

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX			MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 0.34%	▼ 0.37%	Gold ▲	Oil ▲	▲ 0.71%	▼ 0.01%	▲ 0.24%	▲ 0.44%	BUY TK	83.95	99.64	111.66
4,862.22	8,369.43	\$1,989.32 (per ounce)	\$45.86 (per barrel)	38,900.80	23,138.07	2,538.55	3,410.61	SELL TK	84.95	103.44	115.46

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# BUSINESS

DHAKA WEDNESDAY SEPTEMBER 2, 2020, BHADRA 18, 1427 BS ● starbusiness@thedailystar.net

## Remittance keeps rising despite pandemic headwinds

REJAUL KARIM BYRON

Migrant workers who toil abroad have once again beat forecasts, sending home 36 per cent higher remittance in August, in a respite for their families as well as the ailing economy amid the coronavirus pandemic.

Last month, they remitted \$1.96 billion against \$1.44 billion in the same month a year ago, Bangladesh Bank data showed.

This was the second straight month in the current fiscal year that they sent a higher amount of remittance. The inflow of remittance grew 50 per cent year-on-year to \$4.56 billion in the July-August period.

This was the third month in a row that remittance inflows have been rising despite falling employment abroad and the return of migrant workers from their host countries, which are also struggling in the face of the pestilence.

About 181,000 migrant workers found jobs abroad from January to May. In contrast, at least 78,043 Bangladeshi workers returned home from 26 countries since April because of the crisis, according to statistics published by the expatriate welfare ministry last month.

Bankers credited the government's 2 per cent cash incentive on the remittance sent through the formal channels as one of the main reasons behind the recent surge.

"We had forecast that remittance inflow would increase because of the incentive," said Abu Reza Md Yeahia, deputy managing director of Islami Bank Bangladesh Ltd, the top remittance-receiving bank.

Besides, the expansion of agent banking in suburban areas has encouraged migrant workers to send money through the formal channel as the beneficiaries receive the funds very quickly, he said.

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# Maize import soars as floods, rains damage crops

SOHEL PARVEZ

Maize imports rose by 54 per cent last fiscal year in the wake of crop losses for heavy rainfall and flood during the peak harvesting and drying periods of the summer crop, according to feed millers and import data.

Bangladesh brought in 20 lakh tonnes of maize worth Tk 3,700 crore in fiscal 2019-20, up from 13 lakh tonnes worth Tk 2,450 crore in the previous year, according to customs data.

"It appears flood has damaged 25-30 per cent of the crop while unfavourable weather has also affected drying of the grain needed to make feed," said Moshir Rahman, president of Bangladesh Poultry Industries Central Council.

The Department of Agricultural Extension estimated that farmers produced 54 lakh tonnes of the grain last fiscal year.

However, feed millers, the main user of the grain, disagreed and said the figure does not reflect actual scenario.

The Bangladesh Bureau of Statistics (BBS) is yet to release its estimate on production of maize, which was once little known to farmers. Today, maize is the second-biggest grain crop after rice.

Over the past decade, many farmers switched from other crops to the cultivation of maize to profit from burgeoning demand from mills.

Local mills annually produce nearly 60-70 lakh tonnes of feed to cater to the gigantic poultry, aquaculture and dairy sectors.

Including use by farmers and the unorganised sector, total yearly demand for feed is 80 lakh tonnes and the annual market

AT A GLANCE

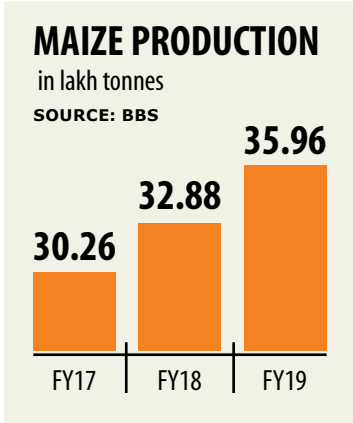
Annual demand for feed:  
**60-80** lakh tonnes

Annual market size:  
Tk **24,000**cr-Tk **30,000**cr.

Annual demand for maize:  
About **50** lakh tonnes

Demand for seeds:  
**6,700-7,000** tonnes

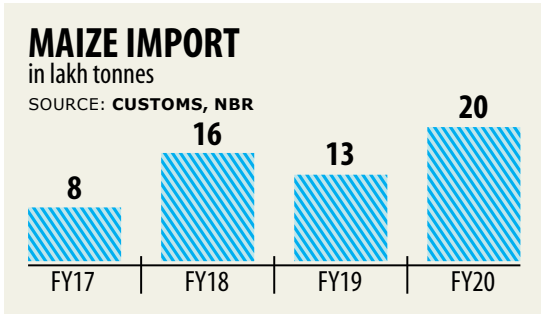
Market size for maize seeds:  
Tk **260**cr



size would be Tk 24,000 crore to Tk 30,000 crore, said Md Ahsanuzzaman, general secretary of the Feed Industries Association of Bangladesh (FIAB).

Poultry farms are the main consumers of feed and maize accounts for 50-60 per cent of the raw material of the feed, said millers.

Farmers were not able to dry the maize properly due to incessant rain. The problem still persists, said FIAB President Ihtesham



Shahjahan.

A large portion of the crop has also been stocked at different stages of the supply chain. The amount of carryover stock was also low last fiscal year, said Ahsanuzzaman, chief executive of joint venture Spectra-Hexa Feed.

Bangladesh is importing maize from India and Brazil, he said.

Rahman, also managing director of leading feed maker Paragon Group, said his firm had

to go for urgent imports from India to make feed. "We did not have to import from India for the last couple of years," he said.

He said the Covid-19 pandemic and subsequent slump in poultry farming affected demand for feed after March this year.

"Farming has started picking up and the requirement for feed is going to increase in the current fiscal year," he said.

The quality of the locally

produced grain was very good and imports take place to meet shortfalls, said Shahjahan, also managing director of another leading feed mill Quality Feeds.

"Poultry industry is still the main driver of feed market followed by aquaculture. Dairy farming is also catching up," he said, expecting the demand for feed to continue to increase for the next 10 years.

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# Inflation ticks up in August

REJAUL KARIM BYRON

Inflation has risen by 15 basis points to 5.68 per cent in August, led by an increase in prices of food items, official figures showed yesterday.

The average consumer price index was 5.53 per cent in July.

August's reading was also higher from that in the same month a year ago when it was 5.49 per cent and from August 2018 when it stood at 5.48 per cent.

Food inflation nudged up 38 basis points to 6.08 per cent in August. Non-food inflation declined 23 basis points to 5.05 per cent, data from the Bangladesh Bureau of Statistics (BBS) showed.

Inflation in rural areas rose 17 basis points to 5.6 per cent, again driven by food inflation, which was up 42 basis points at 6.09 per cent. Non-food inflation fell 28 basis points to 4.7 per cent.

Inflation in the urban areas advanced nine basis points to 5.81 per cent. Food

inflation rose 30 basis points to 6.06 per cent and non-food inflation declined 17 basis points to 5.51 per cent.

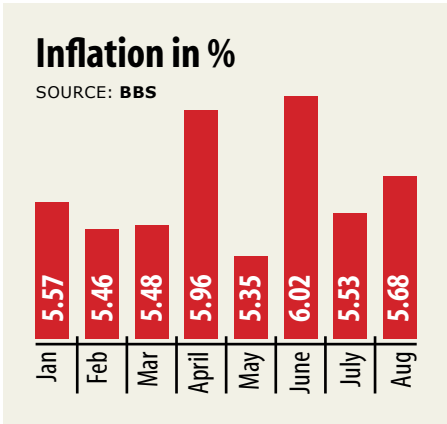
In a press release, the BBS said the prices of vegetables, spices and sugar rose in August compared to July.

Zahid Hussain, a former lead economist at the World Bank Dhaka office, said the headline inflation increased driven by an increase in the food inflation in both rural and urban areas.

The rise in food inflation appears to have been driven by increased rice prices.

The prices of coarse, medium quality and fine rice varieties went up in August. "This is puzzling because the rice supply situation is reported to be comfortable," he said, referring to official data.

Boro harvest and aus plantation have reportedly been very good. However, floods have adversely affected the aus harvest and aman plantation which could have contributed to hoarding of rice, thus increasing prices.



The decrease in non-food inflation was expected because of demand weaknesses. Even though economic activities are recovering, employment and incomes are still far from the pre-pandemic levels.

"Consumer spending on non-essentials has remained restrained," Hussain said.

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## Costs of 4 projects revised upwards by 73pc

REJAUL KARIM BYRON

The combined cost of four development projects went up by 72.84 per cent after the government yesterday revised upwards their allocation and extended deadlines.

The Executive Committee of the National Economic Council (Ecne) gave its consent to six development projects.

Of them, the estimated cost of four projects rose to Tk 7,002 crore, up from Tk 4,051 crore when they were undertaken.

Planning Minister MA Mannan blamed both internal and external factors for the cost and time extensions.

"Sometimes, we have to increase expenditures for local reasons. There is negligence on the part of officials."

"Similarly, projects are extended while aligning them with the conditions of development partners," Mannan said.

Projects also face delays during their implementation period because of natural calamities. "This time, we are facing delays owing to the coronavirus pandemic," the minister said.

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## Stock turnover plunges 33pc

STAR BUSINESS REPORT

Dhaka stocks witnessed a slight correction yesterday, breaking a four-day gaining streak, as investors opted to offload profitable shares.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 16.92 points or 0.34 per cent to stand at 4,862.22.

Turnover, another important indicator, also fell 33.39 per cent from the previous day to hit Tk 777.42 crore.

"People are taking their profits home as many stocks edged up by 10 to 15 per cent in the last few days," said a top official of a leading stock brokerage house.

Some people are rearranging their portfolio by offloading profitable shares and buying lucrative ones.

As the stock market regulator has become strict to stop gambling and unfair play in the market along with restoring good corporate governance, investors are gaining confidence to pour their money into stocks despite the ongoing pandemic, he added.

Participation of general investors caused

a fall in the market index and turnover, said a top official of a merchant bank.

"Institutional investors are still concerned about the Covid-19 outbreak, because of which they are not coming forward," he said, adding that to keep the index and turnover alive, their participation needs to be geared up.

BD Finance topped the gainers' list with a 10 per cent rise followed by Anlimayarn Dyeing, Anwar Galvanising, Desh Garments, and Samata Leather.

B e x i m c o Pharmaceuticals was the leader in the turnover list, as 54.07 lakh shares worth Tk 62 crore of the company changed hands. Other companies in the list were Beximco, Brac Bank, Grameenphone and Orion Pharmaceuticals.

Shyampur Sugar topped the losers' list with a 9.75 per cent fall followed by Zeal Bangla, ICB Third NRB, NCC Bank First Mutual Fund, IFIL First Mutual Fund.

The benchmark index of the port city bourse also witnessed a correction yesterday, dropping 31.26 points or 0.37 per cent to stand at 8,369.



STAR BUSINESS REPORT

Bangladesh Investment Development Authority (BIDA) has successfully actualised around 65 per cent of the \$11 billion fund received through various investment proposals from both home and abroad over the past four years.

On September 1, 2016, the Board of Investment and Privatisation Commission were merged to form BIDA, which was tasked with using underutilised government land or establishments to further the country's economic activities, said Md Sirazul Islam, executive chairman of BIDA.

"This includes encouraging domestic and foreign investment," he added, while addressing a press briefing on the organisation's fourth anniversary at its auditorium in Dhaka's Agargaon yesterday.

BIDA has worked tirelessly towards its goal to accelerate the sector by attracting more domestic and foreign investment, Islam said.

The organisation's primary concern is to make it easier for potential investors from home or abroad to carry out their operations by ensuring quality foreign direct investment services and an investment-friendly environment.

BIDA is preparing an effective one-stop

Bangladesh Investment Development Authority

ACHIEVEMENTS IN 4 YEARS

- Received investment proposals worth: **\$11b**
- Total one-stop services: **21**
- Total reforms proposals executed: **53** out of **84**
- Training provided to: **14,050** youths Of the participants, **2,926** launched start-ups
- Opened an "investor lounge" at Hazrat Shahjalal International Airport

service (OSS) by conducting multiple meetings, seminars, roundtable discussions and workshops with the concerned ministries in a bid to ensure that all the services investors require will be easily available online, Islam said.

The organisation aims to provide 154 services from 35 different organisations on its OSS platform, which already has 21 available services while another 18 will be added soon.

Besides, the rate at which government to business services are being integrated with the OSS should be accelerated as digital services are a driving force behind the development of any country's business climate, he said.

In regards to improving Bangladesh's ranking on the World Bank's Ease of Doing Business index, BIDA placed 84 reform proposals before the government.

Of the recommendations, 53 have already been implemented, including some revisions of the ACT policy and other laws related to investment.

"Reforms carried out within the specific parameters of the government's Doing Business Action Plan will stimulate broader reforms for Bangladesh's business climate," Islam said.

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