

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▼ 1.92%	▼ 2.01%	\$1,846.09	\$55.04	▼ 1.26%	▼ 1.89%	▼ 0.61%	▼ 0.63%	BUY TK 83.95	100.44	113.83	12.72
5,724.35	10,065.96	(per ounce)	(per barrel)	46,285.77	27,663.39	2,902.52	3,483.07	SELL TK 84.95	104.24	117.63	13.38



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## Banks show lacklustre performance in disbursing farm stimulus

*A third not yet disbursed even though BB's deadline is March 31*

AKM ZAMIR UDDIN

Banks are still far from meeting the disbursement deadline for farm loans under the associated stimulus package of Tk 5,000 crore as a third of the fund is yet to be given out.

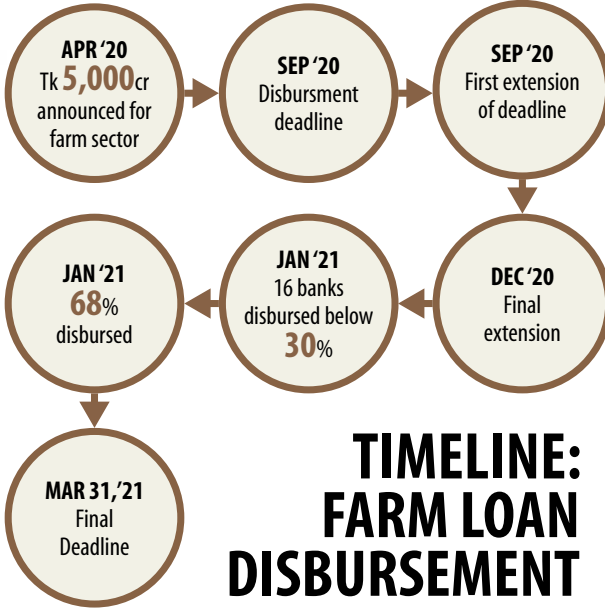
When the package was announced in April last year in the form of a refinancing scheme, Bangladesh Bank asked banks to give out the fund by September 30.

But they had repeatedly exhibited a poor performance to this end, forcing the central bank to extend the timeframe twice.

On December 29, banks were asked to fulfil their disbursement target by March 31 but they have so far distributed Tk 3,411 crore, or 68 per cent of the package, according to data from the central bank.

A total of 144,903 clients have availed the fund in attempts to make their businesses vibrant.

Participation agreements with the central bank have been signed by 43 banks to disburse loans



from the stimulus fund dedicated to reviving the agriculture sector.

Of them, 16 achieved less

than 30 per cent of their respective loan disbursement target set by the banking regulator till January 15, an unwelcome development as the government looks to make a prompt recovery from the economic fallout of Covid-19.

The 16 are IFIC, Trust, First Security, Standard, Southeast, Mutual Trust, Jamuna, NRB Global, BASIC, Dhaka, Bangladesh Commerce, Al-Arafah, Social Islami, South Bangla Agriculture and Commerce, Shimanto and Union.

The tenure for the loans is 18 months, including a grace period of six months at both the banks' and clients' ends. Banks will borrow from the refinancing scheme at 1 per cent interest rate and lend at 4 per cent.

Farmers engaged in five agricultural sub-sectors are entitled to enjoy the low-cost fund.

These are: fruits and flowers, fisheries, poultry, dairy and livestock and the businesses selling agriculture commodities.

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## Major drug makers pull in bigger profits

AHSAN HABIB

Bangladesh's leading listed pharmaceutical companies have bagged higher profits in the first half of the current financial year which began in July 2020, a result of people starting to see doctors again.

Despite the November to January period being a slow season from the usual business perspective, there was a year-on-year jump in profit growth in the six months.

Profits rose for all six drug makers who have published their financial reports.

For Square Pharmaceuticals, it was 12.79 per cent to Tk 776 crore. It had also witnessed higher profits in the preceding six months amid the coronavirus pandemic.

The drug maker's profit was 31 per cent of its turnover in the past six months till December. It was 28 per cent in fiscal 2019-20 and 27 per cent in the year before.

With doctor's practices opening and patients starting to come over, pharmaceutical companies are doing well,

said M Mohibuz Zaman, chief operating officer of ACI Pharmaceuticals.

ACI Pharmaceuticals is doing its business at a normal growth rate and in the last half year it was 9 per cent, he said.

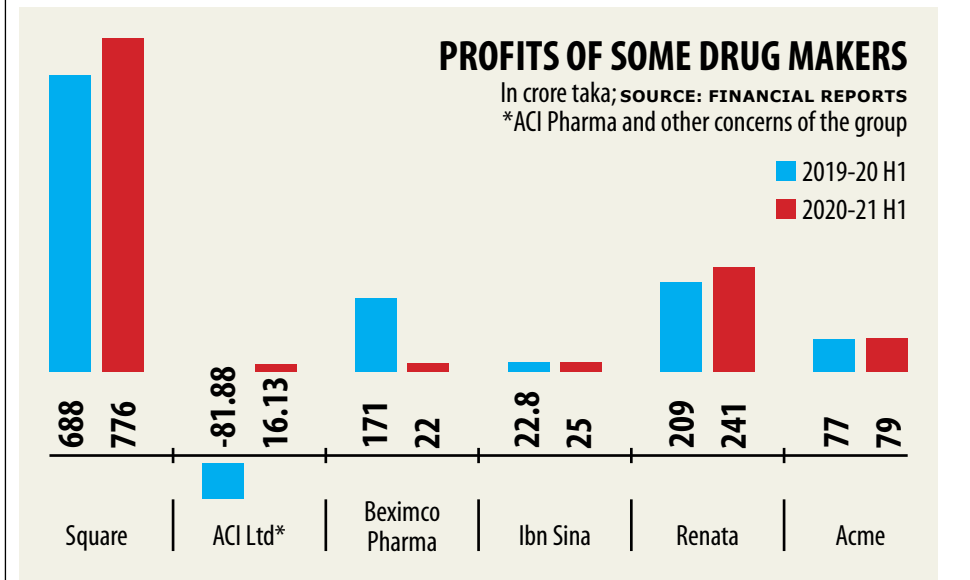
Despite business cycle tending to be slow in the October to January period, the pharmaceutical companies have done well this year, he said.

This is because many patients refrained from going over to the doctors' chambers during the first few months of the pandemic, Zaman said, adding that the December to January period undergoes a massive business slowdown for the drug makers.

Due to it being the cold season and harvesting period, people cut back on going to the doctors, he clarified.

Md Jubayer Alam, company secretary of Renata, echoed the same, saying that doctors had not promptly started running their practices soon after the general leave was lifted at the end of May.

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## BSEC offers exit plan for poor performers

*Investors now protected from complete loss in case of delisting*

AHSAN HABIB and REFAYET ULLAH MIRDHA

The Bangladesh Securities and Exchange Commission (BSEC) recently issued a directive offering companies not performing well an exit plan that would help protect small investors in case of delisting.

When a company's performance goes down, it is either traded as a junk stock in the over-the-counter market or gets delisted. In any case, the investors get next to nothing from their stocks.

United Airways is one such case as it was delisted last month by order of the market regulator.

After the delisting, general investors, considering the face value of their stocks, incurred losses of around Tk 786 crore.

Meanwhile, Beximco Synthetics applied to delist itself from the stock market last September.

With the new directive though, either the regulator or company itself will be able to delist the company in question by paying back its investors, according to BSEC Spokesperson Rezaul Karim.



Those who want to keep a stake in the company will have to buy out the other investors so that when it is delisted, any new investors will not be impacted while the existing ones would get their money back, Karim said.

"The BSEC came up with this exit plan in order to protect investors," he added.

Under the directive, listed companies from a bourse's main trading board, delisted securities trading in the over-the-counter market, delisted securities trading under the alternative trading boards and all other securities are eligible for the exit plan.

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## 96pc small enterprises suffer fall in income: study

STAR BUSINESS REPORT

Some 96 per cent of Bangladesh's micro, small and medium enterprises (MSMEs) witnessed a fall in income with the median loss in business reaching 82 per cent amid the Covid-19 fallouts, according to a recent study.

Customer footfall decreased 67 per cent on an average for respondents of a survey carried out under the multi-country assessment study on the pandemic's impact on MSMEs and women in Asia and Africa.

The small-scale firms in rural areas are having to travel to central depots to collect supplies due to massive disruptions to supply chains.

Furthermore, some 36 per cent of the entities reported a decline in the availability of supplier credit, with a third of the suppliers not offering in apprehension of non-repayment by end-customers.

Combined with pending receivables, this has hurt cash flows as 58 per cent of the small businesses reported a reduction in household expenses.



STAR/FILE

**Despite a rise in living costs in urban areas, most small enterprises witnessed a fall in household expenses, the survey finds.**

With a rise in living costs in urban areas, 68 per cent of the urban enterprises witnessed a fall in household expenses compared to 33 per cent of their rural peers, the report said.

These findings were made public by MicroSave Consulting (MSC) through a workshop it organised on the issue last Thursday with Swiss Capacity Building Facility.

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## Telcos freed from VAT on revenue sharing

STAR BUSINESS REPORT

The National Board of Revenue has exempted mobile phone operators from value-added tax (Vat) on revenue shared with the Bangladesh Telecommunication Regulatory Commission (BTRC).

After paying 15 per cent VAT, local network operators have to deposit 5.5 per cent of their revenue to the BTRC as a part of the regulatory body's condition for using 2G and 3G licences.

As per the rules, there is a provision to pay 15 per cent VAT at source on the amount to be paid as revenue shared with the BTRC.

However, as the indirect tax is collected before depositing the revenue-sharing amount, collection

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## Low profits pushing farmers away from legume cultivation

MOSTAFA SHABUI, Bogura

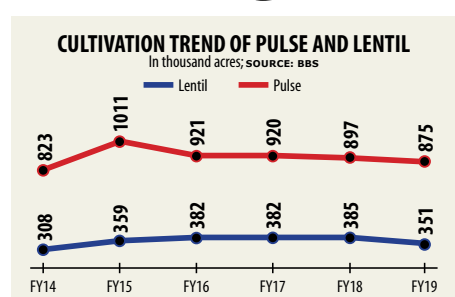
Farmers in various areas of the country are gradually shifting away from legumes in favour of other crops as lentils and pulses have become less profitable now.

Legume cultivation in four districts -- Bogura, Joypurhat, Pabna and Sirajganj -- decreased 19 per cent from nearly 60 lakh acres in fiscal 2016-17 to around 49 lakh acres in the current year, according to data from the Department of Agricultural Extension (DAE) office in Bogura.

The situation is similar at the national level as farmers grew various pulses and lentils on 10.11 lakh acres in 2014-15 while it was 8.75 lakh acres in 2018-19, data from the Bangladesh Bureau of Statistics shows.

Individually, lentil cultivation fell to 3.51 lakh acres in 2018-19, down 9 per cent year-on-year from 3.85 lakh, while the production of Indian peas dropped 7 per cent to hit 2.57 lakh tonnes over the same period.

Farmers say that they are no longer



enthusiastic about growing lentils or pulses as the high-protein crop's low yield make it hard to turn a profit.

Besides, the crop's susceptibility to rain and cold is another reason for the farmers to lose interest.

"Lentil cultivation is not growing as other crops, mainly vegetables, are more profitable during winter," said Ohbiul Islam, a farmer of Salimpur village under Ishwardi upazila of Pabna, one of the biggest lentil producing districts in the north.

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MOSTAFA SHABUI

A farmer in Kuripara char under Bogura's Sariakandi upazila is working in his lentil field.

## Lentil imports on the rise

*Low domestic production the cause, experts say*

SOHEL PARVEZ

Bangladesh's lentil imports are on the rise due to increased consumption amid inadequate domestic production.

Farmers produce 1.75 lakh tonnes of lentils annually while various businesses and importers say that the country's yearly requirement is around 6-7 lakh tonnes.

Lentil imports hit 5.21 lakh tonnes between July-September of 2020, a 58 per cent increase compared to the same period the year before, data from the Bangladesh Bureau of Statistics shows.

"Consumption is increasing and imports have shot up," said Abul Bashar Chowdhury, chairman of BSM Group, one of the leading importers of consumer goods.

The ongoing coronavirus pandemic has also boosted the demand for pulses as many people want to avoid animal based protein in fear of infection.

Annual imports stood at around 2 lakh tonnes four to five years ago.

"It appears that farmers are switching to high-value crops in search of higher incomes. We used to see downward pressure on prices when domestically produced lentils

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