

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	BUY TK	EUR	GBP	CNY	SELL TK	USD
▲ 0.40%	▲ 0.52%	\$1,743.21	\$65.06	▲ 1.53%	▲ 2.41%	▲ 0.81%	▲ 1.21%	83.95	100.40	116.49	12.75	84.95	104.20
5,426.82	9,460.14	(per ounce)	(per barrel)	49,849.84	28,663.50	2,973.00	3,551.40						



Star BUSINESS

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Stocks' bull run fails to bring cheer to insurers

Their premium income fell for first time in at least 12 years

AHSAN HABIB

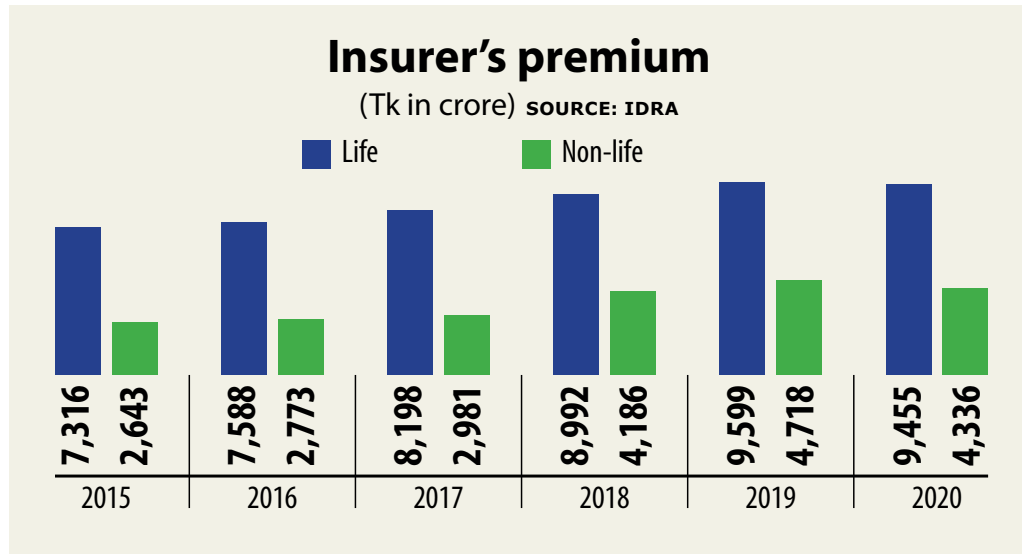
The yearlong surge in stock prices could not bring any cheer for the listed insurance companies as they experienced a fall in premium income for the first time in at least 12 years.

The stock prices of non-life insurance companies that usually help hedge the risk of losses from damage and accidents of goods and assets rose over 95 per cent on average throughout 2020.

However, data released by the Insurance Development and Regulatory Authority (IDRA) showed that premium incomes of non-life insurers decreased 7.46 per cent year-on-year to Tk 4,366 crore last year.

And the premium incomes of life and non-life insurers as a whole fell 3.46 per cent year-on-year to Tk 13,821 crore.

Industry insiders blamed the slump in domestic and global business and a halt in



economic activities amid the Covid-19 pandemic for the decline in the premium income.

"The insurance stocks rose mainly because of market manipulation," said Prof Mohammad Musa, dean of the School of Business and Economics at the United International University.

Some insurers' directors bought shares as they were not holding 30

per cent shares in their companies jointly. But this cannot be the reason for such price hike, Musa said, adding that the insurance sector was manipulated at the end of last year.

When gamblers play with the shares of a particular sector in an organised manner, they buy shares first and then spread rumours that the stocks of that sector will gain, said Musa, who had several publications on the capital market.

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Arif Khan steps down as IDLC Finance CEO



STAR BUSINESS REPORT

Arif Khan has stepped down as the managing director and chief executive officer of IDLC Finance Ltd as he plans to launch his own business.

He returned to the non-bank financial institution five years ago as the CEO after serving the Bangladesh Securities and Exchange Commission (BSEC). Since then, he steered the growth of IDLC Finance and brought down non-performing loans to a minimal level at a time when the financial industry is riddled with loan scandals.

Khan said he had no disagreement with the board of IDLC Finance. Rather, he wanted to do something on his own, he said.

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BB refuses to let Premier Leasing MD go

AKM ZAMIR UDDIN

In a baffling move, the Bangladesh Bank has asked Premier Leasing & Finance Ltd not to officially release its managing director, Abdul Hamid Mia, although he has submitted a resignation letter.

Mia is one of the persons responsible for the deterioration of the non-bank financial institution's (NBFI) financial health in recent years, as per central bank officials.

Although the NBFI had issued Mia a discharge letter on February 28, the central bank that very day instructed it to backtrack from the decision.

The central bank issued a letter addressing the NBFI chairman, asking not to place any proposal on the release of the managing director without prior approval of the administrator it had appointed.

The BB previously removed managing directors from some banks and NBFIs due to their alleged involvement in scams.

"But this is a rare example in the financial industry as the central bank has asked not to discharge the managing director despite his failure to restore the financial health of the NBFI," said a Bangladesh Bank official with direct knowledge of the matter.

Premier Leasing & Finance has recently faced a wide range of scams, putting an adverse impact on its financial health, he said.

Mia joined the NBFI in 2016 after which its financial health deteriorated by a massive extent.

Its profit stood at Tk 1.96 crore in 2019 in contrast to Tk 14.9 crore in 2016.



Abdul Hamid Mia

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Remittance up 33.5pc

STAR BUSINESS REPORT

Remittance increased 33.51 per cent year-on-year to \$16.68 billion in the first eight months of this fiscal year.

The inflow since June last year was characterised by robust growth every month in context to that a year ago.

But in a sequential monthly comparison the inflow has been gradually declining since October.

However, it is still not that much of a

matter of concern as February's growth is much higher than that of the same period one year earlier.

Expatriate Bangladeshis sent \$1.79 million in February, up 22.61 per cent year-on-year, showed Bangladesh Bank data.

Migrant workers might have sent more money to support family members during the coronavirus pandemic, said a Bangladesh Bank official.

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World Bank studies show that remittances alleviate poverty in lower- and middle-income countries.

STAR/FILE

Govt ADP portion trimmed by only Tk 7 lakh despite cost-cutting measures

REJAUJ KARIM BYRON and DWAIPAVAN BARUA

The allocation to the revised annual development programme may trim by only Tk 7 lakh although the government had decided to put low-priority projects on hold in the beginning of the fiscal year because of the coronavirus pandemic.

In the original ADP, the government fund was Tk 134,643.07 crore for the fiscal year of 2020-21. The revised allocation may see it fall to Tk 134,643 crore.

The planning ministry is going to propose the revised ADP at the meeting of the National Economic Council (NEC) today.

In July, the government put a hold on the implementation of government funded low-priority projects involving Tk 40,000 crore as part of its cost-cutting move to free up funds for the productive sectors amid widening revenue shortfall caused by the devastating impacts of the pandemic.

The projects under the health and agriculture sectors, the two most priority areas for the government, were spared from the cost-cutting move.

Later the finance ministry gradually softened its stance on the disbursement of funds for the low-priority projects bowing down to the pressures from the line ministries and also because of the improvement in revenue collection.

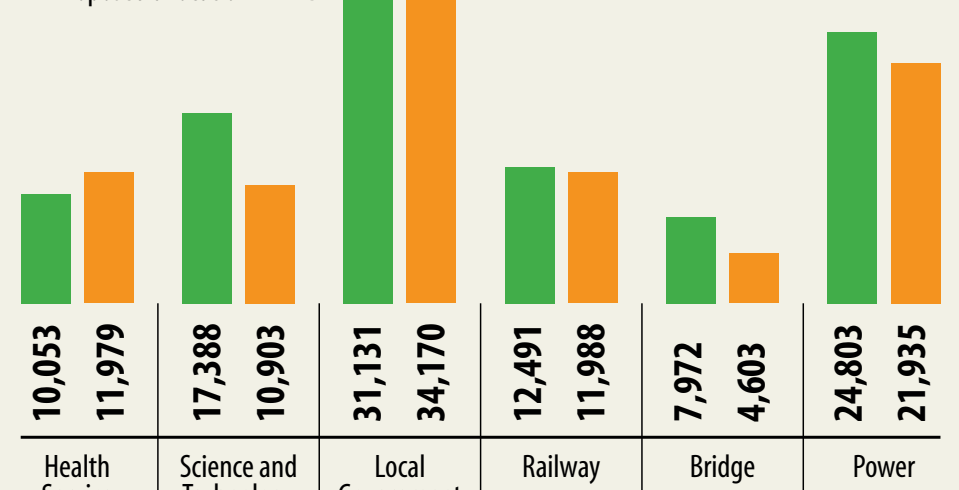
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PROPOSED REVISED ALLOCATION FOR TOP SIX DIVISIONS (Tk in crore)

SOURCE:

■ ADP allocation

■ Proposed allocation in RADP



Policy to award industrial innovation, diversification

Defaulters, health-hazard product makers ineligible

JAGARAN CHAKMA

The government has framed a policy to encourage industrialisation, creative efforts and manufacturing of goods that would diversify and act as substitutes to the current range of imports.

It will also encourage manufacture of technology-based products to cater to domestic and international demand.

Under the President's Industrial Development Award Policy 2020, issued through an industries ministry gazette, the government will present 18 awards to entrepreneurs under six categories - large, medium, small, cottage, micro and hi-tech.

The policy comes seven years past a directive under which a President's Industrial Development Award was being presented.

The industries ministry will invite applications through circulars on its website, newspapers and notice boards in offices of the 64 deputy commissioners from January to February every year.

The applications will be sorted based on a 150-point evaluation system under 20 criteria.

Points can be won based on annual turnover, production of import substitutes, use of locally available raw materials, employment generation, environment protection and roles showcasing whether one is socially responsible.

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In a bid to encourage industrialisation, the government will frame a policy to award green industrialists.

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DCCI urges govt to ensure smooth LDC graduation

STAR BUSINESS REPORT

Bangladesh should sign trade deals with potential export destinations to ensure preferential access to the markets after graduating from the group of least-developed countries in 2026, according to the Dhaka Chamber of Commerce and Industry (DCCI).

To ensure a smooth transition and address post-graduation challenges, the government needs to sign free trade agreements, preferential trade agreements, or regional trade agreements, the chamber said in a statement.

Besides, preparation should be taken to implement the terms and conditions of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreements, establish high-value product design and innovation centres with disruptive technology, secure international quality assurance certification, and develop new markets.

To develop new markets, particularly in Southeast Asia and Africa, policy and institutional reforms are needed to boost private and foreign investment, while the revenue structure should be automated for a higher tax-to-GDP ratio.

Modernisation and efficient supply chain and logistics infrastructure are also



required, the DCCI said.

"These are expected to leverage our economic graduation and gain its dividends in the country's best interest."

The United Nations Committee for Development Policy (UN CDP) on Friday recommended Bangladesh's graduation after the second triennial review of the LDC category.

Bangladesh secured its graduation by meeting all three of the required criteria -- income per capita, human assets index, and economic vulnerability index -- for the second time.

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