

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY	
▲ 2.27%	▲ 2.57%	\$1,841.70	\$60.66	▼ 0.04%	▲ 0.40%	▲ 0.13%	▲ 2.01%	BUY TK	83.95	100.34	114.76	12.84
5,498.54	9,606.46	(per ounce)	(per barrel)	51,329.08	29,505.93	2,935.27	3,603.49	SELL TK	84.95	104.14	118.56	13.50



# Star BUSINESS

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## Default loans drop on relaxed policies

AKM ZAMIR UDDIN

Default loans went down in 2020 on the back of a general forbearance on loan payments, a development that does not cheer experts and bankers as the fall did not paint the actual scenario.

Non-performing loans (NPLs) stood at Tk 88,734 crore last year, down 5.93 per cent year-on-year, data from the Bangladesh Bank showed.

Experts and bankers call the decline in the NPLs meaningless as it occurred due to the central bank's instruction to lenders not to classify any loans throughout 2020 under the general forbearance or moratorium.

The moratorium on bank loan payments was introduced in the middle of March after the coronavirus pandemic

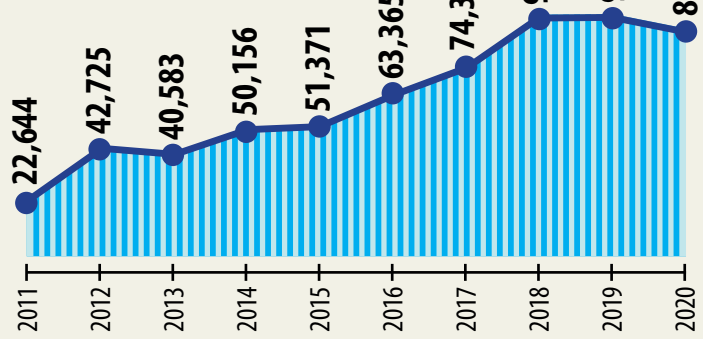
### EXPERTS SAY...

- Moratorium, write-off and rescheduling helped bring down NPLs
- Performance of banks deteriorates
- Lenders should speed up NPL recovery
- Delinquent loans may rise in future
- BB should strengthen monitoring to check scams

arrived on the shores of the country, hammering economic activities. The support was initially expected to last until the end of

### DEFAULTED LOANS OVER THE YEARS

In crore taka; SOURCE: BB



June. Later it was extended up to December as the crisis showed no signs of abating.

Banks rescheduled and wrote off a good amount of default loans last year, helping bring down the toxic assets as well. Banks removed Tk 12,140 crore of default loans from their books by using the tools of rescheduling and write-off in the nine months to September.

The central bank is yet to come up with the full data on the rescheduling and write-off loans for the final quarter of 2020. This lowered the amount of default

loans artificially.

Default loans accounted for 7.66 per cent of the outstanding loans of Tk 11,58,775 crore as of December. The ratio was 9.32 per cent in December 2019.

The central bank prepared the statement of default loans for the first time by calculating the credits disbursed by the domestic and offshore banking units (OBUs) of banks operating in the country. Previously, the statement based only on the loans given by the local branches.

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## Tk 1,568cr project to expand runway

STAR BUSINESS REPORT

The Civil Aviation Authority of Bangladesh (CAAB) and a Chinese joint venture yesterday signed a deal for the expansion of the runway of Cox's Bazar airport.

After the completion of the project worth Tk 1,568.86 crore, the runway will be the longest in the country, allowing wide-bodied aircraft like Boeing 777-300ER and Boeing 747-400 to land.

After the expansion by 1,700 feet, total length of the runway will be 11,700 feet, CAAB said in a press release.

Air Vice Marshal M Mafidur Rahman, CAAB chairman, and Yang Zhijun, authorised representative of the joint venture named Changjiang Yichang Waterway Engineering Bureau (CYWEB) - China Civil Engineering Construction Corporation (CCECC), signed the deal on behalf of their organisations.

The government last year took an initiative to upgrade the runway of Cox's Bazar

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## BBIN functionality rests solely on China's involvement

Rehman Sobhan tells SANEM dialogue

STAR BUSINESS REPORT

Future functioning of the Bangladesh, Bhutan, India, Nepal (BBIN) initiative rests solely on China's involvement in this process as it is a major trading partner of nations in this region, said Rehman Sobhan yesterday.

China is the single largest trading partner for every single country of Asia in terms of import and export, said the chairman of the Centre for Policy Dialogue (CPD).

Every single BBIN nation would be disconnected if China is not involved in the process, added the noted economist.

China also dominates other initiatives like the South Asian Association for Regional Cooperation (Saarc), Association of Southeast Asian Nations (Asean), ASEAN + 3, Asia Pacific Trade Agreement (APTA), and the Regional Comprehensive Economic Partnership (RCEP).

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## Health-tech startup Maya raises \$2.2m for expansion

STAR BUSINESS REPORT

Healthcare startup Maya announced yesterday that it raised \$2.2 million in seed funding, the highest-ever by a Bangladeshi health-tech company.

The funding will facilitate new products on Maya's platform and help it expand internationally, according to a press release.

Maya, which is dedicated to making it easier for women to get healthcare, especially for sensitive issues like reproductive and mental health, has recently launched its operations in Sri Lanka. The startup is also testing its services in India and Pakistan.

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## Verify income sources of fish, poultry farming

ACC asks NBR

STAR BUSINESS REPORT

The Anti-Corruption Commission (ACC) has asked the tax authority to devise ways to examine the authenticity of income sources shown by many taxpayers in their returns, including fish and poultry farming.

The anti-graft watchdog's recommendation came after it found during

enquiry that many people could not show evidence in support of their incomes they claimed to have generated from stocking business, general trading and poultry, dairy and fish farming.

"It creates scope to legalise illegally-earned money if incomes that are shown in such heads are accepted in a blanket

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At present, incomes of up to Tk 10 lakh from hatchery and fish farming are tax-free.

## Ensure accuracy in project evaluation: planning minister

STAR BUSINESS REPORT

The Implementation Monitoring and Evaluation Division of the planning ministry has been directed to point out any error or inaccuracy in project evaluation reports.

Planning Minister MA Mannan issued this directive on behalf of the prime minister at a programme at Sher-e-Bangla Nagar yesterday marking the start of evaluations of 30 ongoing and completed projects by outsourcing firms.

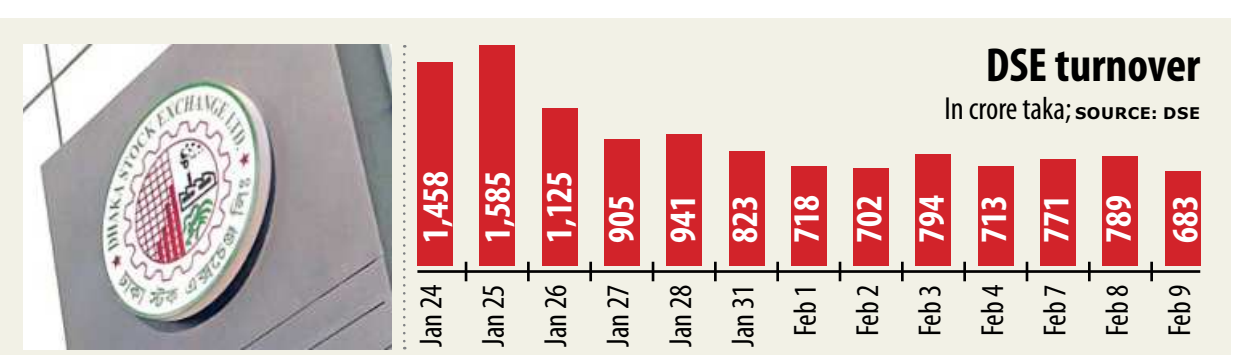
The minister said questions were raised on the efficiency of project implementation and quality of work.

"Value for money should be ensured. It is not me, the owner of the money and the government also. People are the owner of the money," he said.

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## Stocks bounce back but worries remain

Turnover on a downward curve



STAR BUSINESS REPORT

Stocks bounced back yesterday following three days of continuous decline but tensions continue to run high among investors due to the downward trend of the turnover.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 122 points, or 2.27 per cent, to 5,498 yesterday.

The market took a huge tumble over the last few days so if people sell

their shares, they will incur losses, according to a stock broker.

"So, this discourages them to put up sale orders," he said, adding that this caused the market to rise.

Besides, some investors started to buy again but the buying tendency is still comparatively low.

"So, the index rose depending on lower turnover as well," the stock broker said.

Turnover, an important indicator of the market, dropped 13 per cent to Tk

683 crore yesterday.

"The lower turnover is not a good sign for the market," he added.

Two weeks ago, turnover at the DSE ranged from Tk 1,300 crore to Tk 1,500 crore but it has now halved to Tk 700 crore on average, DSE data shows.

"There is nothing in the near future that can drown the index so why the index was falling was not clear to me," a merchant banker said.

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## Despite recovery in Q2, Lovello's half-yearly profit falls

Debut on bourses today

STAR BUSINESS REPORT

Taufika Foods and Agro Industries, producer of ice-cream brand Lovello, reported lower profits for the July-December period of last year just before its debut on the stock market.

The ice-cream maker logged profits of Tk 2.74 crore for the last six months of 2020, which was 24 per cent lower compared to the same period the previous year, according to data from the Dhaka Stock Exchange (DSE).

However, its profit jumped 215 per cent to Tk 69 lakh in October-December period last year compared to the same period of the previous year.

The country's premier bourse also informed yesterday that the newly listed company's stocks are going to be traded at the DSE from today under the name of Taufika.

"Many companies in the sector failed to make any profit due to the pandemic, but we were able to log some. Our profits fell because of the pandemic-induced drop in demand," said Md Ekramul Haque, managing director of Taufika Foods and Agro Industries.

Almost all ice-cream makers saw their sales drop in the July-December period as many consumers were reluctant to have ice-cream in fears that it might increase the risk of being infected with Covid-19. This rumour took a toll on the market but people eventually realised that ice-cream cannot cause a Covid-19 infection.

In a meeting on October 14 last year, the Bangladesh Securities and Exchange Commission (BSEC) approved the company's initial public offering (IPO) to raise a fund of Tk 30 crore.

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## Profit eludes potato farmers

Prices drop though harvests yet to begin in full swing

KONGKON KARMAKER, from Dinajpur

Although potato harvests are yet to begin in full swing in many districts, farmers across the country are witnessing a sharp fall in price.

Growers of the popular vegetable are worried over getting fair prices of their produce, which would be another blow on top of huge losses incurred from other edibles, including cauliflower and cabbage.

The price started dropping some 10 days back, said farmers.

Farmers said those being sold right from the field to traders were going for Tk 8 to Tk 10 per kilogramme (kg), excluding labour cost, depending on variety, quality and moisture content.

At local retail markets, one kg of potato was available at Tk 12 to Tk 15.

The crop is sown from October to December every year and is ready for harvest within three months. The peak time for harvest begins from the end of February, said farmers.

Diamond, Granola, Asterix and Holland are popular varieties cultivated in the northern and



KONGKON KARMAKER

Potato farmers are worried over getting fair prices of their produce, in another blow on top of huge losses incurred from other vegetables. The photo was taken from Maljhar village of Biral upazila in Dinajpur.

other areas in the country, said the Department of Agricultural Extension (DAE).

The DAE estimates that farmers

planted the tuber on 4.86 lakh hectares in the current season, up 4 per cent from 4.65 lakh hectares in the previous season which fell

under fiscal 2019-20. Farmer Abu Taleb of Ramzibanpur village under Dinajpur sadar upazila said

sowing of the early varieties was profitable.

But only a handful of farmers can reap the benefit of getting profitable prices, he said, adding that most farmers in his area cultivate potato after harvesting Amanpaddy.

Taleb sowed potato on four bighas of land this year. He said prices started falling rapidly recently. Just two weeks ago, he profited on selling his potato at Tk 18 per kg.

However, as harvesting gained pace and more potatoes started arriving in the market, prices began to fall.

On Monday, he had to opt for just half the prices, at Tk 9, which was 12 per cent less than his production cost of Tk 10.26 per kg.

"If the falling trend in prices continues, I will suffer massive losses," Taleb said, adding that he invested Tk 55,000 behind each bigha of land.

He said to have already harvested potatoes from most of the four bighas of land, getting around 80 bags (67 kg per bag) of produce per bigha.

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