

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.05%	▼ 0.11%	\$1,773.04 (per ounce)	\$42.81 (per barrel)	▲ 1.21%	▲ 0.11%	▲ 0.02%	▲ 2.13%	BUY TK 83.95	93.35	103.76	11.65
3,986.73	6,854.46			35,843.70	22,145.96	2,636.69	3,090.57	SELL TK 84.95	97.15	107.56	12.25



DUAL PREPAID CARD
BREAK YOUR PAYMENT BARRIERS
 Accepted by PoS and ATMs too


FREELANCER


STUDENT


ONLINE TRAINING/COURSE

Hot Line : 019 299 88880-2
 www.siblbcd.com




BUSINESS

DHAKA FRIDAY JULY 3, 2020, ASHAR 19, 1427 BS
 [starbusiness@thedailystar.net](#)

WB's purse strings always open for Bangladesh

Says its Country Director Mercy Tembon

REJAUUL KARIM BYRON and MD FAZLUZ RAHMAN

The World Bank has been an ever-reassuring presence in Bangladesh's growth narrative, and the multilateral lender will continue to play that role, said its country director.

The Washington-based multilateral lender would continue making funds available for Bangladesh to help the country pull out of the devastating impact of the coronavirus pandemic.

"We are taking broad, fast action to help strengthen Bangladesh's pandemic response," Mercy Meiyang Tembon, its country director for Bangladesh and Bhutan, told The Daily Star in an interview yesterday.

Soon after Bangladesh reported the country's first cases of the coronavirus infections, the development lender approved a fast-track \$100 million financing to procure medical equipment

and supplies and support public health interventions to respond to the pandemic and strengthen the country's national systems for public health emergencies.

In June, it approved \$1.5 billion in four projects, all of which will help create large-scale jobs and quick economic recovery.

The projects are expected to create fiscal space while promoting foreign direct investment in economic zones and laying out foundations for a digital economy that will enable the government and businesses to provide critical services during pandemics and similar future crises.

"We are working with the government on a robust pipeline for fiscal 2020-21 that will support the government's effort in overcoming the challenges of the pandemic."

For example, it is collaborating with the Bangladesh Bank to deliver the Tk 103,117-crore stimulus packages.

In fiscal 2019-20, the WB delivered \$2.3 billion in new financing for Bangladesh.

The WB is in talks with the Economic Relations Division on a new development policy operation to support a new set of reforms aimed at countering the impact of the rogue virus.

"Besides, we will continue our focus on



Mercy Tembon

investing in people through projects in skills development and health services, and providing safety nets to the poorest and the most vulnerable. We will also help Bangladesh build resilience in agriculture and other sectors as well as to adapt to climate change, and other sectors."

Furthermore, the Washington-based multilateral lender will continue the critical path on policy reforms and institution-

building necessary to improve the business environment and investment climate to create jobs and keep Bangladesh on a steady growth path, she said.

The WB's support for these reforms has been through a programmatic series of three operations amounting to \$750 million, of which \$500 financing has already been disbursed.

READ MORE ON B2

Pandemic downs garment shipments to a decade-low

REFAAYET ULLAH MIRDHA

The unprecedented coronavirus pandemic has put a scar in apparel shipments as earnings from the country's main export item in the immediate past fiscal year fell significantly compared to anytime in the past decade.

The earnings declined 18.45 per cent year-on-year to \$27.83 billion in the outgoing fiscal year.

This is \$6.3 billion less than that of fiscal 2018-19 and falls \$10.37 billion short of the target set for fiscal 2019-20.

The target for the immediate past fiscal year was \$38.20 billion. Bangladesh exported \$34.13

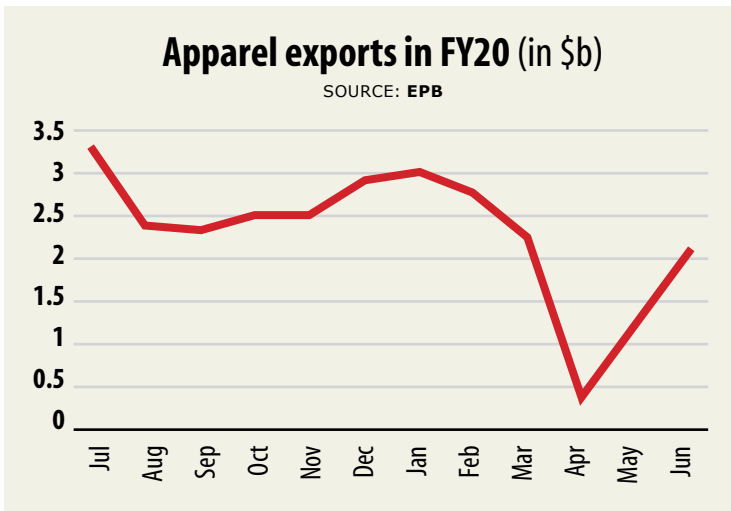
billion-worth apparel in fiscal 2018-19.

But, things are looking up.

In June, the final month of the immediate past fiscal year, the earnings were \$2.12 billion, according to data from the Export Promotion Bureau, customs and Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

June's earnings were 11.43 per cent lower than a year earlier but up 72.4 per cent from the previous month.

The sector experienced a historic low in shipments in April this year. Earnings from the garments sector reached only



\$0.37 billion, the lowest receipt since the sector started taking shape four decades ago.

Bangladesh's garment export of \$34.13 billion in fiscal 2018-19 was 11.49 per cent higher than the preceding year.

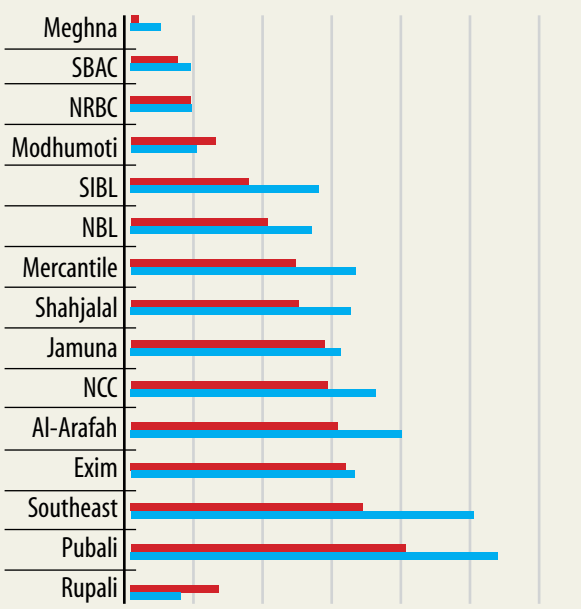
The compound annual growth rate of apparel exports during the past five years was 6.86 per cent. The rate is even higher for the past 10 years at 10.70 per cent.

The receipts from apparel, which typically makes up 84 per cent of national exports, was lower mainly because of two reasons fuelled by the pandemic coronavirus.

READ MORE ON B3

Banks' profit in H1 of 2020

(in Tk cr) ■ 2020 ■ 2019



The floor price averted the slump, he said, adding that investors tried to sell the banking stocks that made lower profits but they failed to find any buyers.

"Whenever someone found buyers, they sold shares. We bought some banking stocks whose performance was better despite the pandemic," the merchant banker added.

The banking sector was the top-traded sector on the Dhaka Stock Exchange (DSE) yesterday, as investors rearranged their portfolio following the disappointing performance of finance shares.

The turnover in the banking sector was Tk 16.72 crore, accounting for 21 per cent of the total turnover in the country's premier bourse, which is higher than the 3 per cent registered in the previous session.

Banks announced their profit scenario through newspapers yesterday and this prompted investors to sell or buy the stocks depending on the performance, said a stockbroker. Among the listed 30 banks, Social Islami Bank, Pubali Bank and AB Bank rose, seven fell and the rest were unchanged.

"Investors did not find buyers, so many of them failed to sell. They think that banks' performance would worsen further in the upcoming months due to the lingering pandemic," the stockbroker added.

READ MORE ON B2

BB orders banks to disburse all stimulus funds by next month

AKM ZAMIR UDDIN

The Bangladesh Bank yesterday cracked the whip on banks for their foot-dragging in implementing the stimulus packages for businesses, ordering them to disburse all funds within the next month.

The desired recovery from the ongoing economic fallout brought on by the coronavirus pandemic will not be possible if the stimulus package is not implemented on time, according to a central bank notice sent out to all lenders.

Lenders have been asked to implement the lion's share of the stimulus packages

within this month and the remaining portion by August.

The central bank came up with the decision after a virtual meeting with banks yesterday.

The managing directors of banks, whose portions of stimulus packages will depend on their past disbursement performance to respective sectors, took part in the meeting.

Banks have so far got approval from the BB to disburse loans worth Tk 4,100 crore under the stimulus package of Tk 30,000 crore for the large borrowers in the industrial and service sectors.

Small and medium enterprises have



got nearly Tk 200 crore in SME loans from the central bank's stimulus package of Tk 20,000 crore.

The central bank will provide half of the total amount of the two stimulus packages from its own sources in the form of refinance fund.

Businesses in the farm sector have so far managed to get only Tk 60 crore from the stimulus package of Tk 5,000 crore for them.

Marginal businesses have got only Tk 82 crore from the dedicated stimulus package for them.

READ MORE ON B3

Pandemic was supposed to quash remittance. But inflows hit an all-time high.

AKM ZAMIR UDDIN

In recent years, remittance has become a pillar of strength for the Bangladesh economy. So when the global coronavirus pandemic hit, all eyes were on the remittance and whether its incredible momentum would sustain.

It was widely expected that the inflows from the 1.20 crore-odd migrant workers would drop off massively. But, in reality, the inflows seem to be swimming against the tide.

Remittance hit an all-time high of \$18.20 billion in the just-concluded fiscal year, giving much-needed breathing space to the government to manage the macroeconomic state of affairs hit hard by the ongoing financial whiplash.

The inflows were 10.87 per

cent higher than in fiscal 2018-19, according to data from the central bank.

Expatriate Bangladeshis sent home \$1.83 billion in June, the highest in a single month, eclipsing the \$1.74 billion that flowed in May last year.

The healthy flow of remittance pushed foreign exchange reserves to surpass the \$36-billion mark for the first time on June 30.

And what caused such remarkable performance seems to have left economists and analysts scratching their heads.

"There was no good reason for the sudden increase in remittance in June as the economies of the Middle East, home to a major portion of Bangladeshi expatriates, are still suffering from the meltdown," said Ahsan H Mansur, executive director

of the Policy Research Institute of Bangladesh.

Saudi Arabia has adopted austerity measures to manage the budget deficit amid a heavy fall in petroleum prices, he said.

Many state-backed projects in the

Gulf nation have come to a halt due to the fund shortage. And the country has cut salaries of the employees working in the public sector.

The price of petroleum products in the global market increased last month from April, but the hike is not

good enough to cause a quick rebound in the Gulf economies, he said.

Mansur apprehended that Bangladeshi workers were now sending their last savings before leaving their host countries for good.

"The Gulf nations have launched

a drive to send back illegal foreign workers. And they are now sending their deposits to families in advance," said Mansur, also a former high official of the International Monetary Fund.

About 8-10 lakh Bangladeshi expatriates are waiting to come back to the country, he said.

However, Bangladeshi expatriates may still survive the onslaught of the pandemic-induced slowdown.

They may face fewer job cuts compared with their peers from other countries. And as they are lowly paid, they may be able to survive, Mansur said.

Zahid Hussain, a former lead economist of the World Bank's Dhaka office, echoed Mansur, saying expatriates might be sending money just before leaving their host nations.

READ MORE ON B3

