

STOCKS	
DSEX	CSCX
▲ 0.64%	▲ 0.79%
4,995.31	8,575.48

COMMODITIES	
 Gold ▲	 Oil ▼
\$1,902.62 (per ounce)	\$41.14 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.65%	Flat	▼ 1.48%	▼ 0.20%
38,697.05	23,185.12	2,500.74	3,218.05

CURRENCIES				
	USD	EUR	GBP	CNY
BUY TK	83.95	97.49	107.64	12.20
SELL TK	84.95	101.29	111.44	12.83



BUSINESS

DHAKA FRIDAY OCTOBER 2, 2020, ASHWIN 17, 1427 BS ● starbusiness@thedailystar.net

Eighth five-year plan unfazed by pandemic

Govt aims to clock more than 8pc economic growth on average

REJAUL KARIM BYRON and MD FAZLUR RAHMAN

The government is aiming to clock more than 8 per cent economic growth on average during the Eight Five-Year Plan period as it hopes that the impacts of the devastating coronavirus pandemic would fade in the second half of the current fiscal year.

Gross domestic product (GDP) is expected to recover in the second half of the FY21 driven by external demand recovery, the rebounding in domestic demand and the impact of the fiscal stimulus, according to the plan document.

"All sectors of the economy except education are already open. The private sector has opened up. Exports are picking up. Remittance flow is robust. So, we are hopeful," M Shamsul Alam, a member of the General

Economics Division and the main author of the plan, told The Daily Star yesterday.

The GED has started a series of consultation meetings on the draft plan with stakeholders. As part of the consultation, Prof Alam made a presentation on the draft at a virtual meeting on Wednesday.

AHM Mustafa Kamal, finance minister, MA Mannan, planning minister, and Prof Wahiduddin Mahmud, chair of the panel of economists, attended the meeting, among others.

According to the document, with the advent of the Covid-19, the projected growth path has been disrupted. Most of the damage will happen in the FY20.

The pandemic prompted the government to trim down the GDP growth projection by three basis points to 8.2 per cent for the current fiscal year, the first year of the five-year plan, from 8.23 per cent estimated before the pandemic hit the country in March this year.

Bangladesh would post 8.51 per cent in the final year of the plan period, which is FY25. Per capita gross national income would hit \$3,106 in FY25 from \$2,064 in the last fiscal year.

The poverty rate would decline

GDP GROWTH IN VARIOUS 5-YEAR PLAN PERIODS					
SPECIFIC PLAN	PLAN PERIOD (FY)	AVERAGE GDP GROWTH RATE		PER CAPITA GDP GROWTH (%)	PER CAPITA GNI (US\$)
		PLAN (%)	ACTUAL (%)		
First	1973-1978	5.5	4.0	1.3	111
Second	1980-1985	5.4	3.8	1.5	145
Third	1985-1990	5.4	3.8	1.6	204
Fourth	1990-1995	5.0.0	4.2	2.4	253
Fifth	1997-2002	7.1	5.1	3.5	431
Sixth	2011-2015	7.3	6.3	4.9	1,314
Seventh	2016-2019*	7.4	7.6	6.2	1,909

SOURCE: BANGLADESH BUREAU OF STATISTICS (BBS) *ACTUAL PLAN PERIOD IS 2016-2020

to 15.6 per cent in FY25, which is expected to stand at 23 per cent in the FY21. The incidence of extreme poverty would fall to 7.4 per cent from 12 per cent now.

It targets to bring down inflation to 4.8 per cent by FY25. At the end of the plan period, private investment to GDP would stand at 28.2 per cent and public investment 9.2 per cent.

The share of agriculture in terms of GDP would fall to 10.6 per cent from 13.4 per cent in the last fiscal year. The share of the industrial sector will climb to 42 per cent from 35.4 per

cent in the FY20.

However, the share of the service sector would decline to 47.4 per cent from 51.3 per cent in the last fiscal year.

The government would target to raise spending on education to 3 per cent in FY25 from 2.2 per cent in FY19, health spending to 2 per cent from 0.7 per cent and social protection expenditure (excluding civil service pension) to 2 per cent from 1.2 per cent in FY19.

Total investment and financing during the plan period would be Tk 6,415,520 crore. Of

PROGRESS WITH INVESTMENT						
FISCAL YEARS	7FYP INVESTMENT RATE (% OF GDP)			ACTUAL INVESTMENT RATE (% OF GDP)		
	Public	Private	Total	Public	Private	Total
FY15	6.8	22.1	28.9	6.8	22.1	28.9
FY16	6.4	23.7	30.1	6.7	23.0	29.7
FY17	7.1	23.9	31.0	7.4	23.1	30.5
FY18	7.4	24.4	31.8	8.0	23.3	31.3
FY19	7.6	25.1	32.7	8.1	23.5	31.6

SOURCE: SEVENTH PLAN AND BBS

the sum, 19.3 per cent would come from the public sector and the rest from the private sector.

Domestic resources would account for 87.4 per cent of the investment and financing and the rest would be mobilised from external sources.

The investment and financing in the current plan period are more than double from Tk 3,190,200 crore in the Seventh Five-Year plan period.

Bank borrowing would fall to 0.63 per cent of the GDP in FY25 from 3.32 per cent in the last fiscal year.

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US firms keen to invest in ICT, energy, pharma

Officials say at new platform created to strengthen bilateral ties

STAR BUSINESS REPORT

Major US companies are interested to invest in the ICT, energy and pharmaceutical sectors of Bangladesh to reap benefits from the growing potential of these items in both the domestic and international markets.

Representatives of the US expressed their interest in this regard at the first-ever high-level Economic Partnership Consultation, a new platform aimed at enhancing economic, investment and trade partnerships between the two nations.

The Trump administration considers Bangladesh to be a major export and investment destination thanks to the presence of a strong consumer base within the country, they said in the virtual meeting on Wednesday night.

Salman F Rahman, private industry and investment adviser to the prime minister, led the Bangladesh delegation while Keith Krach, the US under-secretary of state for economic growth, energy, and the environment, co-chaired the meeting, according to a source who attended the event.

The discussants shed light on several issues, including investment, public health cooperation, sound digital policy, blue

economy, agriculture capacity building, energy, transportation and infrastructure.

An air transport agreement was signed during the consultation with the hope to continue positive engagement between the US Federal Aviation Administration and the Civil Aviation Authority of Bangladesh.

The co-chairs of the meeting expressed their optimism that the US companies would take advantage of the competitiveness of Bangladesh and invest in large volumes, particularly in ICT, energy and pharmaceuticals.

Thoughts on developing a vision to strengthen the bilateral economic ties in all potential areas were shared at the event.

The participants also emphasised on the need for close cooperation between the governments and industries to address the continuously evolving challenges related to health and economy in the current and post Covid-19 world.

The efforts taken to ensure an excellent cooperation amid the pandemic were appreciated at the meeting, which also highlighted the supply of world-class personal protection equipment from Bangladesh to the US in the shortest possible time.

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RAJIB RATHAN

With the lifting of the pandemic lockdown, Chattogram Development Authority has resumed construction of the 16.5-km four-lane elevated expressway connecting Lalkhan Bazar to Shah Amanat International Airport. Prime Minister Sheikh Hasina inaugurated the construction on February 24 last year. Estimated to cost Tk 3,225 crore, the expressway will make use of 24 ramps to reduce gridlocks near export processing zones and facilitate investment, giving a boost to Chattogram's economy. The photo was taken at Patenga recently.

Foreign companies too will get stimulus loans

STAR BUSINESS REPORT

The central bank yesterday said companies with 100 per cent foreign ownership will also be allowed to get soft loans from the government's stimulus packages.

The industrial units that are operating under the Bangladesh Economic Zones Authority, Bangladesh Export Processing Zones Authority and Bangladesh Hi-Tech Park Authority will get funds to revive their businesses by way of taking loans from the packages, according to a Bangladesh Bank notice.

Firms with 100 per cent foreign ownership are considered as Type-A companies.

The BB earlier allowed Type-B and Type-C companies to enjoy soft loans from the stimulus packages dedicated for the revival of the economy from the ongoing slowdown brought on by the coronavirus pandemic.

Joint venture companies with foreign and Bangladeshi ownerships are treated as Type-B and those with 100 per cent Bangladeshi ownerships are Type-C.

Soon after the deadly virus arrived on the shores of the country, the government and the central bank declared 19 stimulus packages worth Tk 106,117 crore to tackle the economic fallout.

The BB introduced the majority of the stimulus packages in April.

Banks have been given the responsibility to disburse more than Tk 80,000 crore of the stimulus funds in the form of soft loans.

Energypac to raise Tk 150cr from capital market

Will invest in expansion of LPG consumption in the country

AHSAN HABIB in Dhaka and DIPANKAR ROY from Khulna

Energypac Power Generation is set to raise Tk 150 crore through initial public offering (IPO), the proceeds of which will be used to make liquid petroleum gas (LPG) more available as a primary fuel source for vehicles in Bangladesh and repay the company's bank loans.

"We aim to eradicate the deficit in the country's power generation system and collectively enhance the lives of the people across the country," said Abu Sayed Raza, general manager of Energypac.

Having previously received approval from the Bangladesh Securities and Exchange Commission, Energypac completed the share bidding process on September 24 in order to fix a cut-off price for its trading debut.

Aside from repaying bank loans, the company will use the funds to procure LPG carriers, accessories and imported cylinders in a bid to secure

a bigger stake in the growing domestic market for green fuel.

As a part of the government's ongoing effort to increase LPG consumption in Bangladesh, where the reserves of other natural gases are depleting rapidly, the state-run Padma

Oil Company signed an agreement with Energypac in early September.

Under the agreement, Energypac aims to establish LPG pumps and conversion workshops at nearly 200 of Padma Oil's registered filling stations.

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A view of the G-Gas plant in Dacope upazila of Khulna.

COLLECTED

State-civil society mistrust could impede SDG attainment: experts

STAR BUSINESS REPORT

Lack of trust between the state and the civil society could be an obstacle in achieving the Sustainable Development Goals (SDGs) in post-Covid-19 Bangladesh, said experts yesterday.

And for that, careful considerations have to be made to address any such trust issue as attaining the SDGs while tackling emerging challenges requires strong collaborative and combined efforts, they opined.

The views came at a webinar titled "Build Back Better: How Bangladesh Can Address UN SDGs in a Post-Pandemic World".

It was organised by the Center for Peace Studies (CPS) of the South Asian Institute of Policy and Governance at North South University (NSU) and the University of the Sunshine Coast (USC) of Australia, the NSU said in a statement.

The participants also mentioned that time had come to adopt appropriate and long-term strategies to deal with the challenges of the SDGs posed by the Covid-19.

The pandemic has already created enormous difficulties in the health sectors, with other impacts on increased poverty, economic and gender inequality and so on, they said.

"We will have to adopt a strategy where we would have to ensure the overall protection of the people emphasising the economic growth at the same time," said Debapriya Bhattacharya, a distinguished fellow at the Centre for Policy Dialogue.

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