

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | |
|----------|----------|-------------|--------------|---------------|-----------|-----------|----------|---------------|--------|--------|-------|
| DSEX | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | CNY |
| ▲ 4.01% | ▲ 4.32% | \$1,898.10 | \$51.80 | ▲ 0.25% | ▼ 0.45% | ▼ 0.89% | ▲ 1.72% | BUY TK 83.95 | 100.87 | 113.89 | 12.71 |
| 5,818.95 | 9,810.28 | (per ounce) | (per barrel) | 47,868.98 | 27,444.17 | 2,843.81 | 3,473.07 | SELL TK 84.95 | 104.67 | 117.69 | 13.36 |



Star BUSINESS

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Stocks surge on vaccine hopes

DSE's benchmark index rises 4pc, the second-highest single-day increase in history, as India approves vaccines

AHSAN HABIB

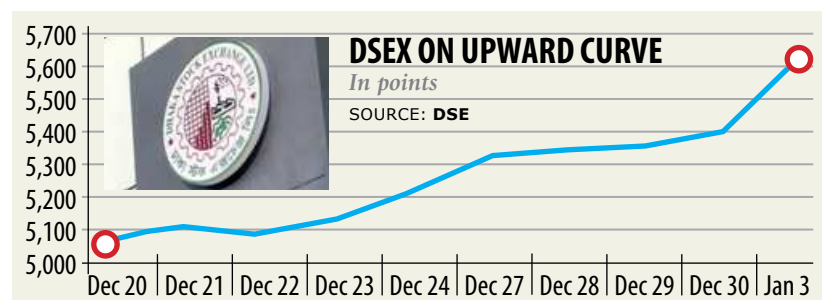
The key index of Dhaka Stock Exchange rose by a whopping 4.01 per cent or 216.89 points yesterday to post the second-highest single-day increase in history on news of India's coronavirus vaccine approval that also boosted hopes for Bangladesh.

On January 19 last year, the DSEX, the benchmark index of the premier bourse, climbed 232 points, an all-time high.

Thanks to the seven-day rally, the key index added 520 points, or 10 per cent, to 5,618.95.

Turnover, another important indicator of the market, surged 24 per cent to Tk 1,925 crore yesterday.

"As India has approved the Covid-19 vaccine, it has created hopes for Bangladesh," said Abdul Mutalib,



a high net-worth investor.

India's pharmaceutical regulator, the Central Drugs Standard Control Organisation, announced yesterday at a press briefing that it approved two coronavirus vaccines: one developed by AstraZeneca and the Oxford University and the other by Bharat Biotech, for emergency use.

Bangladesh has signed an agreement with the Serum Institute of India and Beximco Pharmaceuticals to purchase three crore doses of the vaccine developed by AstraZeneca and the Oxford University.

In India, the Oxford-AstraZeneca vaccine is being manufactured by the Serum Institute of India, the world's largest vaccine manufacturer. It says it is producing more than 50 million doses a month and aims to ramp up production to 100 million doses after receiving regulatory approval, according to the BBC.

Bangladesh expects to start getting delivery of the vaccines from February.

"The vaccination will help the economy rebound, so stock investors are pouring money into potential securities," Mutalib added.

Investors hope that the secondary market will see a massive investment flow in the coming months, said Mohammed Rahmat Pasha, CEO of UCB Capital Management.

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Disbursement deadline extended again

STAR BUSINESS REPORT

The central bank yesterday extended the deadline by three months for banks to disburse Tk 20,000-crore stimulus funds among businesses in the cottage, micro, small and medium enterprise (CMSME) sector following lacklustre lending.

Local banks have so far disbursed nearly 46 per cent of the package to beleaguered borrowers in the CMSME sector.

The deadline was earlier extended for at least three times, but some banks and non-bank financial institutions are yet to take adequate measures to meet their loan disbursement targets, according to a Bangladesh Bank notice.

The banks and NBFIs, which have failed to reach the disbursement targets, have been asked to submit monthly plans to the BB in order to achieve their goals within March.

The slow pace in lending has put an adverse impact on small businesses, creating an unequal recovery among various sectors.

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Remittance hits \$21.7b, an all-time high

AKM ZAMIR UDDIN

Remittance hit an all-time high of \$21.74 billion last year as migrant workers continued to use formal channels sidestepping the hundi system to send home massive amounts of money.

Last year, the inflow posted a magnificent growth of 18.59 per cent compared to that in the previous year, showed data from the central bank.

Migrant workers remitted \$2.05 billion in December, meaning that the inflow crossed the \$2-billion mark for the fourth straight month.

The increasing trend has given a boost to government confidence in managing the macro-economy in times of crisis.

The country's foreign exchange reserve has already surpassed the \$43 billion mark

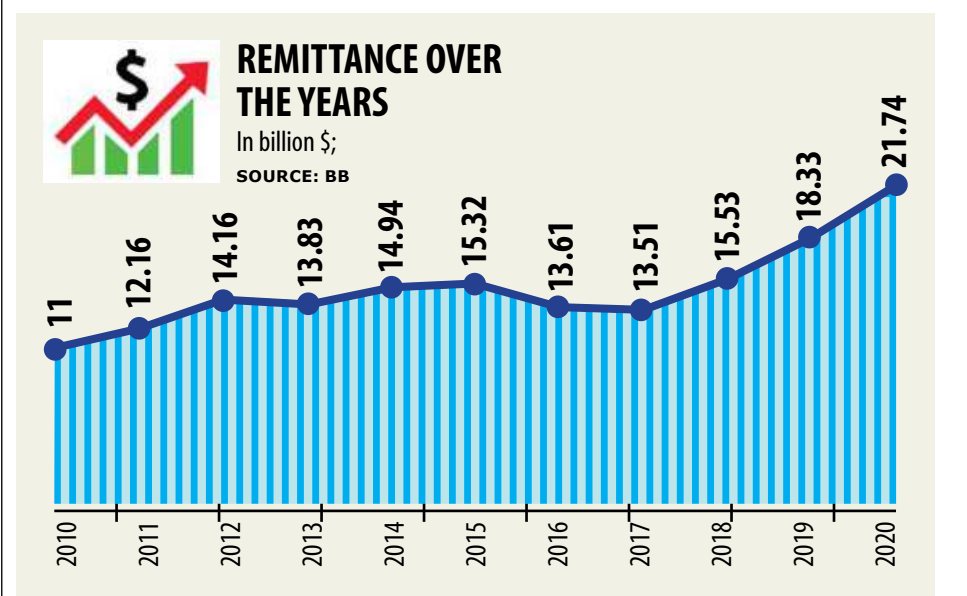
riding on the upward trend of remittance, a development that will help the government use the foreign exchange reserve on a rainy day. The reserve stood at \$32.38 billion in March last year when the coronavirus hit the country.

Experts hope that the trend would be maintained until at least the end of the pandemic given the global economic scenario and the initiatives taken by the government.

They, however, said that there was no scope to pinpoint any reason behind the increase in remittance as this was quite an unusual phenomenon from the perspective of the global scenario.

Although the country's workforce export came to a halt in April last year because of the pandemic, remittance has kept the ball rolling.

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Knitwear makers want 2-yr suspension of raise

Workers threaten movement

REFAAT ULLAH MIRDHA

Union leaders want the continuation of a 5 per cent annual increment of wages for garment workers while knitters demand that the government let them suspend it for the next two years for mitigating the Covid-19 fallout.

Factories cannot bypass this legal requirement and should instead provide additional facilities to tide workers over through such tough times, the union leaders said.

The increment is a legitimate right of workers, said Nazma Akter, president of workers' rights platform Samilito Garment Sramik Federation in a letter to the labour secretary yesterday.

She said many workers have become jobless since some factories had to shut down production since March 27 last year.

Meanwhile, workers are getting less overtime for a decline in work orders from international retailers and brands and this reduction of additional income is making it harder



for them to make ends meet, she added.

Akter also demanded a risk allowance for workers, reasoning that it was for having to work during this time of pandemic.

Mohammad Hatem, senior vice-

president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said they sent a letter to the labour ministry last week seeking the suspension, citing the severe effects on exports.

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Budget to see major cuts as earnings, spending drop

REJAUU KARIM BYRON and DWAIPIYAN BARUA

The government is likely to downsize its income and expenditure targets in the revised budget because of lower revenue growth, slower implementation of development programmes and a fall in spending due to the pandemic.

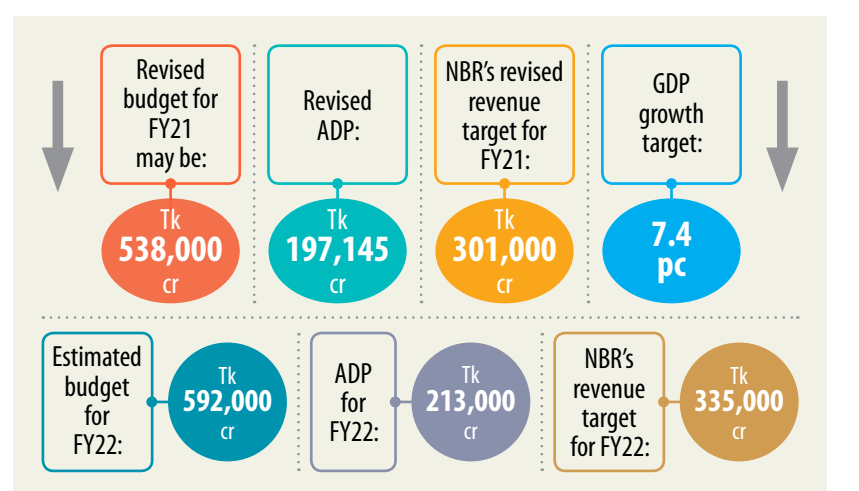
The fiscal coordination council discussed the issue at a meeting on Thursday. Finance Minister AHM Mustafa Kamal, head of the council, chaired the meeting through a virtual platform from Singapore.

The finance division prepared a draft about the revised budget, considering the incomes and expenditure in the last six months and placed the document at the meeting.

Sources at the finance ministry said the Tk 568,000-crore budget might be slashed by Tk 30,000 crore.

The Tk 205,145-crore annual development programme (ADP) will be trimmed by Tk 8,000 crore through a reduction in the allocation for foreign-aided projects.

Other areas that will also see a cut include subsidy and block allocations. The government has set aside Tk



54,695 crore for subsidy expenditure and Tk 10,000 crore in block allocation for the current fiscal year.

The revised budget will be finalised in March.

The government has set a target to earn Tk 378,000 crore in revenue in FY21, and given the National Board of Revenue (NBR) the task to raise Tk 330,000 crore.

The target for the NBR may be slashed by Tk 29,000 crore, according

to sources.

The finance ministry is also going to revise down the GDP growth target to 7.4 per cent from 8.2 per cent, in keeping with the Eighth Five-Year Plan.

The budget implementation in the outgoing year came under challenges as the pandemic-induced lockdown slowed the global trade and brought the country's economy to a halt.

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Decision soon on fresh import of onion: minister

Prices fall following imports from India

STAR BUSINESS DESK

Any decision regarding onion imports will be taken considering the interests of both consumers and growers, said Commerce Minister Tipu Munshi.

A decision regarding fresh imports will be taken shortly, the commerce minister told reporters at his office yesterday.

Besides, consignments of onion for which letters of credit were issued earlier are now entering the country, he added.

The current import price of onion is about Tk 39 per kilogram.

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Ship collisions recurring at outer anchorage

DWAIPIYAN BARUA, Ctg

Incidents of ships colliding and running aground at the Chattogram port's outer anchorage are alarmingly recurring, which officials and customers apprehend could tarnish the image of Bangladesh's premier harbour in global shipping business.

The collisions are occurring between ships arriving from the deep sea-Kutubdia direction and making a stopover at the outer anchorage to partially unload import cargo onto comparatively smaller lighter vessels, before going on to enter the port jetties.

Though the ships can offload all their import cargo anchoring in the deep sea around Kutubdia, their tendency is to come over to the outer anchorage near the Patenga coast in an attempt to reduce expenses.

But the difficulty arises in controlling such deep draft vessels at the comparatively shallow waters at the outer anchorage, especially when trying to go past the bow of anchored vessels at close range, leading to the frequent collisions.



Underestimating local conditions like tides, wind and currents as well as wrong use of anchoring space by the ships' pilots are the major reasons behind such accidents, according

to the pilots at the port. The port users fear that foreign vessel owners and operators may turn reluctant in transporting goods to Chattogram or attempt to raise freight charge due to such risks of

accidents which damage vessels and result in financial losses.

Port officials said unwillingness of the shipping agents in complying with a set of directives of Chattogram Port Authority

(CPA) over a year ago to ensure safety of vessels moving in the area makes them susceptible to accidents.

On the night of December 27, MV Diomidis ran aground near Alpha Anchorage.

On the morning of December 13, MV Safe Sea Anya collided with an anchored MV Ken Wave while trying to make a stopover and then hit an adjoining stationary lighter vessel, Water Lily.

The starboard bow of MV Safe Sea Anya got damaged while the lighter vessel suffered structural damages.

Nine such incidents have been recorded so far this year at the outer anchorage while six incidents occurred in the past two months in a period when the sea remains calm compared to that during the monsoon.

A total of 283 vessels were involved in collisions at the outer anchorage in the decade to 2019.

Port officials said most of these accidents are occurring at the Alpha Anchorage out of three anchorage areas of the outer anchorage.

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