

City Bank wins 'Leading Partner Bank Award' collaborating with ADB

STAR BUSINESS DESK

The City Bank Limited recently won a "Leading Partner Bank Award" partnering with Asian Development Bank (ADB) in Bangladesh from July 1, 2020 to June 30, 2021.

This is the second consecutive time the lender won the recognition in Trade and Supply Chain Finance Program (TSCFP) Awards 2021 since 2020, said a press release.

Representatives from over 200 partner banks attended the ceremony and 27 banks were recognised in 21 categories.

The City Bank Limited has collaborated with the ADB for coverage of trade transactions of small and large deals for corporate and SME clients. It has been participating with the ADB under their TSCFP as issuing bank since 2016.



Golam Hasnain Rashel, mayor of Bhangura Municipality, recently inaugurated Pubali Bank's 483rd branch with online banking facilities at Bhangura, Pabna. Md Rafiqul Islam, deputy general manager of the bank, and Md Anisur Rahman, branch manager, were present.

PUBALI BANK

Guardian Life offers policy with bKash

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Guardian Life Insurance Limited recently launched an "Easy Life" policy jointly with mobile financial service provider bKash in Dhaka.

Customers can purchase the policy, pay premiums, make claims and receive claim disbursements through the bKash app, according to a press release.

Sheikh Rakibul Karim, acting CEO of the Guardian, and Ali Ahmmmed, chief commercial officer of bKash, inaugurated the service at the insurance company's head office.

Yearly premiums range from Tk 150 to Tk 3,499. Customers can get life coverage of Tk 1 lakh to Tk 3 lakh along with health coverage of Tk 50,000 for Covid-19 and other health treatment.

Singer campaign for cricket World Cup

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Singer Bangladesh recently launched two campaigns focusing the upcoming cricket World Cup and autumn season.

Customers can win a "free Singer TV" everyday sending an SMS on purchasing a TV alongside cash discounts of up to Tk 4,000, said a press release.

They can also avail 5 per cent cash discount on refrigerators, washing machines and microwave ovens.

The products offer interest free instalments of up to 12 months.

WB-IMF panel calls for steps to ensure data integrity

REUTERS, Washington

The World Bank-International Monetary Fund Development Committee on Friday urged the bank to take additional steps to "assure the integrity and credibility of data" in the wake of a data-rigging scandal involving its now-canceled "Doing Business" report that embroiled IMF Managing Director Kristalina Georgieva.

No remedy in sight for victims

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For instance, Bangladesh Bank may be asked to find out ways to recoup the money, said Shafiquzzaman, also the new chief of the Digital Commerce Cell under the ministry.

In the absence of refunds or delivery of the products, the misery of the consumers and merchants is only lingering.

Convinced by attractive advertisements, Rana Khan and his four friends, who all live in the Motijheel area, ordered 17 bikes worth Tk 39.40 lakh from E-orange at a 50 per cent discount. Their plan was to resell them at higher prices.

"However, we did not get delivery of the bikes," the 30-year-old said.

Instead, 30 people were injured when police dispersed them from a protest rally at the Jatiya Press Club and Matshya Bhaban areas a few days ago, he said on Thursday.

"We want the government to take measures so that the companies pay back our money."

Ahsanul Karim, a lawyer of the Supreme Court, says the commerce ministry should have appointed administrators to the troubled e-commerce companies a lot earlier so that the owners could not launder the money.

"An immediate action was needed to save both companies and protect the

interests of consumers and merchants. It is too late to recover the money from the companies."

The formation of multiple committees might not be enough to protect the interests of consumers.

After the scams related to Destiny, Jubok and Unipay2u, the government had also constituted several committees to recoup funds, compensate victims and stop a recurrence of fraudulent activities. But the scams did not stop.

"So, the commerce ministry should form several committees and bodies with more focus on the recovery of money and refunds to affected consumers and merchants," Karim said.

Sayedda Anzu, a professor of the law department at Rajshahi University, says there are still ways to recover the money from the rogue e-commerce companies.

She suggested tracking the transactions made by consumers and merchants to the e-commerce companies.

"After tracking the transfers, the ministry can claim the money from them and compensate the consumers and merchants."

"If an e-commerce firm can't return the money, a board can be formed to sell its assets to pay its debts," Prof Anzu said, adding that the commerce ministry should handle the issue.

World stocks notch best day in 5 months

REUTERS, New York

Stocks surged globally on Friday in their best day in five months as strong US corporate earnings reports fueled optimism about the economy, though three-year-high oil prices kept inflation risks alive and lifted government bond yields.

US investment bank Goldman Sachs Group Inc was the latest on Wall Street to trounce market expectations when it reported a 66 per cent surge in third-quarter profit, thanks to a record wave of investment banking activity. Though some analysts warned investors against complacency so early in the earnings season, especially given

current constraints in the supply chain, US stocks joined Friday's rally in global equities.

The Dow Jones Industrial Average jumped 1.1 per cent in its best weekly performance since June 25. The S&P 500 climbed 0.75 per cent to notch its best week in 2-1/2 months, and the Nasdaq Composite added 0.5 per cent.

The pan-European STOXX 600 index rose 0.74 per cent and MSCI's gauge of stocks across the globe gained 0.86 per cent, the biggest daily rise since May 14. "We are clearly off to a good start of the third-quarter earnings season, but have miles to go before we sleep," said Arthur Hogan, chief market strategist at National Securities Corp.

Evaly website down

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The Daily Star tried to contact Mahbi Chowdhury, senior vice president of Evaly, for a comment on the matter but he did not respond by the time this report was filed.

The e-commerce company, which grabbed a huge number of customers by offering eye-catching discounts on popular products such as smartphones and motorcycles, came under the spotlight amid rising allegations from customers and merchants regarding its failure to deliver products, payments or refunds despite taking advance payments.

With this backdrop, the commerce ministry had earlier asked various government agencies, including the home ministry and Anti-Corruption Commission, to take the required action. On September 16, Rapid Action Battalion arrested Evaly's chairperson and managing director on the grounds of numerous cases filed by customers.

Two days later, the company declared that its employees would continue to work from home until further notice.

In its submissions to the commerce ministry in August and early September, Evaly said its total liabilities stood at Tk 543 crore, including Tk 311 crore to customers while its dues to merchants were Tk 205 crore.

However, according to Evaly's data obtained by The Daily Star, the e-commerce company owes at least Tk 408 crore to 1,026 sellers.

In its social media post, Evaly said its top executives have informed through their lawyers that it is possible to overcome all the complexities if given four months' time.

Moniuruzzaman Rony, a businessperson, said he saw the notice on Evaly's verified Facebook page regarding its website closure. "Following the notice, I have nothing to do but to give up hope of getting delivery of the product I ordered," he added.

Rony ordered some products, including mobile phones and microwave ovens, through Evaly by paying Tk 1 lakh against the company's T10 offer in July. The whereabouts of his products, which were supposed to be delivered within ten working days, still remain unknown.

Heyday for junk stocks as manipulation drives prices up

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The junk stocks collectively rose 52.08 per cent, on average, during the same period, DSE data showed.

"These companies were mainly low paid-up capital-based, and it is easy to manipulate since the number of their shares is low. So, they are targeted by rogue traders," said Ahsanur Rahman, CEO of Brac EPL Stock Brokerage.

"If a company has no expansion plan, its stock should not rise. But speculation fuels their price."

Attracted by the price movement, some investors rushed to the stock market in the last one year to make quick bucks, Rahman said. "But they should not invest in such stocks."

Earlier this year, rumours were going round that a foreign investor was going to buy Emerald Oil. But in a regulatory filing, the local company ruled out the possibility.

A top official of a merchant bank, preferring anonymity, says the junk and low-performing companies have surged mainly due to the speculations, and company officials are often involved with it.

Referring to the Emerald Oil case, he said the company's disclosure raised a question.

On July 12 this year, it said the board of Emerald Oil decided to start its full-fledged commercial operation from September 1 with a daily output capacity of 48 tonnes of rice bran oil.

But on August 26, it said the company was not in a position to begin the commercial operation.

As offices were closed from July 23 to August 10 due to the strict lockdown, the company could not renew or obtain most of the required licences, according to a disclosure on the website of the DSE.

"The BSEC should monitor the activities of the companies to cut the opportunities for manipulation. Otherwise, the goodwill of the market will be hampered," the merchant banker said.

Like its predecessors, the present commission of the BSEC pays more attention to whether the index is rising or falling though it is not its duty, he added.

So, investors need to be cautious and invest after assessing the potential of companies. "Otherwise, they will lose money," Siddiqi said.

VIPB CEO Islam added: "If investors invest in good stocks, it will give them a better return in the long run."

Mohammad Rezaul Karim, a spokesperson of the BSEC, says people investing in low-performing stocks is not unusual in a bullish market.

"But at a certain stage, investors return to the stocks with good fundamentals. The same will happen soon," he said, adding that the commission was trying to raise awareness among the investors.

17 e-commerce firms fined

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Shohoz was fined Tk 68,000, AjkerDeal Tk 45,000, Chaldal Tk 25,000, Foodpanda Tk 15,000, and Pathao Tk 9,000.

Hasinul Qudus, chief corporate affairs officer of Daraz Bangladesh, said the DNCRP imposed two major fines against Daraz in 2018.

Daraz has filed a writ petition against the decision of the DNCRP, and the matter is now pending with the High Court, he said.

Maliha M Quadri, managing director of Shohoz, said: "We are awaiting the DNCRP's revert on the eight unresolved cases published recently."

"However, of the 85 cases over the last four years, we won the vast majority of them and paid fines for a handful of cases. These were solely due to the service quality of offline third-party vendors, over which we have no control."

AKM Fahim Mashroor, CEO of AjkerDeal, said: "If you provide a service, something could always go wrong."

Zia Ashraf, chief operating officer of Chaldal, said if consumers made any complain, the company tried to solve it with utmost importance.

"Sometimes we do not get the time required to sort out a problem."

In a statement, Foodpanda said: "We immediately address any issue our customers face and try to resolve their complaints as fast as possible."

"However, sometimes customers reach out to the DNCRP with their complaints, and the issues are then resolved as per DNCRP's procedures."

Bablu Kumar Saha, director-general of the DNCRP, said of the 17 e-commerce firms, 90 per cent were fined for not selling or delivering goods or services properly.

He said the number of e-commerce firms facing fines had started rising from early 2020. "Consumers have to be more careful."

EVALY, E-ORANGE AND DHAMAKA NOT FINED

Despite being the most talked e-commerce firms, Evaly, E-orange and

Dhamaka Shopping did not face any fines.

So far, 7,138 complaints have been filed with the DNCRP against Evaly with a settlement rate of about 63 per cent.

E-orange has seen 2,643 complaints with a settlement rate of 1.25 per cent. In addition, 323 complaints were lodged against Dhamaka Shopping with a settlement rate of about 18 per cent.

At present, the owners and top officials of Evaly, E-orange and Dhamaka are in jail in connection with fraud and money laundering cases.

When asked why the three firms were not fined, Saha said consumers ordered products in large volumes. But the DNCRP can impose a maximum fine of Tk 50,000, jail the offenders for a maximum of one year, or impose both. "The penalty will give a consumer Tk 12,500. As a result, they will face a huge loss," Saha said.

Consumers Association of Bangladesh President Gulam Rahman feels that there are some limitations in the law.

"But the firms that have deceived many people in the same manner should be severely punished. Large scale fines should be imposed."

Abdul Wahed Tamal, general secretary of the e-Commerce Association of Bangladesh (e-Cab), says big companies deal with millions of customers, so there will be some allegations against them.

He says the e-Cab and the Access to Information Programme of the Prime Minister's Office are building a digital system that will automatically receive and settle customer grievances.

The Central Complaint Management System will connect customers to e-commerce platforms, the commerce ministry, the e-Cab and the DNCRP. Complaints that are not immediately addressed by an e-commerce platform will be automatically sent to the relevant government agencies.

There are about 2,500 e-commerce platforms and 2.5 lakh Facebook-based sites in Bangladesh.

Apparel diplomacy to widen the horizon

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In those meetings I highlighted the country's continued economic growth over the last one decade, political stability, massive infrastructure development, favourable investment climate and so forth. I asked US businesspeople and the NRBs to invest more in Bangladesh, requested US brands and retailers to ensure ethical sourcing by giving fair prices, and urged the US government to consider reducing duty on apparel products from Bangladesh. I also called upon the AAFA, Bangladeshi missions and NRBs to promote Bangladesh as a safe and sustainable apparel-sourcing destination and encourage consumers and buyers to source more garments including non-cotton items from the country.

We can increase the RMG sector's global market share significantly through industry upgradation, particularly in the areas of skills, efficiency and technology, and diversification of products. In this regard I urged US brands and buyers to collaborate with their suppliers in Bangladesh to build their capacities in manufacturing those items which have demand in the US market. Diversification of products is very important to ensure sustained growth of Bangladesh's apparel industry. I also sought support and cooperation from the US Green Building Council to portray the positive image of Bangladesh as a sustainable apparel-sourcing destination in the world and highlight the significance of the green price issue among brands and buyers.

Besides, we want cooperation and support from our foreign missions as well as national and international media in telling the world about the achievements and positive stories of the apparel industry of Bangladesh, by dispelling the myths, misconception and propaganda against us in the international arena.

Bangladesh is scheduled to graduate from its LDC status to a middle income country in 2026. With an extra three years to prepare for a smooth transition, Bangladesh could avail the European Union's Generalised Scheme of Preferences (GSP) facility till 2029. But if we can achieve the GSP plus facility through our diplomatic

manoeuvres, we will have the opportunity to enjoy tariff free export to the EU, which is one of our main markets accounting for more than 60 per cent of our total apparel exports.

With this in mind we have held several meetings in Brussels with Bangladesh's representatives in the European Union on the post-GSP tariff facility "GSP Plus".

We requested that one of the conditions of GSP Plus be exempted from the import threshold of 7.4 per cent or an alternative formula be introduced. Upon request, the EU removed this import threshold condition in their proposed 2024-2034 GSP regulation. As a result if Bangladesh loses GSP benefits, there will be no major barriers to getting GSP Plus benefits.

We want to work in coordination with our foreign missions to explore new markets. Our RMG industry can no longer just depend on the two traditionally preferred business markets: the US and the EU. While we need apparel diplomacy to keep the benefits of the traditional markets alive, we should also explore and exploit non-traditional markets like Japan, South Korea, Russia, Latin American countries, and even China and India. Moreover, this year we are going to take part in the Dubai expo with a view to expand our market to the Middle East.

During our North America tour we met with the chiefs and other high officials of Bangladesh's mission in the US, UN and Canada, where we requested them to keep up diplomatic efforts so that Bangladesh can enjoy duty-free export benefits for 12 years after LDC graduation. All the international forums must be told forcefully that Bangladesh needs duty-free export facility so that it can recover from economic impacts of Covid-19 and sheltering of more than 1.1 million Rohingyas, and also for countering terrorism through economic growth. We also hope that our foreign missions will take steps to properly disseminate positive stories of Bangladesh's apparel industry, especially the sector's remarkable progress in the areas of workplace safety, social and environmental sustainability and workers' wellbeing.

Under the visionary leadership of Prime

Minister Sheikh Hasina Bangladesh is now marching forward on the highway of development, following the footsteps of Father of the Nation Bangabandhu Sheikh Mujibur Rahman. We have already achieved the status as a developing country and hope to become a developed country by 2041. However, we do not have sufficient foreign investment yet to become a developed country, although there are a lot of potential sectors for investment. In fact Bangladesh is an ideal country for investment in the textile sector; especially the scope and potential for investment in high value-added apparel products in the manmade fibre sector is quite high. Almost 75 per cent of the total consumption of global textiles is non-cotton, where the share of Bangladesh is only 25 per cent. Bangladesh is also heavily dependent on imports to meet demand for non-cotton fabrics. Therefore, the scope for investment in non-cotton textile is wide open, which can provide us import substitution as well. We hope non-resident Bangladeshis will come forward to invest in these potential and fast-evolving sectors, and thus they can make an important contribution to the national economy.

In its journey of four decades, the Bangladesh RMG industry has gone through tremendous changes, overcoming a myriad of problems. Especially the changes in the last one decade in terms of workplace safety, workers' wellbeing and empowerment, and social and environmental sustainability have attracted worldwide acclaim. Hong Kong-based supply chain compliance solutions provider QIMA ranked Bangladesh second in "Ethical Manufacturing" in the world. The famous brand Walt Disney has decided to reinstate apparel sourcing from Bangladesh. These are the sweet outcomes of our hard labour, massive investment and patience, and we have to convey these messages to the consumers and buyers across the world through fruitful and persistent apparel diplomacy. In this way we can tap into the full potentials of the RMG sector.

The author is the president of the Bangladesh Garment Manufacturers and Exporters Association.