

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.54%	▲ 0.24%	\$1,933.46	\$53.58	▼ 0.54%	▼ 0.38%	▲ 0.12%	▲ 0.63%	BUY TK 83.95	102.26	113.42	12.84
5,640.19	9,827.75	(per ounce)	(per barrel)	48,174.06	27,055.94	2,863.01	3,550.88	SELL TK 84.95	106.06	117.22	13.50



# Star BUSINESS

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## BB moves to boost cashless transactions

AKM ZAMIR UDDIN

Bangladesh Bank yesterday rolled out an interoperable QR code as a part of its efforts to boost cashless transactions across the country, particularly in rural areas.

The uniform digital payment method named 'Bangla QR', will help clients pay their bills for purchased goods and services through any mobile banking application, mobile financial service (MFS) or payment service provider (PSP).

"This is a great move taken by the central bank to push cashless transactions in the country," industry insiders said.

The central bank's initiative came at a time when a growing number of population have started preferring to do transactions digitally because of convenience.

And the pandemic has given a further push to cashless transaction as people from all walks of life are increasingly embracing the different digital financial payment tools to avoid cash in order to keep the coronavirus at bay. For instance, transaction through MFS rose 41 per cent year-on-year to Tk 53,259 crore in October last year.

The issuance of credit cards stood at 16.31 lakh as of October, up 8.73 per cent year-on-year, when debit cards grew 8.70 per cent to 2.10 crore.



The new digital payment method will quickly gain popularity in the remote area as the central bank relaxed the rules for opening personal retail accounts for micro and underprivileged businesses on November 16. Clients will be encouraged to use the QR code as well.

For instance, clients are now allowed to pay shopping bills through a QR code if there is an agreement between the outlet and the entity that holds the customer account. However, the latest move will help the account holder of any bank, MFS or PSP to make the payment if Bangla QR is available at an outlet, according to a central bank notice.

A quick response (QR) code is a type of barcode that stores information as a series of pixels in a square grid and can easily be read by smartphones.

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## Housing sector sees almost complete rebound

Scope to invest untaxed money, low lending rates jack up sales

JAGARAN CHAKMA

The real estate and housing industry passed a relatively good year thanks to policy support for purchasing property with untaxed income as well as cheap bank loans.

In the budget of the current fiscal year, the government allowed the use of untaxed income to purchase property, land and apartments in certain areas, without having to answer for the source.

Besides, banks provide home loans at very cheap interest rates of below 10 per cent as a secured investment for the lenders, according to industry players.

With this backdrop, the real estate industry enjoyed a quick rebound from the Covid-19 fallout.

"The relief is that the ongoing pandemic did not cause as much damage as we had expected for the country's housing sector as apartment sales witnessed a rising trend during July to December last year," said Alamgir Shamsul Alamin, president of the Real Estate and Housing Association of Bangladesh (REHAB).

The REHAB president could not give accurate figures on how many apartments were sold in the last six months but did say that the demand has increased.

However, during the early stage of the pandemic, when the government imposed a two-month



nationwide lockdown between March 26 and May 30, the demand for apartments was nil as the people did not make such big investments in a time of crisis.

As a result, all the housing projects came to a halt, Alamin said.

Many customers were also unable to pay their instalments on time and so, due to the lack of funds, entrepreneurs in the housing sector became very worried about how they would pay their employees.

"I have never seen such an unusually difficult situation in my 35 years of experience," he said.

"Entrepreneurs are trying to turn things around again in a short period of time and the cooperation of the government has been added to it," he added.

The registration cost for an apartment has been reduced as well and alongside the availability of bank loans, people have been encouraged to buy flats.

Regarding the government decision to provide amnesty, he

### THINGS TO KNOW

Amnesty for investing black money helped real estate sector rebound

Employment in the sector: **35 lakh** (directly and indirectly)

Backward linkage sectors: **260**

Flats of **1,000sft to 1,500sft** are in high demand

Ready apartments for sale not available now, REHAB says

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## World Bank revises up GDP growth projection

Figure still far lower than govt estimate

REJAUU KARIM BYRON and MD FAZLUR RAHMAN

The World Bank has revised its GDP growth projection upwards for Bangladesh to 2 per cent for the last fiscal year, although the figure is still far lower than the government's estimate.

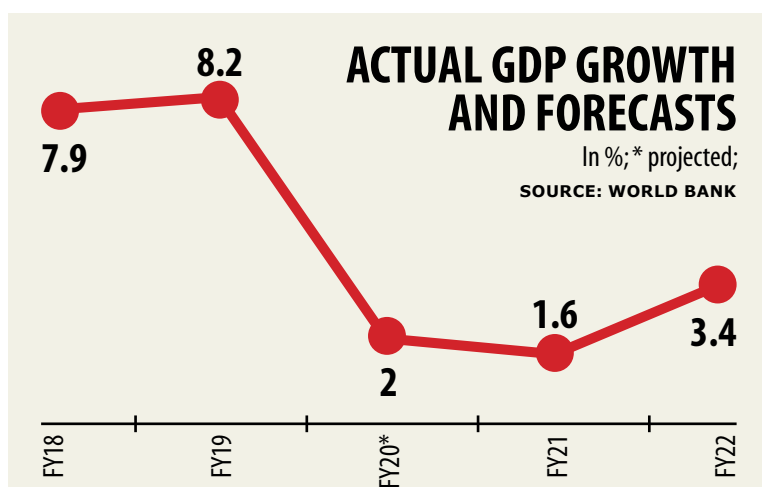
In June, the Washington-based lender had said that Bangladesh's economy would grow by 1.6 per cent in FY20 as the coronavirus pandemic battered the country.

It had also forecast the economy to expand by 1 per cent in the current fiscal year.

Yesterday, the lender said in Bangladesh, which had been one of the fastest-growing emerging market and developing economies prior to the pandemic, growth was estimated to have decelerated to 2 per cent in the last fiscal year.

It also revised the growth forecast upwards for the next fiscal year to 1.6 per cent, according to the Global Economic Prospects Update.

"Our provisional estimate is



that the GDP had grown by 5.24 per cent in the last fiscal year. It is not reflected in their [World Bank] report," Finance Minister AHM Mustafa Kamal told The Daily Star.

"When we publish the final number, they would accept it."

The government may revise down its GDP growth target to 7.4 per cent for the current fiscal year,

as suggested in the documents of the Eighth Five-Year Plan, from 8.2 per cent set in June.

The Covid-19 pandemic has caused deep output losses and contributed to a sharp rise in poverty and unemployment in South Asia.

Output in the region contracted by an estimated 6.7 per cent in 2020, reflecting the effects of

the pandemic and nationwide lockdowns, particularly in Bangladesh and India.

Activity rebounded in the second half of last year, led by industrial production, as initial stringent lockdowns were eased.

"In economies that rely on external sources of growth such as manufacturing exports (Bangladesh) and tourism (Bhutan, the Maldives, Nepal and Sri Lanka), the recovery is likely to be particularly modest," the WB said.

The region is projected to grow by 3.3 per cent in 2021.

Weak growth prospects reflect a protracted recovery in incomes and employment, especially in the services sector, limited credit provisioning constrained by financial sector vulnerabilities, and muted fiscal policy support.

The forecast assumes that a vaccine will be distributed on a large scale in the region starting the second half of 2021 and that there is no widespread resurgence in infections.

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## Amnesty for realtors behind money whitening binge

Finance minister says

REJAUU KARIM BYRON and DWAIPIYAN BARUA

Finance Minister AHM Mustafa Kamal yesterday said that black money whitening has increased in the country as the government has given the scope to invest untaxed income in the housing sector.

Kamal made this comment while speaking to journalists after a meeting of the cabinet committee on purchase.

Mentioning that most people are unwilling to pay the high registration fees or stamp duties while selling houses, Kamal said the government is not getting revenue since people avoid showing the real price of a property in a bid to skip from paying the high registration fees.

"To solve the issue, the government could take a number of steps, including the reduction of stamp duty."

"We have intervened wherever we need to and for doing these, black money is being legalised," he added.

A record Tk 10,220 crore in untaxed income was legalised in just six months of the current fiscal year.

This is the highest amount of undeclared assets to be legalised in such a short period and was made possible by the government's



AHM Mustafa Kamal

decision to not raise questions on the source of income, as announced in the budget.

In a press release issued on Monday, the National Board of Revenue (NBR) said a whopping Tk 10,220 crore had entered the formal economy after many black money-holders whitened their assets by paying taxes.

The previous highest was recorded in fiscals 2007-08 and 2008-09, during the regime of the Army-backed caretaker government. At the time, Tk 9,682.99 crore had been legalised, NBR data shows.

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### LDC GRADUATION

## BGMEA to avail law firm's advice on GSP extension

REFAVET ULLAH MIRDHA

The BGMEA has signed an agreement with Sidley Austin LLP to receive advisory services in efforts to get duty-free trade benefits to the European Union extended once Bangladesh leaves the group of least developed countries (LDCs).

The graduation from least developed to a developing nation in 2024 is set to mark the end of the Generalised System of Preferences (GSP), a component of which is the EU's Everything But Arms (EBA) initiative.

The EBA allows duty-free access to Bangladesh's shipments considering the country's LDC status.

However, the EU has offered a three-year grace period on the facility following the graduation.

The Sidley lawyers will advise the BGMEA in preparing arguments and strategies to prolong preferential market access into the EU, with a focus on the ongoing EU GSP reform discussions and Brexit.

The law firm's services are free of cost under its Trade for Development Initiative, Emerging Enterprises pro bono programme, said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). The 11th largest US-based law firm having offices globally is said to have annual revenues of more than \$2 billion.

"Sidley will be assisting the BGMEA to develop policy briefs to be submitted to the government so that the perspective of the private sector is clearly communicated to the policymakers," she said in a WhatsApp message.

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## DSE turnover plunges from record high

STAR BUSINESS REPORT

Turnover at the Dhaka Stock Exchange plunged by 38 per cent or Tk 969 crore to Tk 1,577 crore yesterday thanks to the wait-and-see approach adopted by institutional investors, according to market players.

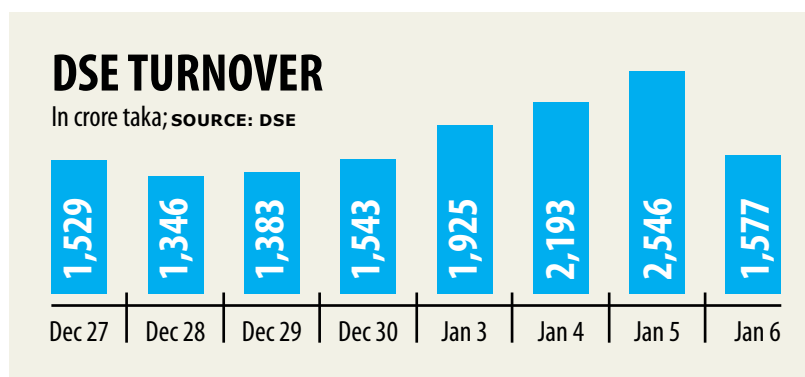
The development comes just a day after turnover registered a decade high at Tk 2,546 crore.

However, DSEX, the benchmark index of the Dhaka bourse, rose 30 points, or 0.54 per cent, to 5,640 at the same time.

Some of the institutional investors have taken profits considering some corrections but the others are waiting for a further rise, according to a merchant banker.

As interest rates in the banking sector have fallen, new funds are being diverted to the stock market, he added. Now, if state-run companies can offload their shares and bonds in the secondary market, the stocks will not be overvalued.

If the investors pour money into overvalued stocks, then the market will become bearish again.



"So, investors also need to be cautious," the merchant banker said.

Among the major sectors, the non-banking financial institution, cement and telecommunication advanced while the general insurance, mutual fund and engineering sectors faced corrections.

AFC Agro Biotech topped the gainers' list with a 9.94 per cent rise followed by Robi Axiata, Fu-Wang Ceramic, GBB Power and Khan Brothers PP Woven Bag.

Green Delta Mutual Fund shed the most, falling 8.51 per cent, followed by Nitol Insurance, Peoples Insurance,

Alltex Industries, and Takaful Islami Insurance.

Beximco topped the turnover list with Tk 153 crore followed by Beximco Pharmaceuticals, LankaBangla Finance, Robi Axiata and IFIC Bank.

At the DSE, 120 securities gained value, 171 declined, and 70 remained unchanged.

The port city bourse also rose yesterday. CASPI, the general index of the Chattogram stock exchange, rose 38 points, or 0.23 per cent, to 16,294.

Among the 269 traded companies, 95 advanced, 134 fell and 40 remained the same.

## Delta Spinners asked to reconstitute board

A result of its failure to leave Z category

AHSAN HABIB

The Bangladesh Securities and Exchange Commission (BSEC) has ordered Delta Spinners to reconstitute its board for having failed to leave Z category within stipulated two years.

When a company is unable to declare cash dividends for two consecutive years, hold annual general meeting on time, remains idle for six months, has a net operating loss for two consecutive years or if its negative balance of retained earnings exceeds its paid-up capital, then that company is placed in Z category.

"It has been observed that your company was placed in the Z category for around two years but you and your board of directors failed to improve the company's performance during that period," the BSEC said in a letter to the CEO and board of Delta Spinners on December 27.

The company, being an issuer of capital and listed with the stock exchanges, shall ensure its compliance with the conditions of the commission's notification issued on September 1, 2020.

The board of a listed company trading under Z category shall be reconstituted, within 45 working days from the first day of placement of the company in the category, by the existing board with the shareholders that are eligible for the positions, the notification said.

If the company fails to comply with the notification, then the commission will initiate all necessary and relevant legal actions to protect the interests of its investors, the BSEC said in its letter.

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