

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.26%	▲ 0.04%	\$1,875.82	\$51.29	▲ 1.14%	▼ 0.04%	▲ 0.28%	▲ 0.99%	BUY TK 83.95	101.74	112.36	12.68
5,358.25	9,332.61	(per ounce)	(per barrel)	46,973.54	26,656.61	2,848.14	3,396.56	SELL TK 84.95	105.54	116.16	13.33

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of
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30 December, 2020

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FBCCI pushes for extending loan moratorium

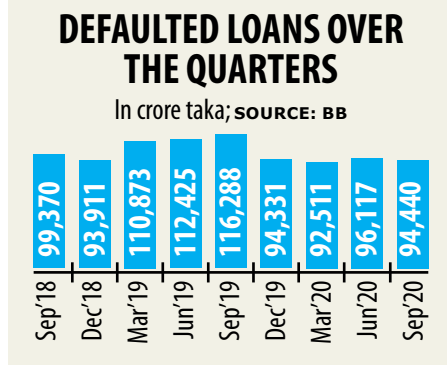
Private bank sponsors want no additional provisioning for loans being paid back regularly; analysts oppose both demands

AKM ZAMIR UDDIN

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has reiterated its request for Bangladesh Bank to extend an ongoing loan moratorium until June.

Moreover, the Bangladesh Association of Banks (BAB), comprising private bank sponsors, has called for exempting provisions for loans, against which instalments are being paid regularly, from the latest central bank directive on keeping an additional 1 per cent provisioning for all unclassified loans.

The rest of the loans making use of the moratorium, or in other words, against which repayment instalments are not being paid, should fall under the purview of the additional provisioning directive, said the



association.

Both platforms sought the measures sending separate letters to Governor Fazle Kabir on December 28, reasoning it was in the interest of borrowers and banks given the business slowdown caused by the coronavirus pandemic.

But analysts have opposed the requests, saying it would not bring any good for the country's banking sector and the economy as a whole given the ongoing business trend focusing financial recovery.

DBL GROUP IS A SUPERBRAND
Consecutively for the second time

Govt lowers first-year GDP growth target

EIGHTH FIVE-YEAR PLAN

STAR BUSINESS REPORT

The government has lowered the first-year growth target in its Eighth Five-Year Plan compared to its budget projections due to the ongoing Covid-19 pandemic, which forced the country to go into a lockdown that stalled its economy.

Besides, recovery from the Covid-19 fallout has been partially mired by a second wave of infections worldwide.

As per the Eighth Five-Year Plan, the government has set a target of 7.40 per cent GDP growth for FY21,



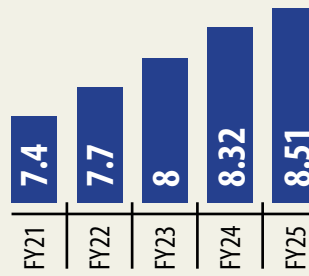
STAR/FILE

Riding on increased economic activities, the government targets to achieve 7.4pc GDP growth in fiscal 2021.

ESTIMATION OF REAL GROWTH IN EIGHTH 5-YEAR PLAN

In %;

SOURCE: PLANNING MINISTRY



which is 80 basis points lower than the budget's growth plan of 8.20 per cent.

However, the target still remains ambitious as it is much higher than the World Bank (WB) forecast.

In its twice-a-year regional update, the WB projected 3.4 per cent economic growth for the next update, assuming that the Covid-19 crisis would linger.

According to the plan,

Bangladesh would post 7.70 per cent in FY22, 8 per cent in FY23, 8.32 per cent in FY24 and eventually 8.51 per cent in the final year of the plan period.

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NBR urges all to file returns by today

Banks closed tomorrow

STAR BUSINESS REPORT

With only a day remaining before the deadline to submit income tax returns for fiscal 2020-21, the National Board of Revenue yesterday requested individuals to clear tax payment through banks by today as the lenders will remain closed tomorrow.

All sorts of banking activities will remain shut on December 31 as it is a bank holiday, the NBR said in a press release.

The deadline for submission of income tax return for individual taxpayers was extended by one month on November 30, the official deadline for filing income statements. The deadline ends on December 31, 2020.

Stimulus funds hardly reaching farmers

STAR BUSINESS REPORT

The central bank yesterday again extended the deadline for banks to disburse the Tk 5,000-crore stimulus package for entrepreneurs in the farm sector by three months following lacklustre lending.

When the package was announced in April, banks were asked to disburse the fund by September 30. But they have shown a poor performance, prompting the banking regulator to extend the timeframe until December.

But, the Bangladesh Bank has been forced to extend the deadline until March next year as lenders gave out 55.86 per cent of the stimulus fund as of December 15, according to data from the central bank.

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After a trying year, cement makers bracing for slow recovery



JAGARAN CHAKMA

With the year about to come to a close, the cement sector finally experienced some relief from the ongoing pandemic thanks to increased consumption alongside fresh investments.

Makers of the key construction material have been in a tight spot since the Covid-19 outbreak began as almost all major development projects in the country, both public and private, were halted for an extended period.

"The cement sector managed to survive even though the manufacturers sat idle throughout April-September," Mohammed Amirul Haque, managing director of Premier Cement, told The Daily Star.

But now, there are various projects to work on, including mega projects such as the Karnaphuli Tunnel.

"We got some orders from the construction sector and our factory is running at full capacity," he said, adding that Premier Cement supplies cement to at

AT A GLANCE

- Consumption fell to **33.15m** tonnes this year from **34.12m** tonnes last year
- Consumption posted **3pc** negative growth this year
- The sector saw **Tk 2,300cr** fresh investment
- Market size came down to **Tk 24,250cr** from **Tk 25,500cr**
- No manufacturers laid off employees
- Direct employment so far **60,000**



least 77 government projects.

According to the managing director, there is no need to waste time on counting losses amid the pandemic since no one knows when the situation will return to normalcy.

Despite these turbulent times though, investment in the cement sector did not cease as around Tk 2,300 crore was spent on the industry over the past few months.

Of this amount, Premier Cement spent Tk 800 crore to establish a new unit in Narayanganj and another for Tk 500 crore in Chattogram. However, the new units are yet to begin production despite having

been ready since March.

"We could not start production within the stipulated time due to the absence of some technical experts and workers of China and Denmark," Haque said.

Now, the cement maker expects to begin commercial production next March or April.

Bangladesh's cement sector has 43 per cent overcapacity and like others local Bashundhara Group also had unused capacity. So the group went beyond borders for opportunities and finally found it in Northeast India.

The local industrial conglomerate is

trying to grab the export market of this region through a Tk 1,000 crore investment geared towards doubling its manufacturing capacity through the establishment of a third production unit.

To materialise the plan, Bashundhara is mobilising Tk 700 crore from banks.

Bank Asia is acting as the lead arranger of this syndicated term loan for Bashundhara Industrial Complex while the other participants are: Dhaka Bank, First Security Islami Bank, Pubali Bank, Social Islami Bank and United Commercial Bank.

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Edible oil prices on the rise

MOHAMMAD SUMAN, Ctg

Local consumers now have to spend more on edible oil as prices are rising in the international market almost every week due to decreased production in exporting countries, weakening of supply chain and stockpiling amid the pandemic.

Retailers say soybean oil prices in the domestic market have increased by anywhere from Tk 10 to Tk 15 per kilogramme the past month.

Now bottled ones are selling for Tk 115 to Tk 120 per kg while that sold loose for Tk 110 to Tk 112.

Retailers were found selling one litre containers of Rupchanda brand at Tk 120 to Tk 125 whereas it was Tk 110 a month ago.

In case of its five-litre containers, the prices now range from Tk 580 to Tk 590 against a former Tk 520.

Similarly, the prices of one litre containers of Teer, Pushti and other brands have jumped to Tk 113 to Tk 120 against a previous Tk 100 to Tk 105. For five litres it has gone up to Tk 570 from Tk 510.

Anam Ahmed, a retailer at Hamzarbag Market in Chattogram

PRICE HIKE OF EDIBLE OIL
(Taka/per litre)

Oil Type	Price on Dec 29	Price on Nov 26	Change
SOYBEAN OIL	107	98-100	▲ 7-9
PALM OIL	95-97	86-91	▲ 6-9

SOURCE: TCB

city, said they were charging higher prices as the refiners had gradually done the same every week during the past few months.

"All the refiners have increased oil prices as well as reduced supplies owing to an import crisis and rising prices in the international market," he added. The same was said to have happened for wholesale prices of edible oil at Chattogram's Khatunganj, one of the country's largest wholesale

commodity hubs.

Soybean oil prices there rose by Tk 350 per maund (around 37.3 kg) to about Tk 4,180 to Tk 4,200. Similarly, palm oil now costs around Tk 3,600 to Tk 3,650 per maund, an increase of about Tk 275-Tk 300.

"The price of these products is higher as the supply of oil is less than the market demand," said wholesaler Abdur Rahman.

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Stocks edging up amid yearend optimism

STAR BUSINESS REPORT

The stock market rose by 5 per cent, or 260 points, over the past five days thanks to buoyancy in investor participation.

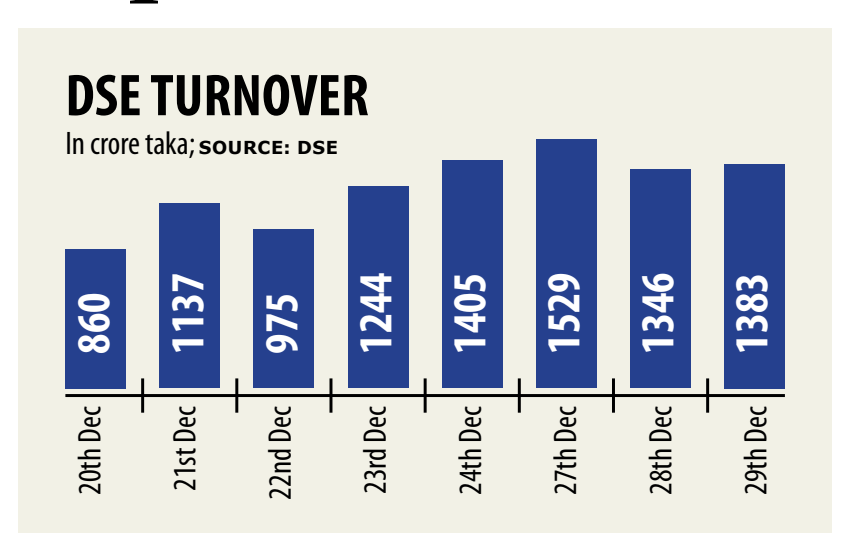
The DSEX, the Dhaka Stock Exchange's (DSE) benchmark index, edged up 14.24 points, or 0.26 per cent, to stand at 5,358.28 yesterday.

This occurred despite the downfall of most listed stocks, owing to an upward trend sweeping companies bearing large capital bases.

Of 363 companies to witness trade, 130 advanced, 168 declined and 65 remained unchanged.

Normally the stock market goes skywards when the calendar year's end draws near. This time around, some stocks had also turned lucrative for investment, said stock investor Arifur Rahman who has been involved in the market since 2006.

Furthermore, investors are gaining



confidence as the index had made a strong break for the 5,200 level, he said.

Several pharmaceutical companies showcased immense potential for

growth as the pandemic continues to linger, so people are investing into those to rake in higher dividends, Rahman added.

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