the appointment of administrators, victims can be paid back their money to some

extent, Mansur also said.

But if the administrators cannot run the companies, the government should sell their properties to reimburse victims because many have already turned penniless losing everything, he said.

"However, firstly the government should take over the errant companies so that those did not go to waste or suffer damages. With the takeover of those companies, the affected consumers and merchants may get back at least a portion of their money," he added.

The victims have long been demanding return of their money and products from the companies.

The Daily Star talked to one victim, Rana Hossain, last week.

He said he and some of his friends paid e-commerce platform Eorange Tk 36.65 lakh for the purchase of some motorcycles. But the company neither delivered the goods nor returned the money till date.

Hossain said he had pooled his share borrowing from relatives and putting in his father's pension and mother's fixed deposits. He believes he has lost everything.

Build comprehensive trade partnership with China: experts

FROM PAGE B4

Mahub Uz Zaman, ambassador of Bangladesh to China, said many Chinese investors are showing interest in Bangladesh's leather, chemical, and various other sectors.

Regarding the duty-free access enjoyed by 97 per cent of Bangladesh's products to Chinese markets, Zaman said this benefit encourages Chinese investors to open operations in the country.

He also said the Chinese special economic zone will help to attract more Chinese investment.

However, these investors need support for supply chain development in Bangladesh, Zaman added.

MS Siddiqui, a legal economist, said Bangladesh has a positive image among Chinese investors and they are interested to invest here due to the cheaper labour compared to China and Vietnam.

He also emphasised developing skilled manpower for the investors.

There is good scope for Chinese small-and-medium enterprises (SMEs) to grow their business in Bangladesh.

But, there is no Chinese SME in Bangladesh despite the huge potential, Siddiqui said.

M Abu Eusuf, a professor of the economics department at the University of Dhaka, said Chinese investors can develop their businesses in Bangladesh as the domestic market size is growing rapidly.

Mohsina Yasmin, executive member of the Bangladesh Investment Development Authority, said China has been the largest source of foreign investment proposals in Bangladesh for the last five years.

Moderated by Siban Shahana, a researcher at the Bangladesh Institute of Development Studies, the seminar was also addressed by Gazi Golam Murtoza, president of the BCCCI.

Md Rakibul Hoque, associate professor of management information systems at the University of Dhaka, delivered the keynote.

E-COMMERCE SCAM

Remedy exists in law to recoup customers' money

But they won't get full amount, says noted lawyer Tanjib-ul Alam

MAHMUDUL HASAN

There are ways for online shoppers to get back their money stuck with some e-commerce platforms under the existing laws. But they will have to abandon the hope of retrieving all of their funds, said a legal expert.

Tanjib-ul Alam, a noted lawyer on company laws, says if a victim files a wind up petition with the High Court, the company may be shut if it can't repay its debts.

"Seeking for winding up is appropriate because you know the company's debts are bigger than assets," he told The Daily Star in an interview.

Alam is regarded as one of the leading corporate law experts in Bangladesh. He has vast experience in dealing with cases related to banking, syndication, telecommunication, project financing, securitisation, and listing of public companies.

His interview came as thousands of customers in Bangladesh are facing deep uncertainty to receive the deliveries of products worth thousands of crores of taka as the concerned e-commerce firms are not in a position to make the deliveries or refund despite getting the payments in advance.

Winding up is the legal process of dissolving a company. There are six grounds to file the application.

If the legal course is sought on the fifth and sixth grounds, the court can appoint a provisional liquidator or administrator to run the company. There could be a panel of provisional liquidators, according to Alam.

If a company is wound up, it ceases to do business as usual. Its sole purpose remains to sell the stock, pay off creditors, and



Tanjib-ul Alam

Tanjib-ul Alam says if a victim files a wind-up petition with the High Court, the company may be shut if it can't repay its debts

distribute any remaining assets among partners or shareholders.

When the winding-up procedure starts, the court gets the responsibility of the company. Then, it has the right to appoint a provisional liquidator and can retain the management of the company.

Alternatively, the court can employ an administrator. The liquidator or administrator can start running the company.

Alam said the first responsibility of the administrator or liquidator would be to pinpoint the company's assets and liability. For that, they can appoint an auditor under the supervision of the court.

The auditor will trace the money, and if someone receives any funds from the company illegally, he can ask them to return it.

"None of the money belongs to the company. This is the money of the buyers. So, the liquidator can ask for the return of the funds," he added.

After recovering the money, the liquidator or administrator

distributes it on a pro-rata basis among the victims. The pro-rata basis means assigning an amount to one person according to their share of the whole.

Suppose, Evaly has a liability of Tk 1,000 crore. After selling its assets and brand value, and recovering funds from various sources, the amount stands at Tk 500 crore. The money will be divided among the victims proportionately on the basis of their investment.

If the liquidator or administrator thinks that it would be better to continue running the company, it can decide to do so, Alam said.

"The brand value of a company can be sold, and the new owner can start anew and will not bear the current liability."

Alam says the victims of financial scams do not follow proper laws to ensure proper justice, and many in Bangladesh have misunderstood it.

"Whenever we raise the issue of recovering the money, it is discussed by denying facts."

"In most cases, the advice for recovering money sounds like

assuring a baby who has just lost his father by saying: your papa is coming tomorrow. Now, take this lollipop."

He said if there was a serious fraud office, it could instantly try to recover the money from various sources.

The head of the Tanjib Alam and Associates, a law firm based in Dhaka, suggested tracing money outlined in the existing law.

"We never talk about tracing the money because if we pursue it, some big fishes might be found to be linked with the fraud."

According to the noted lawyer, there should not be any attempts to recover the money through criminal cases. Criminal cases can continue, but money has to be recovered through the winding up.

He stressed winning back the confidence of online shoppers.

"It's very important for the market to operate with people's trust because 80 per cent of the sustainability of the market economy depends on the trust of people."

If anything bad affects the reliability and integrity of the market, it is taken seriously in the West, and they remain concerned so that there is no systemic impact on the market.

"So, regulatory authorities should be more vigilant in preventing the elements that destroy trust and reliability in the market because the ripple effects of frauds don't remain confined to victims only. It has a widespread effect on the entire system," Alam said.

In Bangladesh, philosophical understanding about the impact of fraudulent incidents is absent.

"So, important things are left out in our policy framework."

Investors cautious as market index teeters on top

STAR BUSINESS REPORT

Stock investors in Bangladesh are being cautious about pouring their money into the market as its prime index is hovering at a record high.

As a result, index movement was slow and market turnover took a dive.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), closed at 7,228 points by the end of last week while it was 7,258 points at the start.

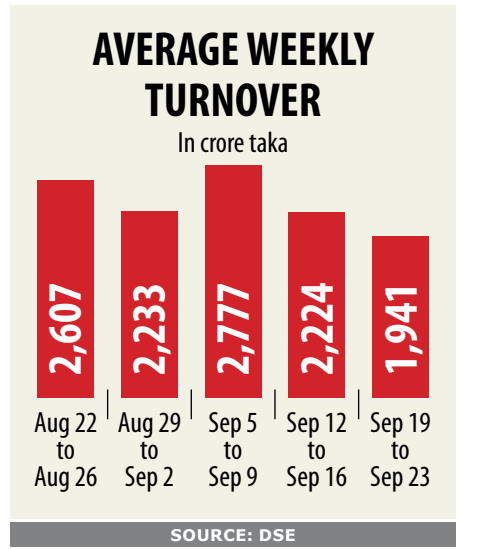
Similarly, the market's daily average turnover slipped 13 per cent to Tk 1,941 crore in the same period.

"Investors are in a 'wait and see' position as they fear a correction could start at any time since the market index skyrocketed in the last one year," a top merchant banker said.

The market index rose by more than 45 per cent, or 2,257 points, in the last one year, DSE data shows.

And although sector-wise corrections did occur during this period, it could happen again.

"So, investors have set aside some funds and are prepared to buy if the market falls," he said, adding that many of them have already sold off a big chunk of their shares



in fear of a market correction.

Last week, 162 companies advanced, 198 declined and 18 held steady at the DSE.

A senior official of an asset management company said firms like his do not trade on a regular basis and instead go for long-term investments.

READ MORE ON B3

Build comprehensive trade partnership with China: experts

STAR BUSINESS REPORT

Dhaka and Beijing should build a comprehensive trade partnership in order to facilitate Bangladesh's economic development, said speakers at a webinar held yesterday.

"The commerce ministry should prioritise agendas to build up a comprehensive trade partnership with China so that both sides can benefit in terms of imports and exports," said Shamsul Alam, state minister for planning.

The event, styled "Chinese Investment: Prospects and Challenges in Bangladesh", was organised by the Bangladesh China Chamber of Commerce and Industry (BCCCI).

"This type of partnership would help Bangladesh become a rich country by 2041

as well as achieve sustainable development goals (SDGs)," Alam said.

Bangladesh needs an additional \$6 to \$9 billion in investments to attain its SDGs by 2030.

"So, foreign direct investment is highly required," he added.

The state minister for planning stressed the need for technology adaptation for increased economic growth, and spending 1 per cent of the country's gross domestic product (GDP) to reassess and ensure quality education.

Alam said he believes Bangladesh will become one of the strongest economies in South Asia in the coming days.

He went on to say that China is a big player in developing Bangladesh's economy in terms of investment.

READ MORE ON B3



GLOBAL BUSINESS

Quicken shift from fossil fuels

UK firms urge govt

AFP, London

Major UK-based companies on Friday urged the government to accelerate the nation's shift away from fossil fuels for electricity generation, amid turmoil over surging gas prices.

The 14 firms -- including energy supplier Octopus, telecoms operator BT and supermarket chain Co-op -- wrote a joint letter to Business Secretary Kwasi Kwarteng calling for a rethink.

"Unabated refers to fossil fuels whose emissions have not gone through any filtering process. In response to the letter, the government insisted it had a successful track record on the matter.

"The UK has been very successful in decarbonising electricity generation - emissions from the sector have halved since 2015, and solar and wind are now cheaper than existing coal and gas power plants in much of the world," read a government statement.



The UK already faces a lawsuit from Friends of the Earth over its financing of a gas project in Mozambique.

"We are writing to urge the government to (commit) to the full decarbonisation of UK electricity generation by 2035," read the letter, which was organised by environmental think-tank Green Alliance.

The new target would require annual investments of up to 14 billion (\$19.2 billion, 16.3 billion euros) per year in renewable energy, they added.

Britain, which hosts the COP26 United Nations climate summit in Glasgow in November, aims to reduce its carbon emissions to net zero by 2050.

"As COP26 approaches, we believe the time is right for the UK to signal an end to the use of unabated fossil fuels in the power sector, claiming another historic first," the letter added.

"There is now a clear pathway to delivering emissions-free electricity.

"Gas generation currently plays a key role in keeping the electricity system secure and stable and we are actively taking steps to bring forward low carbon technologies that are capable of replicating this role.

"However, UK electricity generation group Drax had revealed Thursday that Britain has been forced to run coal-fired power stations in order to secure energy supplies in recent weeks amid the chronic gas crisis. Wholesale natural gas prices in Britain soared to record peaks last week, sparking fears of rocketing domestic energy bills as demand peaks during the cold northern hemisphere winter.

Britain is particularly exposed to Europe's ongoing energy crisis due to its reliance on natural gas to generate electricity.

The price of European gas futures has more than doubled since May.

China's central bank rules all crypto transactions are illegal

AFP, Beijing

China's central bank on Friday said all financial transactions involving cryptocurrencies are illegal, sounding the death knell for the digital trade in China after a crackdown on the volatile currencies.

The global values of cryptocurrencies including Bitcoin have massively fluctuated over the past year partly due to Chinese regulations, which have sought to prevent speculation and money laundering.

"Virtual currency-related business activities are illegal financial activities," the People's Bank of China (PBOC) said in an online statement Friday, adding that offenders would be "investigated for criminal liability in accordance with the law.

"The notice bans all related financial activities involving cryptocurrencies, such as trading crypto, selling tokens, transactions involving virtual currency derivatives and "illegal fundraising".

Bitcoin, which had already been falling before the announcement, sank by as much as 8.9 per cent to \$41,019 in European afternoon trading before recovering slightly later in the day.

The central bank said that in recent years trading of Bitcoin and other virtual currencies had become "widespread, disrupting economic and financial order, giving rise to money laundering, illegal fund-raising, fraud, pyramid schemes and other illegal and criminal activities.

"This was "seriously endangering the safety of people's assets," the PBOC said. While crypto



REUTERS/FILE

Headquarters of the People's Bank of China, the central bank, in Beijing.

creation and trading have been illegal in China since 2019, further crackdowns this year by Beijing warned banks to halt related transactions and closed much of the country's vast network of bitcoin miners.

Friday's statement by the central bank sent the strongest yet signal that China is closed to crypto.

Bitcoin, the world's largest digital currency, and other cryptos cannot be traced by a country's

central bank, making them difficult to regulate.

Analysts say China fears the proliferation of illicit investments and fundraising from cryptocurrency in the world's second-biggest economy, which also has strict rules around the outflow of capital.

The crypto crackdown also opens the gates for China to introduce its own digital currency, already in the pipeline, allowing the central government to monitor transactions.

South Asia eyes tourism revival with eased restrictions

AFP, Kathmandu

Nepal has restarted visas on arrival for vaccinated tourists as South Asian nations attempt to revive tourism businesses devastated after 18 months of the pandemic.

A near travel shutdown has been in place in India, Bangladesh, Nepal, Bhutan and Sri Lanka for more than a year as successive waves of coronavirus took a deadly toll.

Nepal reopened to tourists and scrapped quarantine requirements for vaccinated foreigners on Thursday and its neighbours are expected to quickly follow as they seek to bolster linchpin industries in their economies.

"The resumption of on-arrival visas is aimed at reopening the tourism sector which is one of the mainstays of Nepal's economy,"

Tourism Ministry spokesman Tara Nath Adhikari told AFP.

All visitors must still take a pandemic test on arrival and unvaccinated travellers have to quarantine for 10 days. The decision came just as monsoon clouds cleared for the autumn trekking season, and many are hopeful it will help drive up the arrivals.

"So many have lost jobs and livelihoods. This decision is crucial for all of us and we are hopeful that at least some visitors will return," said Nabin Trital of the Trekking Agencies Association of Nepal.

Neighbouring India is soon to announce that it will give away 500,000 free tourist visas as it also starts to reopen after more than a year, officials told AFP. The country had more than 12.5 million tourists in 2019 but

lost hundreds of millions of dollars after the shutters came down in March last year.

New Delhi is negotiating with international airlines to get scheduled flights resumed from main markets in North America and Europe, the officials said. Bhutan recently let in its first foreign tourist, an American who spent three weeks in quarantine.

The country has imposed draconian restrictions to minimise the impact of the pandemic, recording only three coronavirus deaths in the population of 700,000.

Vaccinated tourists began entering Sri Lanka in July, without having to quarantine if they test negative for Covid-19 on arrival. South Asia is highly dependent on tourism, which accounted for some 47 million jobs in 2019, according to the World Travel and Tourism Council.